Reaching the mass market of the Base of the Pyramid

- Using the five A’s concept

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Within a period of eight weeks we have had the privilege and honor to carry out a complete study regarding the organizations entry into the Base of the Pyramid Market Segment. We are grateful to have received tremendous support from all the six organizations that took part in this study; GlaxoSmithKline Kenya, Safaricom Kenya, Nestle Limited Kenya, First Energy India, Godrej & Boyce India and Sudiskha Knowledge Solutions.

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Abstract

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The purpose of this study was to investigate how organizations have entered the Base of the Pyramid market segment using the five concepts of; awareness, affordability, accessibility, availability and acceptability. The authors believed that the A concepts needed to be further tested as the model of entry into the BOP market segment.

Qualitative research method was utilized in carrying out the study. The research data collected consisted of semi-structured interviews with six organizations from India and Kenya. The interviews were based on the same question and structure in all cases.

The results revealed that the organizations had applied the five concepts when entering the BOP market segment in ways that resulted in some similarities and some differences. There were four common characteristics on awareness, five common characteristics on affordability, five common characteristics on accessibility, six common characteristics on availability and five common characteristics on acceptability. The study also concluded that there were some differences and similarities between the countries of this study. There were two common characteristics on awareness for the two countries. The rest of characteristics on the other four concepts were different for the two countries.

Keywords; Base of the Pyramid, Awareness, Affordability, Accessibility, Availability, Acceptability, Need, Segment, Market, Price, Innovative communication channels, Partnerships, local entrepreneurs, collaboration, distribution, product adaptation
Abbreviations

Developing Market .............................................................................................................. DMs
Emerging Market .................................................................................................................. EMs
Base of the Pyramid ............................................................................................................ BOP
Multinational organizations ................................................................................................. MNCs
Non-governmental organizations ......................................................................................... NGOs
GlaxoSmithKline ................................................................................................................ GSK
Godrej and Boyce .............................................................................................................. G&B

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1. Introduction

This chapter will work as a brief description of the research area, which this thesis is based on. The description will be based on a background and a problem discussion, which will lead down to the purpose and then the research question. The chapter will end with an outline of how the thesis has been written.

1.1 Background

Developed markets (DM’s) are becoming saturated, and this means that multinational companies (MNCs) needs to shift their focus, and put more effort into untapped markets, which is the emerging markets (EM’s). In the emerging markets, there often exist high buying power at the top of the pyramid, and these are the ones that get the main focus from organizations in developed country markets (London and Hart, 2004). This fact is however changing; MNCs have started to realize the potential of focusing their products to the base of the pyramid (BOP) as opposed to focusing just at the top (Chikweche and Fletcher, 2012; Shah, 2012). The BOP is the lowest level of the socioeconomic pyramid, which is based on income per capita and purchasing power of the global population. The Pyramid consists of three levels, the top segment, the middle segment and the BOP segment (London and Hart, 2011; Gupta and Khiji, 2013.

The BOP segment consists of four billion people, and it’s the fastest-growing and largest customer segment in the world. It has annual purchasing power parity (PPP) of less than 1500 us dollars per year (Prahalad and Hart, 2002). The people within the BOP have enormous unmet needs, and along with their broad need for solutions they have an estimated buying power of five trillion dollars per year. Seemingly, this makes the segment highly potential for organizations (Subrahmanyan and Gomez Arias, 2008; Prahalad, 2012). According to Prahalad (2012), estimates carried out indicate that the purchasing power of the BOP will further increase and that around 2.6 billion BOP consumers become middleclass by 2020.

The BOP segment means enormous possibilities and opportunities for MNCs. Key emerging markets are; India, China, Mexico, Brazil and Indonesia. These countries have been reached by MNCs however, with inadequate strategies, not specifically designed for the markets and their specific needs (Prahalad & Lieberthal, 1998). MNCs often tap into the top segment of the BOP in the EMs meaning that they are only reaching the top of the iceberg, and not the mass
consumer market at the bottom. The BOP consumers, who are least, acknowledged by the MNCs account for the biggest population in the world and they live on less than 2 dollars per day. According to Chikweche & Fletcher (2012), the MNCs have traditionally focused their business models on market segments at the top of the pyramid and who as well have a high buying power whilst simply ignoring the BOP consumers. However, in the recent years the EM’s have become more important for organizations growth and as a result the BOP consumers can’t be ignored anymore.

The BOP consumers’ needs cannot be met using solutions designed for developed markets. This is because they do not have the buying power or similar needs as the consumers in the developed markets. They therefore need different solutions in relation from those applied to consumers at the top of the pyramid. MNCs need to wholly rethink their strategies, products and capabilities in order to be able to tap into the BOP segment (Govindarajan and Trimble, 2012; Shah, 2012). There is limited research and validated theories of tools and models as well solutions of how MNCs can formulate or even adapt their international strategies for emerging markets or specifically the BOP markets (Govindarajan and Ramamurti, 2011).

1.1.1 The Global Economy Pyramid
Multinational companies focus their global strategies on three different tiers. These tiers are; The Top Tier, The Second Tier and Base of the Pyramid (Prahalad and Hart, 2002; Peng, 2006; Peng, 2011). These tiers are all based on the purchasing power parity in US dollars per year, which can be translated into gross national product (Hart, 2010; Peng, 2011). The Global Economy Pyramid is shown in the figure below.
The top tier consists of upper-income people from developed countries, especially from Europe, US and Japan (Hart, 2010). There are approximately 1 billion people (800-1000 million) who are a part of the top segment, in terms of income in the global economy. The people within the top tier have a per capita annual income of 15,000-20,000 or more in US dollars and they are seen as wealthy (Peng, 2006; Hart, 2010; Peng, 2011). The top segment has been the main income source for companies during the past century (Hart, 2010).

The second tier consist of middle-income people from both developed, and un-developed countries, examples of these countries are Russia and Brazil (Hart, 2010). There are about 2 billion people that are based in the second tier in terms of global economy. The second tier people are those who have a per capita annual income of 1,500 – 15,000 US dollars, and they are seen as the emerging middle class of the world (Peng, 2006; Hart, 2010; Peng, 2011). The middle class received more attention from companies when the communism fell in the 1980s, and has since been an important segment for MNCs (Hart, 2010).

The last tier is the base of pyramid. This tier consists of low-income people from mainly undeveloped countries; they have been bypassed by globalization (Hart, 2010). There are approximately four billion people who are placed in the BOP tier, which makes it the largest
segment. These people have a lower per capita annual income than 1,500 US dollars; they are seen as the poorest people of the world (Peng, 2006; Hart, 2010; Peng, 2011). The BOP consists of two thirds of the global population and organizations have ignored them. Yet they have a massive amount of unmet needs and lack connection to globalization (Hart, 2010).

1.1.2 The Shift in Global Economy
The increased globalization and restructuring of geopolitical markets has caused a shift in the European business world, where both business opportunities and threats have been created (Jansson & Boye, 2010). The previously existed trade barriers such as time zones, languages, and cultures have decreased and made it possible for the countries’ economies to become a part of a global system. This in turn has made it both easier and necessary for many companies to expand into foreign markets (Hill, 1994). Organizations are therefore looking for ways to leverage both new and emerging markets. They are exploring emerging markets as well as the historically overlooked - low purchasing power markets (Arnould E & Mohr J, 2005).

In their quest to enter the EMs most MNCs have previously focused on the wealthy at the top of the pyramid with products and business models aped from the developed world (Arnold and Quelch 1998) almost ignoring the BOP. However, in the recent past the huge base of potential customers at the base of the pyramid has attracted attention from some MNCs. According to (London t & Hart S, 2004) the BOP customers have needs that have not been previously addressed thus posing significant business opportunities. However, reaching these markets not only pose tremendous opportunities but also unique challenges to the MNCs. (London T & Hart S, 2004). The BOP consists of over 4 billion people with the buying power estimated at five trillion dollars per year (Prahalad, 2012). They are the fastest-growing segment in the world and the purchasing power is estimated to increase further by 2020 (London T & Hart S, 2004 and Prahalad, 2012).

1.1.3 Base of the Pyramid
According to Prahalad (2011), the BOP is a large untapped market, which is currently served by the unorganized sector that is mostly inefficient and is controlled by local monopolies. In some cases they are hugely exploited by predatory suppliers as well as intermediary’s suppliers (Prahalad C. K & Hammond, 2002). The challenge therefore is to convert the sector into a more organized private market. Prahalad (2011) highlights that; by 2010 over four billion people around the globe had been connected to wireless devices. And that in India alone over
10 million became new subscribers between 2008 and early part of 2009. He therefore suggests that it is BOP is too large a market to ignore. Different analytical tools have been applied in analyzing the BOP market; - the geographic poverty mapping which has mostly been used by actors from both public and non-profit sphere. It highlights the geographic variations in poverty, design and targets their interventions. Furthermore it also points out and coordinates priority areas of their operational programs and activities and as a result determines where to best allocate their budget as well as monitor operations. This is aimed at increasing transparency and social accountability (Acosta et al 2011). The second one is the market heap map which was recently designed by Acosta et all (2011) to be used in examining how inclusive the poor people’s market areas are compared to the non-poor.

However, the model that has dominated the marketing practice and research since its inception is the marketing mix – the 4Ps. The model constituting product, price, promotion and place as a toolkit to be used by marketing managers to influence or manipulate customers Hollensen, 2011 (as cited in Fletcher & Chikweche, 2012). Some researchers have criticized this model by pointing out some limitations such as its inability to address issues like importance or relationships and the different issues involved in services marketing (Fletcher & Chikweche, 2012). Another criticism is that the model was designed for an individualistic society and that it does not take into account circumstances in highly collectivist environments like those usually found at the BOP (Fletcher & Chikweche, 2012). According to Prahalad (2011) the 4Ps model is not applicable to the BOP and he therefore suggests another model – the 4As, which constitute of awareness, accessibility, affordability as well as availability. He suggests in his research that in order to convert the BOP into micro consumers, micro producers, micro investors as well as innovators require a focus on the 4A model

1.2 Problem discussion

Many factors have influenced people to take note of business at the BOP. Organizations have received increasing calls to proactively engage in social issues such as alleviating poverty (Gollakota et all, 2010). Furthermore, as western world markets have become saturated, necessity and opportunity for the BOP markets has become prevalent. Consequently pushing MNCs to expand their traditional customer base. Prahalad was among the first researchers to draw attention to the hidden opportunity at the BOP segment – the two thirds of the world’s population making less than $2,000 per day (Gallakota et all, 2010). According to Prahalad &
Hammond (2002) the needs of the people at the base of the pyramid are similar to those in the developed markets. The needs include clean water, energy, medicine, transportation as well as communication with friends and family. They also contended that small local firms do not necessarily provide the BOP consumers with cheaper products, as it is believed. On the other hand several MNCs who have made changes to their offerings to meet their customers at the BOP have achieved positive results (Gallakota et all, 2010).

London & Hart (2004) note that serving the BOP customers offers great opportunities for MNCs but warn of challenges in the segment too. The majority of the BOP segment is located in hidden, informal economies that are not a part of an official countries statistics. This subsequently makes the choice of entry in the BOP market complex and hard to plan. A business model will influence possible choices of entry modes along with other vital launch decisions (London, 2010). According to Mohr et al (2012), several factors affect an organizations approach when undertaking a BOP initiative. One aspect of this new approach is that the strategy needs to bind the informal economy with the informal one (London and Hart, 2012). These factors however cannot be analyzed using the traditional 4Ps model (product, price, place and promotion) as they are inadequate in creating a sustainable society (Prahalad, 2012). They should instead be replaced by Prahalad’s 4As (awareness, accessibility, availability and affordability) which advocates for the creation of buying power among BOP consumers in a way that allows poverty alleviation, enhances sustainability as well as infrastructural amenities (Chatterjee, 2009). Anderson and Billou (2007) on the other hand carried out their own research and came up with a slightly different set of 4As (Availability, Affordability, Acceptability and Awareness) replacing Accessibility with Acceptability. According to Prahalad (2012) the 4P model (Product, Price, Place and Promotion) has been inadequate in the creation of a sustainable society in the BOP segment. He therefore proposes that it should be replaced by creation of power among the BOP consumers, which in return will allow alleviation of poverty, encourage sustainability as well as infrastructural amenities. He believes that the 4As model would support these factors. They include awareness, accessibility, affordability and availability. Dolan and Scott (2009, 03.04.2013) reiterate that in contrast to ways in which businesses provide products and services in developed markets, BOP consumers require organizations to experiment new models and ways of addressing the 4As. The 4A’s can be seen both as a strategy and a model for analyzing how a specific company handles the BOP segment. Enough researchers however have not validated the relevance of the
model and as a result there is not much literature discussing the implementation of the model in the BOP segment (Selos and Mair, 2007). London & Hart (2011) also note that even though literature states that the 4As model is important for MNCs success in the BOP segment, there is actually no theoretical framework on how to handle model. Dolan and Scott (2009, 03.04.2013) reiterate that in contrast to ways in which businesses provide products and services in developed markets, BOP consumers require organizations to experiment new models and ways of addressing the 4As.Govindarajan and Ramamurti (2011) further state the that there is a broad need to have more case studies so as to be able to get a validated model that can work as a successful strategy to reach the BOP segment and its consumers. The 4As as described by the Prahalad as well as Anderson and Billou both pose an interesting field that requires more testing of the model in the actual field to see its validity. Rather than attempt to apply the traditional marketing models for this study, the authors choose to go with the phenomenon, which is the the 4As by Prahalad (2012) and 4As by Anderson and Billou (220) which are a proposal and hence require further empirical validation for use in the BOP market segment. Following our literature review we are aware that Prahalad’s 4As model has not received enough empirical study and therefore in this study we set out to empirically test the original 4As model by Prahalad with the aim of validating the model. The study also adds Anderson and Billou’s acceptability to verify its fit into Prahalad’s 4As. This study therefore takes a look at all the 5 A’s from both researchers i.e. (Awareness, Affordability, Availability, Accessibility, Acceptability) and sets out to test them in case studies in India which is one of the biggest BOP markets (Alur & Schoormans, 2012) and Kenya which is a developing nation.

1.3 Purpose

Following the problem discussion the following purpose have been conducted:

- To investigate how organizations have entered the Base of the Pyramid market segment using the five concepts of; Awareness, Affordability, Accessibility, Availability and Acceptability.

1.4 Research Question

To meet the purpose above the following research questions have been formulated:

RQ: 1 How do organizations enter the Base of the Pyramid market segment?
RQ: 2 How do organizations enter the Base of the Pyramid market segment in different countries?
1.5 Outline of Thesis

This subheading works as a mean to illustrate the outline of this thesis. It consists of a figure that describes the different chapters in this thesis, and also a description of what the chapters concerns. The whole figure of the outline is showed below.

Figure 1.2, The Outline of this thesis
2. Literature Review

This chapter explains the theories and concepts that concern the research field of this thesis. It starts generally with the Global Economy pyramid and its funnels down to the Base of Pyramid, and further down to the Four A’s Model. The chapter then goes into the State of Art, and the identification of the research questions regarding this thesis.

Figure 2.1, The Outline of the literature review, adopted from Johnson et al, (2011)
2.4 The Four A’s model

The model of the Four A’s was first brought up to light by C.K Prahalad, who is well known researcher within the international marketing field. The Four A’s are as are; Awareness, Affordability, Accessibility and Availability (Prahalad, 2010). The four A’s model is a strategy of how to reach the BOP segment and the Accessibility concept is replaced with Acceptability by researchers (Anderson and Billou, 2007). The model is displayed below to show the concepts of the model.

Figure 2.2, The Four A’s model, adopted from Anderson and Billou (2007); and Prahalad (2010)

2.4.1 Awareness

Awareness is the degree to what extent customers are aware of a product or service. According to Chikweche & Fletcher, 2012), creating awareness in the BOP segment is a real challenge for organizations due to the zones they live in which are said to be “media dark”. These customers consume neither TV nor newspapers. By creating awareness of the product and service, the BOP consumers and producers would know what is available, the offering and how to use it. Organizations need to find innovative communication channels so as to build product and service awareness (Anderson & Billou2007). Prahalad (2012), points out that there is no one solution that can be applied to all BOP consumers and so it is important to target a specific
Use of micro-entrepreneurs who market products directly to local communities is a much more effective way of creating awareness since they can adapt the mode of communication to the individual cultures in the market (Anderson & Billou, 2007). Furthermore an ecosystem of local entrepreneurs, non-governmental organizations as well as microfinance institutions where the MNE is the coordinator is also another way of building awareness (Prahalad, 2012). He however denotes that the ecosystem should include partners with high local BOP knowledge. Use of social networks as the base of communication has proven to tremendously reduce the cost of communication (Chikweche & Fletcher, 2012). Therefore organizations should optimize their brand recognition when creating awareness in an emerging market (Leavy, 2007). Although Chikweche & Fletcher (2012), caution that communication to the BOP consumers should be product oriented as opposed to brand oriented since they are mainly interested in the product and how it functions. Anderson & Billou (2007) cites the challenge for MNCs building awareness in India. Here the BOP customers lack access to conventional advertising media and as such they opt to mount billboards along roadsides in urban and rural communities.

2.4.2 Affordability
According to Anderson & Billou (2007), BOP consumers have low disposable income and as such products may need to match their cash flows because they receive their income daily as opposed to weekly or monthly. Pricing is one of the most challenging in BOP segment. Some MNCs have been said by researchers to attempt implementing developed market-pricing formulae in the BOP segment but with minimal success (Chikweche & Fletcher, 2012). Anderson & Billou (2007) suggest that organizations have to ensure that the product or service being offered is affordable even though it is the most prevalent problem for organizations in developed economies to reckon with. They call it a hurdle to overcome. Govindarajan & Ramamurti (2011) gathered in their research that organizations which have thrived in the BOP
segment implemented low price margins but high volume sales. Organizations tend to adapt developed markets prices to the emerging markets by decreasing the price and performance to around 70 percent, which could be sufficient for the premium segment. However, what are needed for the BOP segment are products of 50 percent performance at 15 percent of the prices (Govindarajan & Trimble, 2012). They point out that whilst consumers in the developed markets demand high performance products and services, the emerging markets on the other hand need basic products hence creating a performance gap. According to Agnihotri (2012), the consumers in the BOP segment prefer products costing less to those of high quality. These products should therefore be simple, even and tailor-made to the basic needs and in essence eliminate unnecessary attributes not required by the customer (Kachaner et al, 2011). Chikweche & Fletcher, 2012) advice that unconventional and innovative financial techniques are needed for instance paying for usage in installments as opposed to paying off the product on purchase.

2.4.3 Accessibility
According to Prahalad (2012), accessibility is when consumers in remote areas are able to gain access to products and services. For instance electrical products cannot be sold to areas without electricity. Similarly, areas without roads would be inaccessible for trucks delivering products and services. It is therefore important that consumers in these remote locations are able to reach the desired products and services (Prahalad, 2012). The major challenge facing emerging markets lies in the distribution channels caused by poor infrastructure (Anderson & Billou, 2007). Resources from capital markets, product markets as well as labor markets are seldom available in the emerging markets. It is difficult for MNCs to access BOP market in the most cost effective way (Viswanathan & Sridharan, 2011). This poses need for forming partnerships with local organizations in order to exploit the BOP markets. According to Seelos & Mair (2007), when evaluating partners in the emerging markets, organizations should scan the targeted region for companies with business models that are able to serve the BOP segment. They encourage establishing a business relationship with various organizations as early as possible so as to build up scale and scope of business. Chikweche & Fletcher (2012) on the other hand think that distribution challenges indicate that innovative distribution channels are needed in order to exploit the BOP market. They propose that organizations should include local entrepreneurs, social clubs as well as buying groups in the distribution channel to relay existing relationships in the Bop market. In order to create these channels micro financing institutions are needed so as to facilitate loans for the local entrepreneurs to start business
(Prahalad, 2012). Researchers in the field agree that close collaboration of organizations with the local micro finance institutions, non-governmental organizations as well as local entrepreneurs is needed to access the BOP segment. This is because they have the contacts and local knowledge of the BOP market (Shah, 2012; Soete, 2010; Seelos & Mair, 2007). The product should be simple enough for non-experts to sell and distribute (Chikweche & Fletcher, 2012).

