

**BOTTOM OF THE PYRAMID
MARKETING**

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BOTTOM OF THE PYRAMID MARKETING: MAKING, SHAPING AND DEVELOPING BOP MARKETS

EDITED BY

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Contents

| | |
|-----------------------|-----|
| Dedication | vii |
| Preface | ix |
| About the Contributor | xi |

Part I: Markets and Marketing at BOP: Where We are and What We Know

| | |
|---|----|
| Chapter 1 Evolving and Expanding Marketing to Address Challenges and Opportunities in BoP Markets: Looking Back and Forward <i>Madhu Viswanathan, Arun Sreekumar and Roland Gau</i> | 3 |
| Chapter 2 Making Markets ‘Worth the Effort’ at the Bottom of the Pyramid <i>Ronika Chakrabarti and Katy Mason</i> | 29 |
| Chapter 3 A Qualitative Study on the Survival Strategies of Retailers in BoP Markets <i>Dev Narayan Sarkar, Kaushik Kundu and Himadri Roy Chaudhuri</i> | 53 |
| Chapter 4 Beyond the BoP: A Look into Alternative Domain <i>Apoorv Khare</i> | 77 |

Part II: Future of Research on BOP markets

| | |
|--|-----|
| Chapter 5 Designing Solutions for the Low Income Consumer Markets: Four Schools of Thought <i>Jaqueline Pels and Jagdish N. Sheth</i> | 89 |
| Chapter 6 A Conceptual Model of Pro-poor Innovation Adoption in the BOP and Subsistence Marketplaces <i>Ben Lowe, Md. Rajibul Hasan and Saju Valliara Jose</i> | 111 |

| | |
|---|-----|
| Chapter 7 Reflections from a Periodic Market in Rural India <i>Satyam and Rajesh Aithal</i> | 135 |
|---|-----|

Part III: Lessons for Marketers

| | |
|---|-----|
| Chapter 8 Bottom of the Pyramid Marketing: Examples from Selected Nigerian Companies <i>Ogechi Adeola and Yetunde Anibaba</i> | 151 |
|---|-----|

| | |
|---|-----|
| Chapter 9 Profitability in Rural Bottom of the Pyramid (BoP) Markets from a Business Perspective: Evidence from Sri Lanka <i>Wasana Jayawickramarathna, Kaleel Rahman, Rajendra Mulye and Tim Fry</i> | 165 |
|---|-----|

| | |
|--|-----|
| Chapter 10 Developing Capabilities and Freedoms at the Base of the Pyramid <i>Archana Voola and Ranjit Voola</i> | 189 |
|--|-----|

| | |
|--|-----|
| Chapter 11 Exploring the Urban BoP Market <i>Mahima Kaura Mathur, Ritu Mehta, Sanjeev Swami, Sanjeev Bhatnagar</i> | 199 |
|--|-----|

| | |
|-------|-----|
| Index | 213 |
|-------|-----|

Dedication

It is with great pride that I dedicate this book, *Bottom of the Pyramid Marketing: Making, Shaping and Developing BOP Markets* to all the scholars in marketing who have dedicated their scholarship to studying, understanding, and developing theories that enhance our understanding about poor customers and their participation in the formal as well as informal markets. Until one and half decades back, poverty was scarcely studied with as much interest in marketing, as other topics that concerned the lives of rich customers. The marketing academia should take pride in helping to contribute in alleviating the pains arising from the most challenging issues that stare at the poor in our societies today. The research on what is called the bottom of the pyramid or BOP cannot be complete if we keep looking at the problem as one which haunts only the developing nations, or emerging markets. This is multidimensional problem, and it equally worries the richer societies as much as it stares the societies in less developed markets. Finally, to cite Prof Yunus (Nobel Peace Prize Winner), we wish to see poverty in the museums one day.

Once again, I would like to thank all the contributors to this book, who dedicated their time, effort, and emotional labor in bringing out their best research into the world in form of this book. Thanks to Emerald Publishing for supporting this endeavor.

Regards,
Ramendra Singh
Associate Professor of Marketing and
One of the many BOP Marketing Scholars
Indian Institute of Management Calcutta
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Preface

The book *Bottom of the Pyramid Marketing: Making, Shaping and Developing BOP Markets* is a culmination of the effort of many scholars to put their best minds and intellectual horsepower and share all the best ideas in bottom of the pyramid (BoP) marketing under one umbrella. The conception for this book emerged from one simple question that germinated in my mind many years ago: Why is it so difficult for poor in the society to participate in the markets? I must admit that even today I am struggling to find a satisfactory answer to this question, yet the first step of bringing out this book that collates the thought leadership of as many as 28 scholars from across the globe, across 11 chapters, has just happened. I must thank all contributors again for this time, effort, and dedication toward this noble cause. The narrative would be incomplete without the mention of the immediate trigger for writing this book, which is the ongoing intellectual debate: whether to treat BoP as a marketplace in which poor should be sold goods and services, or should BoP be treated as an underprivileged section of the society which requires serious government intervention to enhance employment opportunities and welfare programs.

The structure of the book is like this: it is divided into three parts: In *Part-I: Markets and Marketing at BOP: Where We Are and What We Know?* in which there are four chapters. Each of these chapters have been authored by some of the best research minds working in the field of marketing in subsistence markets, which is the other name by which BoP is called. In *Part-II, Future of Research on BOP Markets?* Few top scholars again share their ideas on what BoP markets would look like in future and how that would shape BoP research in future. In *Part-III: Lessons for Marketers*, another set of BoP scholars discuss how marketing challenges being faced at the BoP are resolved in the toughest BoP markets of Africa, Sri Lanka, and India.

Although this book is a fruit of lots of labor, we do not intend to claim that we have moved the mountain of existing knowledge any more than what others have done before. Probably, standing on the shoulders of the giants who preceded us in this research domain, we contributed our intellectual thoughts for others to evaluate its worth. Nevertheless, the journey to invite contributions from the best minds, and to collect and compile their final chapters has been a fulfilling one for me as an editor. In this process, few scholars could not contribute due to their previous commitments, for which we will find another occasion.

Finally, we hope we contribute to knowledge building and development of new and existing theories, and also trust marketers find it useful to apply as part of

their marketing solutions in the marketplace. Apart from contributors, Emerald Publishing also must be thanked for supporting this journey. I also want to thank my family, my wife, Anjali, and my 12-year-old son, Rudransh, for their patience during this entire year-long journey. Last, but not the least, my colleagues in the marketing group at IIM Calcutta who supported either through review, authorship, or by brainstorming ideas that impacted the development of this book. I hope the readers of this book will enjoy reading it as much as the authors have loved contributing to it. We sincerely hope that the book goes on to contribute to developing the economic, social, and political practices that are making, shaping, and developing BoP markets.

Regards
Ramendra Singh
Editor.

