Exploring the Role of Private Sector in Development – Multinational Corporations and Product Innovations for the Bottom of the Pyramid Consumers

Thesis

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Exploring the Role of Private Sector in Development – Multinational Corporations and Product Innovations for the Bottom of the Pyramid Consumers

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Thesis submitted in accordance with the requirements of The Open University for the degree of Doctor of Philosophy in Marketing

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Abstract

The increasing emphasis of the private sector in development often depends on the role of Multinational Corporations (MNCs) in creating inclusive growth through product innovations which meet needs of Bottom of Pyramid (BOP) consumers. However, MNCs’ focus on short-term profits often direct efforts towards marketing products to the BOP that may not be innovative. Considerably less is known about appropriate innovative MNC products and what needs they can meet compared to the influence of brands marketing.

This research focused on MNCs approach to inclusive innovation for BOP through a contextual understanding of consumers’ basic needs. The research adopts a practice theory lens and constructs a conceptual framework using concepts of innovation, basic needs, and theory of adoption of innovation. The framework is used to analyse MNCs’ marketing strategy leading to the adoption of incremental innovations by BOP consumers. The research provides an explorative account supported by empirical evidence from an ethnographic field study of BOP consumers in India. Additional data were also collected from Fast Moving Consumer Good (FMCG) MNC executives to explore the innovativeness of BOP products.

The argument this research puts forward is that MNCs’ role in meeting basic needs of BOP consumers is constrained by the lack of in-depth contextual understanding of their lives, social relations and values and how it influences their basic needs. As a result, the MNCs’ marketing practices obscure the real needs of BOP consumers through marketing products which are neither innovative nor essential for them. This study contributes to the theoretical understanding of basic needs and informs
discussion on inclusive innovation. The analysis also contributes to practice by providing empirical evidence to suggest that despite being different disciplines, inclusive innovation and consumer behaviour approaches can be brought together to bridge the knowledge gap on marketing for the BOP.
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I am immensely grateful to my family and friends for all their love, support, patience, and faith in me. To my mother for always believing ‘I can.’ To Aditya who gave me the strength in making this possible.

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I dedicate this thesis to my father. I know you are always watching over me and showing me the way.

“If I am not for myself, who will be? And if I am not for others who am I?”
Rabbi Hillel.
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Chapter One Introduction

Multinational Corporations’ (MNCs) role in development has not been adequately analysed since Prahalad’s (2006) Bottom of the Pyramid (BOP) approach claimed that MNC marketing to the BOP offers them opportunities for profit as well as meeting BOP needs leading to inclusive growth. The BOP approach attempts to establish a business case for poverty reduction driven by profits, without appealing to MNCs’ corporate responsibility or their real or imagined altruistic agenda (Clyde and Karnani, 2015; Davidson, 2009). This research explores Prahalad’s (2006) BOP marketing proposition in the broader context of the role of the private sector in development (UN, 2015a, 2015b, 2019).

This chapter outlines the aims and focus of this research, providing an overview of the research structure. Section 1.1 presents a rationale for the research. It focuses on BOP consumers, defined as marginalised people living under US $2 at the base of the economic pyramid (Karnani, 2017; Prahalad, 2006, 2012), their prioritisation of some needs and associated products that meet them (Gasper, 2004). Section 1.2 offers a discussion of the study’s broader purpose concerning the role of economic growth and development in meeting BOP consumers’ needs and how the private sector became important in the context of a BOP approach. The study’s research aims, and research question are presented in section 1.3. Section 1.4 provides a research lens to this study and section 1.5 outlines the structure of the research.
1.1 Rationale of the study

Billions of BOP consumers are estimated to be living on the minimum income necessary to sustain life (Banerjee and Duflo, 2011; Hammond et al. 2007; Hart and Christensen, 2002; Prahalad and Hammond, 2002; Prahalad and Hart, 2002; Simanis and Hart 2008). Estimates of the BOP population in 2016-2017, when data was collected, in countries like India, but also Angola, Bangladesh, and Cote d'Ivoire in 2016-2017, is around 50% of the country’s population (Gupta et al. 2014; The World Bank, 2016). This research presents an exploratory study that aims to understand the role of MNCs’ product innovations and their related marketing in BOP consumers’ basic need fulfilment. An MNC is defined as an organisation headquartered in a home country that maintains autonomous production and sales in various other host countries through subsidiaries and local branches (Korten, 2015). Basic needs in this study refer to needs like food, nutrition, health, and hygiene (Streeten, 1979).

This research is a qualitative, interpretive ethnographic study of BOP consumers in India. The study contributes to existing marketing and development research by providing:

i) a contextual understanding of BOP consumers' basic needs,

ii) an alternative perspective of inclusive innovation by extending MNCs’ product innovation and marketing to the BOP,

iii) understanding the limitations of marketing and market inclusion of BOP consumers, even as MNCs address some constraints in the BOP market and
provide access and availability of products through notions of inclusion and choice, and, iv) examining how BOP consumers' adoption of innovative products, through their consumption practice, can both support and challenge the role of MNCs in achieving inclusive growth and development.

The research takes as its starting point the notion of basic needs (Gough and Doyal, 1991), exploring the marketing and adoption of innovative products which meet basic needs (Rogers, 1976) through the consumption practices of BOP informants (Bourdieu, 1977). Consumption practices refer to the many ways and actions in which people consume goods (Arnauld and Price, 1993; Holt, 1995). Examples of consumption practice that are particularly relevant to this research include shopping, cooking, eating, cleaning, and grooming. These consumption practices are directly associated with basic need products (Karnani, 2007b) and are key criteria for selecting BOP female informants who are important decision-makers in these practices.

Innovation and marketing are important for examining how consumers adopt products in the context of BOP markets (Araujo et al. 2008). In this research, innovation represents a process of applying a new idea to develop products to meet the needs of users (Kaplinsky, 2011a). Here the adoption of innovation is determined by BOP consumers’ consumption practice of evaluating product characteristics (Rogers, 1976) influenced by the market and MNC marketing. Here we define marketing, as a business function of finding and stimulating buyers that secures profits for business and satisfies customer needs through the process of production, innovation, exchange, and communications (Kotler and Armstrong,
Thus, by understanding and directly engaging with how marketing practices influence BOP consumption practice and basic need fulfilment, this research aims to be relevant for understanding the role of marketing in development (Tadajewski, 2010). Marketing practices refer to the process of facilitating market exchange and actions in specific contexts and social spaces using varied expertise (Aroujo, 2007). Examples of marketing practices that are particularly relevant to this research include MNCs linking BOP needs to demands with specific product innovations within the context of the BOP market and its characteristics like low income and market accessibility (Bharti et al. 2013; Prahalad, 2006).

Whilst the DFID (2008) and the development agenda support the role of business innovation and inclusive growth in development, the increasing emphasis on private sector engagement in meeting BOP needs presents many opportunities and at the same time challenges (DIFD, 2014, 2015; UN, 2000, 2015a, 2015b, 2019). For instance, the BOP approach raises issues of encouraging consumption-based marketing, with MNCs’ marketing negatively influencing BOP consumer choices (Karnani, 2007a). Consequently, critics argue that MNCs develop strategies of ‘selling to the poor’ without fulfilling their basic needs or improving their wellbeing (Davidson, 2009; Simanis et al. 2008, p.58).

This concern is particularly important when existing BOP literature fails to determine what BOP needs are and what BOP needs should MNCs’ marketing aim to satisfy (Christensen and Hart, 2002). For example, there is no clear categorisation of ‘appropriate’ products that enhance BOP consumers wellbeing (Davidson, 2009, p.24). Furthermore, as Warnholz (2007) and Payaud (2014) argue, the size,
purchasing power and the value of the BOP market remains not clearly defined and over-estimated. This lack of clarity creates ambiguity and scope for MNCs to market products not specifically catering to the basic needs of those living under US $2 a day in developing countries such as India (Karnani, 2017; Warnholz, 2007).

To prevent MNCs’ BOP interventions from ending up as marketing strategies of selling to BOP consumers, basic needs must be determined and adequately understood (Karnani, 2007b; London, 2008; Simians et al. 2008). Whilst Karnani (2007b) calls for MNCs to align their products with BOP basic needs, like health and nutrition, existing literature does not elaborate sufficiently on this theme. This research aims to do exactly that: identify BOP consumer needs and examine the extent to which MNCs’ products can meet them.

However, MNCs selling products to meet BOP needs and alleviating poverty while generating profits presents a simplistic argument of a complex problem that raises several questions (Simanis et al. 2008). What are the MNCs’ marketing objectives and how their marketing strategy influences BOP consumers’ basic need fulfilment? Since it is not clear what MNCs should or should not market to BOP consumers, MNCs like Hindustan Unilever’s (HUL) product offerings, such as ‘Fair & Lovely’ skin lightening creams, do not appear to demonstrate development outcomes (Clyde and Karnani, 2015). Therefore, there appears to be no clear link between MNCs’ products targeting BOP consumers and improving their wellbeing. This research
explores then the consequences of MNCs marketing their products to the BOP and issues of BOP well-being\textsuperscript{1}.

Within the BOP approach, London (2008), Prahalad (2012), and Deloitte and WBCSD (2016) discuss the need for innovation to serve as a driver for satisfying unmet BOP basic needs. However, existing research does not indicate what role innovation plays in meeting BOP consumer needs. For example, Prahalad’s (2012) framework for BOP innovation using case studies, while insightful into several key themes, he does not provide a theoretical understanding of the role of innovation in meeting BOP needs. This understanding is important because the theoretical assumptions made are not based upon a contextual understanding of actual BOP needs. Further, Kaplinsky (2011a, 2014) notes how innovations mostly take place within Western markets, effectively ignoring BOP consumers’ needs owing to their low spending power. This research then looks at the issue of how MNC product innovations and their marketing can be inclusive of BOP consumers’ needs.

Equally, in contrast to the BOP approach of MNCs’ marketing of branded innovative products, a contextual understanding of the BOP consumers life and their engagement with the market is not clear. Mainly, this research considers the role of BOP consumers traditional\textsuperscript{2} knowledge and how it impacts on their consumption practice of local non-branded products (Arauojo, 2013). Also, the impact of MNC

\textsuperscript{1} Here wellbeing is defined as an assessment of an individual’s life situation equated with basic need fulfillment required for survival, such as food and health (McGillivary, 2005, cited in McGillivary, 2007).