2.4.4 Availability
Availability is the level to which customers are able to readily acquire and use a service or product. Managing this however, is a big challenge when in the emerging market (Anderson & Billou, 2007). The BOP consumers only buy products when they have money and the product is readily available in the market. According to Prahalad (2011), in order to build trust and a loyal customer base at the BOP, organizations should ensure an uninterrupted supply products and services. Organizations must therefore ensure that products are available at all times. Johnson (2011) points out that though, that the availability the product or service should be tailor-made for the specific target market and its consumers’ needs. Prahalad (2011) adds that the products must be available within walking distance for the BOP consumers due to their inability to travel long distance. Challenging though is that the BOP consumers are located in isolated regions hard to access making it difficult to manage. Unlike in the developed economies, distribution channels in the BOP markets can be fragmented or non-existent. It is therefore a hard task to simply get products to the people (Anderson & Billou, 2007). For a company to reach a BOP-market they need to overcome the accessibility issues meaning that they need to stretch their supply chain. A factor that would increase the organizations costs (Anderson & Billou, 2007). Chikweche and Fletcher (2012) inform that informal channels such as social networks linked to the BOP are important for organizations product availability in the BOP market. In order to make the product available for BOP market, organizations should involve local entrepreneurs and non-governmental organizations in their distribution system (Chikweche & Fletcher, 2012; Prahalad, 2012).

2.4.5 Acceptability
During their study Anderson & Billou (2007), during the period 2004 to 2005 refined the 4As after a reiterative process of application, testing and adaptation to availability, affordability, acceptability and awareness, omitting accessibility. Acceptability is a challenge when it comes to serving the BOP markets. Organizations need to offer products and services that are adapted
to the specific needs of both customers and distributors. One example is when one China’s leading appliance manufactures Haier. They discovered that poorer customers in rural areas did not believe that buying a washing machine just to carry out laundry was ridiculous. Apart from washing laundry the customers were using the machine to wash potatoes and vegetables in the same machine, which as a result was clogging the drainpipes. Haier then decided to modify its washing machine with bigger drainpipes that would not clog with vegetable peels. They then added instructions on how to clean potatoes and other vegetables. Chatterjee (2012) also carries out a study using Prahalad’s 4As, however in his paper he replaces accessibility with acceptability. Acceptability as a variable therefore presents an interesting angle of the 4As. This study will therefore attempt to verify if acceptability is an addition to Prahalad’s 4As.

### 2.5 Case studies on the BOP

<table>
<thead>
<tr>
<th><strong>Case</strong></th>
<th><strong>How it works</strong></th>
<th><strong>Result for the BOP group</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affordable mobile phone communication in Bangladesh:</strong></td>
<td>The pilot project started with 950 villages bringing very impressive results. The village phone operators increase their income on average by about $300 per year. Much of this additional income was spent on their children’s education and health care. And as such boosting the future development for Bangladesh. The venture improved the status of the Grameen women as a result of providing the new service. Users of the service benefited too because they no longer had to travel long distance and spending more money to secure</td>
<td>Each call saved the average user between $2.70 and $10. A figure that represents up to 10% of household monthly income. Environmental advantages also became clear in sense of vehicle usage and also avoidance of construction for wire-line infrastructure. On average the rural phone booked three times the revenue per phone i.e. $100 per month as compared to the $ per month in the city. It is projected that if extended to all of rural Bangladesh, the business could generate revenues in excess of $100 million per year.</td>
</tr>
</tbody>
</table>
equipment. After the training and equipping the entrepreneur, they could then start selling phone usage on a per-call basis at affordable price to the other villagers.

**Phone Banking in Kenya:**

M-pesa – pioneered in Kenya is a mobile phone-based service for sending, receiving, and storing money. Safaricom – the largest mobile service provider in Kenya, offers it. The customers register for M_PESA at of the over 10,000 agents to open an account, deposit money, make a withdrawal or for customer support services.

The users both in urban and rural areas. Urban to rural transfers is mostly from Men to women in the rural areas.

Customers can use an application on their mobile phone to check their cash balance, send money to family or friends, pay bills, as well as purchase talking airtime. The main bank involved is Commercial Bank of Africa. M-PESA has since its launch in 2007 achieved substantial success. Over 10 million customers are subscribing to the service and an average of 150 million Ksh (USD1.96 million) is transferred through M-PESA daily. By 2009 the system had handled over 130 billion Ksh (US1.7 billion)

Benefits to the Kenyan community as a whole by creating jobs for the different agents who in turn employ assistants. Has eliminated the cost of opening a bank account with the traditional banks, increased business transactions and loan facilities due to the payment efficiencies and localized services.

**Battery-driven refrigerator in India:**

Chotukool – is a part of Godrej and Boyce home appliance division. The company has its main focus on the Indian market, The refrigerator has a 43-48 liters capacity. Its main selling point is the fact that it’s a portable, battery driven refrigerator with low energy-

The main problem with reaching the rural India, as a target group was that they didn’t realized their need for the product. Chotukool took help from local
where 400 million people uses at least of G & B’s products everyday. The rural India, which Chotukool was aimed for has very specific needs when it comes to energy consumption, as power shortages are a common phenomena. The Chotukool refrigerator has a built in 12-hour battery backup which makes it possible for the target group to keep their food and beverages longer. The product was co-created with rural Indian women in order to suit their specific needs.

consumption. The price of the Chotukool is 65-70 US Dollars. All aspects of the product have been based on the specific needs of Rural India. Chotukool has made extensive market research before they launched their product. They realized that general marketing such as TV and Radio wouldn’t reach their target group. Instead they went out to villages and educated their possible customers by explaining the need and the solution. Chotukool reached around 200’000 sold units in the first two years. entrepreneurs, MFI’s and NGO’s in order to market their product. This was done through word-of-mouth. They de-skilled their product so that the target group could learn to use the product and understand why they actually need it. The Chotukool is completely based in the rural India segment. It consists of a low number of parts, and a replaceable lid, which means that it’s easy to service and fix the product. The customers are able to order the Chotukool at the closest postal office. The product has helped a lot of people, and it will continue to do so.

<table>
<thead>
<tr>
<th>Table 2.1, Case studies of the BOP</th>
</tr>
</thead>
</table>

### 2.6 Opportunities and Challenges of the BOP

According to Seelos & Mair (2007) the critical aspects when evaluating the attractiveness of doing business in underdeveloped markets is first establish whether to do it and how to do it. Researchers together with companies have established a case for organizations who are serving the BOP and therefore MNCs need to overcome their ‘imperialist mindset’ and start considering less developed nations as potential markets (Prahalad & Lieberthal, 1998). It is an opportunity for MNC’s facing saturated markets in their homogenous markets to harness growth in the BOP segment, which is a potential market (Arnold & Quelch, 1998). By drawing from their global resource base and superior technology, MNCs have the ability to address local customer needs and develop the BOP markets, subsequently stimulating economic development in poor countries (Prahalad & Hart, 2002). Turning the poor in BOP into
consumers provides not only an effective way of fighting poverty but also creates profit opportunities for the MNCs through operational efficiencies of size and scale (Prahalad & Hammond, 2002). Case studies have signified that the poor are “willing” to consume (London & Hart 2004, Prahalad, 2004). However, unlike in developed markets where organizations are concerned about the willingness of consumers paying for products and services, the challenge in the BOP markets is that the customers are willing to buy but often cannot afford to pay. Lack of sufficient income severely limits their ability to pay and as such pose major challenges for organizations when designing products and managing costs (Seelos & Mair, 2007). The unique social, cultural, as well as the institutional characteristics of the BOP markets show that traditional products, services, and management processes cannot work, therefore MNCs need to strive for new levels of efficiency by drastically reconsidering the entire supply chain (Prahalad, 2004). It is equally argued by Karnani (2007), that any effort to alleviate poverty needs to approach the poor as producers meaning that organizations should revise their supply chains and put more emphasis on buying from the poor as opposed to selling to them.

2.7 State of the art

According to Anderson & Billou (2007), the market for products and services delivered to poor people around the globe is vast. These are the 4 billion consumers at the very bottom of the pyramid – the BOP whose income is less than $1 per day. Even though different researchers as lucrative have authenticated the BOP market, most organizations are still reluctant in penetrating them and instead continue to focus on the middle and upper segments of the developing world. The BOP represents consumers of multiple cultures, ethnic backgrounds, literacy, capabilities as well as needs (Prahalad 2012). They also face many deep routed problems associated with poverty such as hunger, illness and even acute crisis like tsunamis and earthquakes (Mohr et al, 2012). Whilst majority MNCs have opted to leave this consumer segment to local organizations or governments, some have quietly pursued experimental strategies in developing unique products and service propositions (Anderson & Billou, 2007). According to Prahalad (2012) the 4P model (Product, Price, Place and Promotion) has been inadequate in the creation of a sustainable society in the BOP segment. He therefore proposes that it should be replaced by creation of power among the BOP consumers, which in return will allow alleviation of poverty, encourage sustainability as well as infrastructural amenities. He believes that the 4As model would support these factors. Anderson & Billou (2007) refined these 4As model after carrying out an empirical study and they came up with (awareness,
availability, affordability, acceptability) dropping accessibility as originally suggested by Prahalad. They include awareness, accessibility, affordability and availability. Dolan and Scott (2009, 03.04.2013) reiterate that in contrast to ways in which businesses provide products and services in developed markets, BOP consumers require organizations to experiment new models and ways of addressing the 4As. Following our literature review we are aware that Prahalad’s 4As model has not received enough empirical study and therefore in this study we set out to empirically test the original 4As model by Prahalad with the aim of validating it. We further test the variable **acceptability** as refined from the original 4As by Anderson & Billou in 2007 in order to ascertain its importance in place of **accessibility**.

<table>
<thead>
<tr>
<th>Theory</th>
<th>Reference</th>
<th>Acceptance</th>
<th>Validation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>4As</td>
<td>–</td>
<td>Prahalad 2012</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Awareness</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Accessibility</td>
<td></td>
<td></td>
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<tr>
<td>Affordability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4As</td>
<td>Anderson &amp; Billou, 2006</td>
<td>62</td>
<td>6</td>
<td>Emerging</td>
</tr>
<tr>
<td>Awareness</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Affordability</td>
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<tr>
<td>Acceptability</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Availability</td>
<td></td>
<td></td>
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</tbody>
</table>

Table 2.2, The state of the art
2.8 Theoretical framework – conceptualization

The theoretical description and the state of the art conclude that there are different views of which concepts the BOP strategy can be based on. To make the research more clear, the thesis research is described in theoretical framework formed into a model, which is used throughout this research. The model is shown below.

Figure 2.3, The theoretical framework of this study, own illustration.

The suggested model of this research investigates five possible concepts which are; Awareness, Affordability, Accessibility, Availability and Acceptability and how these concepts are related when creating a strategy for reaching the BOP. The model is made to give better understanding how these concepts contributes to the BOP strategy, but also how they work have been taken into account and how they work individually, separated from each other.
3. Methodology
This chapter explains how the research of this thesis was conducted. The research perspective is mainly positivistic since it follows the theoretical framework. The research approach that has been used is abductive and qualitative data will be gathered. The research strategy that has been used is case study with an exploratory design. The data collection will be done by semi-structured interviews. The data analysis will be done by firstly within-case analysis and then also cross-case analysis. There will also be a discussion about the quality criteria’s of the thesis and an operationalization of the interview questions. All the steps taken during the research have been outlined and explained and a summary of the clear chosen methods is summarized.

Figure 3.1, Outline of methodology
3.1 Research Perspective
Research perspective is about the knowledge of theory by the researcher and also how they interpret the empirical realism. There are two perspectives are hermeneutic and positivistic (Johansson-Lindfors, 1993). According to Patel & Davidsson (1994), positivistic perspective is whereby the researcher applies a general theory as a framework to support the study and as such build a hypothesis that can be tested on actual research work in the real world. The researcher should maintain an objective view. Hermeneutic perspective on the other hand discusses that a researcher is restricted in carrying out a perfectly objective interpretation of a situation. The researcher therefore uses their own preferences and suppositions so as to interpret the situation intended for the study (Johansson, 2003).

Research Perspective for this thesis
Positivistic perspective has been used in carrying out the research for this study. The general theory of the BOP and also the A variables (Awareness, Affordability, Accessibility, Availability and Acceptability) as well as have been applied in conducting the study of the Base of the Pyramid market. Firstly different theories on the BOP were read and then screened down to those, which were the most emerging, and then to the proposed ones. This theory then was used to interpret the findings from the empirical data collected.

3.2 Research Approach
The research approach determines how to work in order to achieve the goal and objectives of a research. It is a way of establishing what’s true and what’s not true, and also to be able to draw conclusion from a research (Ghauri and Gronhaug, 2010). The phenomena of research approach are the relation between theory and research. According to Bryman and Buchanan (2009), inductive, deductive and abductive research approaches have enjoyed more recognition and acceptability. A deductive approach is the most commonly used in studies, when it comes to the relationship between research and theory. By having a deductive approach, the research has been built from existing theories, and from those theories the researcher makes up one or more hypotheses which they then reject or approve using data collected (Ghauri and Gronhaug, 2010; Bryman and Bell, 2011). An inductive approach is not used in the same extent as the deductive approach. The inductive approach is the opposite of the deductive approach, and it’s theoretically the result of what the researcher states.
Inductive research aims to create a hypothesis by discovering the agenda of that which is being researched (Winch, 2009). By using an inductive approach, the research efforts lead up to a resulting theory (Ghauri and Gronhaug, 2010; Bryman and Bell, 2011). Abductive approach on the other hand focuses on generating logical and inclusive re-descriptions and understandings of the intentions and accounts of the parties directly and closely involved in particular social situations. The technical concepts and theoretical interpretations are generated and ascertained from concepts and theories in use rather than from a pre-existing abstract theory.

**Research Approach for this thesis**

This thesis was based on abductive approach whereby the interviews were carried out using a questionnaire that generated different answers. Those answers were put in a matrix, which provided meanings that then enabled application of generic words. These were then co-related and linked to enable finding of patterns which were then analyzed using the A concepts from the theory chapter.

**3.3 Research Method**

The research method of a study concerns the technique of gathering data from various sources. The data sources can be based on two origins; Qualitative data and Quantitative data (Bryman and Bell, 2007; 2011). The difference between these two methods is not based on quality, but on the procedure of how to collect them (Ghauri and Gronhaug, 2010).

A qualitative research method is focused on words when it comes to collecting and analyzing data. It is a mean of how to understand what organizations and individual’s thinks about a problem or a subject (Creswell, 2009; Ghauri and Gronhaug, 2010). Qualitative methods goes into depth of people views and perspectives, and it works against giving insights into people’s attitudes, behavior, values, concerns, motivations, culture and lifestyles. The result of qualitative research is often a basis of business decisions. The most common data collection methods for qualitative data are; interviews, focus groups and content analysis (Bryman and Bell, 2007; Yin, 2011).

A quantitative research method on the other hand is based on statistics and numbers. It’s a mean of understanding when it comes to testing theories, and identifying relationships between variables of the research (Creswell, 2009; Ghauri and Gronhaug, 2010). The most common data collection methods for quantitative data are surveys. The most important aspects of
quantitative research method, is that the focus is lying on the relationship of variables, and not
the cause and affect which it leads to (Bryman and Bell, 2007; Ghauri and Gronhaug, 2010).

**Research method for this thesis**
This thesis was based on a qualitative research method. The first reason for this choice was that
the research data would be based on words instead of numbers. The second reason is that the
research purpose was based on new phenomena, which required a deeper insight that only
could be reached by having a qualitative method.

### 3.4 Case study research strategy

According Merriam (1994), Case study method is a study of a particular object or
phenomenon. Case studies involve a thorough analysis of a few selected cases of the
phenomenon of concern (Malhotra, 2010). The advantage for using case studies is that the
subject being studied is taking place in a real life situation. The disadvantage however, is that
the findings from an isolated case study cannot deduce whether the subject studied is common
or if similar occurrences are existent in the other organizations (Merriam, 1994). The data is
obtained from the organization, external secondary sources or by carrying out unstructured
interviews with people conversant with the phenomenon of interest. Yin Case studies are
preferred for research questions that are framed with “How or Why questions” and are carried
out for different objectives (Yin, 2003). For example to frame a hypothesis is explorative case
study while to demonstrate is descriptive. An exploratory research design concerns a subject,
which little is known about, this type of research design is less structured other possible ones.
The exploratory research design is often based on having qualitative data as it goes into depth
about a subject (Richey and Klein, 2007). A descriptive research design is more based on
findings facts, and few dimensions, which are well defined by previous research, often limit the
subject. This type of research design is based on either qualitative or quantitative research
methods (Richey and Klein, 2007).

**Case Study for this thesis**
This study is based on the case study of six different organizations that are based in India an
emerging economy and also Kenya a developing economy. It was also chosen as the
appropriate method due to the ‘How’ in the research question and therefore use of cases would
make it possible to answer the question elaborately. Furthermore the exploratory case study
has been applied during the study so as explore the use of the A variables in the BOP market
which is considered quite a new field in marketing science. This research aims to go into the depth of the study, and as such we see the exploratory research design as most suitable. The organizations have been carefully selected so as to establish the phenomenon of the A variables as well as the acceptability variable.

3.5 Population and Sampling

According to Malhotra (2010) sampling design is initialized by defining the target population, which is the grouping of elements or objects that have the information required by the researcher and about which interpretations will be made.

Target population for this thesis

The target population for this paper is the organizations, which are already operating in the BOP market segment both SMEs and MNCs, specifically in India, which is an emerging market, and Kenya, which is a developing nations market. A large representation of the BOP consumers are based in these countries and there are also on going BOP projects already in the countries. This thesis haven’t been able to find any reliable sources on how many companies that are active in the BOP market, not even on a global level and more specially not for India nor Kenya.

3.5.1 Sampling Frame

The sampling frame is a depiction of the components of the target population and comprises of a list of directions used to identify the target population for example use of the telephone directory. The respondents could be selected with respect to demographic characteristics, understanding, product usage and other characteristics to ensure that they quantify the principles for the target population (Malhotra, 2010).

Sampling frame for this thesis

As for this study Google was used to search for organizations operating in the BOP segment some of which were linked to the BOP protocol, an association formed by researchers and MNCs to alleviate poverty. These organizations we specially selected from India because it is an emerging market and also has heard produced several BOP projects. Kenya also a developing nation was mentioned by the BOP protocol as a home to several BOP projects and as such it fitted into the framework.
3.5.2 Judgmental Sampling
It is a form of convenience sampling whereby the population features are purposely selected based on the judgment of the researcher. Basically the researcher selects the basics to be included in the sample because he/she believes that they represent the organization (Malhotra, 2010). The organizations selected for this study are offering products and services to the BOP segment.

3.6 Data Collection
There are two types of data that can be gathered for a research, its either primary data or secondary data (Stevens, 2006; Bryman and Bell, 2007). Primary data is data that which gets collected at first hand, this can be done by interviews or focus groups when there are questions that regards a specific area. The major benefit of primary data, is that its specific for a research and that its up to date, but the downside is that it takes a lot of time and resources to gather this type of data (Stevens 2006, Bryman and Bell, 2007).

Secondary data is data that’s been collected towards another research, or that it has been written by someone else (Stevens, 2006). Secondary data is often data that comes from annual reports, documents and articles. The major benefit of having secondary data is that is can be used to define research problems, it can work as background for a case or to validate primary data. The downside is that is can be hard to find specific secondary data that can work for your study, and it hard to get validity and reliability in secondary data (Kotler et al, 2008; Bryman et al, 2009).

3.7 Data collection Method
There are different ways of collection data; the collection method is based on what type of data, which are needed in order to answer the research question (Ghauri and Gronhaug, 2010). The collection method is also based on what type research method the data should concern; these methods are either qualitative or quantitative. Qualitative research method can be collected through four methods, these are; interviews, content analysis, observations and focus groups. Quantitative research method is also based on four methods of collection, these are; surveys, structured interview, observations and content analysis (Bryman and Bell, 2011; Hair et al, 2011).
Data Collection for this thesis
This thesis has been based on both primary and secondary data; both of them had to be used in order to solve the research problem. The primary data was the most vital data for the research, as the problem demanded data that was specific and up to date. The primary data was collected through interviewing specific people in the selected organizations. The secondary data that was used, with the aim of validating and confirming primary data, along with bringing more information regarding case studies that’s been done by other researchers regarding the BoP segment and the four A’s. The secondary data was collected from organization websites, BOP bulletins as well as articles. This thesis was based on a qualitative research method, which means that the choice was based on the following collection methods; interview, content analysis, observations and focus groups. As the research aimed to get deepen the understanding of the BOP market phenomenon as well the 5A concepts.

3.7.1 The Interview Method
The interview collection method is a common tool to collect both qualitative and quantitative data. Interviews are seen as a personal collection method as it’s based of one person as an interview, and one person that are being interviewed. The main advantage of interview is that the respondents get the express themselves along with sharing their personal opinions. Interviews often last between 30 minutes up to 60 minutes (Bryman and Bell, 2011; Hair et al, 2011). Personal interviews are seen as an effective way to collect data that’s meaningful, and data that lays on a deeper level. There are three types of interview to choose between; structured, semi-structured and unstructured (Christensen, 2001; Hair et al, 2011). The choice of collection method is vital to the whole research, which makes it important to put a lot of effort while choosing the right method in relation to objectives and aims of the research (Hair et al, 2011).