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Part I

**Markets and Marketing at BOP:
Where We are and What We Know**

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Chapter 1

Evolving and Expanding Marketing to Address Challenges and Opportunities in BoP Markets: Looking Back and Forward

Madhu Viswanathan, Arun Sreekumar and Roland Gau

Abstract

The authors look back and forward in terms of challenges and opportunities for marketing, viewed from the vantage point of the subsistence marketplaces stream. The authors discuss how marketing can evolve and expand to address the scale and scope of challenges that lie ahead. By way of challenges, the authors discuss the confluence of uncertainties, such as inherent in the Base of the Pyramid (BoP) contexts, in environmental issues, and in the arena of technological solutions, as well as the confluence of unfamiliarities among managers, students, and researchers. The authors discuss opportunities for marketing through a bottom-up approach and argue for evolving marketing with rapidly changing reality in BoP markets, a harbinger and an innovation laboratory for all contexts.

Keywords: Subsistence marketplaces; Base of the Pyramid; marketing; low income; poverty; sustainability

We gain perspective as we look back and forward from the vantage point of the subsistence marketplaces stream, in light of the challenges we face in the arena of poverty. Indeed, with the successes of poverty alleviation efforts, people are coming out of extreme poverty in historical proportions in the last decades. Yet, poverty remains intractable in many parts of the world. Indeed, poverty is more than absolute wealth that is simply making less than a certain income level, or

even relative wealth, but is characterized by deprivation and the capability of individuals to achieve their goals (Sen, 1981a, 1981b, 1983, 1993). In our view with an emphasis on the marketplace, poverty further breaks into domains of subsistence – like water, sanitation, shelter, energy, food, and so on. The problems in some of these domains are stark and immediate, such as with drinking water or sanitation. And in some domains, the problems may represent situations beyond individual life circumstances but also encompass regional and international policies, such as with issues regarding energy and food supply.

We use this chapter to both look back and think about the future in terms of challenges and opportunities for marketing. Though humbled by our learning and slow progress in various endeavors, the challenges are truly daunting, even sometimes seeming insurmountable. We articulate our thoughts at a number of different levels, grateful for the opportunity for this platform to reflect candidly. In doing so, we touch on a variety of rich insights developed by others; however, this chapter is not intended to be a methodical review, but rather a broader reflection. Looking back provides some degree of satisfaction with the road traveled but pales into insignificance when placed in the context of the scale and scope of challenges that lie ahead. It is in this light that we consider Marketing in BoP markets. Thus, we attempt to think in broader terms rather than the phenomenon of marketing or the discipline of marketing in terms of these challenges and the opportunities they afford.

Looking Back – Our Journey into Subsistence Marketplaces

This part on looking back will be brief, as it is well chronicled elsewhere (Venugopal & Viswanathan, 2017). We provide an illustrated journey in the Appendix and refer to it through this section. The subsistence marketplaces stream originated independently from the BoP stream, and evolved in parallel with it, benefiting from mutual cross-fertilization of insights. It began with the study of low-literate, low-income consumers in the United States, with the initial research presented at a special session at the ACR conference in 1998.¹ The stream evolved, as the research extended internationally, first to India and then to other locations including Tanzania, Mexico, and Argentina.

The term “subsistence marketplaces” was coined deliberately to emphasize a bottom-up approach beginning at the micro-level (Viswanathan & Rosa, 2007). Subsistence refers to barely making ends meet and covers the gamut from extreme poverty to the boundary between low and lower-middle income levels. This is a qualitative definition of life circumstances that complements commonly used

¹Around this time, the “Base of the Pyramid” in the context of business and poverty emerged (Prahalad & Hammond, 2002), pointing out the benefits for business expansion into emerging economies as potential sources of profit as new consumer markets (Prahalad & Hart, 2002), or of disruptive innovation (Hart & Christensen, 2002), emerging into the forefront of business and academic thought with the publication of C. K. Prahalad’s (2004) book, *The Fortune at the Bottom of the Pyramid* and the first BoP Protocol.

dollars-a-day quantitative definitions, such as “under \$2 a day.” Marketplaces denote the need to view these contexts as preexisting marketplaces to learn from (i.e., marketplaces as arenas for exchange), rather than as new markets for existing products (i.e., markets as demand or customers for products). This inside-out mindset or bottom-up approach is a critical distinction. These settings where much of humanity does business and marketing deserved to be studied in their own right, beyond being new markets or arenas for policy setting from an outside-in perspective.

We do not claim superiority for the bottom-up when compared to the top-down – rather, we note the difficulties in being bottom-up and particularly so in contexts of poverty. Similarly, we do not claim superiority of the micro-level when compared to meso- (BoP)² or macro (economic)-levels of analysis – rather we note how each level as a starting point is needed and complementary. We elaborate below about what, how, and why, with respect to this stream.

What – Subsistence Marketplaces

Our efforts in research have generated many publications, and we³ have edited roughly 60 refereed publications through special issues and organized seven biennial conferences and one immersion conference bringing together scholars and practitioners.⁴ Direct educational experiences, derived from our experiences on this topic, reach almost a thousand students on-campus and many more online. Educational materials are disseminated worldwide through a web portal.⁵ This work has led to a unique marketplace literacy educational program that tens of thousands of individuals have received in seven countries – India, USA, Tanzania, Uganda, Argentina, Mexico, and Honduras – through the Marketplace Literacy Project, a non-profit organization founded in concert with this initiative and other partners.⁶

Our biennial series of conferences serve as forums for researchers, students, and practitioners, alike, each accompanied by special issues/sections/edited volumes. These conferences and edited volumes have led to insights about a variety of arenas in subsistence marketplaces, always with a bottom-up focus. The themes for conferences ranged from understanding consumers and entrepreneurs across literacy and resource barriers, to moving from micro-level to macro-level insights. More recently, we conducted the first immersion conference, on the idea that being bottom-up, we

²We refer to meso versus micro in a number of senses, including the starting point of study of organizations outside-in versus subsistence consumers and entrepreneurs inside-out. We also note the evolution of the BoP approach in capturing a number of bottom-up elements we discuss, such as through the BoP Protocol 2.0 (Simanis & Hart, 2008).

³When speaking of the entire stream the “we” refers to a broad set of researchers, educators, students, practitioners, community field teams, and communities.

⁴<https://business.illinois.edu/subsistence/research/publications/>

⁵<https://business.illinois.edu/subsistence/courses/>

⁶<http://www.marketplaceliteracy.org/>

should be privileging field interactions over traditional conferences. The research and marketplace literacy outreach went hand-in-hand as a third element was added – education for students and practitioners about subsistence marketplaces through on-campus and online means, with material disseminated worldwide to educators and students through a web portal. Of particular relevance, is one cross-campus yearlong interdisciplinary course sequence with international immersion that has led to over 50 projects for a variety of entities that employ our bottom-up immersion, emersion, design, and innovation processes. Thus, these synergies created across research, education, and outreach enabled us to be bottom-up. Whereas we began with understanding consumers and entrepreneurs (Viswanathan, Sridharan, & Ritchie, 2010), we moved on to develop insights about designing solutions and ecosystems (product design and development) (Viswanathan, Seth, Gau, & Chaturvedi, 2009), and implementing them (business models) (Viswanathan, Shultz, & Sridharan, 2014), as well as through implications for public policy (Viswanathan, Sridharan, Ritchie, Venugopal, & Jung, 2012).⁷

How – Bottom-Up

Our approach has provided us with a unique vantage point, as we have worked at the intersection of research, education, and practice. We have developed a bottom-up approach to understanding these contexts and designing and implementing solutions – or more precisely, pathways forward – solutions can be a strong word here. In doing so, we have detailed out the micro-level in terms of life circumstances – unpacking poverty not only in terms of what we take for granted materially, but cognitively, emotionally, and behaviorally. Our emphasis on literacy brings out new insights on cognitive predilections, emotional elements, and coping in the marketplace (Viswanathan, Rosa, & Harris, 2005).

