

Focus on Quality, Design & Branding May Boost Exports



Clockwise from the left: Amit Kapoor & Anandita Doda



INDIA'S MANUFACTURING and service sectors have long competed on the strength of cost efficiency. The manufacturing sector, which contributed 14 per cent to the GDP in FY 2024-25 and grew by 4.26 per cent this year, is being refashioned into a global export and innovation hub. However, sustaining this growth requires shifting from cost-volume expansion to value-driven competitiveness. The next stage of growth depends on reinforcing three pillars, namely quality systems, design capability and brand building, that together convert operational capacity into enduring pricing power.

The Index of Industrial Production (IIP) rose by 3.5 per cent in July 2025, supported by a 5.4 per cent surge in manufacturing output, reflective of widespread enhancements in quality systems and process controls across industry. Sectors like electrical equipment which grew by 15.9 per cent and basic metals that grew by 12.7 per cent, led this growth. This points to improved use of quality standards, traceability, and digital systems which are the factors associated with stronger export readiness. Initiatives such as the National Manufacturing Mission (NMM) and Production-Linked Incentive (PLI) schemes have integrated quality compliance into financial incentives, motivating firms to incorporate ISO certifications, AS9100 standards, and digital quality management.

But our certification density is still thin where it matters: India accounts for only 6.88 per cent share of ISO 9001 Quality Certificates as compared to 33.64 in the EU and 4.34 per cent of global green certificates versus 30.42 per cent in the EU, where these norms have been standard for years. Since buyers often pre-screen sup-

pliers on accredited quality and sustainability, expanding certifications such as ISO 9001/14001 must be the next step to convert output gains into durable market access and price premiums. India will advance by making scale and quality work together on the shop floor. Participating companies boast high export growth rates annually, underscoring how quality benchmarks are now becoming decisive factors in winning contracts and securing supplier status in global supply chains.

India's next leap will depend on how well it learns to design, not just to manufacture its future. Design is the act of shaping intent into experience. It gives form and function to intelligence, deciding how things work, how they feel, and ultimately, how they endure. A mature design ecosystem can bridge India's proven strength in cost-efficient production with innovation-driven value creation. Around the world, companies that lead on design don't just sell products, they shape experiences and expectations. Design turns usability into loyalty, and convenience into culture. India's natural talent for innova-



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tion and improvisation must now evolve into a discipline of refinement where design is not an aesthetic afterthought, but the operating principle guiding how things are made, used, and perceived.

Globally, design-led manufacturers from Korea's electronics firms to Germany's machinery Mittelstand integrate product design, rapid prototyping, and in-house testing into their production cycles. This integration reduces recalls, shortens iteration times, and earns price premiums. China, too, proved that mastery of process comes before mastery of perception: disciplined learning on the factory floor laid the foundation for the brands that followed.

As per the Design Council UK's Designing Demand case study, for every

£1 businesses invest in design, they can expect over £20 in increased revenues, over £4 in net operating profit, and over £5 in increased exports. India now boasts over 300 mobile manufacturing units, a dramatic rise from just two a decade ago with local value addition climbing from 30 per cent to 70 per cent.

By embracing design localisation, 3D simulation, and rapid prototyping, India has emerged as the second-largest mobile producer globally. These advances have shortened the "concept-to-market" timeline and strengthened India's credibility with global OEMs. The rise of digital twins in automotive and aerospace clusters shows how design thinking is merging with advanced engineering, enabling virtual testing,

predictive manufacturing, and smarter use of resources. India is now entering a value-driven phase where design translates industrial capability into trust, efficiency, and pricing power. Yet as global standards evolve, the bar for design-led competitiveness keeps rising.

Building brand is another essential step to capitalise on quality and design investments into higher and sustainable margins. On Indian shelves, UNIQLO basics and Shin Ramyun now sell at a premium, largely because branding and consistency have made them better choices for many consumers. Haldiram's shows an Indian brand can do the same by standardising quality, packaging, and distribution to move snacks from a low-margin commodity to a higher-priced, trusted label. Even though manufacturing exports grew by 6.18 per cent year-on-year, yet our export basket is still heavy in intermediates and capital goods with limited consumer-facing value addition. Value addition and margins remain limited compared to consumer-facing segments. For instance, a diverse range of products like Darjeeling tea, Banarasi silk, Jaipur jewelry, or Malabar spices, hold the potential to build strong brands. This



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highlights the ongoing imperative for Indian manufacturers to enhance value creation through stronger branding, design innovation, and direct engagement with end markets to capture large markets and higher returns. Success in India requires a focussed launch and sustained awareness-building.

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three pillars to move up the value chain. On the design front, despite having a robust talent pool, Indian manufacturers often struggle to blend design thinking deeply into product development cycles, limiting their ability to deliver globally differentiated and user-centric innovations.

Branding, too, remains a weak spot for many Indian firms, particularly beyond a select few well-known names. Indian companies frequently underinvest or don't invest altogether in brand building, digital marketing, and consumer engagement, resulting in missed opportunities to demand premium price and expand international market share. Indian firms spend just ~1.4 per cent of revenue on marketing vs ~7.7 per cent globally, with national ad spend at just ~0.4 per cent of GDP vs

~0.85 per cent globally. Additionally, the ecosystem for design-led innovation and brand development is still unfolding. It might be held back by limited venture capital for design startups and challenges in intellectual property protection.

Addressing these gaps is critical for India's transition from volume-driven growth to sustained, value-based competitiveness. If customers trust the build, love the design, and feel supported after purchase, pricing power follows and with it, the next chapter of India's manufacturing story. **BW**

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