Interview Method for this thesis
The choice of interview type resulted in a semi-structured approach. The reason for that approach was because the data is not completely based on the first questions asked, but in order to give opportunity to ask as it gives follow up question, and also room for discussion around the question. The semi-structured approach was therefor most suitable for this thesis, so as to provide the authors more broad answers as opposed to predictable and precise answers. The following table shows the set out of the interviews and how they were carried out.
### Table 3.1, Interviewed persons

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organization</th>
<th>Type of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Julius Karina</td>
<td>Brand Manager, Coffee</td>
<td>Nestle Kenya</td>
<td>Skype Interview</td>
</tr>
<tr>
<td>Moses Alobo</td>
<td>Medical Director</td>
<td>GlaxoSmithKline Kenya</td>
<td>Telephone Interview</td>
</tr>
<tr>
<td>Naomi Ngugi</td>
<td>Public Relations Manager</td>
<td>Safaricom Kenya</td>
<td>Telephone Interview</td>
</tr>
<tr>
<td>Mandal Arkajit</td>
<td>Senior Manager</td>
<td>First Energy India</td>
<td>Skype Interview</td>
</tr>
<tr>
<td>G. Sunderraman</td>
<td>Vice President Corporate Development</td>
<td>Godrej &amp; Boyce (G&amp;B) India</td>
<td>Skype Interview</td>
</tr>
<tr>
<td>Nimisha Mittal</td>
<td>Director</td>
<td>Sudiskha Knowledge Solutions India</td>
<td>Skype Interview</td>
</tr>
</tbody>
</table>

#### 3.8 Quality criteria’s

This section of the methodology is focused in the quality criteria’s of this study. It is explained by validity and reliability. These are explained below.

**Research credibility**

Research credibility is also the internal validity in quantitative research. Qualitative research therefore is exemplified by several realities and as such several truths. Research evidence is therefore credible if it symbolizes as satisfactorily as possible the multiple realities discovered by the participants (Polit & Beck, 2013). Reliability and validity do influence the data analysis and the result of the research (Wood & Ross-Kerr, 2010).

**3.8.1 Validity**

A researcher has two goals when carrying out a study; first they should draw valid deductions regarding the effects of the independent variables on the study group and this is referred to as internal validity. Secondly they should make valid generalizations to a larger population of concern (Malhotra, 2010).

**Internal Validity**

This is refers to whether the use of the independent variables really did result into the observed effects on the dependent variables. Internal validity therefore observes whether the founded effects on the test units might have been caused by variables other than the treatment (Malhotra, 2010).
Internal Validity of this thesis

This study had a high internal validity in the sense that assumptions were avoided in the cause and effect relationship used to identify the use of the 4As by organizations. This relationship was assessed by interviews carried out with the representatives of each of the six organizations used as case studies. The representatives were well knowledgeable about their individual organizations' product, marketing and BOP strategies. The findings from the interviews were also analyzed in relation to the theoretical framework. This therefore provided the thesis with different views, which were taken into account by the study.

External Validity

This refers whether the cause and effect relations found in the study can be generalized meaning that can the findings be generalized beyond the experimental situation and if that is the case then to what populations, settings, times, independent variables as well as dependent variables can the findings be projected to (Malhotra, 2010)

External Validity of this thesis

Different observations were carried out in all the six cases studied organizations based in two different countries. This therefore means that the findings can be applied to other external organizations in the BOP segments. However, since it was only tested on 6 organizations from two countries, it might therefore depend on the setting of the external organization seeking to apply the model.

3.8.2 Reliability

This refers to the extent to which a scale yields dependable results if the measurements are repeated. Systematic sources of error have no severe effect on reliability since they affect the measurement in a continuous way and do not lead to inconsistency Malhotra (2010).

Reliability of this thesis

The reliability of the study carried out in this thesis is medium due to a couple of reasons, firstly it was only based on six organizations in the BOP segment and only one of the employees was interviewed. Therefore if several people at the organizations had been interviewed it would have provided a more reliable result. Also the interviews were only done with the organizations but there was no consumer or any associated member of the supply chain.
3.9 Operationalization

The operationalization is the mean of how to develop a measuring instrument, which makes it possible to obtain accurate data about specific research phenomena (Mouton and Marais, 1988). The phenomena that are going to be developed into interview questions are in this thesis, the four A’s and one more variable: Awareness, Affordability, Accessibility, Availability and Acceptability. These variables are based from the conceptualization in chapter two.

The process of operationalization means that the researcher identifies and transforms the theories into a concept of research, which then is put into the empirical chapter (Holme and Solvang, 1997). The operationalization process in qualitative research is based on four steps, which helps define the interview questions along with guiding the gathering of data. The operationalization contributes with precision to the research, and the more specific the operationalization process is the more precise will the research be (Kirby et al, 2006). The theoretical level will by the operationalization be transformed into the practical level, where the concepts of the study is defined and made into questions. The four steps are identified below.

![Diagram](Figure 3.2, The four steps of operationalization, adopted from Kirby et al, 2006.)

3.9.1 The four steps of operationalization

The four steps, which are mentioned above, will be discussed in a flowing text in order to provide a clear view of how the concepts in related to the questions in the interview guide.

The concepts that will work as a basis for this research are: Awareness, Affordability, Accessibility, Availability and Acceptability. The relationships of these five concepts are important to understand because all of them define the strategy, which a company uses in order to reach the BOP segment. The relationship of how these concepts contribute to the strategy will be investigates through semi-structured interviews. The collection method of semi-
structured interviews is believed by this paper to be the most sufficient method to get a deeper understanding how companies developed their strategy for the BOP segment.

The semi-structured interviews are divided into five different sections. The first section is the awareness building of the product that’s aimed for the BOP. The second section is the affordability, which is the extent of price and performance of the products. The third section is accessibility and its based on the distribution of products. The fourth section is availability, which means how a company keeps constant flow of products for the segment. The last and fifth section is acceptability and it means how the product is adapted in terms of needs and possibilities of the consumers in the segment.

The questions for the relationships between the concept and the data for the different concepts is meant to reveal how companies have worked in order to reach the BOP and also how they have reached success for the BOP segment. The questions were formed to be able to identify a general view of how the different concepts contribute to the overall marketing strategy for the BOP.

3.9.2 Theoretical measurement for the interviews
In order to understand how the companies have uses the five concepts of reaching a BOP segment, the researchers constructed a question guidelines, which is based on the theoretical framework in chapter two. The question guideline below will be categorized by the five concepts, and they will therefore have different subheadings to make it more clearly for the reader.
Awareness

The operationalization index is based on the following for the awareness concept. In order to measure the answers provided to the awareness questions, the following key words will be used: of Innovative communication channels, billboards and micro-entrepreneurs (Anderson & Billou, 2007), local partners (Subrahmanyan & Gomez, 2008), Non-traditional partners (Chikweche & Fletcher, 2012), Local-entrepreneurs and Non-governmental organizations-NGOS (Prahalad, 2012), brand recognition (Leavy, 2007). The questions are formulated as followed.

Q1 - How do you make the consumer aware of the product need?

The purpose of this question is to reveal how the company has worked with making the consumers aware of the need for a product. The challenge of creating awareness of the need is proposed by Chikweche & Fletcher (2012) who have identified that the BOP consumers often lives in remote areas which makes them hard to reach.

Q2 - How do you communicate the solution for that need?

The intent of this question is to identify how the company has communicated their specific solution to satisfy the need for the consumers. The knowledge of possible solutions and how to use the solution is based on Anderson & Billou (2007); their research explains the difficulty in motivating a specific solution that can full fill a need.

Q3 - How do you work with education concerning the need and the solution?

The reason for having this question in the interview is to identify how companies worked with educating and showing the possible consumer about the need and the solution. The education of how to teach and identify the solution has been brought up by both Chikweche & Fletcher (2012) and Anderson & Billou (2007); these authors put focus in the products, its function and how to use it.

Q4 - How do you work, in terms of communication channel in order to reach the market segment?

The purpose of this question is based on identifying possible communication channels to reach the market segment of BOP. The communication channels choice is specific to the chosen
markets, and there is no single solution for the whole BOP, which has been brought up by Prahalad (2012). Both Chikweche & Fletcher (2012), and Anderson & Billou (2007) also brings up the problem of reaching consumer in media dark zones, where conventional marketing media isn’t possible.

**Affordability**
The operationalization index is based on the following for the affordability concept. In order to measure the answers provided to the accessibility questions the following key words will be used: Disposable income, Cash flow, affordable product (Anderson & Billou), price and unconventional and innovative financial techniques (Chikweche & Fletcher, 2012). Low price high volumes and product performance (Govindarajan & Ramamurti, 2011), basic products, high performance (Govindarajan & Trimble, 2012), less costly, quality (Agnihotri, 2012), simple and tailor-made (Kachaner et al, 2011). The questions are formulated as followed.

**Q1 - How is the product performance for this segment in relation to the price?**

The purpose of this question is to identify how the companies have adopted their products price and performance in relation to products to developed markets. The decreasing of both price and performance has been brought up by Govindarajan & Trimble (2012), they stress that the price must be decreased for the consumer in the BOP.

**Q2: 1 - How did you price of the product?**

**Q2: 2 - What aspect did you take into consideration when pricing?**

The intent of this question and its sub-question is to identify how the companies prices their products, and also what aspects they took into consideration while pricing the product. The pricing aspect and what to take into consideration has been brought up in many researches; the most vital ones are Kanchaner et al (2011) and Agnihotri (2012).

**Q3: 1 - What where your main objectivities in deciding the price?**

**Q3: 2 - What kind of payment methods was used?**

The reason for this question and its sub-question is to see what the company’s goals and objectives what with their pricing, along with identifying how they made the payment possible.
The goals of pricing have been taken into consideration by Govindarajan & Ramamurti (2011), and the possible cash flow of payment was brought up by Anderson & Billou (2007).

**Accessibility**

The operationalization index is based on the following for the accessibility concept. In order to measure the answers provided for the questions on accessibility, the following key words were used: distribution channels (Anderson & Billou, 2007), micro-financing institutions (Prahalad, 2012), cost effective and partnerships, (Viswanathan & Sridharan, 2011), business relationships (Seelos & Mair, 2007), Innovative distribution channels, social clubs, buying groups and simple product (Chikweche & Fletcher, 2012), microfinance institutions, NGOs and local entrepreneurs (Prahalad, 2012). The questions are formulated as followed.

\[ Q1: 1 - How \textit{do you access the consumers in terms of distribution?} \]

\[ Q1: 2 - \textit{What types of infrastructural obstacles did you face?} \]

The purpose of this question and the sub-question is to identify how companies have work with making it possible to access a reliable infrastructure to a remote area, along with what types of obstacles they faced while doing this. There are various authors that focus on infrastructure when it comes to reaching a BOP segment, the most vital ones is Prahalad (2012), and Anderson & Billou (2007).

\[ Q2 - \textit{Do you collaborate with other organizations to build the distribution channels? If yes, then who and how?} \]

The intent of this question is to see how companies tackled the problem of building reliable distribution channels, and to see if they included partnerships in this process. The importance of working with partners was has been brought up by Seelos & Mair (2007), they focus on the need of local partners to exploit the BOP markets.

\[ Q3 - \textit{How do you manage the timing of distribution in relation to the purchasing power of the segment?} \]
The reason for this question is to see how companies plan their distribution in relation to purchasing power of the BOP segment. This fact has been brought up by Prahalad (2012), who suggest micro financing to ensure loyalty of the consumers, along with making the purchase possible for the consumers when the products arrive to the region.

**Availability**

The operationalization index is based on the following for the availability concept. In order to measure the answers provided to the availability questions, the following key words were used:
- Uninterrupted supply (Prahalad, 2012), supply chain and increased costs (Anderson & Billou, 2007), tailor-made (Johnson, 2011), informal channels, social networks, NGOs, local entrepreneurs (Chikweche & Fletcher, 2012). The questions are formulated as followed.

**Q1 - How did you manage to keep a constant flow of the product?**

The purpose of this question is to identify how companies have worked with ensuring a constant flow of products, which means how companies have made it possible to have the product available at all times. This has been brought up by Prahalad (2012) and Johnson (2011); both of them stress the challenge of making a constant flow of products possible.

**Q2 - What did you do to make sure that the product was always available in stores (or other selling places) near the consumers?**

The intent of this question is not only identifying the constant flow or products, but to go more into the possible selling places, that near the consumers. Prahalad (2012), stresses the importance of having products available in stores near the consumers, as they don’t have the option to travel long distances.

**Q3 - How did you use local partners to make sure that the product and complementary services was constantly available?**

The purpose of this question is to identify what types of partnerships that been used to ensure constant flow of products in the BOP regions. The aspect of using networks to improve the availability of products has been recognized by both Prahalad (2012) and Chikweche & Fletcher (2012).
Q4 - *What actions have you taken to ensure trust and consumer loyalty in terms of the availability of the product?*

The reason for this question is to see if companies have been thinking of loyalty and trust when it comes to availability of products. Prahalad (2012) identifies that trust and loyalty is something you build up by having an uninterrupted flow of products, it’s therefore vital to identify how companies have used the availability to ensure these aspects.

Q5 - *What challenges and obstacles have you experienced when ensuring constant flow of products?*

The purpose of this question is to identify what type of obstacles companies have met when it comes to constant flow of products. As Anderson & Bilou (2007), Chikweche & Fletcher (2012) and Prahalad (2012) discuss the importance of having available products at all times, it’s also important to see what types of obstacles companies have experienced.

**Acceptability**

The operationalization index is based on the following for the acceptability concept. In order to measure the answers provided to the acceptability questions, following key words were used: Adaptation, specific needs and modifications (Anderson and Billou, 2007). The questions are formulated as followed.

Q1 - *How do you work with adapting the product to the needs of the consumers?*

The purpose of this question is to identify how companies have worked with adaptation of products and needs for BOP consumers. Chatterjee (2012) and Anderson & Billou (2007) stress the importance of adapting both products and offerings towards specific needs of BOP markets.

Q2: 1 - *What types of limitations did you face in terms of adaptation in relation to the segments possibilities to use the product?*

Q2: 2 - *What limitations did you face/faced when designing the distribution channels in order to reach the consumers?*
The reason for this question and its sub-questions is to see what kind of limitations and obstacles companies have experienced while working with adopting the usage and distribution towards BOP consumers. This fact has been brought up by both Anderson & Billou (2007) and Prahalad (2012), who both identifies that BOP markets are different from developed markets, and that they need specific strategies.

**Q3: 1 - What aspects were most important in adapting the product?**

**Q3: 2 - How did make the decisions of those specific adaptations?**

The intent of this question is to see how the companies adapted the specific products and what made the adaptation happen. The need of adaptation for specific BOP needs has been brought up by Chatterjee (2012) and Prahalad (2012), the adaptation process has been identified as vital to be successful in BOP markets.

### 3.10 Data analysis method

The data analysis is based on examining and categorizing the empirical data; this is done in order to be able to draw conclusions from the collected data. A data analysis should follows a general analyze strategy which define why and what for the analysis is done (Yin, 2009). The strategies that are most used by researchers are; developing case descriptions, examining rival explanations, mix of qualitative and quantitative data and lastly theoretical propositions. All of these four strategies can be used in relation to the five strategies of analyzing case studies which are; pattern matching, explanation building, time series analysis, logic models and cross case analysis (Yin, 2009).

According to Eisenhardt (1989), the case analysis can be done in three steps i.e.; Within-case analysis, Cross-pattern search and thereafter testing. The main element Within-Case analysis is the measurement in other research strategies whereby the results collected about the significant variables is transcribed into scores that show relevant levels of the values of these variables and the scores can then be compared between cases. In cross case pattern search it is suggested that the researchers first prepare a data matrix and then discover relations in it so as to see whether there are sufficient conditions causing the automatic result. Thereafter look for relevant
conditions that must be available in order to obtain an outcome and finally find relations between changes or differences in the values of variables (Eisenhardt, 1989)

**Data Analysis for this thesis**

The data analysis used in this study is cross case analysis in order to identify the most common characteristics and then use the results to find patterns within each of the six cases and also in relation to the concepts. The method would also help identify the differences and similarities between the two countries Kenya and India.

![Diagram](image)

**Figure 3.3, Data analysis method, adopted from Malhotra, 2006**
4. Empirical Chapter

In this chapter the collected data is discussed. The empirical data will display how the six cases have worked with the five concepts, which are: Awareness, Affordability, Accessibility, Availability and Acceptability. The empirical investigation led to the identification of keywords. These keywords will be used in the analysis and they will also be displayed in models for each of the cases. The keywords will work as basis to identify patterns and linkages between the cases and the countries. The interview transcripts can be seen in appendix 1-6 and the keywords that been identified can be seen in appendix 7. There will also be models in the end of each case that are designed based on appendix 7, these models are designed after the theoretical framework in chapter 2.

4.1 Base of the Pyramid (BOP)

The four billion people living in poverty around the world and who constitute the BOP have a purchasing power of $5 trillion. The Asian community market including the Middle East is by far the largest by $2.86 billion people and a total income of $3.47 trillion. This takes 83% of the region’s total population and its 42% of its combined purchasing power. On the other hand Africa’s BOP market is $429 billion and it represents 71% of the combined purchasing power in this region. The market sector of the BOP ranges from those the relatively small such as water ($20 billion), information and communication technologies ($51 billion to medium scale markets like heath ($158 billion), transportation ($179 billion, housing (332 billion, and energy ($433 billion to really large markets such as food which is $2,895 billion. More than half of the BOP health care spending is for pharmaceuticals. As income rise, the household spending on food goes down while the share of transportation, phone and Internet access spending rises sharply. Access to electricity is uniform across Eastern Europe but high for most BOP households in Asia as well as Latin America and even lower for Africa. Firewood is the dominant cooking fuel for the BOP across all regions except in Eastern Europe. Academic researchers have teamed up with MNCs and non-governmental organizations in forming the Base of the Pyramid Protocol, which was established in 2004.

4.2 Base of the Pyramid Protocol

The BOP Protocol is a pioneering business incubation process, which enables MNCs to generate new business opportunities at the BOP. It is based on a participatory philosophy and it is a model for business co-creation that marries MNCs resources, technologies and best
practices with those of the community. The initiative of the BOP protocol is to forge lasting partnerships between MNCs and income-poor communities. The partners in this Protocol include academic institutions; - Johnson Graduate School of Management at Cornell University and Stephen Ross School of Business at the University of Michigan. MNCs; - DuPont, Hewlett Packard, S.C Johnson Inc., Tetra Pak as well as non-governmental organizations; - World Resources Institute and William Davidson Institute. There aim is to ensure that business development is both sustainable and equitable. The Protocol uses a set of business tools and practices adapted from social anthropology and participatory rural appraisal to build MNCs ‘native capability’ which:

- Engage in profound listening and mutual dialogue with low income communities
- Co-discover and co-create new business opportunities as well as models embedded in the local cultural infrastructure.
- Co-design and launch BOP businesses that generate common value for all partners.

4.3 The concepts of the five A’s:

The data was collected from both small and medium size organizations (SMEs) as well as multinational corporations (MNCs). The interviews were carried out in India and Kenya. The Indian companies that participated were G&B, Sudiskha and First Energy. The Kenyan companies that participated were; - Nestle Kenya Limited, Safaricom Kenya, and GlaxoSmithKline Kenya (GSK) as shown in Figure 9999. During the interviews all the respondents confirmed creating awareness of their products in the BOP market but used different methods to do so. The affordability of the product was a key aspect in the BOP market. All the interviewees ascertained the BOP consumers were located in very remote parts that have difficult terrain and poor infrastructure. They also pointed out that when operating in the BOP market the product needs to be available when the consumers are ready to purchase and therefore the supply has to almost coincide with the payment days. Some of the interviewers noted that the product had to be acceptable to the consumer if they had to produce and sell. The following is the data collected during the interviews from each of the organizations that participated.

<table>
<thead>
<tr>
<th>SMEs</th>
<th>MNCS</th>
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</thead>
<tbody>
<tr>
<td>Sudiskha</td>
<td>Nestle</td>
</tr>
<tr>
<td>First Energy</td>
<td>GlaxoSmithKline</td>
</tr>
<tr>
<td>Safaricom</td>
<td>G&amp;B</td>
</tr>
</tbody>
</table>

Table 4.1, Organization size
4.3.1 GlaxoSmithKline

Is based in Kenya. GlaxoSmithKline (GSK) became operational in 2001 after the merging of GlaxoWellcome plc and SmithKline Beecham plc. The company has however been operational since the 1700s. It is one of the world’s leading research based pharmaceutical and healthcare companies. Augmentin is a broad-spectrum antibiotic that is suitable for the treatment of a wide range of common bacterial infections. Augmentin ES-600 is an extra strength suspension specifically formulated to treat children with recurrent or persistent middle ear infections. The following data was gathered during the interviewees about the five A’s concepts. The transcript of the interview can be seen in appendix 1.