If there is a key lesson from our orientation, it is the emphasis of the bottom-up approach in everything we do. Our stream is bottom-up, beginning at the micro-level. We are bottom-up in educating students on-campus and online, using poverty simulations, virtual interviews, and actual immersion to enable them to learn from people living in BoP markets. We are bottom-up in how we conduct our research, run conferences (including the first immersion conference), and design and deliver marketplace literacy education, allowing participants' lived experiences to guide the learning environment.

Why – Envisioning Sustainable Marketplaces

The why of our journey evolved along with the how and the what. One fundamental reason underlying our work is a vision of enabling those whom business research and education leaves out, a large proportion of humanity in the BoP that also does business and engages in marketing. This is worth studying in its own

⁷We focus on the subsistence marketplaces stream but emphasize how much we have learned from other literature streams and provide a sampling, as an exhaustive review is beyond the scope of this chapter.

right, even if not new markets or new arenas for policy. And this was the foundation of the subsistence marketplaces stream and its label.

Over time, the why evolved as we gained insights about subsistence marketplaces, education for subsistence marketplaces, and education about subsistence marketplaces, as well as about how subsistence marketplaces can become sustainable marketplaces. Fundamentally, we suggest a marketplace orientation, rather than a market orientation, to first understand preexisting marketplaces, before figuring out where we, as new entrants into the system, fit. This requires a mutual learning mindset, where we learn from people on the ground who, at the least, are experts at survival. In turn, we have an important role to play, provided we have spent the time and effort in immersing and understanding. We continue to evolve the why, such as in understanding such contexts as a way to design pathways forward for all contexts and showing synergies between research, teaching, and education.

Relevant Aspects of Our Journey

At its core, our journey in retrospective coherence has been about unpacking poverty as it intersects with the marketplace, starting at a micro-level, and in terms of not only the material aspects but the cognitive, emotional, and behavioral. Our approach began with examining low literacy, a key correlate of poverty. We identified cognitive predilections such as concrete and pictographic thinking due to difficulties with abstract thinking, emotional elements such as self-esteem maintenance and trading off economic value for the affective, and coping behaviors that range from being problem or emotion focused, confronting or avoiding, and so forth (Viswanathan et al., 2005). As this research evolved from the United States to India, and elsewhere, we also documented in detail the socially or relationally rich elements of these material poor settings. We describe 1–1 interactional marketplaces which people use a stepping stone to learn their consumer and marketing skills (Viswanathan et al., 2010). We examine what people are trying to sustain, bottom-up, articulated in terms of surviving (and subsisting), relating (to people and the environment), and growing (out of poverty at least for the next generation if not for themselves) (Viswanathan, Jung, Venugopal, Minefee, & Jung, 2014).

In parallel with research, we intuitively developed a marketplace literacy educational program that aimed to overcome these very constraints by focusing on skills, self-confidence, and awareness as consumers and entrepreneurs, engendered through a focus on deeper understanding or know-why, rather than just know-how or know-what. This education was concretized, localized, and socialized to overcome constraints such as concrete thinking by tapping into lived experiences and social relations, the latter possessed by people irrespective of literacy and particularly so in socially or relationally rich settings. We went on to creating a video-based, teacher-less program that scaled our education to tens of thousands of women. We also developed and now deliver programs in seven countries.

Our research on cognitive, emotional and behavioral constraints, as well as social or relational richness in a 1–1 interactional setting, has been used to

derive implications for what the bottom-up approach means for marketing. Our focus on life circumstances brings out the need not just to focus on the customer but, in light of unfamiliarities and uncertainties, to consider the consumer–community–context. Moreover, in this setting, consumers have the choice of not just making or buying, but also foregoing, and often having the resilience to do the latter. One prominent finding from this research is that when marketing functions and processes are considered from a bottom-up perspective, understanding of these functions is sometimes turned on their heads (Viswanathan, 2016). Examples include stitching segments together from the ground-up or considering market research (methodological issues in gaining insights, bottom-up design of market research), from a different starting point than traditional approaches. We have discussed implications elsewhere for topics, such as localized distribution, marketing communications for low literacy and a 1–1 interactional marketplace, pricing (affordable pricing, price-quality trade-offs, and unique value propositions), marketing structure (diverse partnerships, and decentralizing and externalizing marketing), and marketing culture and mindset (inculcating a bottom-up orientation) (see Viswanathan, 2016 for a comprehensive summary).

We have created a unique bottom-up product development process encompassing virtual immersion, emersion, actual immersion, and so on (Viswanathan & Sridharan, 2012). We have also provided a number of insights about product design and development. At the level of enterprise models, we develop arguments that go beyond earlier arguments for simply “doing good and doing well” to “doing good as it relates to the product offering as being essential to doing well” in what we coined a sustainable market orientation. Our analysis stems from the blurring of product offerings and the betterment of life circumstances at the household level, the blurring of the social and the economic at a relationship level, and the blurring of markets and the social milieu at the marketplace level. We argue for a similar need to blur the product offering and the social good from an organization’s perspective.

At a broader level of the bottom-up approach, we articulate a number of lessons from research, education, and social enterprise, with our model essentially being a symbiotic relationship between the academic and the social enterprises (Viswanathan, 2016). We emphasize the importance of the top-down meeting the bottom-up and note that the latter is often neglected, particularly in poverty contexts. Top-down relates to leveraging and utilizing what an individual or an organization already knows and does. In contrast, bottom-up relates to fresh insights from the ground. The approach calls for knowing not just the forest but the trees, branches, leaves, and weeds. We articulate the importance of learning by listening, observing, and trying out – akin to being in a jungle, rather than an Interstate. We emphasize the importance of iteration, of having a sustained identity that precedes branding, the centrality of implementation the need to constantly negotiate the value equation with various stakeholders, as well as to coevolve pathways.

Challenges in the BoP

The difficulties in physical access to settings of poverty have been discussed elsewhere (Collier, 2007; Gillis, Perkins, Roemer, & Snodgrass, 1992; Seelos & Mair, 2007). Such difficulties are likely to get accentuated as resources relating to energy and transportation are more constrained. We have described poverty in terms of uncertainty and the lack of a margin of error, beginning at a micro-level. This is in contrast to day-to-day life in relatively resource-rich settings, where some shocks to the system – such as with health emergencies – may exist, but the fulfillment of basic needs is taken, for the most part, as a given. The cognitive, emotional, and behavioral aspects of subsistence life that we outline challenge our conventional thinking, which often takes basic resources, as well as our own literacy and education, for granted. In a sense, we are the least qualified to be studying BoP markets. We overlay the uncertainty inherent in subsistence marketplaces and the distinctiveness of each setting with our own unfamiliarity as well, themes that we return to.

