

Case Title: UPS in India—Time to Shift Gears?

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Abstract

Taking over as the CEO in 2014, Mr. David Abney announced that expansion in the emerging markets was his number one priority and the company would make acquisitions to build capabilities overseas. This goal meant deeper penetration of the growing Southeast Asian economies. India represented a lucrative opportunity as one of the largest economies in the world with a GDP of over \$2 trillion. Not only was the market large, it was growing fast at a rate of over seven percent annually—despite the global slowdown. UPS had already entered the Indian courier service market, although a period of neglect had allowed DHL to enter, partner with Blue Dart, and win three times the market share of its next largest competitor. UPS with its renewed global strategy was returning to India but now faced intense competition. Despite the competition, India offered a huge opportunity to established organized players in this segment as the country sought to build roads and infrastructure at a record pace. In 2017, the Goods and Services Tax law converted India into a single market rendering the state borders irrelevant, aiding the seamless movement of goods across the country. The new government, which won the general elections on a development mandate, had also brought in crucial reforms to improve the ease of doing business in India. Given these changed circumstances, what should be UPS's strategy to expand in India? Which lessons from those other markets could be leveraged in India?

Concepts: External Analysis, Competition, Business Strategy, Operations, Corporate Strategy, Strategic Alliances, International Strategy

Context:

- Ticker Symbol: UPS
- Protagonist: Robin Page, Head of Strategy for Asia Pacific at UPS
- Country: USA and India
- Sector: Courier Services Company
- Employee Count: 434,000 (2016)
- Company Revenue: \$60.9B (2016)
- Event Year Begin: 2017
- Event Year End: 2017

Teaching Note: Available