4.3.1.1 Awareness

GSK stated that due to ethical reasons they do not advertise their products but they do use other publications through doctors and local clinics as well as local pharmacies. Healthcare is believed to be a skewed market and therefore the doctors and the patient always stimulate the need for the product.

4.3.1.2 Affordability

GSK in their strategy to reach the BOP consumers slashed most of their products by 50% making their good quality drugs available even to the poor. This move impacted demand in the market almost immediately.

4.3.1.3 Accessibility

In attempt to reach these consumers GSK have embedded into their supply chain; - local entrepreneurs such as pharmacists, clinics and doctors as well as non-governmental healthcare organizations that already have establishments in the market. They can penetrate the rural areas through other means such as motorbikes, cyclists and local bus services.

4.3.1.4 Availability

Although in the case of GSK, the product - Augmentin needs to be available at all times since it is an antibiotic that is commonly prescribed for patients in the country. And so they ensure three months inventories at their local pharmacists. Another point noted was that they have recently introduced an instant messaging system to curb the fake products in the market. Basically they inscribe a code on the medicine packaging and on purchasing the consumers would then text the code back to GSK confirming the medicine as authentic. It is called ‘Hakikisha Dawa’.
4.3.1.5 Acceptability

Augmentin was not modified for the specific market group, but the price was reduced so that the consumers could afford it. They point out that there are many other products in the market most of them fake which can offer similar solutions. In their case therefore it is a need triggered by illness, making the doctor to prescribe the drug and if the consumer thinks it is affordable then they would opt for it. So they believe that when they lowered the price by 50% this made it more acceptable to the consumers.

Figure 4.1, GlaxoSmithKline model, adopted from the theoretical framework
4.3.2 Nestle
Is based in Kenya. Nestle was founded by a German pharmacist Henri Nestle in 1866, in Vevey Switzerland. They opened the first European condensed milk factory in Cham, Switzerland in 1867. He was instrumental in turning the company towards international expansion from the very start. Nestlé’s product portfolio covers almost every food and beverage category amongst which are: - baby foods, bottled water, chocolate and confectionary, coffee, cereals, dairy etc. They operate in over 100 countries. Nescafe was launched in 1938 with an instant success in the market. The sachets of the coffee creama were launched in Kenya for the BOP market in 2010. The following data was gathered during the interviewes about the five A’s concepts. The transcript of the interview can be seen in appendix 2.

4.3.2.1 Awareness
Nestle carries out active marketing awareness using such as the local radio, which transmits in different local languages. In addition they send out groups with vans into the remote communities and offer product sampling of their product (Coffee Creama). They also use local partners’ i.e the local wholesalers’ and retailers, by painting their buildings with the display of the Coffee Creama or other related advertising pictures and information. Furthermore they put up billboards alongside roads translated in local languages.

4.3.2.2 Affordability
The cost of buying one kilogram of coffee creama or more is more expensive for these consumers and so they have made product specifically in Satchets, which is sold at cheaper price. Their strategy is geared towards having products that could cost less and also be available in the single currency coins, which do not require change. The coffee creama satchets are therefore priced in the Ksh20 coins both for the consumers’ convenience as well as the retailers.

4.3.2.3 Accessibility
Nestle collaborates with local entrepreneurs such as wholesalers and retailers who collaborate with local transport network i.e.; motorbikes, cyclists and bus services as this is the most cost effective way of distributing. Their team also goes round with the company cars when delivering and also ensuring enough supply. Due to some cases of insecurity, they can only have their teams out for certain hours of the day in some of the areas and so they ensure to
work closely with the local partners. Furthermore they have started to appoint women from different villages to start selling the coffee creama further into the villages.

4.3.2.4 Availability
Nestle ensures that the local wholesalers have uninterrupted supply to cover all the small retailers in the local communities. Their team efficiency in their supply chains such that the wholesalers will have adequate stocks enough supply to all these wholesalers throughout. They ensure that the wholesalers maintain a certain stock inventory. The selling is also planned around the paydays and market days so the demand and supply is almost predictable.

4.2.3.5 Acceptability
Nestle pointed out that their coffee creama is value for money and has been accepted by their consumers because firstly it offers value for the price because it combines milk, sugar and coffee in one. It is possible to purchase in smaller quantities and it is also easy to prepare thus saving on cooking fuel and time.

Figure 4.2, Nestle model, adopted from the theoretical framework
4.3.3 Safaricom

Safaricom is based in Kenya. Safaricom started as a department of Kenya Posts and Telecommunications Corporation in 1993 and was converted into a public company 2002 when the government sold all its shares to the public and as such relinquishing any control over the organization. Safaricom launched M-pesa money transfer service in 2007. M-pesa is a branchless mobile banking service, which is designed to enable M-pesa customers to complete basic banking transactions i.e. depositing or withdrawing money without actually visiting their bank. The users bank the money on their phone and can withdraw it at any M-pesa outlet, which are owned by M-pesa agents. Since its launch, billions of Kenyan shillings have been transferred directly using the service. The following data was gathered during the interviewees about the five A’s concepts. The transcript of the interview can be seen in appendix 3.

4.3.3.1 Awareness

Safaricom points out that there was already a need of sending money across from the cities to the rural areas by either husbands sending to their wives, or children to their parents. And as soon as the solution was available the same customers that were subscribing for the phone services signed up for the money transfer service too. The other means used were offering to paint the retailer’s shops and ‘kiosks’ with Safaricom logo and in addition uses the local radio broadcasts to send out the message. Furthermore they put up billboards in some of the areas with promotion of their products. They also have confidence in awareness by word of mouth through their customers, partners, agents and retailers.

4.3.3.2 Affordability

When Safaricom introduced the M-pesa, the cost of the phone handset was much more expensive for the BOP consumers and as a result they followed up by introducing cheaper handsets at a cost of Ksh 1,500 which enabled their target market to have own mobile phone handsets. This then meant that all these customers could also subscribe to M-pesa service.

4.3.3.3 Accessibility

Safaricom experiences similar infrastructure challenges, however their services are transmitted through wireless network by phone and so they are not necessarily impacted by these. Their agents are already established in even the most remote parts since they appointed them locally. But in terms of selling the phones they supply phones to local wholesalers who then in return supply to local markets located in the most interior parts.
4.3.3.4 Availability
As for Safaricom the M-Pesa service is already available on the phone the only thing required is that agents have money to dispense to the customers and so it is a requirement that they have a certain level of cash flow when operating as agents.

4.3.3.5 Acceptability
However, M-pesa money transfer is triggered by basic need which is receiving money for daily use and as such, they affirm that the product was already acceptable as soon as it was launched due to the solution it offered.

Figure 4.3, Safaricom model, adopted from the theoretical framework
4.3.4 Godrej and Boyce
Is based in India. Godrej and Boyce (G&B) is a global company focusing mainly on selling home appliance goods in the Indian market and it was founded in 1897 in India. In 2009 they collaborated with an American innovation-consulting firm – Inosight leading the production and launch of a refrigerator Chotukool. Chotukool is a portable 43-48 liter; battery-driven refrigerator made with low energy consumption and it is specifically manufactured for the BOP segment in India. The battery is used whenever the power is off although it would still keeps the items cool during power shortage because of the insulation. The product was co-manufactured with rural women living in villages in India and it is has been tailoring made to suit their specific needs. The product has been successful in India and the volume sales have reached 100,000 units. The following was gathered during the interviewees about the five A’s concepts. The transcript of the interview can be seen in appendix 4.

4.3.4.1 Awareness
As for G&B in India say that their target customers are so hard to reach by any form of media and also are said to be illiterate. G&B therefore selects specific communities and then starts by selecting groups in these communities whom the train to then goes out and spread the availability of the new product. They also partner with local entrepreneurs and non-governmental organizations that have established enterprises in some of the communities and also understand the culture and the geographical setting of the target market.

4.3.4.2 Affordability
G&B started by questioning their customers about the required value in the product and thereafter matched the value to the consumer’s convenient price bearing in mind that they were low wage earners and at the same time could not afford money in bulk.

4.3.4.3 Accessibility:
G&B partners with local retailers and wholesalers so as to reach their BOP consumers. They agree that communication is very difficult particularly due to the different culture and language barrier.

4.3.4.4 Availability
G&B delivers on demand and they also say that it hard to foresee demand so it is their constant presence and checks that will indicate demand after which they will supply the product.
4.3.4.5 Acceptability

G&B. They manufacture Chotukool refrigerator with specific adaptations to the rural women who took part in the product design process, so that it could be useful to the consumer. They also had to bear in mind the lack of electricity in the remote areas as well as lack of running tap water.

Figure 4.4, Godrej and Boyce model, adopted from the theoretical framework
4.3.5 First Energy

Is based in India. The company was launched in 2006 as a British Petroleum initiative for renewable energy. Later in 2009 it was re-launched as a separate entity and moved up to the next level by merging with Alchemists Ark, which was a privately owned business-consulting group. They operate mainly in the Indian market. Oorja biomass cooking stove was developed in partnership with IISc, Bangalore. It is efficient and emits low carbon offering the consumer a green and clean cooking solution. The Stove uses pellets made from food remains such as rice, wheat, sugar or any other food waste material as the main burning fuel. The following was gathered during the interviewes about the five A’s concepts. The transcript of the interview can be seen in appendix 5.

4.3.5.1 Awareness

First energy penetrated into the market easily due to the association with two local non-governmental organizations already operating in the BOP segment. The brand name of BP was an additional advantage in increasing the speed of awareness since it is an established organization in India. They use different ways in creating awareness, which include use of social groups’ i.e selecting local women, offering them the stove and then educating them on how to use it. They would then go out and educate other women in their social groups thus promoting the product. In addition they use such as radio and TV as well as local newspapers. They also use billboards translated in the local dialects to pass the promotional message.

4.3.5.2 Affordability

The Oorja Stove is a bridging solution for the BOP consumers. The traditional cooker LPG is convenient and well known in the market but only affordable to a fraction of the country. The price has therefore been designed with the BOP consumers in mind. The pricing strategy was to enable the product to stand out in the market, bridge the gap and also offer an affordable solution to the poor communities. In the beginning the collaborated with a micro financing company to offer purchasing financial assistantances but it became too complex geographically to manage it and so they stopped. They are however still open to the idea should there be another proposal of microfinance offer.

4.3.5.3 Accessibility

To access the consumers, First Energy has partnered with two NGOs – SSD and USAID that have been operating in the BOP segments in accessing the communities in the rural India. They have successfully built a good distribution network in the rural villages through social women
groups. They however face challenges of justifying low volumes against the cost of transportation in accessing the consumers. So they have to map their distribution well so as to

4.3.5.4 Availability
They have enough supply in stock at local town level and as for the pellets they have a phone service whereby customers can order and as such demand triggers constant flow of the product. They adequate stock in the village has helped build trust and loyalty and also collaborating with Gastro which is a well known brand name in these communities. They endeavor to keep all their systems working in order to keep the customers satisfied.

4.3.5.5 Acceptability
Firstly the fuel the BOP consumers were using was dirty and a health hazard and saw creating the Oorja biomass cooker was developed in consultation with the rural women who are the main users. The cooker was specifically adapted to their needs of clean fuel, economical to manage and could also save time. It was difficult to explain the solution in the beginning and how beneficial it would be to them.

Figure 4.5, First Energy model, adopted from the theoretical framework
4.3.6 Sudiskha

Is based in India. It is a recent innovation started in 2010 by a group of young professionals Naveen Kumar and Nimisha Mittal. They use skills and innovation to bring about uprising in the standards of education across India. They cater for the needs of the under privileged children who form 250 million of the BOP. These are the children who can’t dream of studying in good public schools and so Sudiskha provides quality education at an affordable cost. Their schools promote child-centered approaches towards teaching and learning whereby they promote the idea of learning by doing. They work on the principle that learning is not restricted within the four walls of a classroom but should have a much broader role of ensuring the overall development of the child’s personality. They believe education in India will make people literate subsequently find better hobs and as such it will improve their understanding and living standards and as a whole improve the countries statue. The following was gathered during the interviewes about the five A’s concepts. The transcript of the interview can be seen in appendix 6.

4.3.6.1 Awareness

Sudiskha has different steps they follow in spreading word about their schools; they start by going into the community clustered as low income colonies, identify locations to set up a ground floor, then the person (educated woman) who then go around the area telling about the importance of the school. They also use word of mouth by parents and children already attending the school. Furthermore they distribute pamphlets, run TV advertising as well as radio.

4.3.6.2 Affordability

The pricing of public schools increased to four dollars per day and as such the price eliminated the poor of the community such us house girls, gardeners and those in the BOP that can not afford the amount per day. And so Sudiskha introduced their schools at the price of two –three dollars per month and now they charge four dollars per month, which is an affordable fee for the BOP community. They have priced it in such a way that it would cost the same for the parents to keep their child at home. However they offer good environment and teach the children how to live in communities with good environment.

4.3.6.3 Accessibility

Sudiskha clusters the communities into colonies, and then they go out to the colonies and look at all the age groups, assess their credentials, potential as they try to find a contact to inform
the community. They also look at the demographics and if the target group can afford to pay the required fees of four dollars per month.

4.3.6.4 Availability
They appoint an educated woman who is the local entrepreneur teach them on how to educate the community, then a caretaker and select at least three teachers from the specific community where the school is located. And they aim for 25 – 30 children per a school. They don’t collaborate with any specific organization but they hire space in the local government schools. Furthermore to know way the loyalty and trust they receive feedback by the number of people interested in joining the education through the government schools.

4.3.6.5 Acceptability
Rather than build their own schools, Sudiskha rents space and then their own appointed team customizes the building and the interior including furniture to their own specifications. They started with twelve and now they are about to add four more meaning that the demand has increased since they started. The funding came from family and friends and also from Illinois foundation and other social investors.

Figure 4.6, Sudiskha model, adopted from the theoretical framework
5. Analysis

The analysis of this study will be based on the reduced data in the empirical chapter, which is the first step of the analyze process. The next step of the process is the data display. The goal of this step is to display the data, into patterns and relationships between the data, theory and cases. The analysis will begin with a within-case analysis and then be followed by a cross-case analysis.

The analysis will be based on the theoretical framework model, that’s displayed in chapter 2. All five concepts of the theory will be brought up in the model in order to make an accurate analysis and also to be able to solve the research purpose of this thesis. These five concepts are: Awareness, Affordability, Accessibility, Availability and Acceptability. The five concepts will be displayed separately so that’s clear how the different concepts have contributed to the strategy of reaching a BOP market.

The model will bring up all five different concepts, and then the six cases will be connected to the concept so that its easily displayed how the different cases has worked with the specific concept. There will also be a description of how the different cases have worked with each specific concept. All five concepts will be ended by summaries of how companies have used the concepts; this will also be used to identify possible similarities and differences between the cases and the concepts.

5.1 Within-case analysis

The six cases will here be discussed separately under each of the five concepts. This within analysis is based on the keywords, which was identified from the empirical chapter. These keyword can be seen in appendix 7. The within-case analysis will then be transformed into a cross-case analysis that’s based on the data under this section.
5.1.1 Awareness

GlaxoSmithKline (GSK)
GlaxoSmithKline is active in the pharmaceutical market. This means that they don’t use conventional marketing methods, as it’s not ethically right to advertise medications. This fact is connected to Prahalad (2012) work, where he states that there is no general applicable solution to reach the BOP, but that it’s rather based on the specific market and its target group. We think that it’s therefore hard to identify a solution, which GSK has used. The awareness building they used was to advertise through publications, doctors, local clinics and local pharmacies. The pharmaceutical market is different from many other markets, as the need is mutual from both parties, both the company and the consumer. The markets are a skewed market. This means that the consumer already is in a need of the products.

The advertisement that GSK uses can be connected to Subrahmanyan & Gomez (2008) where they suggest the usage of local partnerships promote goods. GSK has built partnerships with...
doctors and local clinics that stimulate the need for their goods, which is linked to Chikweche & Fletcher (2012) thought of using partnerships that have a lot of knowledge about the solution and the market. We therefore conclude that the pharmaceutical market is different from other markets, and that the usage of partnerships to create awareness is the best method in GSK’s case.

Nestle
Nestle has built their awareness by using a mixed method of both conventional marketing methods and also by going more in depth to the segment with a promotional marketing team. The conventional marketing was done by the usage of local radio, where they broadcasted in different local languages to different geographical areas in Kenya. This study connects the broadcasting by radio to Chikweche & Fletcher (2012) where they identify the challenge of reaching the BOP who often lives in “media dark” zones that conventional media often can’t reach. As Anderson & Billou (2007) states that there is a need of finding innovative ways of communicating, which Nestle has done by broadcasting in the languages that the target group uses. This gives them an edge, which has been a successful tool in creating awareness for their product.

Nestle also used a promotional marketing team who went out to the villages, where their target group is living. They promoted their products, by using a social communication network where they showed their product, along with teaching how it worked. This study connects the social network to Chikweche & Fletcher (2012) thoughts of how to reduce cost and improve the knowledge by using communities to improve the awareness of their product. The fact that they are visiting the actual communities where their target group is placed is connected to Anderson & Billou (2007) research where they go into how hard it is to reach the BOP in remote areas by only using conventional media. Nestle therefore gain awareness by going out and showing the function of the products in combination with conventional media. They are by the usage of mixed method of awareness reaching a broad range of their target group in an efficient way.

Safaricom
Safaricom is active in the banking, and money transferring market. They have been active in that market for a long time, but the solution of transferring money by smartphones is a new product. This led to that they had a lot of awareness that was built beforehand by their other services. This can be connected to Prahalad (2012) thoughts of that markets and awareness
solutions are different for different markets, solutions and target groups. They also used some other means to promote their awareness.

They went out to their retailer’s shops and kiosks, and offered to paint them in their company colors in order to both promote them selves and also assist their retailers. To continue on Prahalad’s (2012) thoughts of that there is not specific solution of creating awareness, this study shows that by panting the retailers stores/kiosk can be seen as an appropriate way to create awareness in this case. It also helps bringing up the social neighborhood, which contributes, to the communities. This fact can also be integrated with Subrahmanyan & Gomez (2008) statement concerning usage of local partners to gain recognition as a form of communication. The authors thinks that by painting stores/kiosks the company can gain important recognition from the local population in the community as they see the company colors and they get comfortable with it. According to Safaricom this is good way of ensuring and promoting the word-of-mouth between customers, partners, agents and retailers. This study connects this to Anderson & Billou (2007) thoughts of using innovative communication channels to improve awareness.

To strengthen the awareness even more Safaricom also use local radio and billboards to promote their solution. This is connected to Anderson & Billou (2007) and Chikweche & Fletcher (2012) research of that accessing conventional media from the BOP consumers can be hard as they lack the resources to access. This study reasons as that it’s a good way in this situation of gaining extra awareness as the users of this function has a smartphone, which often have conventional media channels access.

**Godrej and Boyce**

G&B said that their target customers in India are hard to reach by usage of conventional marketing media, as their target customers are located in remote areas. The fact that they are located in remote areas is connected to Chikweche & Fletcher (2012) concerns of that it’s a big challenge for organizations to reach consumers who lives in “media” dark zones. G&B have therefore used another approach of creating awareness. Instead of conventional media such as TV, and newspapers ads, they selected specific communities where they identified groups to whom they educate and show their product to. This study links this to Anderson & Billou (2007) who states that the best way to create awareness for BOP consumers is to identify to them what’s available, the solution and how to use it. The research of this study see’s that
G&B as a company has been using an innovative way of creating awareness, this has been done by letting community groups who have tried their product spread the word about it.

In order to get an effective awareness creation of their product, G&B partnered up with both local entrepreneurs and non-governmental organizations. This was done in order to get a deeper understanding of the communities they choose to target, as well as how these communities were built in terms of geographical setting and culture. The usage of partnerships has been identified by Chikweche & Fletcher (2012) to be an efficient way of gaining knowledge about the target group and how to communicate with them in an effective way. In this study, there is sign of that G&B worked with a broad community of partners and NGO’s to be able to create as much awareness as possible for their product. They managed to go into depth about the market, and from there market their product in terms of the need of their target group.

First Energy
First energy used two local NGO’s to penetrate the BOP market in India, these two NGO’s already had extensive knowledge about the BOP segment. This is connected to Chikweche & Fletcher (2012) who states that by using non-traditional partners, companies can get knowledge and possible communications ways that helps them to reach the BOP. This study concludes that First Energy earned a lot in their initial stages by having partnerships with organizations who posses knowledge about the specific targeted segment.