Confluence of Uncertainties

Unique though in subsistence marketplaces is the confluence of uncertainties ranging from being inherent in individual life circumstances to facing larger environmental events and societal trends. For marketers, this begs a variety of questions as to where the puck is going to be (as hockey-great Wayne Gretzky once said). Uncertainty is inherent in the BoP for individuals and communities, as they try to overcome resource constraints to survive day to day. Overlaying this uncertainty are other arenas of uncertainty including factors like climate change and the environment or access to technology in the face of a growing digital divide. These domains of subsistence in the coming decades also need to be viewed in terms of a number of macro-level directions. Looming directions relate to population trends, the environment, and technology.

Environmental Uncertainties. Progress on poverty alleviation can be undone rapidly with natural disasters in the fickle reality that subsistence consumers and entrepreneurs often face. Widespread problems in basic domains of subsistence such as water and large-scale forced migration are some of the unique challenges. Those in the BoP will be hardest hit by environmental shocks for many reasons. They are the most vulnerable at many levels, including not just financial resources and physical goods, but also in terms of their reliance on a given trade and the lack of diversity in trade skills, and thus earning potential, that comes with more formal education. Moreover, physically as well, they are most exposed to natural events. Indeed, models of estimation of long-term trends in different geographies have a band of uncertainty around them. Natural disasters that evolve rapidly in the short term present immediate uncertainties, more and more compounded by the effects of climate change.

The issues that come with environmental uncertainties are also impacted by a variety of realms, such as the geopolitical context and other domains overlays, as well. As resource constraints in arenas of subsistence become more acute, institutional mechanisms and infrastructure will be under increased stress.

Subsistence domains such as water, energy, and agriculture present some of the most daunting challenges in this regard.

Related is the uncertainty that comes with the intersection of economic growth and the physical carrying capacity of the planet. Severe constraints in arenas such as energy, water, and agriculture place limits on the current growth model, built around global production and distribution. What does the world look like a decade or two from now in terms of creating value through sustainable approaches? How will realignment and reprioritization of resources play out? How will costs be allocated in a world of no/low/negative growth, with the term, growth, used in a traditional financial/economic sense?

Technological Uncertainties. Broadly, in the developed world, technology and innovation are trends that address fundamental societal problems. However, access to technology belongs disproportionately to those with financial resources. Over time, the nature of this disproportionate access to technology creates a greater gap, or digital divide, between the haves and the have-nots (Dercon & Christensen, 2011). Thus, another source of uncertainty for individual living in the BoP is inherent in technological progress to address some of the challenges. Those in the BoP, who face the greatest challenges, will often have the least access to modern technologies to address those challenges. And without concerted effort, that divide will only grow larger.

Some progress has been made in certain specific locales, such as through leveraging mobile access to create greater information symmetry for buyers and sellers or to create greater access and flexibility in banking and financial transactions. However, in many other arenas, technological progress has been limited. And related to the environmental uncertainties mentioned earlier, the nature of renewable energy solutions and their scalability in time to address looming challenges is one arena of uncertainty. And similarly, there is uncertainty in emergence of technological solutions specific to domains of uncertainty such as water, agriculture, and sanitation (Kandachar & Halme, 2017).

Confluence of Unfamiliarities (of Marketing Managers/ Researchers/Students)

Coupled with the confluence of uncertainties above is the unfamiliarity that the developed world (e.g., the typical manager, researcher, educator, or student) has with the BoP on a variety of dimensions. It is difficult to understand day-to-day struggles, even after observing them, as the lived experience is often not there. For example, the likely readers of this chapter are fortunate to have an educational foundation, which also means it is that much more difficult to fathom what it means to not have literacy or education, a stage in life that is long forgotten for us. Related to this, the emotions associated with day-to-day survival and the resulting coping behaviors exhibited by individuals in the BoP also test our capacity to understand and empathize. Indeed, our own experiences form the center of our understanding and interpretation of the world around us. But herein lies the challenge of overcoming our notions of rationality and our world of relative certainties and some margin for error or cushion.

Whereas relatively resource-rich contexts share similarities arising from such factors as material wealth, infrastructure, and access to informational resources, BoP markets are also distinctly different. Each geography may be unique as culture and social hierarchy come into play. Thus, a challenge is to grasp what generalizes across contexts and what remains unique. In our experience for instance, some of the cognitive elements generalize but manifest very differently based on the context. For instance, the predilection toward concrete decision-making may lead to buying the cheapest item in some contexts, due to difficulty abstracting with other attributes; however, this same predilection may translate to buying the largest package in situations where market access is very difficult, such as in isolated tribal communities (Viswanathan et al., 2009). Similarly, emotional aspects and coping behaviors may manifest differently in areas of widespread poverty with distinctly different marketplaces (Viswanathan et al., 2005). A comparison of the US versus developing contexts is a case in point we have made elsewhere in terms of having a socially rich setting to learn from others through 1–1 interactions in other contexts, versus dealing with technology, information displays that assume a certain level of literacy, and few entrepreneurial opportunities. Similarly, there are vast differences between urban, semi-urban, rural, and isolated tribal geographies and within each of these contexts as well.

Additionally, we highlight that overcoming the unfamiliarity of BoP marketplaces is about learning about more than just the customer. When bridging a high-degree unfamiliarity to learn about marketplaces with high resource constraints and uncertainties, understanding has to move beyond the customer to the community and the larger context. A consistent observation of BoP marketplaces is the importance of social capital within the context of community (e.g., Narayan, 2002; Narayan & Pritchett, 1999; Viswanathan, Echambadi, Venugopal, & Sridharan, 2014; Webb, Tihanyi, Ireland, & Sirmon, 2009). At the individual level, individuals in the BoP often use social capital to secure informal exchanges, such as taking credit from shop owners during lean times in return for customer loyalty during times of plenty. Similarly, small land owners in agricultural communities may work for their neighbors for daily wages during harvest, with the expectation that their neighbors will be available to work for them in the future. This sort of social exchange speaks to the importance of communicating to more than just individual needs and wants, but also to those of the community. We have made a deep dive beneath the umbrella of social capital to unpack exchanges, the relational environment, and the larger context. This understanding has guided the development of our outreach and educational programs, where developing trust and eventually garnering buy-in at the community level has been a central tenet of the subsistence marketplaces activities.

Specializations and Compartments – Drilling Deep, Bridging Wide – Being Interdisciplinary to its Limits? Another aspect related to unfamiliarity is our own compartmentalization in terms of specialization, often with difficulty understanding other perspectives. With progress and growth has come increased specialization. In turn, entities and units within entities are organized around a high priority that often morphs into the only priority, and related incentives and metrics. Even in a world where doing one thing well may suffice, this is not workable.

But when moving to an unfamiliar world filled with uncertainties, such as with subsistence marketplaces, the need to understand, design, and implement solutions requires bridging across perspectives and learning where one's own specialization intersects reality in all its complexities. This means drilling deeply but also connecting broadly. Consider the academic endeavor with emphasis on theory and disciplines. For advanced societies with well-developed knowledge, these specializations seem to work to various degrees. But reality in subsistence marketplaces is fast changing, knowledge is nascent, uncertainty is high, and the future is unpredictable. The ability to learn from a wide range of sources no matter what one's specialization becomes critically important.