\textsuperscript{2} Defined here as knowledge passed from generation to generation within a community which often forms part of a people’s cultural identity (World Intellectual Property Organisation, 2019).
innovations on the existing informal market\textsuperscript{3} (Davidson 2009; Warnholz, 2007) raises concerns of how MNCs influence the social and cultural capital the BOP use in their consumption practice when engaging with the market field. The market field is defined as objective relations between actors/agents and their positions in a social space for market activities. In this research, the market field is the network of relations between the relative positions of BOP consumers, MNCs’ marketing and basic need products (Fourcade, 2007). As MNC innovations seek to capture larger market share and new markets motivated by higher profits (Srinivas, 2012), it is vital to understand how MNCs’ innovations affect the BOP market, particularly regarding inclusiveness and its impact on BOP consumers’ consumption practices. Here we define inclusiveness as a process of equalising resources, welfare, and capabilities amongst the population (Papaioannou, 2014).

Given the growing importance of the private sector in development to achieve inclusive growth (DFID, 2015; UN, 2015a, 2015b, 2019), this research responds to calls by various development agencies (DFID, 2015) and scholars (Dembek et al. 2019; George et al. 2012; Kolk et al. 2014) for more research into empirically and theoretically developing a critical argument for the MNC led BOP approach. This research argues that MNCs’ role in meeting basic needs of BOP consumers are severely constrained by their i) lack of contextually understanding BOP consumers lived experiences, social relations, and values, and how it influenced their basic needs ii) lack of intent to innovate products specifically for unmet BOP needs. Instead, MNC marketing to the BOP is guided by their need for profits. As a result,

\textsuperscript{3} The informal market is the untaxed market, which does not contribute to economies Gross National Product and Gross Domestic Product (De Soto, 1989, cited in Loayza, 1997).
MNC marketing practice may obscure BOP consumers’ basic needs by marketing products which are neither innovative nor meeting basic needs.

1.1.1 Introducing the BOP

Neoclassical economics defines poverty as the economic implications of insufficient income to meet essential needs (Samuelson, 1974). An income-based definition of poverty is a derivative of a consumption-based view of poverty reduction by meeting needs which the BOP approach adopts (Simanis et al. 2008). (This research considers other perspectives on poverty in Chapter Two). The World Bank’s (2019) recently revised definition, and measure of extreme poverty defines poverty as an individual income of US $1.90 a day or less, compared to an individual income of US $1.25 a day (Ravallion et al. 2009; The World Bank, 2016). Recent estimates suggested about 736 million or 10% of the world population live in extreme poverty (UNDP, 2019; The World Bank, 2019) (see appendix A for an overview of world population distribution by incomes), representing millions of BOP consumers constrained by their low incomes having unmet needs (Prahalad, 2006). However, some scholars argue there has been an increase in BOP purchasing power attributed to (i) population shifts in developing countries migrating from rural to urban areas, (ii) increasing market penetration and, (iii) media reach to earlier ‘media dark’ regions in the rural areas (Clay, 2005; Prahalad, 2006; Prahalad, 2012, p.7).

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4 A perspective based on neo-classical economics focus on supply and demand for determination of outputs and income distributions in market mediated through a hypothesized maximization of utility by individuals constrained by income and firms by profits from production and use of available information and factors of production in accordance with rational choice (Rapley, 2007).

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The BOPs’ inferred increasing purchasing power has impacted upon market expansion and growing demand (Prahalad and Hammond, 2002), witnessed by BOP consumers consuming mainstream products (Alwitt, 1995). For example, Subrahmanyan and Gomes-Arias (2008, p.407), Jaiswal (2008), and Jaiswal and Gupta (2015, p.114) note how BOP consumers consume ‘non-essential’ items, like ice creams, tobacco, alcohol and aspire to meet higher needs, like education and health services. According to Jaiswal (2008), Jaiswal and Gupta (2015), and Yurdakul et al. (2017), the reasons for this non-essential demand lies in MNCs’ increased targeting of non-essential products at the BOP market segment as they expand their market with increasing globalisation\(^5\). Despite this, the BOP still has unmet needs, including nutrition, health care, safe drinking water, sanitation, education, shelter, and clothing (Karnani, 2011). (A theoretical understanding of basic needs is discussed in Chapter Three).

When viewed as a market segment with an aggregate purchasing power, the BOP is a lucrative multi-trillion-dollar market owing to their substantial number and unmet needs (Hammond et al. 2007; Prahalad, 2006; Prahalad and Hart, 2002; Warnholz, 2007). As suggested by Prahalad (2006), it is the BOP as a market segment that offers growth opportunities for MNCs to innovate products to meet BOP needs.

Hammond et al. (2007), and Subrahmanyan and Gomes-Arias (2008) categorised BOP consumer needs based upon their consumption expenditure, their basic

\(^5\) Globalisation is a multidimensional concept but one that largely refers to the process of economic integration of the world with opening of trade and investment flows following deregulation and liberalization of the economies (Dohlman and Halvorson-Quevedo, 1997).
needs, and the size of the market for those needs, as shown in Figure’s 1.1 and 1.2

Figure 1.1 Sector-wise Percentage of BOP Expenditure

<table>
<thead>
<tr>
<th>Percentage of BOP Expenditure - Sector wise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food 58%</td>
</tr>
<tr>
<td>Energy 9%</td>
</tr>
<tr>
<td>Housing 7%</td>
</tr>
<tr>
<td>Transportation 4%</td>
</tr>
<tr>
<td>Health 3%</td>
</tr>
<tr>
<td>Information and Technology 1%</td>
</tr>
<tr>
<td>Water 0.4%</td>
</tr>
<tr>
<td>Other 18%</td>
</tr>
</tbody>
</table>

Source: Hammond et al. 2007

Figure 1.2 Sector-wise Actual BOP Expenditure

<table>
<thead>
<tr>
<th>Actual BOP Expenditure - Sector wise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water - $20 billion</td>
</tr>
<tr>
<td>ICT - $51 billion</td>
</tr>
<tr>
<td>Health - $158 billion</td>
</tr>
<tr>
<td>Transportation - $179 billion</td>
</tr>
<tr>
<td>Housing - $332 billion</td>
</tr>
<tr>
<td>Energy - $433 billion</td>
</tr>
<tr>
<td>Food - $2895 billion</td>
</tr>
</tbody>
</table>

Source: Hammond et al. 2007

As Figure 1.1 suggests and supported by Adebayo (2013), Subrahmanyan and Gomes-Arias (2008) and Anderson and Markides (2007), 58% of BOP expenditure is on food items followed by expenditure on energy, housing, transport, and health. This expenditure corresponds with the size of the market demonstrated through
actual expenditures in dollar terms seen in Figure 1.2. For example, BOP global food expenditure is about US 2,895 billion dollars (Hammond et al. 2007).

Adebayo (2013) and Subrahmanyan and Gomes-Arias (2008) argue that despite food making up the major expenditure item, BOP consumers still face inferior quality and high food prices. Consequently, BOP consumer’s sensitivity to price, their income and limited product availability result in them getting insufficient nutrition or imbalanced diet (Subrahmanyan and Gomes-Arias, 2008). Conversely, despite the BOP food needs being a large multi-billion-dollar market, MNCs’ share of this market appears unclear (ibid) due to inadequate research exploring BOP basic needs and products.

1.2. Purpose of this study

This section outlines the relationship between economic growth, development, and the private sector. The section looks at how MNCs’ marketing of innovative products became important for addressing poverty by meeting BOP consumers’ needs.

The process of globalisation and the resulting global integration of economies, their markets and marketing have increased the pace of economic growth (Kilbourne, 2004). Whilst economic growth is believed to be the single most significant contributor to poverty reduction (Besley et al. 2007; Ravallion, 2001), many developing countries experiencing high economic growth demonstrate exclusive and ‘in-equality enhancing’ economic growth (Tiechman, 2016, p.2). They remain characterised by wealth and power inequality, high levels of poverty and unmet needs (Besley et al. 2007; Kaplinsky, 2011a; Sachs, 2005). Such globalisation and
economic growth based on the ideas of neoliberalism⁶ have drawn much criticism. For example, Fukuyama (2011) argues, a neoliberal driven globalisation agenda implied higher tolerance for economic inequality, as market competition encouraged entrepreneurs to invest and innovate for profit. As Fukuyama, (2011) states, little attention was paid to the increasing economic inequality, or it was assumed it would continue to exist.

One approach to resolving wealth inequality is making economic growth more inclusive, equitable, and responsive to BOP needs (Kaplinsky, 2011a, 2014; Papaioannou, 2019). This research supports Kaplinsky’s (2011a), and Papaioannou’s (2014) argument for inclusive and equitable economic growth where inclusiveness prevents people from being excluded from the benefits of growth. This perspective involves including the poor in the market system as both consumers and producers to achieve inclusive growth as opposed to their ‘market exclusion’ (Sridharan et al. 2017, p.325).

Development policy proposes increasing engagement with the private sector to achieve ‘inclusive’ economic growth and development of ‘underdeveloped’ and ‘developing’ countries (DIFD, 2015, p.1; UN, 2015a, 2015b; UNGC, 2010). Hence there is increased formation of new alliances and partnerships, using, and maximising the strengths and advantages of the private sector, for example, contributing in the form of finances, organisational and managerial skills,

---

⁶ Neoliberalism is market-based ideas and policies associated with free market capitalism that include economic liberalisation policies like privatisation, austerity, deregulation, free trade, and reduction in government spending in order to increase the role of private sector in the economy and society (Stiglitz, 2002).
It is within this context, the term ‘development,’ is introduced, that evolved following World War II, describing the continuous process of change in art, culture, economy, environment, polity, religion, society and technology (Sumner and Tribe, 2008). Seers (1972, p.22) defined development as creating the conditions for ‘the realization’ of ‘human personality’, which involves a reduction in poverty, inequality, and unemployment which address the issue of meeting basic needs. Here development approaches range from the Economic Growth and Development Model of the 1950s (Escobar, 1995), to the Basic Needs Approach of the 1970s (ibid) (Basic Needs Approach is discussed in section 3.2.2). The changing emphasis of development from 1950 to 1970s shifted from growth to the creation of employment and the redistribution of benefits to the poor before moving towards basic needs (Streeten, 1979, 1984). However, despite the importance of development for meeting basic needs, the prevalence of large-scale poverty and unmet needs indicates previous development attempts (section 3.2.2) were not entirely successful.

Current development policy seeks to make private sector investments and innovations central to the development agenda for inclusive growth and poverty reduction (DIFD, 2011, 2014, 2015; Fortin and Jolly, 2015; Mehrotra and Delamonica, 2005; UN, 2015a, 2015b, 2019; UNGC, 2010). This approach is characterised by expanding the use of global markets and collaborating with businesses, such as MNCs, to extend the reach of development interventions to
new markets thereby achieving more significant social and economic impact (Figueiredo et al. 2015; Kilbourne, 2004).