First Energy has been connected with another brand name, which is BP. BP is a well-known brand in India and it is known by a large group of the population. The fact of being linked with BP helped First Energy to get their awareness spread in an increasing speed. This can be connected to Prahalad (2012) who states that by using networks of partnerships, the communication and awareness can improve. The study concludes that by using a well-known company as partners, First Energy gets seen as a brand that the population can trust. It’s also linked to Seelos & Mair (2007) thoughts of that partnerships has to be based on having same objectives and goals with the partnership in order to be successful. This study therefore further concludes that First Energy made a good choice of partner and that it provided helpful recognition, which helped the company in its initial starting phase.

The awareness building itself was done in two ways by First Energy, they used conventional media, and they also selected local women’s in the communities who they educated in terms of
how the product worked. Using Radio, TV, newspapers and billboards and all the messages were done in local dialects did the conventional media. The usage of these medias is linked to Anderson & Billou (2007) who states that companies need to use innovative communication to reach the BOP, and its also connected to Prahalad (2012) thoughts of that there is no solution that can be applied to all BOP. This study conclude that First Energy has been using conventional media, and that they have been innovative to do it in the local dialects, even though these medias don’t reach all of the BOP it is still a way to bee innovative and try to reach a larger masses of the BOP. The other way to create awareness was by selecting local women, and then offer them the stove, educate them and then teach them to show the product to other women in their social groups. This is connected to Anderson & Billou (2007) who states that the awareness has to be done by teaching how the product works and also by identifying possible solutions for needs that exist in the BOP, it also linked to Subrahmanyan & Gomez (2008) thought concerning the usage of local partners to gain recognition and knowledge of the communities. This study conclude that First Energy has been thinking of showing their products, and also to spread the word of the product by using people who are apart of the community. The rest of the community will therefore trust these people, and the word will therefore spread about the product in an efficient way.

Sudiskha
Sudiskha spread their awareness about their school system in four steps; They start by going out to communities where there are high numbers of low income population, from there they identify locations where they can set up their ground floor. These are the first two steps, these steps is connected to Anderson & Billou (2007) who stress the importance of using innovative communication ways in order to reach the BOP. This study concludes that as Sudiskha is a school system, they have to use different methods than companies that advertise physical products. Sudiskha are being innovative in their search of new possible colonies to set up their schools in, and they have been coming up with an efficient way to identify locations to start up at.

The next two steps who follows are; They identify a key spokesman person (a women) who also is the main teacher, they pick out these teacher by looking into how well they are apart of the community as well as how educated they are. The last step is based on that the chosen spokesman goes around in the community and creates awareness by speaking of the importance of the school and its benefits. This is connected to Prahalad (2012) thought of that
there is no applicable solution for all companies who tries to reach the BOP, and its also linked
to Chikweche & Fletcher (2012) suggest to use communities and partnerships to spread the
awareness. This study concludes that the being active in the school market is different from
many other markets as there isn’t a product to advertise in the same extent. Furthermore its
been helpful to Sudiskha to use a local spokes woman who is known in the community, as well
as she posseses knowledge about the specific community. This has been proven helpful in
Sudiskha case.

To further increase the awareness building at Sudiskha they also use word-of-mouth by the
parents and the children who are attending the school along with the usage of conventional
media such as; pamphlets, TV and Radio. This is connected to Anderson & Billou (2007) who
states that its hard to reach the BOP by only using conventional media as the BOP markets
often is located in “media dark” zones that can bee reach by these communication channels.
This study conclude that Sudiskha has been using various sources of communication to reach
their segment, and by doing this they have been reaching a large masses which has contributed
to successful awareness building for their company.
5.1.2 Affordability

Figure 5.2 Affordability concept summary, adopted from the theoretical framework

**GlaxoSmithKline**

GSK used a pricing strategy, which made them slash most of their products with 50% in order to be able to reach the BOP consumers. The quality on other hand was kept the same even though it was aimed for a poor customer base. Their pricing strategy is connected to Anderson & Billou (2007) research where they point out that pricing is the most vital challenge when it comes to designing product offerings for the BOP segment. The performance gap, which is brought up, by Agnihotri (2012) and Kachaner et al (2011) where they state that the price is more important than the performance and quality of the product as the segment requires products that based on basic needs. This study concludes that as GSK is a pharmaceutical company, the quality isn’t not something you reduce, because medication works as it works even though it’s aimed for different segments. Therefore GSK tried to put a low enough price to generate sales, but they also wanted to contribute to the society in terms of helping to improve the health state of the segment.

In the interview GSK stated that the change of price provided a higher demand for the product, and that it happened almost immediately after the changes was made. The demand issue is
connected to Govindarajan & Ramamurti (2011), where they identify that low sales margins often results in high volume of sales when it’s aimed for the BOP segment. In this case that’s exactly what’s happened as the consumers already have a stimulated need for medication. This study therefore conclude that GSK made choice of cutting price which resulted in a high volume of sales, and that it wasn’t only focused on improving the result of the company but that it also improved the health state of the consumer base.

**Nestle**

Nestlé’s also had a pricing strategy, which meant that they were cutting prices in order to make it more accessible for their possible consumers. At the same time the product it self wasn’t altered, the only aspect, which nestle changed was to make the product packaging into smaller sizes so that the consumers didn’t have to buy big packages at high prices. The alteration of packaging size is connected to Kachnaner et al (2011) who states that products should be simple, and tailored made for the specific segment, and that its should eliminate all necessary attributes that’s not required by the consumers. The price cutting strategy is linked with Agnihotri (2012) who identifies that the price has most relevance when it comes to aiming for the BOP segment, and that the quality isn’t the most important aspects, its just has to be affordable. This study concludes that the price cutting, and the packaging alteration is made in order to fit the needs of the BOP consumers.

Nestle also included an alternative payment option in their pricing strategy. This was made through payment in single currency, which resulted in that the product could be paid with Ksh 20 coins. This led to that the product could be bought with single coins that didn’t result in any change paid back to the consumers. The payment option is connected to Anderson & Billou (2007) who identifies those consumers within the BOP has low disposable income and that the price of the product need to match the flow of cash they have on a daily basis. Its also linked to Chikweche & Fletcher (2012) who advices innovative financial techniques for the need of instant paying, which makes its easier to consumers with low disposable income. This study concludes that Nestle designed this pricing to make it easy for both retailers and consumers, in terms of handling and usage of payment. The payment strategy Nestle used resulted in the possibility for the consumers to buy their product on a daily basis, without the need for saving up to buy a larger packaging.
**Safaricom**
Safaricom product is based on the ability to quickly and safely transfer money to one and one other. The one thing that was needed to complete these transfers was a headset. The product itself didn’t have a set price for installment or transferring. The pricing of this product can be linked to Anderson & Billou (2007) who stated that the BOP consumers have a low disposable income, which needs to match the income of the users. This study concludes that as the product itself wasn’t priced, this meant that it’s based on the needs of the segment.

The handset is the only tool needed to complete the transfer. The handset itself was originally designed for another segment than the BOP, which meant that the pricing of that headset was set at a price that wasn’t affordable for the BOP consumers. Safaricom there designed a new headset after following up the statistics from the users, which made it possible for the BOP to own a headset. The pricing of the handset was set at a price of Ksh 1,500; this made it possible for the target BOP segment to own their own handset. This also led to that all of their consumers could use the M-pesa transferring service. The adaption of price to the required tool to use the transferring service is connected to Kachaner et al (2011) who states that the products for the BOP should be simple and that its should be tailored made for the needs of the segment. This study concludes that Safaricom made the required pricing efforts to make the products accessible for the BOP segment, even though it wasn’t in the actual product they still made it available in terms of price for the segment.

**Godrej and Boyce**
The strategy that G&B used to make the product affordable was based on the value the consumers got to use the product. The price was set based on that the company went out to their possible consumers and asked then about the value and what they thought that the product was worth in relation to the values. This pricing strategy is connected to Chikweche & Fletcher (2012) thought of using unconventional and innovative financial techniques instead of aiming for developed market formulas. This study concludes that G&B wanted price the product in terms of what the consumers actually could pay, in relation to the value that they got from using the product. It can also be linked to Kachaner et al, (2011) who states that the product and its price needs to be tailored made in terms of the needs that’s present for the BOP segment. G&B therefore wanted to get out the max capacity of pricing, but they also wanted to set a reasonable price for what the product actually contributed with.
G&B knew that the segment which they aimed their product towards earns low wages and that they don’t have much money saved up. This is connected to Anderson & Billou (2007) who sees pricing as one of the most challenging aspect of reaching a BOP segment, along with that they pricing of the product needs to match the flow of cash that the segment possess. This study therefor conclude that G&B choose their price so that the product could be available for purchase for the big masse in the BOP, but also so that wouldn’t cost to much in relation to the value which the product contributed with.

First Energy
The Oorja Stove is the product that First Energy has designed for the BOP segment. This product has also been priced with the BOP consumers in mind. The pricing strategy was aimed to enable the product to stand out in the market, bridge the gap and also offer an affordable solution to the poor communities. This is connected to Chikweche & Fletcher (2012) thought that a BOP product cant be priced after a developed market, it need to be priced of the preferences of the BOP consumers, these are low disposable income people (Anderson & Billou, 2007). This study concludes that First Energy has taken the BOP consumers and their income in mind when designing their pricing strategy. Their goals has been to reach the BOP and they have adjusted the price in relation to their income. Its further linked to Agnihotri (2012) and Kachaner et al (2011) thoughts of creating product of basic needs, and that it hasn’t to have to much quality, but rather function good. This study also concludes that the stove was aimed to fulfill a basic need, and that it’s designed to fulfill that need at a low price.

First Energy has been trying to collaborate with micro financing companies, in order to offer purchasing assistance. Although this solution didn’t work out, as the geographical situation and its spread over the country resulted in a to complex situation to handle, it therefore stopped. This is connected to Chikweche & Fletcher (2012) who advice innovative financial methods to increase the level of sales. This study concludes that First Energy has made efforts in implementing innovative methods of purchase alternatives, and that even though it hasn’t been successful so far, they are still showing signs of wanting to make it possible.

Sudiskha
The pricing of Sudiskha schools is set to four dollars per month, the price is set so that parents who are working with low income jobs such as for e.g.; house girls, gardeners can afford to put their children in school. This is connected to Anderson & Billou (2007) who states that pricing
is the most challenging aspect of the BOP markets, as the price of the product/services has to match the disposable income for the segment. Its further linked to Chikweche & Fletcher (2012) who advice innovative pricing strategies to reach the BOP. This study conclude that Sudiskha has been setting their price to be able to put any type of children in school, and that its about giving children the possibility to go in school even though the come from poor communities.

Sudiskha goal is to set their price so it would cost about the same price to put children in daycare, as it is to put them in school. They further empathize that its not only about teaching their children about school aspects, but that its also based on giving the children’s a safe environment, where they can grow into the community. This is connected to Kachaner et al (2011) who suggest using tailored made pricing strategies in order to fit the basic needs of the segment, and to eliminate unnecessary attributes which are not needed to the BOP. This study conclude that Sudiskha has tailored made their solution in terms of price to fulfill the need of the parents who wants to set their children in school even though they are placed in the BOP segment. This study further concludes that the pricing has to be based on the costs that the schools have. The pricing is based on the BOP, and it has covered all the attributes that are needed so that even the poorest communities can be put into the school system, so that it can contribute to the community as a whole.

They have priced it in such a way that it would cost the same for the parents to keep their child at home. However they offer good environment and teach the children how to live in communities with good environment.
5.1.3 Accessibility

Figure 5.3, Accessibility concept summary, adopted from the theoretical framework

**GlaxoSmithKline**
GSK has embedded their supply chain with relationship of local entrepreneurs, such as pharmacists, clinics and doctors. They have also made partnerships with non-governmental health organizations that have established themselves in the market beforehand. The fact of working in partnerships with local organizations is brought by Seelos & Mair (2007) and by Chikweche & Fletcher (2012) they both state that they encourage partnerships with various organizations in order to be able to build up appropriate scale and scope of the business. Further more Chikweche & Fletcher (2012) brings up to light that by involving organizations that have existing knowledge about the BOP and its market, the company can get knowledge about how to exploit the distribution challenges in the best way. This study conclude that the pharmaceutical market is a bit different than other markets because the distribution options are limited because their products is medication, and that it cant be sold by any type of retailers. It has to go through someone who possesses knowledge about medication and it also has to be
controlled. The choice of working with organizations is therefore valid, as it has helped GSK to build and manage a working distribution chain.

GSK activities in the BOP segment also resulted in infrastructural problems, as the BOP markets often is located in rural, and remote areas. They used motorbikes, cyclists and local bus services in order to reach these areas. As roads and other infrastructural options often is restricted when it comes to BOP markets, it’s according to Prahalad (2012) to be able to reach these remote areas in order to provide the desired products to the consumers. The infrastructural challenges can also be connected to Anderson & Billou (2007) thoughts of that the major challenge of reach emerging markets is to be able to overcome obstacles due to bad infrastructure. This study concludes that GSK has been innovative with their distribution, which according to Chikweche & Fletcher (2012) is needed to be able to exploit a BOP market. Their usage of motorbikes etc. is according to this study innovative and it’s also concluded that GSK has done what is needed in order to provide goods to their consumers.

**Safaricom**

Safaricom is active within the wireless network markets. This means that they don’t have problems with delivering products to remote areas in the same extent as other companies who aim their products for the BOP. This can be connected to Prahalad (2012) who identifies that accessibility concerns the ability to be able to access a product even in the most remote areas, its in this case concerned with having wireless network possibilities. Safaricom has faced this problem with agents, who they have placed in the most remote areas, and they have been appointed locally, to specifically face the problem of wireless network access. The access of wireless network by using agents can be linked with (Viswanathan & Sridharan, 2011) who states that there is a need of forming partnerships in order to keep a cost effective way in terms of accessibility. The fact can also be connected to Chikweche & Fletcher (2012) thoughts of needing to be innovative in order to reach possible consumers. This study concludes that Safaricom has been doing an effective work so that even their most remote consumers can use their product. Safaricom has been forming successful partnerships with agents, which improved their product reach in terms of accessibility.

Safaricom also needed to be able to sell phones and tools for phones to remote areas. They tackled this problem by supplying phones, and tools to wholesalers who continued the supplement to local markets. This can be connected to Shah (2012) and Soete (2010) who
states that contacts who is close the BOP and possess knowledge about the markets is good partners to have when facing access obstacles within the BOP. This study therefor conclude that Safaricom managed to spread phones and tools, so that their consumers could use their product. This was done in an effective way by using partnerships and retailers to access the remote areas where they didn’t have shops on their own.

**Nestle**
Nestle who is active within the coffee market, they have to come up with possible access options so that their products can actually reach their consumers, as its a physical product. Nestle worked with wholesalers who was connected with local transportation networks, these networks was based on motorbikes, cyclists and bus services etc. This is connected to Chikweche & Fletcher (2012) who proposes the usage of local organizations in order to be able to exploit the BOP markets in an efficient way. It’s also linked to Seelos & Mair (2007) that states that partnerships with local organizations and distribution options, because they have knowledge about the routes and the market. This study concludes that Nestle used partnerships and knowledge from existing organizations in order to be able to access the BOP market.

Nestle also made efforts to access remote areas themselves in terms of developing teams that drives around with company cars. This was done in order to deliver products, but also to ensure that the supply was enough to suit the need of areas within the BOP market. This is connected to Prahalad (2012) thought of reaching areas which are inaccessible by larger transportation options. It’s also linked with Chikweche & Fletcher (2012) who states the need of being innovative to ensure distribution and delivering to the consumers. This study conclude that Nestle looked into what the market needed, and that they came up with an effective way to deliver and to reach the consumers who where placed in remote areas.

**Godrej and Boyce**
G&B worked with partnerships to ensure the delivery of their products to the BOP market. The accessibility of their products was done by partnerships with wholesalers and local retailers. This is connected Seelos & Mair (2007) who states that the partnerships that’s used to ensure access of products, needs to be formed so that the market can be exploited in the best possible way. It also linked with Chikweche & Fletcher (2012) who states the need of partnerships to exploit the BOP, they also state that there partnerships should be made with organizations who posses knowledge about the segment and the market. This study conclude that G&B made their
partnerships with organizations who has knowledge, and also possible ways of facing obstacles in terms of accessibility. Furthermore this study conclude that the retailers and wholesalers was chosen to be able to face and deliver their products to the remote areas that was needed.

G&B identified that they communication and distribution in terms of access has been troublesome. This was due to facts concerning culture and language barriers. This is connected to Prahalad (2012) thought of major challenges that rises when it comes to delivering products to remote areas, and that’s its not only due to bad infrastructure. This study concludes that these remote areas that the BOP consumers are based in consists of many different culture, and languages. This requires knowledge about these different groups of culture and language, if they don’t posses this knowledge the delivery of products wont work in an efficient way.

**First Energy**
First Energy has been building their distribution network by partnering with two NGO’s (SSD and USAID). This is connected to Seelos & Mair (2007) thoughts about evaluating partners before making partnerships, as well as create partnerships in order to exploit the BOP markets in the best way. This study conclude that First Energy has built partnerships with organizations that can provide the knowledge and methods that’s needed in order to build up both scale and scope of the business.

They have also built their distribution in terms of accessibility on creating networks through social women groups. This is connected to Chikweche & Fletcher (2012) who states that the need of innovative distribution channels is needed to reach high potential within the BOP segment. It’s further connected to Shah (2012) and Soete (2010) thoughts of including organizations and networks whom posse’s contacts and local knowledge about the target areas. This study conclude that First Energy has chosen appropriate partnerships and networks that helps them to exploit the segment in the best possible way. These partnerships have given the necessary knowledge to build up trustworthy distribution accessibilities.

Although having these partnerships, First Energy has been meeting challenges in planning how big volumes their supplies of product has to be, along with how much the transportations for these goods is going to cost. This means that they have to map out their distribution very carefully in order to reach everyone in a cost efficient way. This is connected to Viswanathan & Sridharan (2011) who stresses the difficulty in making distribution cost efficient in the BOP
markets. It’s also linked to Prahalad (2012) who states the importance of being able to reach consumers in the most remote areas. This study conclude that First Energy has been doing planning to be able to face the problems of accessing consumers in remote areas, and that they have been trying to do this in a cost efficient way.

**Sudiskha**

Sudiskha is working with their accessibility in terms of finding locations to build up their schools. This is connected to Prahalad (2012) thoughts of that the product, which is this case is the location of a school that, needs to be accessible by consumers even in the most remote areas. This study conclude that even though it not a physical products, the accessibility of the location where the school is going to be built has to be accessible by the possible BOP consumers. Sudiskha have a special way of choosing these locations. This way is based on that they are identifying clusters of communities into colonies, after that they look into these colonies based on demographics to see if there are any possible consumers (children) that can access their schools. This is connected to Chikweche & Fletcher (2012) who suggest that companies who want to access BOP markets should include partnerships to make the process more efficient. This study concludes that Sudiskha could include partnerships to make the search for locations more efficient, but also that Sudiskha seems to have managed to do this efficiently without making partnerships.

When Sudiskha has find appreciate demographics, they go into the search after a spokesman that can inform the community of the possible creation of a school in the area. The next step is based on looking into if the population in the areas has the possibilities to pay the required fee per month to put children into the school system. This is connected to Chikweche & Fletcher (2012) that the products for the BOP cant be to complex, they rather need to be simple so that non-experts can understand and also distribute the product. This study conclude that the creation of school needs to be informed in a basic way so that the population in the area understands why they need a school, and also how its going to work.
5.1.4 Availability

GlaxoSmithKline

GSK product, Augementin is an antibiotic product. This means that it’s commonly prescribed to patients all over the country in the BOP segment. In order to meet the demand, GSK ensures a 3-month supply at local pharmacists. These supplies are based on the need of the specific area. This is connected to Anderson & Billou (2007) that states that ensuring delivery in remote areas of BOP is a big challenge, its also linked with Prahalad (2011) thought of the need to be able to ensure uninterrupted supply of products and that the product should be available at all times. This study concludes that GSK has managed to plan their distribution so they can overlook and plan the demand of their product. They have come up with a system that ensures the deliver of their products so that it can be accessed for all patients that is in need of using their products.

GSK have introduced an instant messaging system to curb the fake products in the market. Having an inscribed code on the medicine packaging does this. This makes it possible for consumers to text the code back to GSK confirming the medicine as authentic. This system is
called ‘Hakikisha Dawa’. This is connected to Johnson (2011) who point out that the availability of the product has to be tailored made after the needs of the segment and the market. It also linked to Prahalad (2011) who states that availability can work as a basis to ensure trust and loyalty from their consumers. This study concludes that GSK has done “Hakikisha Dawa” so that they can ensure authentic medicine to their consumers. This solution is also tailored made for the needs of the BOP consumers, as they face a lot of fake products, by using this system GSK can ensure that their products is connected with quality, which makes the need of available supply intensified.