Specific disciplines and associated platforms and conversations coalesce understandably around a body of knowledge and shared perspectives. But BoP markets represent a complex in reality. When we take a marketing lens to it, like any lens, we run the risk of not see things for the complexities or oversimplifying them. Marketing at the level of orientation rather than function takes on added significance here. In fact, marketing being organized around the marketplace is ideally suited to connect across disciplines and functions, the span, the business, and the technical aspects.

We go beyond the typical call for interdisciplinary or interfunctional perspectives. In fact, when we speak of interdisciplinary work do we go far enough? Consider a subsistence domain such as water. A host of social science perspectives is crucial in understanding the issues surrounding water in a set of communities that cover the micro-, meso-, and macro-levels of analysis. The issues here range from "consumer"-level understanding to more macro-level power dynamics. But also, important here is work that spans the technical and the social. Our top-down disciplinary or functional compartments do not serve well when considering how the technical interfaces with the social. Often, being interdisciplinary extends within the social sciences, but not beyond. In contrast, the complex nature of the BoP warrants being even more holistic in some ways, as it is not simply understanding the differences that come with the perspectives of different disciplines, but also the deeper understanding of the intricacies within the intersections of disciplines that create a more nuanced understanding of the BoP. Indeed, in another sense, compartmentalization is itself a luxury that cannot be afforded in these settings – not by the customer or the marketer.

Evolving and Expanding Marketing to Address Challenges

The marketing discipline and function is uniquely situated around markets, marketplaces, customers, and exchanges. This positioning allows for a deeper understanding of the individuals who participate in these markets and allows for the deep, informed empathy that resonates and is necessary in the BoP.

Marketing and the Bottom-Up Perspective

At its core, marketing is about efficiently and sustainably facilitating exchange. The BoP consists of many domains of subsistence – water, food, shelter, etc. – that

can be considered through a variety of disciplinary lenses – anthropology, psychology, sociology, economics. The importance of understanding the intersection of these various domains and disciplines is only accentuated with looming uncertainties about the environment and its intersection with poverty. Coming from the business tradition, there is an inherent level of economic sustainability that is built into marketing solutions that is particularly useful in this arena, which has often been served by organizations and institutions for whom this characteristic is of less importance. These are the largest of challenges, but the marketing lens of, first and foremost understanding the marketplace and its customers, both has potential and is direly needed. We believe that the marketing discipline can be particularly impactful in some areas.

Culture and Marketing. Given the importance of understanding local communities, as well as the necessity of having an informed empathy for the individuals, the ability of marketing to offer insight and learn from consumer culture is of importance. This is very much related to the bottom-up perspective that we espouse. So why does bottom-up matter so much? Consider culture and an illustrative anecdote. A friend (coincidentally, originally a marketing practitioner in non-subsistence settings) makes solar ovens around the world. In terms of the cultural challenges, women cook the evening meal with the ovens when the sun is out during the day. But by the time husbands come home in the evening, the food is cold. This is an example of learning from the bottom-up. Sustainable solutions developed in labs at universities and companies assume a top-down notion of what is sustainable. Solutions have to also be based on the understanding of what communities and households sustain from the bottom-up. Those with the least resources cannot be expected to adapt even more than they already do when those with the most are barely willing to change their behaviors. A deeper understanding of the cultural nuances will greatly inform future interventions in the BoP.

Marketing Education and the Use of Informational Technology for Virtual Immersion. The dissemination of marketing knowledge, both theoretical and applied, has of course been a central feature of marketing as an academic discipline. In the past decades, information technology has transformed connections around the world and enabled societies to recapture community. This has also been the case in marketing and business education, with the increase of online modules, courses, and even MBA programs.

The relational and social potential of this technology also exists both physically and virtually in BoP markets, as electricity, wireless connectivity, and the decreased price of hardware and service access have made this technology more accessible. The characteristics of this technology makes it particularly useful for overcoming the diminishing resources, difficult physical access, and unsustainable transportation to facilitate learning about and from the BoP.

We use the notion of virtual immersion in moving the understanding of people from the developed world from sympathy to informed empathy. We use a variety of methods ranging from poverty simulations to text-based (analysis interviews), image-based, and video-based immersion exercises, and bottom-up and top-down need deconstruction exercises to enable such learning (Viswanathan, 2012). Though there is no substitute for actual immersion, the notion of virtual

immersion preceding design and the deeper understanding it can entail is likely going to increase in importance as barriers to actual immersion increase. Even in implementing our social enterprise, research, and international immersion, virtual communication, coupled with in-person visit(s) early in the process of building the relationship aims to overcome resource constraints we face and reduce resources we use (Viswanathan, Gajendiran, & Venkatesan, 2008).

The Dance Between the Bottom-Up and the Top-Down

Bottom-up implies translating implications from the micro-level for the meso- or macro-levels. The connection between the bottom-up and the rest of the system is complex and difficult to conceptualize, much less navigate.

Within the bottom-up approach we espouse in the subsistence market-places stream, a number of questions highlight the tension and difficulty of the process.

- How should the bottom-up approach be implemented and blended with the top-down approach?
- How can bottom-up insights be reflected into the decision-making of small and large organizations from different sectors?
- What are the methodologies to immerse individuals in the bottom-up?
- How can bottom-up insights help in understanding problems, designing solutions, and implementing solutions?

These questions describe a number of challenges, as each context is different and as learning about these contexts with unfamiliarity is often the starting point for researchers and practitioners. It is one thing to declare that we should be more bottom-up, but entirely another to explain how and what it means. This relates to education, as well as to designing and implementing solutions in the field. It also relates to how micro-level insights can be translated and incorporated to a more aggregate level. The practical reality is that approaches need to be both effective and efficient. Bottom-up approaches need to be executed in efficient ways, showing how they are important in this context.

Macromarketing Perspectives on Growth. One perspective that is useful in the connection between bottom-up and the broader context of the BoP comes in the form of macromarketing, a sub-field of the marketing discipline, that focuses on the impact of marketing activities in broader societal and economic terms. In terms of understanding subsistence and the BoP, this perspective, when connected to the bottom-up understanding, can offer great insight into how factors like environmental change will impact the world moving forward (Viswanathan et al., 2014).

An example of this is the discussion of the carrying capacity of the planet. These limits of natural resources have been well documented elsewhere by experts on the topic, often in terms of reaching peak supply in a variety of arenas (i.e., “peak oil” and “peak water”) (Cohen, 1995). In brief, this major challenge is on a head-on collision course with the traditional sense of growth, accentuated

as people strive to come out of poverty in large numbers. For a challenging topic such as this, marketing can play an important role in connecting the bottom-up and the top-down.

In this era, marketing has to be about much more than consumption in a traditional sense. Marketing has evolved to capture more than transactions, to examine relationships, as well as consumption culture. However, a variety of modes of exchange, such as through cooperative arrangements or sharing, need to be examined in a future at the confluence of poverty and environmental challenges. On the one hand, creating value is the essence of mutually beneficial exchange. On the other, the notion of examining such exchange with the presumption of rapid financial growth, typically in a large corporation setting, misses much of the phenomena. In this regard, our own journey to subsistence marketplaces was to capture how much of humanity “does business” and “engages in Marketing.”