Mehrotra and Delamonica (2005) claim that increased private sector engagement with development is also driven by developing countries compulsions owing to:

i) lack of government resources to meet basic needs and services at the BOP,
ii) low-quality public provision of products and services by the government, and,
iii) pressure to liberalise economies.

This suggests government failure, such as the role of the state to address needs of the BOP and reduce poverty, as reasons for engaging with the private sector other than the merits of collaborating with them (Clyde and Karnani, 2015). Thus, owing to the failure of governments, engaging with the private sector to address inequality and achieve inclusive growth is a possible way forward (Ravallion, 2001). (This is explored further in section 2.3 in the context of India).

However, Prahalad and Hammond (2002), Prahalad (2006) and London (2008) amongst others, claim engaging with the private sector presents both an opportunity and challenge for MNCs to achieve inclusive growth. They argue inclusive growth can be achieved by increasing BOP consumers choices of good quality and low-priced products and including them in the formal market7, something which development agencies nor national governments have demonstrated (Prahalad, 

7 Formal markets refer to markets that operate within the boundaries of competitive rules, tax regulations, and legislative framework (Feige, 1990). For brevity’s sake this research will refer to formal market as markets unless otherwise stated.
Thus, using MNCs to target BOP is two-fold: (i) to generate profits for MNCs and, (ii) by meeting BOP needs, reduce their poverty (ibid).

Within the context of development, the BOP approach assumes that the BOP market offers MNCs opportunities to innovate and market products (Prahalad and Hammond, 2002; Prahalad, 2006, 2012). Prahalad (2006, p.1) argues, MNCs need to recognize the BOP population as ‘value-conscious consumers’ and direct their investments in innovation of products that creates access to the BOP market that are then rewarded by higher profits (Prahalad and Hammond, 2002).

Analysing the BOP approach, Simanis et al. (2008, p.57) argue that the approach views development and poverty alleviation with a business lens aimed at meeting BOP ‘customer needs.’ Therefore, Simanis et al. (2008) view the BOP approach as an economic growth model with a consumption-based strategy of marketing to the poor to generate profits. This is consistent with the neoclassical view on consumption that assumes the BOP consumers use their limited resources, including income, to make rational choices8 achieving maximum utility through market exchanges (Ackerman, 1997; Yurdakul et al. 2017). Thus, while the DFID (2008) and development agenda support the role of business in development leading to inclusive growth, the centrality of profit in marketing products to the BOP for alleviating poverty raises several issues. Chapter Three of this research explores these issues further.

8 Rational choice in a utilitarian economic sense can be understood as maximization of satisfaction through individual preferences in social life. Such rational behavior is then assumed to present consistent behavior (Hindess, 1994).
Prahalad’s (2006) BOP approach focussing on the BOP as consumers are partly rooted in scepticism of traditional grant-based and state-led development solutions (Prahalad and Hammond, 2002). The BOP approach presented a departure from state-led initiatives and a move towards an increased role of the private sector (Warnholz, 2007). Such a market-based approach claims not to eliminate the poor from the market processes and hence achieve inclusive growth by meeting their needs. Thus, globalisation of markets based on the neoliberal ideas claims to achieve growth where nation-states and the global markets became more integrated by the economic actions of transnational market actors (Kilbourne, 2004; Sridharan et al. 2017).

Thus, Prahalad and Hart (2002) and Prahalad and Hammond (2002) appeal to the MNCs to look at globalisation through the lens of inclusive capitalism as countries like India, China, Brazil, and many others liberalised and opened their economies. This coupled with the slow rate of growth in the developed economies meant considerable resources with MNCs were directed at new consumers in the global market as the BOP approach proposed (Prahalad and Hart, 2002). MNCs’ investments in the world’s poor markets were meant to stimulate development at the BOP as MNCs made profits in the new markets by meeting the needs of ‘billions of people’ and improving the lives (Prahalad and Hart, 2002, p.3). Whether MNC interventions using innovation and marketing can help deliver the economic growth needed to help achieve BOP need fulfilment outcomes is the key focus of this study.
1.3 Presenting the research aims and question

This research draws upon literature from two separate but inter-related disciplines—development and marketing. In doing so, it aims to understand the role that MNCs’ marketing of product innovations plays in BOP consumers’ basic need fulfilment. This research investigates how BOP prioritise differing products to meet different consumer needs. The research explores how MNCs’ marketing of innovative products targeting BOP needs influences their consumer behaviour. This is achieved by taking a consumer-centric view on how BOP consumers prioritise some needs over others and cope with the challenges and power of marketing of innovative products. This is complemented with a practice-centric view that focuses on their everyday need fulfilment and consumption practice while engaging with the market and MNC marketing practice. In doing so, the research explores the extent to which these product innovations are inclusive. The main research question can be summarised as follows:

*From a development perspective, to what extent can MNC product innovations and related marketing meet BOP consumer needs?*

This research takes an interpretive, exploratory, and ethnographic perspective, drawing upon empirical research with twenty-five BOP consumers and six MNC executives in India to address this question. The study explores Prahalad’s (2006) BOP approach of MNCs’ marketing activities aiming to broaden their consumer base and increase Fast-Moving Consumer Goods (FMCG) demand amongst the BOP (Jaiswal, 2008; Karnani, 2007b; Simanis et al. 2008) in India (section 2.3).
The next section discusses the research lens adopted by this study.

### 1.4 A research lens: practice theory

A research lens using Bourdieu’s practice theory (1977) provides a sociological perspective to contextually explore and analyse the phenomena of engaging with MNCs in development and how marketing to BOP consumers meet their needs. The BOP approach based on an economic growth argument and assumption of every individual being free to act based on their rational choice present ‘classic liberal’ positions which then shape policies and development interventions for meeting needs of the BOP (DFID, 2014, 2015; Eyben et al. 2008, p.204; Warde 2014). By using practice theory as a conceptual tool to explain social reality at the BOP (Eyben et al. 2008), this research provides a broad analytical perspective of the phenomena of engaging with MNCs in development. The research engages with the concepts of field, habitus, and capital (section 4.5.1 and 4.5.2) and examines how BOP consumers are negotiating with the market and marketing of products, as well as the extent of MNCs’ role in development. These concepts are briefly described below.

#### 1.4.1 Introducing Bourdieu and practice theory

Bourdieu’s (1977, p.19) practice theory, as a ‘mode of knowledge’, seeks to ‘integrate’ ‘isolated, elementary units of behaviour into the unity of an organised activity’. In doing, so attention is drawn to the individual’s ‘practice,’ that demonstrates strategic calculation as the basis of pragmatic decisions about social
practices and use of capital rather than to rules from which these moves are generated (Bourdieu, 1977; Bourdieu, 1986; Grenfell, 2004).

A field is defined by Bourdieu (1977) as an objective network of relations that demonstrate a set pattern of practices in a social space. The rules (Doxa) and roles determine the action of individuals in a field where individuals use their capital to maintain or extend their power in the field (Bourdieu 1977, 1986). Bourdieu (1977) defines habitus as a set of perceptions, thinking, feeling, habits and way of being, with which individuals engage, evaluate, understand, and move through the world. In the consumption practice, habitus is presented through taste as a set of embodied routine preferences and practice of habit (Allen 2002; Bourdieu, 1984; Holt, 1998). Bourdieu (1984) defines taste as the system that informs consumption practice by individual judgement, classification and relation to products and their consumption. Bourdieu (1986) describes capital as accumulated labour. In other words, capital is what labour allows you to accumulate. Capital is a force, inscribed in objective or subjective structures and it is the principle underlying the regularities of the social world (ibid). Bourdieu (1986) differentiates between three types of capital: cultural, economic, and social capital.

1.4.2 Why Bourdieu, practice theory, and this research?

Bourdieu’s theory of practice as a theoretical lens of analysis is chosen for two reasons. First, the theory of practice (1977) provides a ‘unifying framework’ for ‘systematically integrating concepts’ from the disciplines (Chudzikowski and Mayrhofer, 2011, p.19, 20) of development and marketing.
This research develops a conceptual framework by considering the theory of need (Gasper, 2004; Gough and Doyal, 1991), and concepts of innovation (Heeks et al. 2014, Papaioannou, 2011, 2014; Schumpeter, 2004) as well as Rogers’ (1995) adoption of innovations theory and their underlying assumptions to explore the market-based BOP approach as a development intervention (see Chapter Four). For instance, Rogers’ (ibid) adoption of innovation theory is based on an individual’s knowledge and behaviour, leading to the adoption of innovations. It assumes innovations are adopted or resisted through the influence of the individual (Eyben et al. 2008). An assumption that lends support to claims that development interventions like the BOP approach are effective ways for marketing to influence consumer behaviour leading to adoption of innovative products.

However, such approaches are not without criticism for ignoring the issue of power and structural inequality, which a theoretical lens using Bourdieu’s theory of practice (1977) brings to this study. This research views power as the operationalisation of resources (capital) in a field, through relational interactions (habitus), that can bring about both positive and negative outcomes (Lukes, 2007) through practice using a Bordieuian lens. In other words, resources operative as capital in a ‘social relation of power’ determines their value to advance positions in a field (Navarro, 2006, p.16).

Practice theory offers a critical yet constructive study of why or how situations come to be what they are, and the relationships between actors involved (Warde, 2014). Particularly when analysing the role of power in practices, the influence of marketing practice in consumers negotiation of products as opposed to habit may be explored (Warde, 2014). Thus, Bourdieu’s (1977) practice theory serves as a ‘theoretical
backbone’ and frame of reference for observing ‘varying and even conflicting views’ (Chudzikowski and Mayrhofer, 2011, p.21), building on limitations of the BOP approach (sections 1.1 and 1.2). For example, a new socio-cultural perspective of consumption and marketing practice will help pinpoint what needs and products the BOP approach requires to support.

Second, this research adopts a practice theory lens in conducting ethnographic study and analysis, exploring the market field and marketing practices (Araujo, 2007; Araujo et al. 2008) as ‘structural forces and institutions’ that impact on ‘particular settings and groups’ (Figueiredo et al. 2015; Jerolmack and Khan, 2017, p.5). In this research, for example, BOP consumers’ basic needs and their fulfilment is analysed within the context of the market and specifically MNCs’ marketing of product innovations. This in itself ‘constructs images’ of BOP consumers that ‘map on to’ power of MNC marketing. Such a ‘macro-sociological lens’ where observations ‘seek to locate the people and settings concerning institutions, power, cultures and political processes’ assume that ‘these larger social forces structure much of what the ethnographer observes in the field’ (Jerolmack and Khan, 2017, p.6). To capture the structural context and how it affects the BOP as a consumer is enabled by Bourdieu’s (1977) practice theory and concepts of habitus and forms of capital.