Safaricom
Safaricom who has their product, the M-Pesa transfer-service already available on the phone don’t face problems of availability in the same extent as physical products do. Their main obstacles are to ensure the access of the service and the installment, which is only needed one time. The only availability aspect that Safaricom faces is that agents have money to dispense to the customers; this means that there is a requirement for the agents to have a certain level of cash flow when operating as agents. This can be connected to Prahalad (2011) who states that trust and loyalty is built by ensuring uninterrupted supply of services and products. This study conclude that Safaricom needs to choose agents that has the possibility to ensure cash flow at all times, if these agents can provide that, then Safaricom will face obstacles and problems in terms of availability.

Nestle
Nestle works in the same way as they do in accessibility. By using the same system that been discussed in the accessibility parts. They ensure that the local wholesalers have enough supply to cover all the small retailers in the local communities. This is connected to Johnson (2011) who states that the availability aspect needs to be tailor made after the requirement that the BOP consumers demand. This study concludes that Nestle is using reports of prior sales, to foresee how the demand will be in specific areas. It can also be connected Chikweche & Fletcher (2012) thought of the need to build up networks or organizations to be able to ensure the availability of the products. This study conclude that Nestle combines the usage of wholesalers and retailers, along with seeing how the usage statistics of their products is to ensure that there will be a constant flow of their products to their consumers.
Nestle is using their promotion team in order to ensure that the wholesalers have the masses needed to fulfill the demand of the product. This can be connected to Anderson & Billou (2007) who states that there is a need to stretch the supply chain in order to supply the volumes needed for BOP markets. This study conclude that Nestle focuses on using their promotion teams, to ensure that their partnerships have the possibility to get goods as the demand moves. Their team ensures enough supply to all these wholesalers throughout.

**Godrej and Boyce**

G&B has a system of availability on their product. As their products are fairly big in terms of volume, they have chosen to work their availability on a basis of demand. This is linked to Prahalad (2011) who has identified that companies need to be able to ensure delivery of their products at all times. This study conclude that by using a demand system, G&B has made it possible to send out good as they are ordered. This makes the delivering aspect efficient, as they don’t have to deliver big masses of products; they instead have to focus on being able to deliver the products as their consumer’s shows interest in their product. They can therefore control the delivering process in an effective way.

Managing the delivery of products is one of the biggest challenges when it comes to being active in the BOP according to Anderson & Billou (2007). G&B has made an extensive project in order to be able to foresee how and where the ordering of their products will be made. They said that that the demand is very hard to foresee, this has led to that they have constant presence in the market, along with them doing checks in all areas, which indicates where they will have to supply their product, and to whom. This study conclude that G&B has done the means needed to foresee the demand in the most efficient way, and that the choice of delivering on demand is choose so that they don’t have to have warehouses all over the country. They are instead focused on going out and provide the product where its needed, and demanded.

**First Energy**

First Energy states that they have enough supply of their stoves at local town level. Along as that they have pellet, which is the fuel of the stove that can be ordered by a phone service. The fuel is therefore triggered by demand. This is connected to Anderson & Billou (2007) thoughts of being able to supply good to the BOP when they have the need and the money to acquire the product. It’s further connected to Johnson (2011) who states that the availability for the BOP
has to be tailored made after the specific needs of the segment. This study conclude that First Energy has been tailor making their availability so that the consumers can acquire both the stove and the fuel when they have the demand to do so. The phone service is a specific example of how a company can work in the most remote areas and even so get information about that their solution is needed.

First Energy is collaborating with a company named Gastro. This company is a well known brand in the BOP communities, and the collaboration has according to First Energy led to increased trust and loyalty for their consumers. The collaboration has also helped First energy to have adequate stock in the village, so that their customers can be kept satisfied. This is connected to Prahalad (2012) who states that trust and loyalty is built by ensuring uninterrupted supply of products. It’s also linked to Chikweche & Fletcher (2012) thoughts of involving organizations and local entrepreneurs to ensure that the product is available in the BOP market. This study conclude that First Energy has chosen a good collaboration partner that has helped with reaching their target group, and also that this partnerships has led to loyalty and trust of being able do deliver uninterrupted supply.

**Sudiskha**
Firstly, Sudiskha appoints an educated woman who is a local entrepreneur in the community, they then her how to educate as well as being a caretaker. That women entrepreneur then selects at least three teachers from the specific community where the school is located. The number of children for each school is aimed around 25-30. This is connected to Johnson (2011) who states that the availability has to be tailored made after the specific needs of the BOP segment. This study conclude that as the maximum number of possible children who can get educated during a semester is 25-30 children, the supply is not uninterrupted which is stated as a necessity by Prahalad (2012). As this solution is a school, and that there is unlimited need to put children in school, this study conclude that the organization is doing the most of their ability, but that they still need to keep the numbers low so that they can ensure quality of the education.

Sudiskha haven’t been having any collaboration which specific organizations, the only connection they have been having to other organizations is that they rent space to have their school from both local entrepreneur and from government schools. This is connected to Anderson & Billou (2007) thoughts of stretching the supply chain in order to be successful in
the BOP. This study concludes that setting up schools is not a typical physical product, and that it therefore can be some differences between the strategies used for the BOP. Sudiskha has although made the choice to work on their own, even though they still need to hire space to be able to work in an efficient way, which is a necessary step according to this study.

5.1.5 Acceptability

![Acceptability concept summary, adopted from the theoretical framework](image)

**GlaxoSmithKline**

GSK didn’t modify the product itself for the BOP segment. The modification that was made on the product was made on reducing the price so that the consumer could afford the product. Also the need of having the medication is based in having an illness, which means that the need of using the product is not based on a choice. It's something the consumers needs. This led to the modification of lowering the price to 50% instead of the original price. This can be connected to Anderson & Billou (2007) who states that organization and companies needs to offer products that adapted to the needs of the consumers in the BOP. This study therefore concludes that GSK made the efforts needed to fulfill the needs of the BOP consumers. As the
product can be adopted itself, they made the adaptation they needed to be able to reach the segment.

**Safaricom**
Safaricom launched their service M-pesa money transfer. This service is triggered by basic need of receiving and sending money for daily use and as such. The adaptation they made was focused on making it easier and safer to transfers money. Their solution made it possible to buy goods without having physical money at hand. As there is basic need to buy and sell goods and services, the solution got accepted directly after it got launched. The adaptation of placing the solution into a phone application is connected to Anderson & Billou (2007) who states that the solution for BOP has to be designed for their specific needs, which this product was. This study therefor conclude that Safaricom made the adaptation which the segment required, and that the main adaptation was made on the handling of money, and that it could be based on the digital world instead of physically.

**Nestle**
Nestle had a goal with their adaptation in their product. Their product is the “coffee creama” and they wanted it to include all ingredients that the segment of the BOP demanded in a “simple” coffee. These are milk, sugar and coffee. Nestle also wanted to add as much value in the product in relation to its price, they therefore made it possible to purchase small quantities so that it could led to savings of cooking fuels for the BOP consumers. This can be linked to Anderson & Billou (2007) who states that the solution for BOP should be specifically designed for their needs. This study conclude that Nestle made the adaptation which the segments demanded, this was done in reducing the size of the product, but also in terms of price. The pricing adaptation was done to make it possible for the consumer to buy small packages that was reduced in price, in relation to bigger packages.

**Godrej and Boyce**
G&B manufactured their product a refrigerator named Chotukool. These products main adaptation was focused on the product itself, and it was also designed for a specific segment within the BOP market, the women in rural India. The adaptation that was made, focused on being able to keep food longer, it should be easy to use and primarily that it should be able to work without electricity during longer power breaks. The powers breaks was done because there is often a lack of electricity in the rural areas of India, and there was therefor a need of
having a battery that could so that it could counter the power breaks. This is connected to Anderson & Billou (2007) who states that product has to be designed for the needs of the BOP consumers, so that they can use the product after their needs. This study concludes that G&B specifically designed their product to work under the circumstances, which the BOP market in India works under. The main adaptation was focused on the qualities of the products.

**First Energy**
The stove that First Energy created was focused on various points of adaptation for the BOP. Firstly the fuel the BOP consumers were using for their cooking before the product got released was dirty and a health hazard, The cooker was specifically adapted to their needs of clean fuel, economical to manage and could also save time. This is connected to Anderson & Billou (2007) who states that products have to be adapted to the BOP so that it fits the need of the consumers in the segment. This study conclude that First Energy looked into what the consumers needed and that they made a specific solution after those needs. The main adaptation that was made on the product is focused on making the cooking more healthier, that the cooking should save time in relation to before and at last that its going to be much more economical to use. This study sees the adaptation as specific for the segment of the BOP, and that the product is well adopted for their preferences.

**Sudiskha**
Sudiskha product is a bit different in relation to other products. They are not building schools yet, at the moment they are hiring space to make education possible for children in the BOP. After they have found their space, they then have a team that customizes the space after Sudiskha need and its then designed after their specific interior and furniture. At the moment, Sudiskha have 12 schools up and running, and they are in the process of starting four more. This is connected to Anderson & Billou (2007) who states that solutions need to be specifically made after the needs of the consumers in the BOP. This study concludes that these schools are set up the keep the costs down so that the larger masses of the BOP can afford to attend the schools. The adaptation hasn’t been focused on lowering the quality, rather on the other hand that they want to keep the same quality as other more expensive schools and at the same time be less costly. They have specific designs, which are adapted for the BOP, this is in terms of interior and furniture. These designs are aimed to inspire and bring a good environment for the children.
5.2 Cross-case analysis

The cross case-analysis is based on the six cases of this research, these are; GlaxoSmithKline, Nestle, Safaricom, Godrej and Boyce, First Energy and Sudiskha. The cross case analysis will be based on displaying the characteristics of the five concepts. The display are done by a general display of what all of the cases had in common, it also displays unique findings, and a identification of the differences between India and Kenya based companies.

The most common characteristics is the characteristics that been used most commonly by the cases of this research, they are displayed in appendix 8-12 (change). These appendixes are based on the keywords identified from the empirical chapter that are displayed in appendix 7. The unique findings are the characteristics which has been used by one of the six case companies, there are three cases from India, and three cases from Kenya, these findings are displayed in appendix 8-12, these findings is based on the keywords identified in the empirical chapter in appendix 7. The last section of the cross case analysis, is based on displaying the most common characteristics in India and Kenya, but also to show how they are used in relation to each other. The differences between the India and Kenya is displayed in appendix 8-12, and the display is based on the keywords identified in the empirical chapter, which can be seen in appendix 7:

The displaying of the three sections in the cross-case analysis is based on the theoretical framework model in chapter 2.

5.2.1 Awareness

This heading covers the display of how the six cases have used the concept of awareness. The characteristics of the awareness concept are identified in appendix 8.

5.2.1.1 Common characteristics

This heading covers the common identified characteristics that the six cases have used in terms of awareness. The identification has led down to the total of four characteristics, which are the most commonly used characteristics of awareness. These four characteristics are displayed in the model below:
The characteristics of local radio were identified on 4 out of 6 cases. The local radio usage is connected to Anderson & Billou (2007) who states that using direct local communication is seen very effective when it comes to reaching the BOP, this is because its based on individual culture on the market. The second characteristics of billboards were identified on 3 out of 6 cases. The usage of billboards is connected to Anderson & Billou (2007) thoughts of that BOP customers often lack conventional media, and mounting billboards along roadsides in rural areas is therefore an effective method to spread awareness. The third characteristics of education were used on 3 out of 6 cases. The education aspect is connected to Chikweche & Fletcher (2012) who stresses the importance of showing the BOP consumers what available, the offering and also how to use the product or service. The last and fourth characteristic of partnerships was identified on 5 out of 6 cases. This usage of partnerships is connected to Prahalad (2012) who states that using partnerships is an effective way of building awareness. This study concludes that these four characteristics are important aspects to take into consideration when forming an entering strategy for a BOP segment.
5.2.1.2 Unique findings
This heading covers the unique identified characteristics that have been used by one of the six cases. The identification led down to a total of eight characteristics, which has been used by the cases on the concept of awareness. The eight characteristics are displayed in the model below:

Figure 5.7, Unique characteristics on awareness, adopted from the theoretical framework

Only one case company has used the characteristic that’s been identified. This is connected to Prahalad (2012) who states that there is no specific solution that can be adapted to all organizations, the awareness building is based on the organization and the specific target group within the BOP segment. This study conclude that the identified characteristics is based on what on: what type of organization it is, what type of product/service it is and also what type of segment within the BOP the product/service is aimed at. Its important to notice that there are other ways of creating awareness than what has been mentioned in the theory, many of these unique findings hasn’t been identified in the theories and its therefore vital to use innovative methods to create the awareness.

5.2.1.3 India versus Kenya
This heading covers the difference between most common characteristics on awareness of the two target countries, which are; India and Kenya. The left model includes the cases that are based on an origin from India, and there were six identified common characteristics on the India cases. The model to the right is based on cases on an origin from Kenya, and there were
three identified common characteristics on the Kenya cases. The characteristics are displayed below:

![Common characteristics on awareness, India and Kenya](image)

**Figure 5.8**, Common characteristics on awareness, India and Kenya, adopted from the theoretical framework

**Similarities**
Two characteristics were identified as most commonly used by the cases both in India and in Kenya. These were local radio and partnerships. The characteristics of local radio were identified on 2 out of 3 cases in India, and also 2 out of 3 in Kenya. The usage of local radio is connected to Anderson & Billou (2007) who identified radio as an effective way to reach the BOP segment. This study concludes that local radio is an equally important tool in reaching the BOP in both India and Kenya. The characteristics of partnerships were identified on 2 out of 3 cases in India, and 3 out of 3 cases in Kenya. This is connected to Prahalad (2012) who suggest the usage of partnerships to be able to exploit the BOP market in the best way. This study conclude that partnerships is an important characteristics in both India and Kenya, but that it’s more common in Kenya as it were identified on all cases from that origin.

**Differences**
There were four characteristics that were only identified as common in India, and not in Kenya. The first characteristic of education was identified on 3 out of 3 cases in India. The usage of
education is connected to Chikweche & Fletcher (2012) who states the importance of showing how to use the product/service to the BOP segment. This study concludes that education is a main characteristic of the India based cases, as all of the three cases have used it to create awareness. The second characteristic of NGO’s was identified on 2 out of 3 cases in India. The usage of NGO’s is connected to Prahalad (2012) thought of building an ecosystem consisting of NGO’s to build awareness. This study concludes that working with NGO’s is an important aspect in terms of reaching the BOP segment in India. The third characteristic of local women was identified on 2 out of 3 cases in India. This usage of local women is connected to Chikweche & Fletcher (2012) who states that usage of social networks reduces the cost of the awareness building, as well as making it more efficient. This study concludes that including local women in the awareness building is an important aspect for organizations in India. The fourth characteristic of TV was identified on 2 out of 3 cases in India. The usage of TV is connected to Chikweche & Fletcher (2012) who suggests that the BOP don’t have access to TV. This study concludes that TV is an important aspect of communicating to the BOP in India.

There was one characteristic that was only identified in Kenya, and not in India. The characteristic of billboards was identified on 2 out of 3 cases in Kenya. The usage of billboards is connected to Anderson & Billou (2007) who states that there is a lack of conventional media in BOP areas, and therefore are billboards an effective way to communicate to BOP consumers. This study concludes that billboards are an important aspect when it comes to creating awareness in Kenya.

5.2.2 Affordability
This heading covers the display of how the six cases have used the concept of affordability. The characteristics of the affordability concept are identified in appendix 9.

5.2.2.1 Common characteristics
This heading covers the common identified characteristics that the six cases have used in terms of affordability. The identification has led down to the total of five characteristics, which are the most commonly used characteristics of affordability. These five characteristics are displayed in the model below:
Figure 5.9, Common characteristics on affordability, adopted from the theoretical framework

The characteristics of convenience were identified on 2 out of 6 cases. The convenience aspect is connected to Anderson & Billou (2007) who states that pricing of the product for the BOP need to match the disposable income that the segment has. The second characteristics of inexpensive were identified on 3 out of 6 cases. The inexpensive aspect is connected to Anderson & Billou (2007) thoughts of that product for the BOP needs to be affordable for the segment. The third characteristics of quality were used on 2 out of 6 cases. The quality aspect is connected to Agnihotri (2012) who stresses the importance of making products cost less, and that quality isn’t of the same importance for BOP consumers. The fourth characteristics of value were identified on 3 out of 6 cases. This is connected to Kachaner et al (2011) thoughts of that products have to be tailored made for the BOP, which adds specific value for the segment. The fifth and last characteristic of price were identified on 4 out of 6 cases. This is connected to Chikweche & Fletcher (2012) who states that pricing is one of the most challenging accept when it comes to reaching the BOP. This study concludes that these five characteristics are important aspects to take into consideration when forming an entering strategy for a BOP segment.
5.2.2.1 Unique findings
This heading covers the unique identified characteristics that have been used by one of the six cases. The identification led down to a total of six characteristics, which has been used by the cases on the concept of affordability. The six characteristics are displayed in the model below:

![diagram of unique findings on affordability](image)

Figure 5.10, Unique characteristics on affordability, adopted from the theoretical framework

Only one case company has used the characteristic that’s been identified. This is connected to Kachaner et al (2011) who states that the product and pricing of the products has to be simple, and even tailored made on the basic needs that the segment require. It should also remove all unnecessary attributes that are not required by the BOP consumer. This study concludes that the identified characteristics are based on the specific organization, the product as well as the needs for the segment. It’s important to notice that the pricing of the product is based on the specific situation and it’s therefore aspects in this section that hasn’t been identified in the theory. This means that it’s also important to be innovative when it comes to financial techniques for product that’s aimed to the BOP.

5.2.2.3 India versus Kenya
This heading covers the difference between most common characteristics on affordability of the two target countries, which are; India and Kenya. The left model includes the cases that are based on an origin from India, and there were two identified common characteristics on the
India cases. The model to the right is based on cases on an origin from Kenya, and there were one identified common characteristics on the Kenya cases. The characteristics are displayed below:

![Diagram showing common characteristics on affordability, India and Kenya](image)

Figure 5.11, Common characteristics on affordability, India and Kenya, adopted from the theoretical framework

**Similarities**
There are no common characteristics of the two countries that are similar on the concept of affordability. This means that the two countries have different ways of working with the affordability concept in terms of characteristics.

**Differences**
There were two characteristics that were only identified as common in India, and not in Kenya. The first characteristic of value was identified on 3 out of 3 cases in India. The aspect of value is connected to Kachaner et al (2011) thoughts of that products have to be tailored made for the BOP, which adds specific value for the segment. This study concludes that value is a main characteristic of the India based cases, as all of the three cases have used it to create affordability. The second characteristics of price were identified on 3 out of 3 cases in India.
The aspect of price is connected to Anderson & Billou (2007) who states that a product has to be based on the income of the BOP segment. This study concludes that price is a main characteristic of the India based cases, as all of the three cases used it to create affordability.

There was one characteristic that was only identified in Kenya, and not in India. The characteristic of inexpensive was identified on 2 out of 3 cases in Kenya. The usage of inexpensive is connected to Agnihotri (2011) who states that the product towards the BOP has to be based on basic needs, and therefore have an affordable price for those needs. This study conclude that inexpensive is an important aspect when it comes to creating affordability in Kenya.

5.2.3 Accessibility
This heading covers the display of how the six cases have used the concept of accessibility. The characteristics of the accessibility concept are identified in appendix 10.

5.2.3.1 Common variables
This heading covers the common identified characteristics that the six cases have used in terms of accessibility. The identification has led down to the total of four characteristics, which are the most commonly used characteristics of accessibility. These four characteristics are displayed in the model below:

![Accessibility Model](image)

Figure 5.12, Common characteristics on accessibility, adopted from the theoretical framework.
The characteristics of collaboration were identified on 3 out of 6 cases. The collaboration aspect is connected to Seelos & Mair (2007) who encourages the establishment of business relationships with organization when building the accessibility towards the BOP. The second characteristics of NGO’s were identified on 3 out of 6 cases. The NGO’s aspect is connected to Shah (2012) who states that collaboration with NGO’s is needed to access the BOP market. The third characteristics of partnerships were used by 3 out of 6 cases. The partnership aspect is connected to Viswanathan & Sridharan (2011) thoughts of forming partnerships with organizations to exploit the BOP markets. The fourth characteristics of local entrepreneurs were identified by 3 out of 6 cases. The local entrepreneurs usage is connected to Soete (2010) who states that collaboration with local entrepreneurs is required in order to access the BOP segment. This study concludes that these four characteristics are important aspects to take into consideration when forming an entering strategy for a BOP segment.