So how can marketing contribute to the transition to more economically as well as environmentally and socially sustainable models? This issue is inseparable from BoP markets and marketing. If anything, these arenas offer the testing grounds for innovative business models as resource constraints are inherent. A number of questions must be addressed: How can value be created while consumption and conservation go hand in hand? What are the models of making, sharing, reusing, and servicifying? What models can help the transition from “growth for its own sake,” the guiding norm in recent times, with the realities of limited natural resources and planetary changes? The fundamental uncertainties and deficiencies of life in the BoP will serve as the most severe test for potential solutions to these crucial questions. What has been reality in BoP markets is increasingly “coming ashore” in more developed and relatively resource-rich contexts, the aftermath of natural disasters being a stark example while shortages in water and energy provide hints of things to come. If anything, this is further confirmation of how BoP markets are harbingers, as well as laboratories for forward-looking innovations. Thus, understanding of circumstances of individuals in the BoP, in a bottom-up way, can then inform macromarketing that aims to influence economic and social policy at a broader scale.

To push the argument further, albeit in a very oversimplified way, what is the world we would want to see in the arenas we work in? We can still dream, and perhaps the answers to this question crystalize some of the challenges in more concrete ways. We would like to see communities with sustainable footprints and thriving marketplaces, while at the same time maintaining the essence of their cultures that enhances well-being for all. We would like to see informed consumers, producers, and entrepreneurs, as well as nimble sectors of society in the face of unanticipated environmental shocks. We would like to see enterprises big and small engaged in serving important needs sustainably, and thriving public institutions serving the public interest.

Specific to marketing research, education, and practice, we would like to see approaches that are grounded in reality and balance the bottom-up with the top-down. What differentiates marketing is its emphasis on understanding consumers and marketplaces. The need to stay humble and balance top-down

theory with bottom-up (fast-changing) reality is important for relevant research. For students and practitioners, understanding how to design for individuals and communities fundamentally different from them, with bottom-up immersion, design, innovation, and enterprise, only gains in importance. Virtual immersion in this regard takes on added importance as being a relatively sustainable way to bridge distances with teams on the ground.

As natural resources dwindle, sustainable exchange will mean more local and virtual marketplaces for some goods and services to bridge physical distances and the energy and other costs associated with transportation. Distributed solutions, such as for energy or even healthcare, are increasingly relevant. Virtual approaches to health and other basic needs already being delivered through innovative means such as telemedicine need to find greater scale and effectiveness. Converting goods into services through community-level models, rather than individual ownership of physical products, may apply in some realms as well. At the same time, a variety of needs in domains of subsistence require solutions to larger scale. Current approaches to healthcare, agriculture, and other needs involving a large amount of natural resources have to change at the core to allow many of the smaller experiments to find scale and become the mainstream. Status quo thinking-based models that seem like they are the only game in town need to be questioned and transitioned. Here again, the marketing mindset focused on value creation and the customer perspective is vitally important. A related trend is in terms of migration to cities in the billions, worldwide, and what this will mean in terms of urban and rural models of marketing. Again, being rooted in reality offers many phenomena-driven imperatives for marketing.

Changes and adjustments in consumer preferences are also inevitable. Consider the domain of food and with what is needed, in terms of environmental impact, for some kinds of foods. A role for marketing would be the shift of consumer preferences such that consumer “consideration sets” evolve and look quite different – a difficult challenge for something as fundamental as food that people grow up with. Unsustainability because of natural resources may, in turn, intersect with unsustainability in terms of health in some of these arenas to make a powerful case for an altered “consideration set.”

What does marketing resemble in such contexts? Certainly, it encompasses more than the large organization view that often dominates textbooks, delving into diverse arenas including public policy, consumer culture, and individual decision-making. Value creation at the heart of marketing can happen in a variety of modes and would by necessity have to happen with much less consumption of natural resources, while at the same time satisfying needs. What are the marketing and business models of the future, based on less consumption of natural resources, yet more mutual value?

Convergence of BoP and Other Markets

As natural resource constraints come ashore to advanced economies, striking similarities emerge across markets. We ran a community innovation center in

southern Illinois that combined marketplace literacy and maker literacy education, providing access to 3D printers and machining to many individuals for whom this technology would otherwise be out of reach. The aim here was to empower through such means as digital making, albeit on a very small scale. It is interesting from a bottom-up perspective to understand what people are trying to sustain in a rural setting here that can be similar to settings around the world. In a family farm, people do not meet the traditional definition of the BoP, as they make ends meet in a variety of ways, while sustaining their values of living in a way that is real and meaningful for them – a combination of farming, a small shop, and other services to the community. Yet, they learn about how to do so through virtual means that bridge distances, YouTube videos, on how to make and repair things and so forth. Listening to people in these communities evokes memories of meeting people in many different BoP markets. Information technology can make the virtual real and help people live meaningful lives. In a broader sense, as resource scarcity inevitably leads to realignment and reprioritization of their uses and costs, alternatives to physical movement of goods/service and people are only going to increase in importance. Making the virtual as real as possible is of great importance.

We combined marketplace and maker literacy here to serve the unique needs of this area, as the loss of manufacturing jobs has led to unemployment, resulting in the attempt to empower digital making and decoupling from traditional industrial processes. Digital making for us is a teaching tool – to bring out concepts in consumer and entrepreneurial literacy while depending on the sensory modes. The ability to see and touch products as customers and to make them as entrepreneurs can extend to low-literate learners as well. But it is also a potential tool to consider making, without the typical needs of industrial scale of production and distribution. Furthermore, with unique needs at small scale that emerge in rural settings, this technology is ideally suited to produce for such settings.

Our innovation center in a very small rural town in the United States appropriately featured photos of the work we do in other parts of the world. We would not be doing what we do here in the United States but for our work in BoP markets across the world. We learned how stark the needs are in other parts of the world and which brought into focus how these same needs exist, sometimes just as starkly, in an advanced economy (the United States) as well. Our journey to a solution in terms of marketplace literacy in the United States was based on our journeys elsewhere in BoP markets.

The exchanges that may happen increasingly in all marketplaces may be a mix of the old and the new. Marketing has a central role to play where value is created and exchanged – no matter the modality. A large corporate growth perspective that is often overemphasized in textbooks is one of the several pathways for marketing insights, but not the only one. As noted earlier, to borrow from the hockey great Wayne Gretzky, rather than chasing after the puck directly, we need to anticipate where the puck will be moving – contrasting the tendency to react to events, rather than proactively shaping the future.