This research, however, does not ignore the BOP consumers’ point of view. Indeed, this research uses Bourdieu’s (1977) practice theory to understand the significance of individual consumption practices. For example, why the BOP might prefer to consume local products despite the availability of affordable brands. The presumption is that BOP consumers are ‘always in some ways responding to
structures that constrain their habits of thought and action' (Jerolmack and Khan, 2017, p.5). The role of the market and marketing in this research directs the focus of the study on how the BOP consumers cope with the challenges of the BOP contextual lives and how they engage with the market to meet their basic needs (Figueiredo et al. 2015).

Using Bourdieu’s (1977) practice theory (discussed in section 4.5) as a research lens identifies how BOP consumers use their capital within their consumption practice to adapt, creatively engage and leverage their capital to meet their needs and reduce feelings of deprivation and powerlessness (Bourdieu, 1986; Blocker et al. 2012; Sridharan et al. 2017). This, in some way, contrasts with the BOP approach of viewing the market in the abstract (Sridharan et al. 2017).

1.5 Structure of the research

This section presents how the research chapters are structured. The research consists of ten chapters, including the Introduction. Chapter Two presents a background and context of BOP consumers, situating the research in India, where the research fieldwork was conducted. The chapter illustrates the significance of adopting a precise definition of the BOP, explains the need for a broad perspective of poverty and provides an initial insight into why the BOP in India is a focus of MNCs' marketing.

Chapter Three presents the literature review, examining the relationship between development and marketing and its role in meeting BOP consumer needs. The chapter reviews existing BOP literature to understand need fulfilment through
marketing and consumption. The chapter then discusses the role of development and marketing research, connecting the BOP needs to demand through innovative products and their adoption. Finally, the chapter identifies the researchable gaps in the literature that the research explores.

Chapter Four provides a conceptual framework that is used to determine basic needs and how the marketing and adoption of innovative products meet them. The conceptual framework guides the analysis of fieldwork findings of this research to answer the research question by critically exploring and interpreting both challenges and opportunities of a market-based approach to development and inclusive growth.

Chapter Five provides the research methodology and its interpretivist stance, outlining how an ethnographic approach meets the research aims and the understanding of phenomena of increasing private sector engagement in development and basic need fulfilment. The chapter discusses how the research design, methods (like observations, and in-depth interviews) and sampling strategies generated rich findings, offering an account of the research journey and provides an overview of the research sample and methodological reflections on the research.

The empirical data and related findings of this research are organised in three chapters (Six, Seven and Eight). Chapter Six presents a contextually grounded understanding of the informants' basic need determination. Chapter Seven focuses on the informants' experiences and engagements with products offered in the market, including MNCs' innovative FMCG products. Chapter Eight reviews the role of MNCs and their marketing of innovative products. The advantage of this type of
an approach of presenting the findings in themes across three chapters is a more structured presentation of the argument of this research and an in-depth analysis of the findings concerning the context and literature discussed in Chapter Two and Three (Giesler and Thompson, 2016).

Chapter Nine discusses the themes presented in Chapters Six, Seven and Eight concerning each component of the conceptual framework. This chapter’s in-depth analyses of the findings capture how BOP informants determine their needs in the context of their lives, and how the marketing of innovative products and their adoption may lead to inclusive growth. Chapter Nine also suggests that the MNCs’ intention to innovate and market products to the BOP is shaped by their need to generate profit, while the BOP consumers habitus and capital determined their ability to engage with the marketing and adoption of the products. Throughout the chapter, marketing practice and consumption practice are presented as keyways in which informants determine their basic needs and cope with products to meet them.

Chapter Ten concludes by reviewing how the research has addressed the research aims and the main question. The chapter offers an overview of the theoretical contributions of the research by outlining how the research contributes to the areas of development theory and marketing. The chapter brings the research to close by discussing the development, marketing, and policy implications of the research, as well as its limitations and areas of future research.
Chapter Two Background and Context

2.1 Introduction

This chapter presents an overview of how BOP is defined in the context of this research, along with a brief background to India’s BOP, specifying the context in which literature, theories and findings from the fieldwork are analysed and reflected upon in this research. By adopting a narrow definition of BOP consumers as individual’s who earn US $2 or less a day, and by taking a broader perspective of poverty in addition to income, we contextually analyse the socio-cultural influences on BOP consumers and their basic needs. This positioning presents a broader analysis of BOP consumers within the context of India’s economic growth and the role of MNCs’ marketing in meeting their needs. Section 2.2 establishes what constitutes the BOP, while section 2.3 provides a context of India’s BOP.

2.2 Establishing what constitutes BOP and development

This section establishes what constitutes BOP. The section (2.2.1) offers a brief outline of how BOP is defined and presents differing perspectives of BOP (section 2.2.2).

2.2.1 How to define the BOP

The current literature variously describes the BOP as individuals living under US $2 a day, with annual per capita incomes of US $1,500 up to $3,000 (Hammond et al. 2007; Hart and Christensen, 2002; Prahalad and Hammond, 2002; Prahalad and
Hart, 2002). A lack of precision in measurement and definition of the BOP in existing literature includes issues like the size of BOP consumers, the extent of their purchasing power, their market size, profit margins as well as the BOP consumer behaviour (Adebayo, 2013; Kolk et al. 2014; Yurdakul et al. 2017). For example, the measure of BOP definition of income poverty ranging from per day income of US $2 to a broad $8, demonstrates the varying size of BOP consumers and the BOP market. The discrepancy arises on account of the literature, including people earning up to US $5 and $8 per day as BOP (Warnholz, 2007). This is compounded by using differing methods like the PPP⁹ or Atlas¹⁰ method as seen in the table below that shows the difference in the size of market and number of BOP consumers using the two methods from US $1 - $8 a day as a measure of poverty for forty-five countries for which data was collected.

Table 2.1 The BOP consumers and market, 2006

<table>
<thead>
<tr>
<th>Cut-off</th>
<th>BOP Consumers (Billion)</th>
<th>BOP Market Size (Billion per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PPP$</td>
<td>Atlas$</td>
</tr>
<tr>
<td>Below:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1/day</td>
<td>0.94</td>
<td>272</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75</td>
</tr>
<tr>
<td>$2/day</td>
<td>2.47</td>
<td>1,128</td>
</tr>
<tr>
<td></td>
<td></td>
<td>313</td>
</tr>
<tr>
<td>$5/day</td>
<td>3.87</td>
<td>2,853</td>
</tr>
<tr>
<td></td>
<td></td>
<td>866</td>
</tr>
<tr>
<td>$8/day</td>
<td>4.31</td>
<td>3,936</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,244</td>
</tr>
</tbody>
</table>

Source: Warnholz, 2007

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⁹ Purchasing power parity or PPP are the rates of currency conversion that equalize the purchasing power of different currencies by eliminating the differences in price levels between countries. In their simplest form, PPPs are simply price relatives that show the ratio of the prices in national currencies of the same good or service in different countries (OECD, 2001).

¹⁰ Atlas method is used by the World Bank since 1993 to estimate the size of economies in terms of gross national product in dollar terms (The World Bank, 2017).
For Prahalad (2006), BOP exact figures are less important than the overall direction of the argument and requirement for MNCs to meet ‘poor consumers’ need. Prahalad (ibid) posits, market size does not necessarily undermine the key thrust of the BOP approach and acknowledges that he provides a rough overview rather than a precise definition and analysis of the BOP measure. However, the lack of a clear BOP definition often results in studies focusing on different target populations. This leads to criticism of BOP research, especially from Karnani (2007b) who claims that most BOP initiatives do not target the BOP.

Instead, Warnholz (2007), and Karnani (2011) argue that BOP consumer and the market figures are overestimated. For example, Warnholz (2007) claims that the actual BOP size is less than 5% of previous estimates of the BOP population. Warnholz (ibid) argues that existing research loosely classifies nearly all developing countries consumers as BOP, implying the literature is referring to middle-income consumers with large purchasing powers (now defined as low-income by The World Bank, 2019). For example, Prahalad (2006) talks about budget hotels, and cars in his work which suggests he is referring to middle-income consumers. This is particularly important, as the current definition includes ‘low income’ individuals with earnings of US $2.01 to $10 a day, representing 56% of the world population (Pew Research Centre, 2019; The World Bank, 2019).

Considering these arguments, for this research, the BOP is defined as individuals earning US $2 a day or less. A precise and narrow definition of the BOP is central to building knowledge and solutions to poverty reduction by offering the right products for the BOP through understanding BOP consumer behaviour as well as achieving adequate profit margins for MNCs (Adebayo, 2013; Hammond et al. 2007;
Karnani, 2011, 2017; Kolk et al. 2014; Warnholz, 2007). In using this definition, BOP consumers’ needs and challenges arising from living on under US $2 a day will be different from other consumers (Warnholz, 2007). More crucially, a broad definition of the BOP that moves away from the US $2 threshold may imply moving towards the larger ‘lucrative’ low and middle-income consumers as a prospective market, which has predominately been the focus of existing BOP studies (Karnani, 2007, p.103, 2017; Pew Research Centre, 2019; Warnholz, 2007). Consequently, the measurement and definition of the BOP are linked to perspectives of poverty adopted in marketing and development literature. This is discussed in the next section.

2.2.2 Perspectives of the BOP

Drawing on the social science literature, Clark et al. (2017, p.488) try to provide an integrated framework that characterises poverty using three ‘meta-dimensions’. These are i) depth or severity, ii) breadth in the sense of multi-dimensional aspects like capability\textsuperscript{11} or need failures, and iii) duration or amount of time spent in poverty. Poverty is a highly contested and complex social phenomenon that can be described in different ways. This section briefly discusses the economic (section 2.2.2.1), sociological (section 2.2.2.2) and marketing perspectives towards the BOP (section 2.2.2.3), situating the BOP within this research’s stance and providing a

\textsuperscript{11} Sen (2000) defines poverty as a multifaceted phenomenon covering the dimensions of income, assets, basic services, and exclusion - political, social, and cultural. He views ‘development as freedom,’ emphasises the expansion of capabilities, and believes that poverty cannot be measured only in monetary terms. This is viewed as a more comprehensive definition of poverty and has contributed to the generation of the United Nations Human Development Index and indicators for standard of life measures.
comprehensive analytic base to explore implications of need fulfilment for inclusive growth.