5.2.3.2 Unique findings
This heading covers the unique identified characteristics that have been used by on of the six cases. The identification led down to a total of eleven characteristics, which has been used by the cases on the concept of accessibility. The eleven characteristics are displayed in the model below:

![Diagram of unique characteristics on accessibility](image.png)

Figure 5.13, Unique characteristics on accessibility, adopted from the theoretical framework.
Only one case company has used the characteristic that’s been identified. This is connected to Prahalad (2012) who states that the importance of accessibility lies in making sure that BOP consumers in remote areas are able to access the desired products. It further connected to Anderson & Billou (2007) thought of that the problem lies in distribution channels and poor infrastructure in the specific areas of the BOP markets. This study concludes that the identified characteristics are based on the specific market, its distribution channels and the infrastructure. It’s important to notice that the access of the product is based on the specific market preferences and that all aspects in this section hasn’t been identified in the theory even though they are relevant for the specific market. This means that organizations need to design their accessibility in relation to the requirements of the market of the BOP.

5.2.3.3 India versus Kenya

This heading covers the difference between most common characteristics on accessibility of the two target countries that are; India and Kenya. The left model includes the cases that are based on an origin from India, and there was one identified common characteristics on the India cases. The model to the right is based on cases on an origin from Kenya, and there were three identified common characteristics on the Kenya cases. The characteristics are displayed below:

Figure 5.14, Common characteristics on accessibility, India and Kenya, adopted from theoretical framework
**Similarities**
There are no common characteristics of the two countries that are similar on the concept of accessibility. This means that the two countries have different ways of working with the accessibility concept in terms of characteristics.

**Differences**
There was one characteristic that was only identified as common in India, and not in Kenya. This was the characteristic of partnerships, it was identified on 2 out of 3 cases in India. The aspect of partnerships is connected to Shah (2012) who states that partnerships is needed in order to access the BOP markets and its customer. This study conclude that partnership is an important characteristic of the India based cases, as two out of the three cases has used it to create accessibility.

There were three characteristics that were only identified in Kenya, and not in India. The first characteristic of collaboration was identified on 2 out of 3 cases in Kenya. The second characteristics of NGO’s were identified on 2 out of 3 cases in Kenya. The third characteristics of local entrepreneurs were identified on 2 out of 3 cases in Kenya. All these three characteristics are connected to Shah (2012), Soete (2010) and Seelos & Mair (2007) who all states that collaboration with NGO’s and local entrepreneurs is vital in order to access the segment and the market of the BOP. This study concludes that all three aspects are equally important aspects when it comes to creating accessibility in Kenya.

**5.2.4 Availability**
This heading covers the display of how the six cases have used the concept of availability. The characteristics of the availability concept are identified in appendix 11.

**5.2.4.1 Common variables**
This heading covers the common identified characteristics that the six cases have used in terms of availability. The identification has led down to the total of four characteristics which are the most commonly used characteristics of availability. These six characteristics are displayed in the model below:
The characteristics of uninterrupted supply were identified on 3 out of 6 cases. The uninterrupted supply aspect is connected to Prahalad (2012) who states that organizations build trust and loyalty by ensuring uninterrupted supply. The second characteristics of adequate stock were identified on 3 out of 6 cases. The adequate stock aspect is connected to Prahalad (2012) thoughts that organizations must ensure that the product is available at all times. The third characteristics of quality were used on 2 out of 6 cases. The quality aspect is connected to Johnson (2011) thoughts of that the availability has to be tailored made for the BOP, which brings quality to the availability. The fourth characteristics of trust were identified on 2 out of 6 cases. The trust aspect is connected to Prahalad (2012) who states that trust is built by ensuring uninterrupted supply to the BOP segment. The fifth characteristics of collaboration were identified on 2 out of 6 cases. The collaboration aspect is connected to Chikweche & Fletcher (2012) thoughts to involve collaboration with various organizations to make the product available. The sixth characteristics of loyalty were identified on 2 out of 6 cases. The loyalty aspect is connected to Prahalad (2012) who states that loyalty built by ensuring uninterrupted supply to the BOP segment. This study concludes that these six characteristics are important aspects to take into consideration when forming an entering strategy for a BOP segment.
5.2.4.2 Unique findings
This heading covers the unique identified characteristics that have been used by one of the six cases. The identification led down to a total of eight characteristics, which has been used by the cases on the concept of affordability. The eight characteristics are displayed in the model below:

Figure 5.16, Unique characteristics on availability, adopted from the theoretical framework

Only one case company has used the characteristic that’s been identified. This is connected to Johnson (2011) who points out that the importance of availability lies in that the product and its availability should be tailored-made after the specific needs of the consumers and the specific target market. This study concludes that the identified characteristics are based on the specific market, and a specific product. It is important to notice that the availability of the product is based on the preferences of both the consumer’s needs and its target market. This means that there are specific solutions for specific cases, and therefore hasn’t all aspect been brought up in the theory as there is no applicable solution for all BOP products.

5.2.4.3 India versus Kenya
This heading covers the difference between most common characteristics on availability of the two target countries, which are; India and Kenya. The left model includes the cases that are based on an origin from India, and there were three identified common characteristics on the
India cases. The model to the right is based on cases on an origin from Kenya, and there were two identified common characteristics on the Kenya cases. The characteristics are displayed below:

![Diagram showing common characteristics on availability](image)

Figure 5.17, Common characteristics on availability, India and Kenya, adopted from theoretical framework

**Similarities**
There are no common characteristics of the two countries that are similar on the concept of availability. This means that the two countries have different ways of working with the availability concept in terms of characteristics.

**Differences**
There were three characteristics that were only identified as common in India, and not in Kenya. The first characteristic of quality was identified on 2 out of 3 cases in India. The aspect of quality is connected to Johnson (2011) thoughts of that the availability has to be tailored made for the BOP segment, as it adds value for the consumers. The second characteristic of trust was identified on 2 out of 3 cases in India. The third characteristics of loyalty were identified on 2 out of 3 cases in India. The aspect of both loyalty and trust is connected to Prahalad (2012) who states that organizations obtain trust and loyalty by ensuring uninterrupted supply. This study concludes that these three characteristics have equal importance when it comes to creation of availability of India based cases.
There were two characteristics that were only identified in Kenya, and not in India. The first characteristic of uninterrupted supply was identified on 2 out of 3 cases in Kenya. This is connected to Prahalad (2012) who states that organizations can obtain loyalty and trust by ensuring uninterrupted supply. The second characteristic of adequate stock were identified on 2 out of 3 cases in Kenya. This is connected to Prahalad (2012) thoughts of those organizations have to be able to ensure that products are available at all times. This study concludes that all three aspects are equally important aspects when it comes to creating accessibility in Kenya.

5.2.5 Acceptability
This heading covers the display of how the six cases have used the concept of acceptability. The characteristics of the acceptability concept are identified in appendix 12.

5.2.5.1 Common variables
This heading covers the common identified characteristics that the six cases have used in terms of acceptability. The identification has led down to the total of four characteristics, which are the most commonly used characteristics of acceptability. These five characteristics are displayed in the model below:

Figure 5.18, Common characteristics on acceptability, adopted from the theoretical framework
The characteristics of price were identified on 3 out of 6 cases. The second characteristics of basic need were identified on 3 out of 6 cases. The third characteristics of functionality were used on 3 out of 6 cases. The fourth characteristics of product design were identified on 3 out of 6 cases. The fifth characteristics of benefits were identified on 3 out of 6 cases. These five characteristics are connected to Anderson & Billou (2007) who states that organizations needs to offer products that are adapted to the specific needs of both BOP consumers and the BOP market. This study concludes that these six characteristics are important aspects to take into consideration when forming an entering strategy for a BOP segment.

5.2.5.2 unique findings
This heading covers the unique identified characteristics that have been used by on of the six cases. The identification led down to a total of five characteristics, which has been used by the cases on the concept of acceptability. The five characteristics are displayed in the model below:

![Unique findings on Acceptability](image)

Figure 5.19, Unique characteristics on acceptability, adopted from the theoretical framework

Only one case company has used the characteristic that’s been identified. This is connected Anderson & Billou (2007) who state acceptability is challenging when it comes to serving the BOP, this is because the organizations needs to offer products that are adopted to the specific need of both distributors and consumers. This study conclude that the identified characteristics
are based on specific situations where the consumers and the disturbance options is based on a specific product and the need that it fulfill. This means that the adaptations made is based on what the consumer wants and what the market demands.

5.2.5.3 India versus Kenya
This heading covers the difference between most common characteristics on acceptability of the two target countries, which are; India and Kenya. The left model includes the cases that are based on an origin from India, and there were three identified common characteristics on the India cases. The model to the right is based on cases on an origin from Kenya, and there were three identified common characteristics on the Kenya cases. The characteristics are displayed below:

![Diagram]

Figure 5.20, Common characteristics on acceptability, India and Kenya, adopted from the theoretical framework

**Similarities**
There are no common characteristics of the two countries that are similar on the concept of acceptability. This means that the two countries have different ways of working with the acceptability concept in terms of characteristics.
Differences
There were three characteristics that were only identified as common in India, and not in Kenya. The first characteristic of functionality was identified on 3 out of 3 cases in India. The second characteristic of product design was identified on 3 out of 3 cases in India. The third characteristics of benefits were identified on 3 out of 3 cases in India. All three aspects are connected to Anderson & Billou (2007) who states that products need to be adapted to the specific needs of the customer. This study concludes that these three characteristics have equal importance, and that all of them are vital when it comes to creation of acceptability of India based cases.

There were three characteristics that were only identified in Kenya, and not in India. The first characteristic of value was identified on 2 out of 3 cases in Kenya. The second characteristics of price were identified on 2 out of 3 cases in Kenya. The third characteristic of convenience was identified on 2 out of 3 cases in Kenya. This is connected to Anderson & Billou (2007) thoughts that products for the BOP segment needs to be adopted for the needs of the consumers. This study concludes that all three aspects are equally important aspects when it comes to creating acceptability in Kenya.
6. Conclusion and discussion

The result of the thesis will be discussed under this chapter. The chapter will also include conclusion, implications, limitations, future research and reflections.

6.1 Conclusion

- How do organizations enter the Base of the Pyramid Market Segment?

The findings of this thesis show how organizations that were investigated have entered the BOP market segment in terms of the concepts of: Awareness, Affordability, Accessibility, Availability and Acceptability. This study conclude that all the five A’s concepts are valid to use when an organization enters a BOP market. This research therefore conclude that the following model should be used for organizations:

Figure 6.1, The final model of the five A’s, adopted from the theoretical framework
This study further concludes that the most common characteristics of GlaxoSmithKline, Nestle, Safaricom, Godrej and Boyce, First Energy and Sudiskha are the following on the various concepts. The most common characteristics on the five concepts that this study has identified are:

- **Awareness**: Local radio, Partnerships, Billboards and Education.
- **Affordability**: Convenience Inexpensive, Quality, Value and Price
- **Accessibility**: Collaboration, NGO’s, Partnerships and Local entrepreneurs
- **Availability**: Uninterrupted supply, Adequate stock, Quality, Trust, Collaboration and Loyalty
- **Acceptability**: Price, Basic need, Functionality, Product design and Benefits

These identified characteristics are according to this study the most important aspect to take into consideration when entering the Base of the Pyramid market segment in terms of the five concepts.
- How to organizations enter Base of the Pyramid Market Segment in different countries?

The findings of this thesis show how organizations from different countries have entered the BOP market segment. The target country of this study is: India and Kenya. The India based organizations are; Godrej and Boyce, First Energy and Sudiskha. The Kenya based companies are; GlaxoSmithKline, Nestle and Safaricom. The following common characteristics have been identified on the various concepts, for the two countries:

On the India based organizations:
- Awareness: Local radio, Partnerships, Education, NGO’s, Local women and TV
- Affordability: Value, Price
- Accessibility: Partnerships
- Availability: Quality, Trust and Loyalty
- Acceptability: Functionality, Product design and Benefits

On the Kenya based organizations:
- Awareness: Local radio, Partnerships, Billboards
- Affordability: Inexpensive
- Accessibility: Collaboration, NGO’s, Local entrepreneurs
- Availability: Uninterrupted supply and Adequate stock
- Acceptability: Value, Price and Convenience

The similarities in terms of characteristics of the two courtiers are; local radio and partnerships on awareness all other characteristics are different on all the concepts. These identified characteristics are according to this study the most important aspects to take into consideration when entering the Base of the Pyramid market segment in terms of the five concepts in both India, and Kenya.
6.2 Managerial implications

This study can be useful for managers who are working on entering the Base of the Pyramid segment. The study provides information of how companies can design their entering strategies towards the Base of the Pyramid and also how other organizations in different countries has entered the Base of the Pyramid, which is according to the literature gathering a rare research project. This study provides information of how six case companies have applied the five research concepts to their strategy as well as how they work towards the segment of the Base of the Pyramid. The case companies in this study represents different industries as well as different product and services, and they therefore posses different characteristics in terms of the five concepts.

The models which has been used to identify the characteristics as well as identify the most common ones, the unique ones and the similarities and differences between countries can be useful to managers as they can use it to compare their strategies with competitors and partners. They can also use the models to evaluate their own organization as well as to formulate a new strategy for entering the Base of the Pyramid.

6.3 Academic implications

This study can also be useful for the academic world. This study identifies how companies have structured their entering strategy towards the Base of the Pyramid market segment. The method that has been used in this study can be applied by academicians to investigate how other type of strategies are structured, as well as the important characteristics of that strategy. The research can also give academic ground for how to investigate the strategy of Base of the Pyramid as well as other strategies in any industry or department. The research can for example be used when looking into a strategy for the middle tier of the socioeconomic pyramid.

The study can also be used by academicians to investigate how strategies are in different and similar in terms of the country of origin of the country. This study identified some differences and similarities between countries. This subject can be further looked into to get a more generalized picture of how aspects are different and similar between countries. The research overall can work as ground for various number of academic researches on both strategies and the Base of the Pyramid.
6.4 Limitations

There are two limitations that were more influential on the research than all others. These were the number of cases and the numbers of previous researches on the field of Base of the Pyramid. The original plan was to investigate a total of ten companies, based from the origin of Latin America, Asia and Africa. However during the collection of the empirical data some organizations decide to decline the interviews and the research therefore had to settle with only six cases, three from Asia and three from Africa. The limitation of research was based on the fact that there hasn’t been any extensive research done in terms of how organizations actually have worked towards the Base of the Pyramid. There was also literature that was lacking in terms of models and strategy that could be applied for this research.

This study made contacts with around 20 possible organizations to work with. Many of them sad that they were interested in contributing to the research, but at the end some of them got back to us but some said they didn’t have time. This led down to a total of six cases, with one interview for every organization. This is also another limitation, by having more than one interview at all the cases the research would have gotten a more detailed picture of the cases and it would have also provided different views of the cases. This affected the generalizability of the study. Another limitation was that the interviews led to different amount of data for the different cases, which could have led to an uneven study in terms of insight in the various cases.

The last limitation was also the economical and time limitations. The time limitations were based on the fact that there was a limited time for this thesis, which may have affected the outcome of the thesis. The economical limitation was based on that all interviews was made via Skype of telephone as there wasn’t sufficient resources to be able to travel to the actual organizations and visit them at site.
6.5 Future research

The phenomena of the Base of the Pyramid are new, and the academic work of these phenomena is only starting to be published. This research therefor had a hard time to be able to find all accurate articles to be able to design the strategy for the Base of the Pyramid as well to be able to link the five concepts of this research. The subject can be looked into and researcher further in a broad number of ways.

One possible approach for future research could be to increase the number of cases to get a more generalized picture of how organizations have chosen to work with the strategy of reaching the Base of the Pyramid market segment. The result of such a study could also give more motivation why its needed to design a specific strategy as well to get a clear picture of what characteristics to think of when it comes to designing such a strategy.

Another possible approach for future research could be to try to identify how the five concept of this research is linked, and what that linkages lead to. This study couldn’t find any theory that supports the relation between the theories and the concepts. A correct index of how the concept relates and what to look into would according to this study be helpful for all companies who want or are active in the Base of the Pyramid market segment.

These two approaches are just two examples of what future research could apply to this study. This study conclude that research concerning this subject of strategies and the Base of the Pyramid would be interesting as well as it could provide useful information for all parties who are in touch with the Base of the Pyramid.
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Appendix 1: GlaxoSmithKline interview transcript

Moses Alobo; Medical Director

Questions:

Product - Augmentin

2010, GSK cut the price of certain products, by 50% - Augmentin being one of them. It improved the sales and volumes of the sales.

Awareness:

- How do you make the consumer aware of the product need?
  - In various health care products, you are telling the consumer that we have something that you need that they don’t know about. In this case it was not a new product, it’s been on the market for quite a while. They needed this drug but it wasn’t available to them because of the price. The cut in price was a reaction for the market, it was seen as a trigger.

- How do you communicate the solution for that need?
  - It was a whole corporate team who was responsible, news articles, it was a whole communication blitz although they did not state the reduction in price, because it is forbidden. They took that approach to make many consumers reach the need. Being a skewed market, they can only reach out to suppliers who then communicate further to the consumers who are actually doctors and patients. The price reduction has led to successful results, and the sales have increased.

- How do you work with education concerning the need and the solution?
  - The education was based on that the public really needed the product. (The antibiotic markets in Africa have received a lot of generic medications lately. Many of them are false and not real.

  - How do you speed up the access:
    - To ensure constant flow they do three months stock out with the retailers (pharmacist), where they ascertain that the stocks available provide 3 month inventories and also additional orders at the need of the product.

- How do you spread the information concerning the need and the solution?

- How do you work, in terms of communication channel in order to reach the market segment?

Affordability:

- How is the product performance for this segment in relation to the price?
  - They did the reduction to make the population not use false medication, because of the vast need they made the reduction to protect the population and it was focused on the access issue. The main objective wasn’t about getting returns; it was about helping the public.

- How did you price of the product?
o What aspect did you take into consideration when pricing?

• What where your main objectivities in deciding the price?

o What kind of payment methods was used?

Accessibility:

• How do you access the consumers in terms of distribution?
  
  o Distribution: They are a part of the supply chain team. They make business with all types of distribution to be able to meet all customers in the markets.

• What types of infrastructural obstacles did you face?
  
  o The sms service to confirm the drug is quite cost for the organisation

• Do you collaborate with other organisations to build the distribution channels? If yes, then who and how?

• How do you manage the timing of distribution in relation to the purchasing power of the segment?

Availability:

• How did you manage to keep a constant flow of the product?

• What did you do to make sure that the product was always available in stores (or other selling places) near the consumer?

• They have started a program called ‘Hakikisha dawa’. Which means confirm you medicine. It is an sms system where customers can provide feedback, by texting the code inscribed on the medicine package for free to the GSK call centre. They would then receive a message confirming the message. This way customers are sure of getting good quality medicine at an affordable price. This is done to reduce all doubts and build loyalty to the customers.

• How did you use local partners to make sure that the product and complementary services was constantly available?
  
  o Logistics: they took a lot of consideration when they re-designed the campaign, as the price go down the volume increased. They had the capability of reaching which made them extend the communication and distribution channels.

• What actions have you taken to ensure trust and consumer loyalty in terms of the availability of the product?
'Hakisha dawa - SMS

- What challenges and obstacles have you experienced when ensuring constant flow of products?
  - The Hakikisha dawa initiative is not cheap for the organisation
  - A lot of generic and fake medicines in the market poses challenges for the consumers to understand value for money
  - Being a skewed market and for ethical reasons advertising is not permitted and so sensitising consumers is a huge task

Acceptability:

- How do you work with adapting the product to the needs of the consumers?
  - Demand and supply is very skewed, they therefore cannot foresee the demand.

- What types of limitations did you face in terms of adaptation in relation to the segments possibilities to use the product?
  - What limitations did you face/faced when designing the distribution channels in order to reach the consumers?
    - Trying to assist the market, and in relation to get profits. They want to ensure the quality of the product.

- What aspects were most important in adapting the product?
  - How did make the decisions of those specific adaptations?

Appendix 2: Nestle interview transcript

Mr. Julius Karina, Brand Manager for coffee, in the Marketing Department.

Specific product: Nestle coffee, Satchets, Nestle coffee three in one. (Creama, milk sugar and coffee

Questions:

Awareness:

- How do you make the consumer aware of the product need?
  - They looked, into how the need was at the time. They went out and speak with people. They visited markets; they went out and talked to consumer in terms of what they needed. So that they get the need and the product right.
  - Organised consumer sampling, where they send a van out to markets to prepare instant coffee, served in plastic mugs for the market attendees to test.
  - They also used the citizen radio which broadcasts in different languages to sensitise the customers by so creating awareness of the product.
• How do you communicate the solution for that need?
  o They work around in coffee shops, and trying to get there view about it both in terms of consumers and the resellers. The main basic of the awareness is the sample of the consumer basis to get there view about it.