Caveats about the Marketing Mindset

This discussion is not complete without a candid look at the marketing mindsets we consider as researchers and practitioners. Indeed, depth and specialization are critically important. But at the same time, the blurring of traditional boundaries calls for a similar blurring in our mindset. Marketing in BoP markets in the twenty-first century calls for the depth or power of our thinking, our marathon or sustained efforts, and also a third all important consideration – our flexibility or nimbleness. This comes in several ways – when considering the thinking, feeling, and behaving we discussed earlier. Our certainties and our resources provide a platform to develop flexibility – cognitively, affectively, and behaviorally. Dogmas, ideologies, and theories for their own sake collide with a fast-changing world from the ground up. The ability to change our own convictions with new information or to understand very different realities, each unique in its own way, is very important. Generalities often get disproven, sometimes by going from one community to the neighboring community. The ability to think at different levels of abstraction, what we call abstract-concrete fluency, is also important. Understanding different levels of abstraction and moving seamlessly between them is an important skill set. From conceptual maps to realities on the ground, there are many steps in between, and thinking in each direction is necessary. Similarly, our certainties and our convictions should be supplemented with a willingness to turn on a dime with new insights and information. This does not mean that we are moving every way the wind blows, as extended experience and insights developed over time provide us with the foundation. But it does mean avoiding cognitive entrenchment as we confront a confluence of uncertainties. Thus, in a sense, identity, and the willingness to be malleable in a savvy way in that identity, becomes very important as well.

Affectively as well, flexibility plays a role in how we experience and react, out of our comfort zones. Indeed, preferences are natural, but being willing to put them aside in different situations is important. Flexibility calls for taking every opportunity to meet people and visit settings different from us not just culturally, but socioeconomically. In fact, the more we are certain, the more we are comfortable, the more we should seek to move out of the comfort zones.

Conclusion

We offer with all humility some lessons for marketing for the future of BoP markets. Bottom-up understanding is critical – with it, bottom-up immersion, emersion, design, and innovation. Education about marketing *for* BoP markets is very important, such as with our marketplace literacy program. Education *about* BoP markets is very important, particularly emphasizing a bottom-up approach to complement other approaches to learners – students, practitioners, and researchers alike. Learning from BoP markets is increasingly relevant to all markets – as needs identified and solutions designed in such markets find increased relevance with natural resource constraints “coming ashore” in advanced economies.

With resource realignment and reprioritization, bridging physical distances through virtual means of making things real increases in importance. In a virtually connected but a potentially physically disconnected world, learning about others in an efficient and effective ways will be increasingly important.

We do not make any pretense here of knowing where the world, or specifically BoP markets, is headed. We rather candidly discuss our fears and hopes with a marketing lens. In the end, we argue for evolving marketing with rapidly changing reality in BoP markets, a harbinger, and an innovation laboratory for all contexts. We argue against the provincial, be it in compartmentalizing discipline or function, or assuming a certain mindset of financial markets and large corporations that have defined the previous many decades. Our view is that all bets are off and business and marketing as usual may not cut it. This means an openness and humility to learn from and respond to reality. It means an emphatic emphasis on relevance along with rigor. Although we are self-serving in emphasizing implications that arise from our journey, the venue of our deeper experiences, they reflect our convictions about understanding solutions and designing pathways forward.

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Appendix: Illustrated Journey into Subsistence Marketplaces

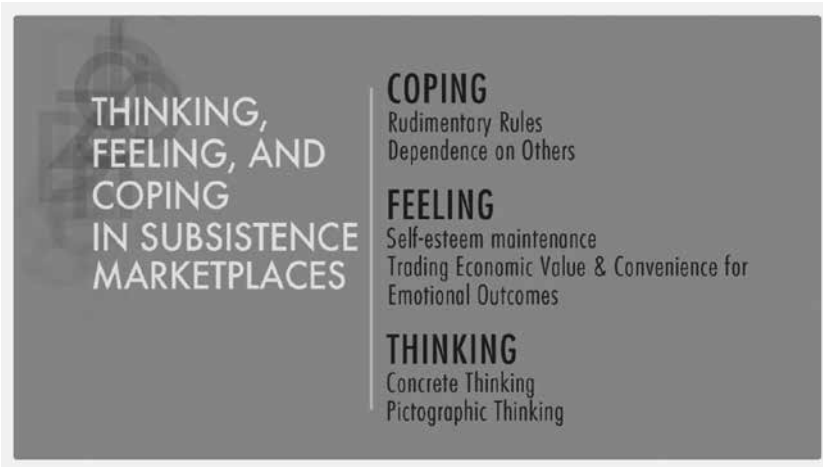


Fig. A1: Thinking, Feeling, and Coping. *Source:* Reprinted from [Viswanathan \(2016\)](#).



Fig. A2: Marketplaces in Subsistence. *Source:* Reprinted from [Viswanathan \(2016\)](#).

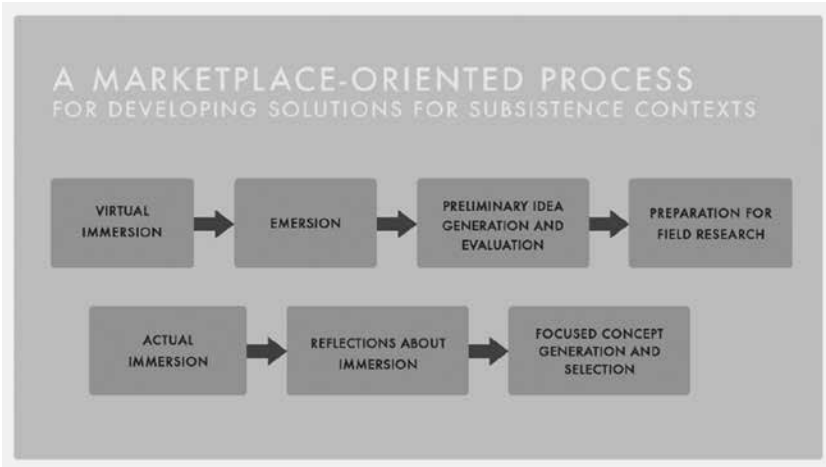


Fig. A3: A Marketplace-Oriented Process for Developing Solutions for Subsistence Contexts. *Source:* Reprinted from [Viswanathan \(2016\)](#).



Fig. A4: Product Design for Subsistence Marketplaces. *Source:* Reprinted from [Viswanathan \(2016\)](#).

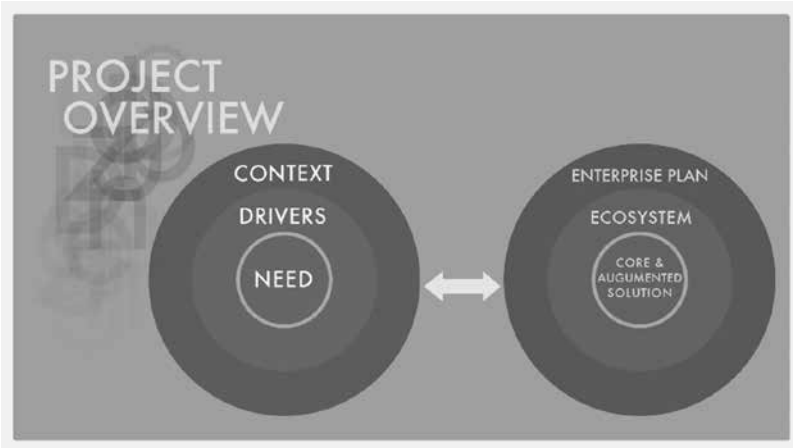


Fig. A5: Project Overview in Subsistence Marketplaces.
Source: Reprinted from Viswanathan (2016).