2.2.2.1 Economic perspective of BOP

An economic perspective of the BOP mostly uses the income-based approach to define poverty and hence the BOP (Yurdakul et al. 2017). This perspective usually includes meeting basic needs, such as food, health, and hygiene (Karnani, 2011; Rew, 1978; Sachs, 2005). Thus, when poverty is demonstrated as the gap between income available and income required to meet the necessities in life (Clarke et al. 2017) when BOP consumption needs are met through the market, this is considered poverty reduction (Sachs, 2005; Prahalad, 2006).

This perspective assumes that BOP consumers engage with the market with ‘well-defined, insatiable, desires’ for products that ‘are not affected by social interactions, culture, economic institutions, or consumption choices’, but only by ‘price, incomes and personal tastes’ (Ackerman, 1997, p.651; Yurdakul et al. 2017). Thus, an economic perspective of defining and understanding BOP consumer behaviour is shaped by maximising consumer needs, subject to their income constraints (Ackerman, 1997; Adebayo, 2013). As Ackerman (1997) argues, BOP consumer preference for products assumes ‘well-informed’ choice for products available in the market.

Alternative perspectives to an economic view of BOP look at some of the above assumption that allows a broader analytic base (Ackerman, 1997) for addressing need fulfilment and present a contextual understanding of the BOP (Yurdakul et al.
2017). For example, the role of socio-cultural aspects on consumption practice (Bourdieu, 1977) demonstrated by the influence of traditional foods. These are discussed next.

2.2.2.2 A sociological understanding of the BOP

A sociological understanding of the BOP examines and addresses socio-cultural influences, including social exclusion and power (Yurdakul et al. 2017) which are often ignored when the BOP is viewed in purely economic terms (Beteille, 2003). For example, the significance of social and cultural capital for BOP consumers in coping and strategizing habitus in the consumption practice (Adebayo, 2013; Bourdieu 1986; Holt, 1998; Subrahmanyan and Gomez Arias, 2008). In the case of India, a sociological perspective of BOP coupled with an economic view captures the objective reality that:

i) British rule over India ‘drained’ its wealth (Naoroji, 1901, p.34),

ii) the subsequent mismanagement of the economy failed to achieve rapid growth and poverty reduction (section 2.3), and

iii) social factors other than economic led to the exclusion of large sections of the population from the benefits of growth.

Beteille (2003) adds that historical empirical studies of Booth (1840-1916), Rowntree (1871-1954) and Townsend (1979) demonstrated the changing and varied view of poverty. The historical context of industrial capitalism and the new economic order in Britain’s urban cities created great wealth and poverty at the same time. For example, despite the rise in income because of growth, issues like
a disconnection from family, overcrowding in urban slums, sanitation and health were contributing to life in poverty, demonstrating that improved incomes did not necessarily improve the standard of living.

Similarly, in the context of current economic growth and globalisation, there is increasing growth and inequality (Kaplinsky, 2011a; Ravallion et al. 2009) albeit with a reduction in poverty figures (The World Bank, 2019; UNDP, 2019). However, reduction of income poverty may not result in an improved standard of living nor reduce social inequalities as discussed by Beteille (2003), for example, exclusion from a hierarchical structure of society based on caste in India. As Beteille (2003) argues, in the context of existing social inequalities, economic growth that is not inclusive exacerbates the poverty experienced at the BOP. This point is reiterated by Ravallion and Datt’s (2002) study of why growth in some Indian states is more pro-poor than others because of pre-existing inequalities.

2.2.2.3 Marketing perspective on BOP

Marketing literature has mostly used economics and sociology definitions of the BOP (Yurdakul et al. 2017). Some marketing studies have explored the cultural and social aspects of vulnerable populations at the BOP, taking a bottom-up view to capture consumers lived experience and understanding of poverty (Blocker et al. 2013; Hill, 1995, 2001, 2002).

Other marketing studies have focused on disadvantaged consumers’ consumption practices and coping strategies in the context of consumer vulnerabilities, restrictions and consumption adequacy in their material lives (section 3.6.3) (Alwitt,
1995; Baker et al. 2005; Blocker et al. 2013; Hill 2001; Lee et al. 1999; Martin and Hill 2012). For example, Alwitt (1995) notes how restrictions like income and product availability lead to exchange imbalances between BOP consumers and MNCs, with BOP consumers when compared to other consumers, paying more for smaller quantity and lower quality products. This is reiterated by Hill’s (2001) discussion on Andreasen’s (1993, 1997) view on market restrictions, including i) difficulty affording low-priced, large size products and ii) mobility restrictions and lack of transportation impacting their material life.

Thus, drawing upon the development and marketing literature, this research’s perspective of BOP is one that focuses on both the economic view of defining the BOP and the socio-cultural context of their living. This stance offers a better understanding of a bottom-up BOP consumption practice and how the BOP cope with consumption situations within the market by strategizing their use of capital (Blocker et al. 2013; Bourdieu, 1977; Holt, 1998). For example, the role of social capital including interpersonal relationships and coping strategies in consumption practice (Adebayo, 2013; Bebbington, 2007; Bourdieu, 1977, 1986; Hill, 2001; Lee et al. 1999).

Equally, a broad perspective of BOP that includes perspectives other than economics (Yurdakul et al. 2017) allows the research to explore MNCs innovating products for meeting BOP needs. The marketing of innovative products serves as an opportunity to understand BOP consumer behaviour in the adoption of the products and the inclusive nature of the innovations. Indeed, such an approach provides a broader analytical understanding than a purely economic, utilitarian and consumption approach which assumes BOP consumers make rational choices to
seek maximum utility from the market (Ackerman, 1997). Thus, taking a narrow definition of BOP as individual income of US $2 or less, a practice theory (Bourdieu, 1977) lens broadens the BOP perspective by shedding light on aspects of consumption practice and need fulfilment in the socio-cultural context. The next section provides an overview of India’s BOP and attempts at reducing poverty in the context of India’s economic growth.

2.3 Setting the context of India’s BOP- Economic growth, mismanagement of poverty reduction and the role of a neoliberal globalisation agenda

This section briefly discusses the BOP in India. An overview of India today and its current BOP demographics (2.3.1) along with a historical perspective of the BOP problem gives an account of previous attempts to reduce India’s population at the BOP (Section 2.3.2). Finally, how this research fits concerning India’s current BOP issue and context of economic growth, globalisation, and a neoliberal agenda of development is outlined (Section 2.3.3).

2.3.1 India’s current BOP demographics

India has a population of over 1.21 billion persons (Census of India, 2011). It is experiencing strong economic growth with a consistent rise in GDP per capita to over 5% per year since the country initiated economic reforms and liberalisation in the early 1990s (OECD Economic Survey India, 2017). Between 2014 to 2017, the Indian economy has grown above 7% GDP per capita annually which is around 4% higher than the global growth average (Economic Survey of India, 2018; The World Bank, 2018).
Other than economic growth, social sectors like education, health, and women and child welfare have been the focus of the Indian government's planned growth (Economic Survey of India, 2018). However, being a developing country puts constraints on India's fiscal resource allocation on social sectors, preventing the government from increasing social infrastructure expenditure (Economic Survey of India, 2018; Mehrotra and Delamonica, 2005).

Thus, despite India's recent economic growth, Table 2.2 shows there is still a sizable BOP population living in poverty with an income of under US $2 a day (Gupta et al. 2014). The table below also demonstrates how, despite India's economic growth, poverty levels have only resulted in a slight change in the BOP living conditions (The World Bank, 2016).

**Table 2.2 Analysis of India's 56% BOP population, 2011 -2012**

<table>
<thead>
<tr>
<th></th>
<th>Population size (millions)</th>
<th>Population (under $2 a day)</th>
<th>Depth of poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excluded</td>
<td>57</td>
<td>5%</td>
<td>Poor who cannot afford minimal needs for food and shelter</td>
</tr>
<tr>
<td>Impoverished</td>
<td>210</td>
<td>17%</td>
<td>Consumption above bare subsistence levels</td>
</tr>
<tr>
<td>Vulnerable</td>
<td>413</td>
<td>34%</td>
<td>Just above the official poverty line</td>
</tr>
</tbody>
</table>

**Source:** National Sample Survey Office survey, 68th round, cited in Gupta et al. 2014

Table 2.2 shows when data was collected 56% of India's population lived under US $2 a day, 22% (5% + 17%) live on US $1.25 a day (official poverty line now revised) or less, where 5% cannot afford minimal needs, and 17% can only consume at bare subsistence levels (Gupta et al. 2014).
2.3.2 Previous attempts to reduce India’s BOP population and mismanagement of economic growth

India’s attempts to reduce poverty from 1950 to 1980s through economic growth can be characterised as ‘planned’, heavily state-controlled and insulated from competition, particularly from other countries (OECD, 2017; Srinivas, 2012, p.4). During this period, India’s economic growth focussed on industrial sectors such as heavy engineering and manufacturing, as opposed to light manufacturing and consumer goods (Srinivas, 2012; The World Bank, 2018). However, Indian Government control over private investment and protectionist policies resulted in slow growth, inadequate poverty alleviation and lack of incentives for private sector investments (Bhagwati, 2011; Srinivas, 2012). Consequently, in the period 1950 to 1980s, India’s average annual GDP growth rate was a low 3.5% GDP (Ravallion, 2002; Srinivas 2012).

Differing Indian Governments mismanagement of economic growth and inadequate response to the weak growth arising from its protectionist policies, coupled with India’s high population growth has adversely impacted poverty reduction through economic growth (Bhagwati, 2011; Srinivas, 2012), creating insufficient BOP access to basic public services (Rew, 1978). Consequently, these policies have led to consumer goods shortages limiting consumer choices, compounded by large population sections lacking capital to purchase consumer products (Pathak and Nichter, 2018). For example, products like toiletries were considered as non-essential and were subsequently classified with cigarettes and subject to high taxes by the Indian Government (ibid).
Moreover, India’s protectionist policies led to corruption, with vested interests and lobbies negatively impacting growth and poverty reduction (Bhagwati, 2011). Various Indian Government’s attempts to meet BOP needs through subsidised provisioning of products like food and fuel (kerosene oil and liquid petroleum gas) did not significantly benefit the BOP owing to the inferior products and service standards. Moreover, there continues to be large-scale corruption in procurement and disbursement as subsidies and transfers are easily misappropriated (Rew, 1978; Srinivas, 2012; OECD, 2017). For example, poor food grain quality distributed through Government subsidised ration shops – Public Distribution System (PDS) - often motivates BOP consumers to purchase better quality grains from other suppliers (Derez, 2019).

