

Suntory in India: Mixing Global Strategy with Local Taste

Sandeep Puri

Asian Institute of Management, Philippines

Nikeeta Jain and Harish Nath

Indian Institute of Management Shillong, India

Rakesh Singh

Institute of Management Technology Ghaziabad, India

Abstract. In June 2024, Suntory Holdings, the Japanese brewing and distilling multinational, unveiled plans to expand into India as part of its broader global growth strategy. The goal was to tap into India's fast-growing consumer base and build a durable presence, with a target that by 2030, the India unit would contribute more than 10 percent of Suntory's global business, scaling up considerably from its current footprint. Suntory also aimed to position India as a regional hub for its African operations. While the opportunity was substantial, given Suntory's strong brand equity and the rising demand for premium and imported spirits, the company needed to navigate complex regulations, fend off entrenched local and global competitors, and balance global brand equity with local tastes.

Keywords: global strategy, international marketing, product adaptation, pricing strategy, regulatory navigation, macroenvironmental challenges.

Disclaimer: This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Suntory Group or any of its employees.

1. Introduction

In June 2024, Suntory Holdings, a leading Japanese multinational company specialising in brewing and distilling, announced its expansion plan in India,¹ as part of its global expansion strategy, aiming to tap into India's rapidly growing consumer base and establish itself as a significant player in the country. It

-
1. Sotaro Yumae, Suntory eyes India as production and export hub: CEO, Nikkei Asia, June 26, 2024. <https://asia.nikkei.com/Business/Food-Beverage/Suntory-eyes-India-as-production-and-export-hub-CEO>

This shortened version of the article is for promotional purposes on publicly accessible databases.

Readers who wish to obtain the full text version of the article can order it via the url

<https://www.neilsonjournals.com/JIBE/abstractjibe20suntory.html>

Any enquiries, please contact the Publishing Editor, Peter Neilson pneilson@neilsonjournals.com

© NeilsonJournals Publishing 2025.

established a subsidiary, Suntory India, to oversee the expansion of its spirits business and to explore opportunities in soft drinks and health and wellness products.² Suntory's entry into India was part of a long-term strategy to make India one of its key markets, with the intention of having an India unit contributing more than 10 percent to its global business by 2030. Suntory also intended to use Suntory India as a "hub" for African markets, leveraging India's position as a key geopolitical player on the global stage and its strong ties to Africa, the Middle East, and Asia.³ However, despite the strategic benefits and marketing opportunities to expand its brand equity following a general rise in alcohol consumption, Suntory needed to navigate India's complex regulatory environment, a highly competitive beverage market with established national and international players, and the decline in the sales growth of Scotch and foreign whiskies in 2024 due to consumer preference for local whisky.⁴

In this scenario, how could Suntory navigate macro-environmental factors and competitive forces to craft its entry into the Indian market and align it with its global portfolio expansion? Considering Suntory had announced possible tie-ups with Indian brands, similar to the one with PepsiCo in Vietnam,⁵ what risks and benefits could it expect when forming strategic alliances in India? As Suntory weighs these questions, its key dilemma is: How can it leverage its global strengths and premium image while effectively adapting to India's unique consumer preferences and regulatory environment to achieve sustainable growth and market share? Should Suntory focus on leveraging its global premium brand image to target affluent urban consumers in India, or should it prioritize adapting its products and marketing strategies to local tastes and preferences to compete with established domestic brands?

2. Company Background

In 1899, Shinjiro Torii established a Japanese wine and Western liquor store in Osaka, Japan, which later became the renowned Suntory House. The launch of Akadama Port Wine in 1907 helped establish Western liquor culture in Japan. In 1921, the store became the company Kotobukiya. Fuelled by the ambition to

-
2. Suntory eyes India as production and export hub: CEO, Suntory News Release, June 27, 2024, <https://www.suntory.com/news/article/14621E.html>
 3. Eloise Feilden, Suntory CEO lays out plans for India division, *The Drinks Business*, July 9, 2024, <https://www.thedrinksbusiness.com/2024/07/suntory-ceo-lays-out-plans-for-india-division/>
 4. Sagar Malviya, Scotch, premium foreign whiskies see fall in sales growth as Indians go for local whisky, *The Economic Times*, July 10, 2024, <https://economictimes.indiatimes.com/industry/cons-products/liquor/scotch-premium-foreign-whiskies-see-fall-in-sales-growth-as-indians-go-for-local-whisky/articleshow/111642077.cms>
 5. PepsiCo and Suntory Agree to Form Strategic Beverage Alliance in Vietnam, *PR Newswire*, October 22, 2012, <https://www.prnewswire.com/news-releases/pepsico-and-suntory-agree-to-form-strategic-beverage-alliance-in-vietnam-175334211.html>