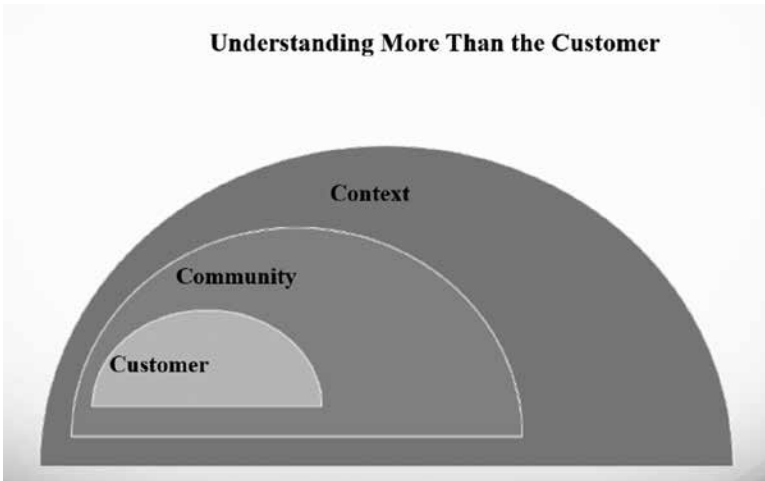


Fig. A6: Understanding Customer, Community, and Context.
Source: Reprinted from Viswanathan (2016).

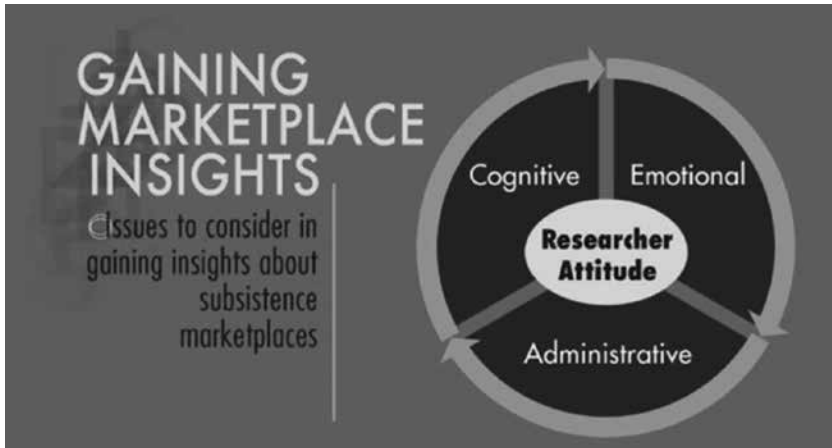
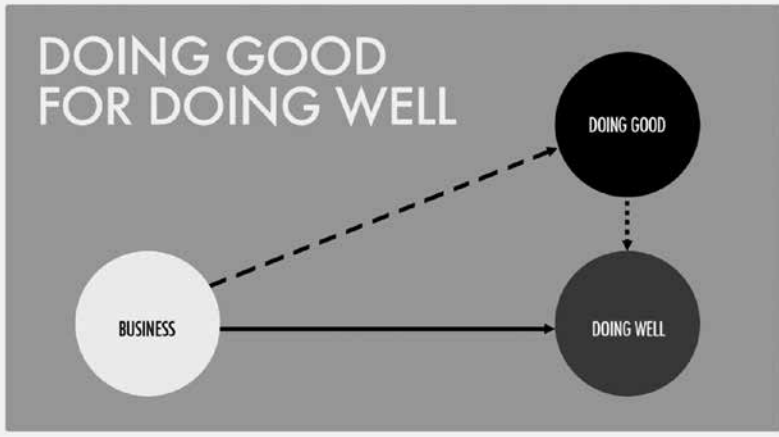


Fig. A7: Gaining Marketplace Insights in Subsistence Marketplaces.
 Source: Reprinted from Viswanathan (2016).



Fig. A8: Enterprises in Subsistence Marketplaces.
 Source: Reprinted from Viswanathan (2016).

(a)



(b)

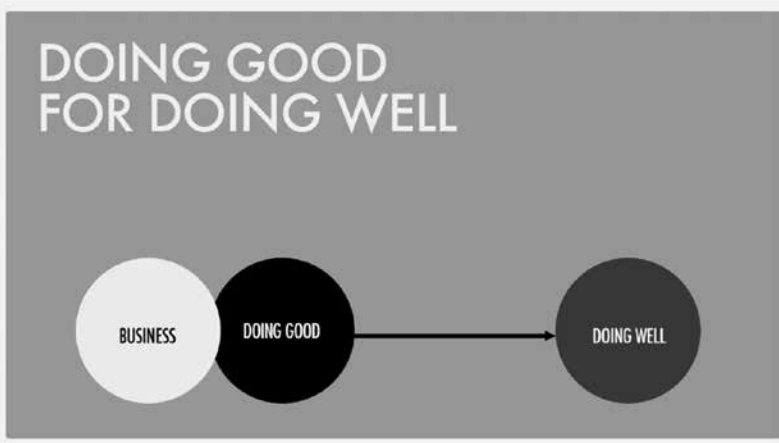


Fig. A9: Doing Good for Doing Well. (a) Traditionally and (b) in Subsistence Marketplaces. *Source:* Reprinted from [Viswanathan \(2016\)](#).

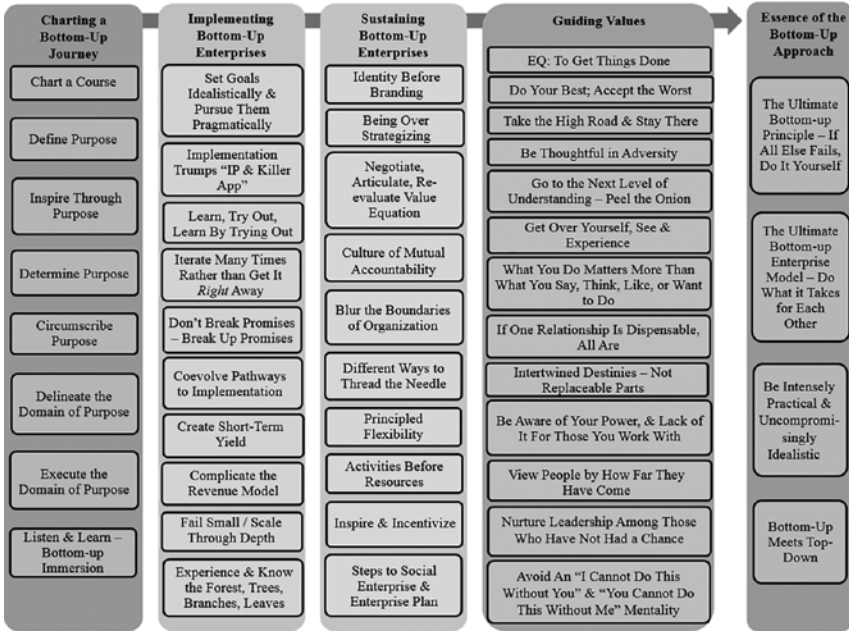


Fig. A10: Lessons in Bottom-Up Enterprise.
 Source: Reprinted from Viswanathan (2016).