Additionally, India’s piecemeal efforts at reforms in the 1980s compounded the problem of weak growth and poverty reduction (Srinivas, 2012). Fiscal debts from domestic and foreign borrowings and a balance of payment\textsuperscript{12} crisis led up to 1990-1991 liberalisation and reforms (Bhagwati, 2011; Mukherji, 2008; Srinivas, 2012).

2.3.3 Current attempts to reduce India’s BOP population

During 1990-1991, owing to fiscal problems and compulsions arising from lack of Indian government resources, structural reforms were undertaken to stabilise the Indian economy (Mehrotra and Delamonica, 2005). Faced with pressure from the International Monetary Fund to liberalise its economy, in exchange for emergency

\textsuperscript{12} The balance of payments of a country is the record of all economic transactions between the residents of the country and the rest of the world in a given period.
funds to address the fiscal crisis, India gradually liberalised and privatised its economy (Ahluwalia, 2019; Bhagwati, 2011; Joshi, 2003), for example, de-licensing industries and reducing bureaucracy. The liberalisation and systematic reforms of the Indian economy from 1991 significantly encouraged external competition and private investment, removing import and capacity licencing (Ahluwalia, 2019). Consequently, market forces were allowed greater involvement in India’s economy resulting in GDP rising from 1.42% in 1991 to 8.8% between 2007 – 2008 (Datt and Ravallion, 2002; OECD, 2017; Srinivas, 2012). This GDP growth is shown in Figure 2.1:

**Figure 2.1: Strong growth in India**

![GDP per capita](image)

**Source:** OECD Economic Survey India, 2017

Accompanying India’s economic growth has been a fluctuating decline in poverty. For example, from 2000 to 2008 despite India’s high GDP growth rate of 7%, there was no overall reduction in poverty, but since 2008 poverty levels in India have been declining. Based on The World Bank (2019) revised data, India’s economic growth has become more inclusive, with approximately 140 million people lifted out of poverty in the last ten years. Figure 2.2 illustrates India’s declining poverty levels,
with poverty currently at 21.3% of India’s population (OECD, 2017; The World Bank 2019).

**Figure 2.2: Declining poverty in India**

![Graph showing declining poverty in India](image)

**Source:** OECD Economic Survey India, 2017

However, according to The World Bank India Development Update (2018), India requires an annual GDP growth of 8% or higher to alleviate its BOP population from poverty and raise the incomes of at least 50% of Indians to become middle class. The World Bank (2018) argues that this aim requires stable Indian government policies to achieve sustained economic growth coupled with continuous ‘effective structural reforms’ for the next thirty years.

Ahluwalia (2019) argues that post 1991, India’s systematic reforms towards reduced state control and protectionist policies in some sectors, to a more privatised and globalised economy, represents a successful economic growth alternative to the Washington Consensus of an increasing neoliberal agenda of unregulated markets. The Washington Consensus mainly prescribed this through stabilisation, privatisation, and liberalisation, aimed at reducing the role of government (Stiglitz,
India’s reforms presented the government’s judgment to selectively reform and liberalise the economy instead of complete relegation of what were once state priorities including well-being, education and health care to the market encouraged by the Washington Consensus based model of reforms process (Bhagwati, 2011; Srinivas, 2012). The Washington Consensus mainly covers ten reforms presented in the table below:

**Table 2.3. Ten reforms proposed by Washington Consensus**

<table>
<thead>
<tr>
<th>Fiscal Discipline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-ordering public expenditure priorities</td>
</tr>
<tr>
<td>Tax reform</td>
</tr>
<tr>
<td>Liberalising interest rates</td>
</tr>
<tr>
<td>Competitive exchange rates</td>
</tr>
<tr>
<td>Trade liberalisation</td>
</tr>
<tr>
<td>Foreign direct investment liberalisation</td>
</tr>
<tr>
<td>Privatisation</td>
</tr>
<tr>
<td>Deregulation</td>
</tr>
<tr>
<td>Property rights</td>
</tr>
</tbody>
</table>

**Source:** Williamson, 2008

In the context of this research, the relevant policy changes influenced by the Washington Consensus in India are:

i) greater effort for private investment,

ii) globally integrated growth, and,
iii) increased foreign direct investments\textsuperscript{13} (FDI) for technology transfers and equity investments (Bhagwati, 2011; Ahluwalia, 2019).

Appendix B provides key features of India’s reforms. Thus, the key argument for globalisation and MNCs’ role in meeting BOP needs is for market-driven economic growth thereby achieving inclusive growth leading to reductions in BOP market exclusion in the underdeveloped and developing countries (Sridharan et al. 2017). This argument presents the need for a balanced role between the state and the market and strengthening institutions, which results in well distributed and inclusive GDP growth and reduction in poverty (Stiglitz, 2008).

However, despite calls for the Indian Government to systematically complete the economic reforms process that can deliver sustained rapid growth and eradication of poverty (Srinivas, 2012; The World Bank, 2019), there remains concern that the benefits of economic growth across India’s population and states may be unequal (Datt and Ravallion, 2002; Ravallion and Datt, 2002; Srinivas, 2012). As Datt and Ravallion (2002, p.103) noted, this could be because of ‘certain types of initial inequalities’ that ‘impede the prospects for growth-mediated poverty reduction’. For example, low education skills may impede the ability of the BOP to participate in opportunities for economic growth affecting their cultural capital and ability to engage with the market (Bourdieu, 1984).

\textsuperscript{13} Investment from one country into another (normally by companies rather than governments) that involves establishing operations or acquiring tangible assets, including stakes in other businesses (Financial Times, 2019).
This inability is further compounded by the low and inequitably distributed Indian Government spending on social sectors, such as health care and education (Datt and Ravallion, 2002). For example, between 2012 to 2016, Indian Government expenditure on social services, like health and education, has remained around 6% of GDP, showing some upward movement to around 6.6% in 2017-2018 (ibid). Consequently, the BOP still has unmet needs and lack access to core public services, such as water, electricity, and sanitation (Economic Survey of India, 2018). Figure 2.3 demonstrates the sector-wise composition of significant budget expenditure of the Government of India for 2018-2019. The size of each box is proportional to the percentage fiscal allocation under each heading that demonstrates lower expenditure on sectors like education and health and large allocations for defence, interest and subsidy payments demonstrating the nature and direction of government spending and its possible outcomes on the well-being of the BOP.

**Figure 2.3. India’s budget expenditure 2018-19**

![Image of budget expenditure chart]

*Source: Bloomberg Quint, 2019*
2.4 Conclusion

This chapter has situated this research in the context of BOP and India’s recent economic growth and development. The chapter defined the BOP and positioned it within a broader socio-cultural understanding of poverty to analyse the role of the market field and MNC marketing practice in meeting the BOP consumers’ basic needs in the context of their capital and lived experience at the BOP. The chapter highlighted how India’s large BOP population, economic growth and poverty reduction present a case of increasing purchasing power impacting market expansion and growing demand at the BOP (Prahalad and Hammond, 2002) and why the BOP consumers in India are a focus of MNCs’ marketing. This is coupled with the liberalisation of India’s economy and favourable policies that increased the scope of the private sector and FDI in India’s economic growth.
Chapter Three Literature Review

3.1 Introduction

This chapter positions the research concerning existing BOP marketing and development literature on basic need fulfilment. In doing so, the research extends a development and aid-based Basic Needs Approach (ODI, 1978) using a market-based BOP approach (Prahalad, 2006) to explore the issue of MNCs and inclusive innovations when marketing to BOP consumers. The chapter argues that while previous development efforts inadequately addressed BOP needs, the existing literature does not demonstrate what basic needs MNCs meet through a BOP approach. That is the key gap this research addresses.

Furthermore, the literature neither theoretically discusses the concept of basic needs nor provides a socio-cultural understanding of the BOP consumption practice. The chapter insists that a practice theory lens (Bourdieu, 1977) adopted by this study highlights issues of MNCs’ profit-driven marketing strategy, the influence of brands, and marketing practice on BOP consumers which is inadequately explored in the literature. The chapter discusses how BOP consumers cope with the imperfect market conditions and power imbalance despite their inadequate capital, vulnerabilities, and constraints using a Bourdieuan (1977) lens. Thus, while the BOP approach claims to connect BOP consumers’ need to demand through the marketing of innovations, this chapter explores the gaps in existing research.
The rest of this chapter is structured as follows. Section 3.2 considers the existing research on conceptualising basic needs which are presented as central to marketing and consumption practice of innovative products to the BOP. This section briefly explores previous development attempts to meet basic needs.

Section 3.3 examines the differing perspectives of innovation and the challenge of mainstream innovation to be inclusive, offering insights into what constitutes inclusive innovation that caters to BOP consumers.

Following this, section 3.4 builds upon section 3.2 and 3.3 which identified in some ways BOP consumers’ basic needs and MNCs’ marketing of product innovations in the context of economic growth, globalisation, and the neoliberal agenda of engaging with MNCs in development (and section 2.3.3).

Drawing to a close, section 3.5 demonstrates the role of MNCs in the BOP market, while section 3.6 brings together the role of the markets, marketing and BOP consumer behaviour and its influence in the adoption of innovations to meet needs. Finally, section 3.7 discusses the issues involved in MNCs’ innovations and marketing activities targeted specifically at the BOP.

**3.2 BOP basic needs**

The use of the term basic need in Prahalad’s (2006) BOP approach remains unclear (Warnholz, 2007). This research explores Gough and Doyal’s (1991) and Gasper’s (2004) theory of need (section 3.21.) contributing to the theoretical understanding of the concept and looks at the previous attempts at satisfying BOP needs using the
Basic Needs Approach (section 3.2.2). How the market, innovation, and BOP needs come together in the BOP approach is also discussed (section 3.2.3). Along with the practice theory lens, the process of habitus and taste (section 4.5.1) further delineate basic needs in the preference, choice, use, and meanings attached to products (Arsel and Bean, 2013; ODI, 1978) through the empirical fieldwork.