• How do you work with education concerning the need and the solution?
  They have training sessions for the distributors, currently inviting local women groups on board to start having the buy and sell further to the to the remote places.

• How do you spread the information concerning the need and the solution?
  Through the marketing campaigns such as use of billboards, radio adverts.

• How do you work, in terms of communication channel in order to reach the market segment?

Affordability:

• How is the product performance for this segment in relation to the price?
  o The product we launch, has to has a very a minimal margin contribution. The creama is actually an advantage to the consumer because it is instant; the cost of milk, sugar and coffee separately is rather high and so this provides a quick and affordable solution.

• How did you price of the product?
  o They wanted to be very attractive to the consumers, look at the markets to see how other have priced. They wanted to try to be the best available product in terms of product and performance.

  o What aspect did you take into consideration when pricing? The most available currency is Ksh20 coin and Ksh10 coin. They took into consideration lack of change for bigger currencies ... that way it easier for the consumer to purchase and also the buyer doesn’t have to carry bulky money.

• What where your main objectivities in deciding the price?
  o The currency – (coins not requiring change), the consumers earn their wages weakly and so can only afford to buy small quantities sat a higher frequency.

  o Attractive, convenient, available, the product matches the market. They are thinking about the values. Its not their main priority to make them come out of poverty in the coffee department, but in terms of food they are working to provide better standards for the consumers. Coffee is more seen as luxury and not basic need

  o What kind of payment methods was used?

Accessibility:

• How do you access the consumers in terms of distribution?
Local women purchase from the company, and then sell to their villages. They make appropriate strategies for different areas, one type is motorcycle. And in one other area they have a bank where they get coffee for money. The strategy is based on area per area.

Also by boat in the river. They think they have made good strategies to reach a lot of their customers.

What types of infrastructural obstacles did you face?
Muddy Roads, Lack of electricity, Cash insecurities,

Do you collaborate with other organisations to build the distribution channels? If yes, then who and how?
All appointed partnerships. They basically find a network of resellers which have the preferences that matches of nestle

How do you manage the timing of distribution in relation to the purchasing power of the segment?
The local wholesalers have enough inventories to supply to the small retailers and nestle ensures that this is maintained because the retailers cannot buy in large quantities either.

Availability:

How did you manage to keep a constant flow of the product?
Ensure constant flow, They put the consumer into different consumer groups, and they then makes statistics of how these groups consume and they then connect this to factories so they know how much each groups need and when.

What did you do to make sure that the product was always available in stores (or other selling places) near the consumer?

How did you use local partners to make sure that the product and complementary services was constantly available?

What actions have you taken to ensure trust and consumer loyalty in terms of the availability of the product?
They make consumer campaigns, where they let people try the product, and provide feedback. They also do consumer research so they are constantly updated about the awareness and preferences about the consumers needs.

What challenges and obstacles have you experienced when ensuring constant flow of products?
Yes, the costs is very high. Security and access is the main things.

Acceptability:
• How do you work with adapting the product to the needs of the consumers?

• What types of limitations did you face in terms of adaptation in relation to the segments possibilities to use the product?
  
  o *The complexity of production, its hard to find auto production, which gives them a lot of workforce costs. Its also hard to package as the segment cant buy big packages*

  o What limitations did you face/faced when designing the distribution channels in order to reach the consumers?

• What aspects were most important in adapting the product?
  
  o How did make the decisions of those specific adaptations?

  Payment method:
  *Difficult to implement, the reselleer have 15 days maximum credit. And its based on the resellers relationship with nestle. They want it to be able to access micro loans.*

  *For the Bop segment its hard to do product that then after can be able to global market.*

Appendix 3: Safaricom interview transcript

**Naomi Ngugi:- Safaricom Kenya, Public relations manager (M-Pesa service)**

Questions:

Awareness:

• How do you make the consumer aware of the product need?
  *Using different marketing avenues…. They reached customers by travelling out into the rural areas, painting the kiosks with safaricom colours and also attending local farmers market days with car and microphone speaker where they would engage the customers with music while at the same time passing on the message*

• How do you communicate the solution for that need?
  *There was no easier way to transfer money across the country other than the traditional money order system through the post office. So their consumers already understood the need for an easier way to transmit money particularly from the city to up-country. Husbands needed to send money to their wives, daughters and sons to their elderly parents.*

• How do you work with education concerning the need and the solution?
  *The service is very simple since everything is through the phone. However, it is required of all the agents to attend training at Safaricom and in return educate their customers of the solutions.*
• How do you spread the information concerning the need and the solution?
The need was already there and when the solution came it went round pretty much
by word of mouth.

• How do you work, in terms of communication channel in order to reach the
market segment?
By using local agents to spread word, putting up billboards, promotion on local radio
channels, painting the agents kiosks with the product and how to use it.

Affordability:

• How is the product performance for this segment in relation to the price?
Satisfactory. Whereas it would cost so much in the bank and a lot of wasted time. M-
Pesa cost of transaction is 8% of the total cost of the money being transferred. Yet it
gets to the recipient within the same minute of sending unlike the traditional bank
which takes an hour, never mind the time to get there.

An additional point here is that of the mobile hand set.... It was unaffordable for
many people in this segment and so Safaricom teamed up with mobile phone
manufactures and produced a cheap mobile phone

• How did you price of the product?
The M-pesa was priced according to the most minimum someone can send and that is
Ksh 500/. The sender can also include the collection fees so that the recipient doesn’t
have to pay any money or get a deduction when collecting the money.

  o What aspect did you take into consideration when pricing?
The sometimes the recipient might not have afford to collect the money so
very little should be deducted on collection if need be

As for the mobile phone... it was priced so that even the poorest could afford.

• What where your main objectivities in deciding the price?
The poor recipients who cannot afford high fees and also the convenience
As for the phone it was to ensure that even grandmothers in the villages can have
access to a phone.

  o What kind of payment methods was used?
Pay on sending or pay on receiving which makes it easier for both parties.

Accessibility:

• How do you access the consumers in terms of distribution?
Local agents are located even in the most remote parts and during the past 10 years
taxi transport of motorbikes and bicycles have enabled access even to the most
remote parts. Some of this rural areas do also have the public bus service.

  o What types of infrastructural obstacles did you face?
- Lack of electricity in certain areas but this has now been replaced by small solar panels in some places.
- Muddy roads that can sometimes be impassable during rainy seasons

- Do you collaborate with other organisations to build the distribution channels? If yes, then who and how?
  Yes, some local mobile service distributors, shop owners, local hospitals or clinics,

- How do you manage the timing of distribution in relation to the purchasing power of the segment?
  Being a money transfer service, this is not an immediate challenge however, there are requirements that all agents must such as enough cash float so as to ensure continuous dispensation of funds when customers wish to collect.

Availability:

- How did you manage to keep a constant flow of the product?
  The service is available on the phone and the demand itself triggers the constant flow of funds. Our part is to ensure the systems are working at all times

- What did you do to make sure that the product was always available in stores (or other selling places) near the consumer?

- How did you use local partners to make sure that the product and complementary services was constantly available?

- What actions have you taken to ensure trust and consumer loyalty in terms of the availability of the product?
  There is a customer care centre together with a free phone service that agents are customers with immediate complaints can use to contact Safaricom. We also have to ensure that customers do not lose their money when they do send to a wrong phone number. Providing cheaper mobile handsets has enabled more customers to subscribe.

- What challenges and obstacles have you experienced when ensuring constant flow of products?
  Sometimes customers sending money to wrong recipients either who then withdraw the cash... it is therefore hard to trace the person that has collected the money and claim it back
  However with the new sim card ... customers can now be able to select the contact person directly from the phone as opposed to before when they would have to type in the number.

As for the merchandise service--- some customers were purchasing items paying using M-pesa and then a few minutes later call the help line to cancel the transaction when they had already received the goods.... So the solution to this now is that
customers will now be liable to their own purchases. No refunds will be allowed. And this in return will safeguard both parties.

Acceptability:

• How do you work with adapting the product to the needs of the consumers?
  We look at the need of the customers like now since the introduction of M-pesa customers have not been able to pay for goods using this service however now they can. This has been adapted to all types of small businesses like vegetable distributors, retailers, fish vendors, newspaper vendors because they need to transact business with instant payments.

• What types of limitations did you face in terms of adaptation in relation to the segments possibilities to use the product?
  -The mobile handsets were expensive in the beginning but that challenge is over since the introduction of cheaper handsets
  -Also problem of people receiving wrong transactions and retaining it instead of sending it back... it is difficult for Safaricom to track down the wrong recipients
    o What limitations did you face/faced when designing the distribution channels in order to reach the consumers?
      ▪ Impassable roads in certain areas
      ▪ Could not advertise until 5 years ago when radio started to transmit in all languages to the remotest of the villages
      ▪ Lack of electricity in certain places

• What aspects were most important in adapting the product?
  -Easy to use service
  -Cheap service for the consumers
  -Can be used by even the most illiterate
  -Quick access to cash both for emergency purposes as well as business and relief purposes
    o How did make the decisions of those specific adaptations?
  By studying the market and seeing what the consumers need as opposed to providing what they don’t need.

Appendix 4: Godrej and Boyce interview transcript

G. Sunderraman, vice president, corporate development, Godrej & Boyce

Questions:
Awareness:

• How do you make the consumer aware of the product need?
Barriers for consumption, there are different barriers for different people. The need, the benefit, the effort. You do it based on these parameters. Several small micro segments, these are the people we focus on. You can’t use media, you have to find alternative channels, you have to reach them by direct contracts. You don’t know where they are or how they reach the product.

- How do you communicate the solution for that need?
  Self-help groups. All you need communities that you want to reach. And then you use

- How do you work with education concerning the need and the solution?
  *This people are not well educated. There is no perception of need, you need to create the need for them. They are hard to communicate with. The NGO, is one on one. They focus a lot of training. Micro communities, through word of mouth. You have to go there and then evaluate needs and preferences, and that how you communicate*

- How do you spread the information concerning the need and the solution?
  - We know the geography, culture, communicate practices, demographics, You have to know the community to know how to communicate. The experience of working in India helps them a lot, but they don’t know everything.

- How do you work, in terms of communication channel in order to reach the market segment?
  *How to reach out to the people, reach out to people and to the communication. On to reach the people and one to handle the communication. Local entrepreneurs are as retailers. Close to the community, in the process of developing the community, serving the society. The partner can’t only focus on money, it has to be focused on the society.*

Affordability:

- How is the product performance for this segment in relation to the price?
  - Guessing, was the first action. The value is related to the price, suitable price! Trying to look at the lowest price for similar products and try to get that down. Its also ability to pay? The money the customers can pay and are able to pay. Involve local partner? They had feedback from segment, by asking price to customer in relation to value. Both formal and informal research. Experiment based solution.

- How did you price the product?
  *Standard use research, what kind of lives does the target lives, what do they need, and they looked into what kind of jobs the target needed to do, and which jobs doesn’t have solutions for them easy at hand? Need of jobs to be done... “easy to find on the internet”*

- What aspect did you take into consideration when pricing?

- What where your main objectives in deciding the price?
o What kind of payment methods was used?

Accessibility:
*Accessibility, equally between reach out and communication. The reach out is the main target, as the need isn’t active before the release of the product*

- How do you access the consumers in terms of distribution?
  o What types of infrastructural obstacles did you face?
- Do you collaborate with other organisations to build the distribution channels? If yes, then who and how?
- How do you manage the timing of distribution in relation to the purchasing power of the segment?

Availability:
- How did you manage to keep a constant flow of the product?
  o *We go by, if someone order the product, then we deliver. Its impossible to foresee demand. Deliver only on demand, no stores where you can go.*
- What did you do to make sure that the product was always available in stores (or other selling places) near the consumer?
- How did you use local partners to make sure that the product and complementary services was constantly available?
  o *Local partners, simple product which means that you only have to replace the lid for it to be repaired, all important parts sits in the lid. EASY!!!!*
  o *They haven’t reach that stage yet, they are focused on getting the product out. They have focused on specific areas so*
- What actions have you taken to ensure trust and consumer loyalty in terms of the availability of the product?
- What challenges and obstacles have you experienced when ensuring constant flow of products?

Acceptability:
- How do you work with adapting the product to the needs of the consumers?
  *The product has been modified to suit the needs of the consumers and they also involved the local women during the product design.*
- What types of limitations did you face in terms of adaptation in relation to the segments possibilities to use the product?
---

**Appendix 5: First Energy interview transcript**

**Mandal Arkajit Senior Manager and head of, Home Use Segment; of First Energy in India.**

Started as a part of BP group and was pioneered by BP as a renewable energy initiative proposed to them by CK Prahalad. They aim at providing sustainable, affordable and clean cooking solutions in India. Started the initiative in 2005.

- **Efficient cooking device**
- **Pellets from sugar, rice or any other food materials**
- **Green energy, highly efficient and is subsidised by the government**

They have 2 segments in the company - Commercial segment and home use segment

**Questions:**

**Awareness:**

- How do you make the consumer aware of the product need? 
  Promotional material, using rural ladies and explain to them the solution who then communicate it to the other women. It is affordable, saves time, it is healthy

- How do you communicate the solution for that need? 
  Mass media not very useful but going there physically to teach and explain

- How do you work with education concerning the need and the solution? 
  Educate the public through the ladies since they are the ones that cook

- How do you spread the information concerning the need and the solution? 
  Provide the product to one lady who tries it for one week and then she will then move on to communicating to the others

- How do you work, in terms of communication channel in order to reach the market segment?
- Media first and then TV. It is 4 stages.

**Affordability:**

- How is the product performance for this segment in relation to the price? 
  LPG is the most convenient cooking solutions but not affordable to almost 85% of the country. It is a bridging solution between the traditional device and LPG.... It is affordable and they can also make it highly accessible to the most poor.

---
• How did you price the product?
  *They wanted the product to stand on its own, bridge the gap, be affordable and accessible to the communities*
  
  o What aspect did you take into consideration when pricing?
  *Didn’t have microfinance in the beginning but they later introduced it. But because some geographical parts understood the need bought directly it was difficult to actually control microfinance so they stopped it*

• What where your main objectivities in deciding the price?
  
  o What kind of payment methods was used?
  *Pay on sending or pay on receiving which makes it easier for both parties.*

Accessibility:

• How do you access the consumers in terms of distribution?
  *They are cooperating with 2 NGOs SSD and USAID to in their distribution channel. They started in small areas but then moved out into larger areas. BP also was helping them in distribution. They built their own channel whereby they selected their own team selecting women in the village trained them and in return spread word on to other users*
  
  o What types of infrastructural obstacles did you face?
  *It was hard in the beginning but they solved it after working out their own distribution map. Volumes not big enough to justify transportation costs, selected villages close by to each other in a more profitable way*

• Do you collaborate with other organisations to build the distribution channels? If yes, then who and how?

• How do you manage the timing of distribution in relation to the purchasing power of the segment?

Availability:

• How did you manage to keep a constant flow of the product?
  *The service is available on the phone and the demand itself triggers the constant flow of funds. Our part is to ensure the systems are working at all times*

• What did you do to make sure that the product was always available in stores (or other selling places) near the consumer?

• How did you use local partners to make sure that the product and complementary services was constantly available?
• What actions have you taken to ensure trust and consumer loyalty in terms of the availability of the product?
  Working with the NGOs helped to build trust and also the women as users and sellers Gastro being a well known company else helped because of the trust the consumers have them
  Adequate stocks in the village also build up the trust

• What challenges and obstacles have you experienced when ensuring constant flow of products?

Acceptability:

• How do you work with adapting the product to the needs of the consumers?

• What types of limitations did you face in terms of adaptation in relation to the segments possibilities to use the product?
  o What limitations did you face/faced when designing the distribution channels in order to reach the consumers?
    The fuel is dirty and a big health hazard…. They faced this as a problem because they had to get rid of the problem first
    Safety also was a key issue
    Getting people to understand
    They can also charge it and retain the electricity to use later
    Although it was hard to explain this in the beginning

• What aspects were most important in adapting the product?
  o How did make the decisions of those specific adaptations?

Appendix 6: Sudiksha interview transcript

Nimisha Mittal, Director, Hyderabad, India
Questions:

January 2011, preschools combines free education. Their schools are for the BOP. They started in Anugya, in southern part of India. They basically focus on underprivileged. They aim for, consolidation and their mainly goal is to go into global india.

Awareness:

• How do you make the consumer aware of the product need?
  The whole preschool education, very new, elite concept. Its not something that can get in touch to, higher fees, not available in poorer country. Moms who are not working. Its been vary challanging, trying to get children to school. They have 12
schools. Word of mouth, women entrepreneur who owns the school, to bring in endowment in the community. Every month. Admissions come into month/ year

- How do you communicate the solution for that need?

It’s sets up in may, start in june. Starts the enrolment in june. Local tv, local language, running ad, in the bottom of the screen. Pamphlets go around in the area.

1. go into the community
2. low income colonies
3. indentify locations,
4. to set up a ground floor, an area,
5. indentify a person
6. educated woman
7. area which are close,
8. tell about the school,
9. benefits of that school, 8 dollars per month (400 rupees), availability, they can’t travel to far

- How do you work with education concerning the need and the solution?
  - Answered above

- How do you speed up the access:
  - Answered above

Affordability:

- How is the product performance for this segment in relation to the price?

Started 2 dollars-3 dollars, leave the governemental school (primary) It has the be in relation to costs, they decided to raise the fee, 10000 rupees (target family) urban earn like 4 dollars per day, generally maid and cooks, Its priced so it’s the same price to keep the child at home. The first thing that happens, they get a safe environment, teach them a real community with a good environment. Between, 3-4 schools, age 2-3, daycares, specific for the different schools.

What aspect did you take into consideration when pricing?
  - Answered above

- What where your main objectivities in deciding the price?
  - Answered above

Accessibility:

- How do you access the consumers in terms of distribution?

Low income colonies, they go out and see the colony, they look at all age groups 1, have a look credential, potentials, trying to find a contact, look at the demographics, if they can pay the fee, they look of preferences,

  - What types of infrastructural obstacles did you face?
• Do you collaborate with other organisations to build the distribution channels? If yes, then who and how?

• How do you manage the timing of distribution in relation to the purchasing power of the segment?

Availability:

• How did you manage to keep a constant flow of the product?

  *Entrepreneurs its selected, teach her, caretaker, three teachers on average (2012, june, april 2013 (25-30 children per school) 2-3 teacher per school, to be from that community,*

• How did you use local partners to make sure that the product and complementary services was constantly available?

• What actions have you taken to ensure trust and consumer loyalty in terms of the availability of the product?

  *A team at HQ leve, scout areas have a look at potential areas, from business schools, interns, no collaboration with a specific organizations. Local contacts in the area, governemental schools.*

• What challenges and obstacles have you experienced when ensuring constant flow of products?

Acceptability:

• How do you work with adapting the product to the needs of the consumers?

  *They go to rent schools, instead of building them up by them self, started with 12, going to build 4 more, special furniture, custom made, they have a team that design the schools. They had their own capital, borrowed from friends and family, Illinois foundation they started to found them, investors from social investors. They have received (1600 dollars to start a school)*

• What types of limitations did you face in terms of adaptation in relation to the segments possibilities to use the product?

  o What limitations did you face/faced when designing the distribution channels in order to reach the consumers?

• What aspects were most important in adapting the product?

  *Indian don’t have a correculum in the gównernental studies. No where to go before they started, a few in number and the fee is very high, the where nothing before. But the same quality but for the bop. Equally to them in quality. All adopted from european and USA, its very new in India. Something that wasn’t there, supporting the community, for the BOP, same quality, base the curriculum - tailored made for the*
BOP, what they can (GOAL is a happy child) hygiene and help the BOP. “we shape the future” we give them possibilities, age of 6.

- How did make the decisions of those specific adaptations?

*Answered above*

Appendix 7: Keywords from empirical data

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<thead>
<tr>
<th>Cases</th>
<th>Awareness</th>
<th>Affordability</th>
<th>Accessibility</th>
<th>Availability</th>
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### Appendix 8: Cross keywords on awareness

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Appendix 9: Cross keywords on affordability

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## Appendix 10: Cross keywords on accessibility

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Appendix 12: Cross keywords on acceptability

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Linnaeus University — a firm focus on quality and competence

On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

Linnaeus University is a modern, international university with the emphasis on the desire for knowledge, creative thinking and practical innovations. For us, the focus is on proximity to our students, but also on the world around us and the future ahead.

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