3.2.1 Conceptualising basic needs

Gough and Doyal (1991) advanced the concept of basic needs and strengthen the discourse on development interventions and policymaking as an alternative to the economic growth model of development (section 3.2.2) (Gough and Doyal, 1991; Stewart, 1989). In theorising basic needs, Gough and Doyal (1991) proposed a five-level structure to determine and analyse needs and basic needs presented in the table below:

Table 3.1 Structure of needs

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Basic needs to avoid harm and provide a minimal level of functioning.</td>
</tr>
<tr>
<td>ii</td>
<td>Basic minimum availability of products and services to achieve universal goals like health and autonomy.</td>
</tr>
<tr>
<td>iii</td>
<td>Intermediate needs, like nutritional food and clean water needed for fulfilling basic needs.</td>
</tr>
<tr>
<td>iv</td>
<td>Satisfier commodities to meet intermediate need, which vary across cultures, contexts, or individuals.</td>
</tr>
<tr>
<td>v</td>
<td>Societal preconditions or factors for provision and use of satisfiers, including systems of authority, skills and values, socialisation and the physical biological ability to produce and procreate.</td>
</tr>
</tbody>
</table>

Source: Gough and Doyal, 1991
Gough and Doyal’s (ibid) structure provide a comprehensive and broad definition of basic needs, including autonomy, health, and survival. Gough and Doyal’s (ibid) structure help to determine what they call intermediate needs, like food, and the satisfier commodities required to fulfil basic needs.

Critiquing Gough and Doyal’s conceptualisation of basic needs, Gasper (2004) argues that extending the basic need beyond the minimum and including autonomy, lends a sense of plurality and choice to the concept of basic needs making it difficult to establish a consensus on what is a basic need. Plurality and choice expose the framework to various interpretations and inconsistencies, as autonomy is relative. In contrast, Gasper (2004) suggests keeping the need for autonomy out of the framework to ensure a narrow description of basic needs. Gasper (2004) adds that eliminating the element of choice between alternatives allows for a more generalizable and broad application of the concept of basic needs.

Gasper (2004) develops the normative14 needs discourse using Gough and Doyal’s (1991) and Taylor’s (1959) structure of needs by focusing on three15 of Taylor’s needs, to distinguish the meaning of wants and needs. These are presented in Table 3.2.

14 Normative needs are used here as relating to grading and grouping what needs exists in terms of their degree of goodness, rightness, or appropriateness and are required to be prioritised amongst wants (Gasper, 2004).
15 The fourth is need required by law (Taylor, 1959, cited in Gasper, 2004).
Table 3.2. Distinguishing wants and needs

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Need as descriptive or explanatory – related to wants and desires, which he calls Mode A. For example, need for self-expression.</td>
</tr>
<tr>
<td>ii</td>
<td>Need as a prerequisite – instrumental for meeting given ends, which he calls Mode B. For example, food, and water.</td>
</tr>
<tr>
<td>iii</td>
<td>Need as a normative priority – justified priorities which he calls Mode C. For example, survival and health.</td>
</tr>
</tbody>
</table>

Source: Gasper, 2004

Gasper (ibid) refers to descriptive and instrumental needs of mode A and B as positive needs and prioritised mode C as normative needs. The normative needs like health require prioritising certain wants and desires over other needs (Gasper, 2004). While the prioritised mode C is most important, the prerequisites or mode B is required to meet it. For example, for the need to survive, food is required. Therefore, the positive instrumental needs of mode B are linked to prioritised mode C needs (Braybrooke, 1987, cited in. Gasper, 2004). Thus, the empirical component of mode C lies in mode B, i.e. what is needed to do what? For example, how much food and what kind is needed to live an average life span?

3.2.2 Previous attempts at satisfying BOP basic needs

This research explores the Basic Needs Approach to development that emerged in the 1970s and early 1980s from the concept of basic needs focusing on survival to understand BOP consumers’ need fulfilment, (Green, 1978; ODI, 1978; Reader, 2006) (see Appendix C). The Basic Needs Approach as a strategic intervention for redistribution and basic need fulfilment challenged previous economic growth
models based upon GDP\textsuperscript{16} / Gross National Product\textsuperscript{17} (GNP) growth (Rew, 1978). This development approach argued that GDP/GNP models for growth were unsuccessful in poverty alleviation since the benefits of growth did not trickle down to the BOP (Green, 1978; ODI, 1978; Streeten, 1979). Hence, a systematic and focused development intervention was required to meet the needs of the BOP, which the Basic Needs Approach sought to lend to development policy.

The Basic Needs Approach then formed a conceptual framework for development intervention, establishing a focused agenda for development agencies enabling resources, including aid funding, to be directed to most pressing and basic needs (Gasper, 2004; Reader, 2006; Streeten, 1979). Paul Streeten developed this approach further with The World Bank’s emphasis on poverty reduction and basic needs (Jolly, 2005).

The basic need concept encapsulates several phrases, including: ‘basic needs’, ‘material needs’ ‘minimum needs’ or ‘core needs’ to describe human survival needs. While phrases like ‘basic human needs’ and ‘non-material needs’ have been used to describe more inclusive needs like participation and decision-making. This progression of terms can be viewed as a movement from life-sustaining to life-supporting, life-enhancing and finally life-enriching needs (Green, 1978, p.7; ODI, 1978;)

\textsuperscript{16} Gross domestic product is a monetary measure of the market value of all the final goods and services produced in a period, often annually.

\textsuperscript{17} Gross national product is a broad measure of a nation's total economic activity. GNP is the value of all finished goods and services produced in a country in one year by its nationals.
Streeten, 1979). Basic needs then can include: (i) products and services for survival, like food, clean water, sanitation, education, employment, housing, and transportation, and (ii) participation in decision-making, democracy, self-reliance, and human rights. This list is only indicative, suggesting that basic needs are not absolute but relative to context and time (McHale, 1979; ODI, 1978; Streeten, 1979).

In the context of designing a development intervention with limited resources, a more focused and well-defined concept of need like the one taken in the Basic Needs Approach allows for better applicability of the concept of basic. For example, a development intervention that focuses on supplying food or health supplies will have immediate benefits by prioritising and meeting the needs of hunger and health, over one that prioritises democratic and civil rights.

However, the Basic Needs Approach is not without its critiques. The Basic Needs Approach does not suggest an alternative method other than aid for meeting BOP needs (ODI, 1978; Streeten, 1979), for example, the role of the market. Thus, a limitation of the Basic Needs Approach is the lack of reference to the market. To put it another way, it undermines the market’s role in determining and meeting needs (Green, 1978; ODI, 1978). Instead, as Gasper (2004) argues, the Basic Needs Approach aligns itself with the discourse that markets are incapable of determining what value products hold in terms of need fulfilment. This is because the market cannot determine and prioritise consumer needs like health or food. This is discussed in the following sections (3.5 and 3.6) which explore the market as a system of exchange, its imperfections, and how marketing objectives align with basic need fulfilment in the context of the BOP.
Critical of undermining the role of the market in the Basic Needs Approach, Fishkin (1982, cited in. Gough and Doyal, 1991) discusses how the approach then becomes one of charity and philanthropy, dependent on aid or grants, if no institutional and long-term interventions are created for meeting BOP needs. However, as Goodin (1985, cited in Gough and Doyal, 1991) argues, increasing the role of the market in meeting basic needs does not imply that the local institution and state be divested of their responsibility of need fulfilment. It suggests the state role be complemented through efforts of other institutions and agencies to help need fulfilment. This is in line with Prahalad’s (2006) BOP approach of markets meeting BOP needs. Hence, Simanis et al. (2008) view the BOP approach as an extension of the Basic Needs Approach used by development and aid agencies in the 1970s.

Thus, this research revisits the Basic Needs Approach of the 1970s and complements it with the BOP consumption-driven approach (Simanis et al. 2008) to reduce poverty by meeting the needs of the BOP consumers and generating profit for the MNCs (Prahalad, 2006). A recent study by Yurdakul et al. (2017) attempts to provide a contextual understanding of the BOP by studying poverty, basic necessities and consumers’ expenditure on products like food, rent, utilities and credit card payments. However, they aim to broaden the definition of BOP by contextualising it within the discourse of globalisation. As their study uses a broad definition of the BOP to include consumers with an income of up to ten dollars a day, Yurdakul et al.’s (2017, p.293) work argues that the BOP approach should include some ‘hedonic’ needs and therefore should look at:

i) necessities and beyond
ii) need for social inclusion and
iii) Meeting children’s desires.

However, as their work studies ‘felt deprivation’ through behaviours like emotional distress and addictive behaviours that demonstrate consumer vulnerability (section 3.6.3) it fails to establish what are BOP basic needs and what products meet their needs. Particularly, in the context they live in, and their interaction and engagement with the market, including products marketed by MNCs.

This research provides a theoretical and empirical understanding of what are BOP basic needs which, as suggested by Kolk et al.’s (2014) review of 104 journal articles on the BOP, the current literature does not demonstrate. Such empirical studies with their limited theoretical contributions to the BOP literature are inadequate and therefore need to be strengthened by demonstrating a contextualised understanding of BOP basic needs and how MNCs’ product marketing can meet them. Thus, making a substantial contribution to BOP literature, closing the current knowledge gap.

The next section looks at the role of market and innovation in development and meeting the needs of the BOP.

3.2.3 Enter the market, innovation, and BOP basic needs

The BOP market is traditionally considered the domain of Governments, aid agencies, non-profit and non-governmental organisations, due to the low-income of BOP consumers and infrastructural limitations (section 3.5.2) making the BOP market less lucrative for MNCs (Achrol and Kotler, 2012; Anderson and Billou, 2007;
However, Prahalad (2012) claims that MNCs need to understand specific unmet needs (e.g., like nutrition, health, and hygiene) of the BOP consumers and participate in the BOP market to create economic growth (sections 3.4 and 3.5).

Prahalad (2012) argues, BOP needs can be met by the innovation of products for the BOP market that are guided toward modern, aspirational, globally safe, scalable and affordable products, for example, Unilever India’s Annapurna iodised salt\(^{18}\) and antibacterial Lifebuoy soap\(^{19}\) (Prahalad, 2006). This perspective is based upon the BOPs’ unmet needs providing an opportunity for MNCs to innovate products that meet the dual qualities of price and performance and are driven by sales volumes to generate profits (Gasper, 2018; Gupta and Jaiswal, 2013). An approach that claims to benefit the BOP and lead to inclusive growth (section 3.3).

However, while the BOP approach assumes that the BOP market offers the private sector opportunities to market products that satisfy BOP needs (Prahalad, 2006), the BOP consumer needs and products that meet them vary across cultures, contexts, and individuals (Gough and Doyal, 1991; McHale, 1979). Moreover, BOP consumers’ needs in the context of poverty and limited capital are restricted (section 2.2.2.1) and often guide BOP consumers’ rationale of living simply by way of reducing consumption and re-using products that shapes their strategy in everyday consumption (Leipämaa-Leskinen et al. 2014).

\(^{18}\) The Annapurna salt was developed with a proprietary microencapsulation technology to stabilize iodine content in salt marketed to the BOP which takes care of the problem of losing iodine content of salt in the process of cooking (Karnani, 2011; Prahalad, 2006).

\(^{19}\) The soap was reformulated to meet the needs of the new health positioning by adding Triclosan, an antibacterial agent in the soap to develop resistance to bacteria (Prahalad, 2006).
However, according to Ger and Belk, (1996) and Yurdakul et al. (2017) globalisation and increasing focus of MNCs’ marketing at the BOP, impacts consumers’ needs by creating a global consumer culture\textsuperscript{20}. MNCs’ marketing of FMCG products to consumers at various income levels leads to increased use of FMCG goods including at the BOP. For example, consumer goods, like grooming products that earlier had restricted consumer choice and were heavily taxed in India, are now readily available and affordable by BOP consumers (Pathak and Nichter, 2018). Clay (2005) argues that MNCs’ marketing then influences BOP consumers who have an aspiration to consume products which deliver similar expectations to other consumers as lifestyles evolve and they make new product choices and consumption decisions whether informed or not.

Nevertheless, despite the increasing role of markets, including meeting BOP needs, the market does not pay attention to the creation of an objective concept of basic needs nor to the various products that meet them (Gough and Doyal, 1991). This is because the primary concern of the market is focussed on demand, supply, production, and consumption within its framework to make a profit (Begg, 2003; Callon, 1998; Casson and Lee, 2011; White, 1981). The literature supports this view on inclusive innovation which states that the needs of the low-income consumers are largely unmet by mainstream innovations (section 3.3.1.1). The latter focuses on the needs of the middle and high-income consumers (Chataway et al. 2014; Kaplinsky, 2011a; Kaplinsky, 2014).

\textsuperscript{20} Consumer culture may be understood as consumption practice that is a cultural activity and has meaning driven not just by practical or economic factor (Ger and Belk, 1996).
Thus, the current literature does not address the issue of MNCs’ innovation for the BOP in-depth, presenting many challenges in meeting BOP needs considering production, innovation, and marketing of products within culturally and environmentally diverse areas (Prahalad, 2006, 2012). Therefore, the task of defining BOP needs often entails a ‘relativist’ understanding of what constitutes a need or the lack of (Gough and Doyal, 1991; Prahalad and Hart, 2002).

Whilst this research’s focus on basic needs lends the BOP approach a more theoretically and well-defined need based inclusive approach, how the markets exchange function and MNCs’ profit motive can be reconciled with the development policy argument of MNCs innovating products for the BOP raises several issues. As London, (2008) argues, the need is for a development intervention that is different from the business as usual role of markets and MNCs in economic growth.

The next section looks at the concept of innovation, its differing perspectives, and how innovation is defined for this research.

### 3.3 Innovation and BOP basic needs

As noted in the previous section, understanding basic needs is central to a market-based development intervention at the BOP. This section explores the role of innovations, which are fundamental to Prahalad’s (2006, 2012) BOP approach of offering better products to meet BOP consumers’ basic needs. Specifically, this section looks at how to make mainstream innovation inclusive of BOP consumers’ needs by exploring differing perspectives on innovation and situates this research in the perspective it adopts (section 3.3.1). The challenge of innovations in
connecting need to demand (section 3.3.2) and the current dynamics of innovation in developing countries are also discussed (section 3.3.3).

3.3.1 Perspectives of innovations

While emphasising the need for MNCs to innovate products for BOP consumers, Prahalad (2006, 2012), London and Hart (2004), and Simanis et al. (2008) do not provide a theoretical explanation of the role of innovation as such. For example, citing the growth of the mobile phone market at the BOP, Prahalad (2012) discusses the BOP market as drivers of BOP led radical innovations in mobile phones and their adoption in India without clearly explaining the theoretical and empirical nature of the innovation. The section first discusses Schumpeter’s model of innovation, also called the ‘mainstream’ model of innovation (Heeks et al. 2014, p.175) mainly used by MNCs (section 3.3.1.1) and explored inclusive innovation (section 3.3.1.2).

3.3.1.1 Schumpeter’s innovation model

Schumpeter (2004) defines innovation as entrepreneurs’ search for new goods and services, methods of production, factors of production and new markets and industry. Schumpeter discusses the role of credit, the capitalist system, and the market in innovation and its ability for creating new channels to meet needs. Thus, Schumpeter’s conceptualisation of innovation includes the profit motive of the innovation, which is shaped within a social context to address social and economic needs (Escobbar, 1995; Schumpeter, 2004). Therefore, innovation is the combination of resources like new ideas, credit, strategy, and decision making to
meet the needs of consumers in response to the competition experienced by private corporations.

Further, Dewar and Dutton (1986, p.1422) add that Schumpeterian innovations vary in degree of newness, which they describe as radicalness or incremental nature of the innovation. They define radical innovations as ‘fundamental changes that represent revolutionary changes in technology’ that are clear departures from existing products or process. In comparison, incremental innovations are minor improvements, and hence the degree of newness in the innovation is less. This research looks at MNCs’ incremental innovations of FMCG products.

Greenacre et al. (2012) describe Schumpeter’s model as involving: (i) invention, (ii) innovation, and (iii) diffusion. The invention is the first representation of an idea, followed by the commercial application of if it as an innovation and its subsequent rapid spread or diffusion in society. This approach is commonly known as technology or supply push innovation (Greenacre et al. 2012). A significant critique of supply push innovation is its failure to represent price and demand changes (Greenacre et al. 2012).

An alternative perspective to the supply-push innovation is a demand-pull innovation, which emphasises the role of demand for products and market conditions in determining innovation. Changes in demand may create opportunities for firms to invest in innovative products that meet market needs (Nemet, 2007, cited in Greenacre et al. 2012). For example, the nature of expanding demand in the BOP market in countries like India (section 1.2.1 and 2.3.4) is increasingly leading to a
shift in MNC innovation directed at the BOP (Kaplinsky, 2011a; Prahalad, 2006; PWC, 2013).

Heeks et al. (2014) call the supply-push and demand-pull model of innovation - mainstream innovation. A term that argues that innovations have catered mainly to developed nations middle and high-income consumer needs, consequently failing to address low-income BOP consumer needs adequately.

Chataway et al. (2014) believe one of the reasons for the mainstream innovation’s trajectory of catering to developed nations needs lies in innovation requiring large scale, capital-intensive expenditures with large structural and institutional requirements that are profit driven. Another reason Chataway et al. (2014) notes for mainstream innovation not catering to BOP needs is the lack of understanding BOP consumer needs and demands. As a result, developing nations and particularly the BOP does not gain from these innovations. Thus, mainstream innovation may not lead to inclusive development (Heeks et al. 2014; Kaplinsky, 2014; Papaioannou, 2014).

Discussing the interrelated nature of innovation and development Papaioannou (2011, 2014) notes that the profit-seeking nature of innovation that is focused on demand does not allow innovation to address the challenges of inclusive economic growth let alone the needs of the BOP. Consequently, innovation led economic growth fails to provide beneficial support for the BOP needs like health, nutrition, and literacy (Papaioannou, 2011). The failure then of economic growth and mainstream innovation in meeting the needs of the BOP has led to new models of
pro-poor innovation within the informal sector (Chataway et al. 2014; Srinivas and Sutz, 2008).

These pro-poor forms of innovation are discussed next.

### 3.3.1.2 Inclusive innovation and need within the developing country context

Inclusive innovation defined as innovation benefiting groups like the BOP has taken the form of small-scale, ‘frugal’\(^{21}\), ‘scarcity’\(^{22}\), pro-poor, ‘grassroots’\(^{23}\) innovation (George et al. 2012; Kaplinsky, 2011a, 2014; Srinivas, 2012). This attempt to make innovation inclusive has its origins in the Sussex Manifesto\(^{24}\) (Singer et al. 1970) and the Appropriate Technology Movement\(^{25}\) (Schumacher, 1973, cited in Kaplinsky, 2011b) that neither succeeded nor had a lasting impact on development. The main reasons for the lack of impact have been attributed to economic inefficiency, innovation appropriateness and difficulty in the diffusion of innovation of those models (Kaplinsky, 2011b) where diffusion is the circulation of the innovation in society (Rogers, 1976).

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\(^{21}\) Frugal innovation seeks to minimize resource usage, cost and complexity in production, constitution, and operation of innovation (Papaioannou, 2014).

\(^{22}\) Scarcity innovations focus on scarcity of access to materials, equipment, and the ability to address needs in such situations, where the lack of resources or ‘scarcity,’ creates an opportunity for innovation to meet the needs of the people (Srinivas and Sutz, 2008).

\(^{23}\) Grassroots innovation is innovation from below, generally associated with innovation emerging from low income communities (Papaioannou, 2014).

\(^{24}\) The Sussex Manifesto is an academic statement that supports the application of science and technology to development through direct financial and technical assistance from advanced countries to developing countries to enhance their capabilities (Singer et al. 1970).

\(^{25}\) The Appropriate Technology Movement that began with Schumacher (1973, cited in Kaplinsky, 2011b) claimed that the innovative efforts of high-income countries were capital intensive and therefore inappropriate for low income countries. Schumacher (ibid) instead supported the development of intermediate or appropriate technologies operating at smaller scales for the developing countries.
Within a developing country context, inclusive BOP innovations draw from previous alternative attempts\textsuperscript{26} to make innovation paths inclusive which ultimately failed to address the BOP consumer needs. Srinivas and Sutz (2008) argue that current attempts at inclusive innovations in developing countries are complementary to mainstream innovation processes and not commercially in competition with them. They claim inclusive innovation can fulfil need gaps where mainstream innovation has excluded BOP consumers. Thus, while innovation is central to the BOP approach and the discourse of inclusive development (Deloitte WBCSD, 2016), there is not enough clarity on what constitutes innovation for the BOP and how MNC innovations can be inclusive and directed at the BOP needs (Ramani and Mukherjee, 2014). For innovation to be inclusive requires exploration and understanding of the BOP and MNC intervention within development.

In his study of inclusive innovation and basic need fulfilment, Papaioannou (2014) suggests revisiting the Basic Needs Approach, which offers a bottom-up process of illustrating basic needs. Insisting on the significance of basic need in inclusive innovation, Papaioannou (2014) points to basic needs criticality in the development context, including its diffusion. He (ibid) extends his argument of need based inclusive innovation to the frugal and grassroots inclusive innovation models.

Papaioannou’s (2014) research on inclusive innovation within developing countries discusses the role of frugal innovation and grassroots innovation. Drawing on the case of the Indian Tata Group’s Computer Based Functional Literacy, Papaioannou

\textsuperscript{26} Inclusive innovation draw inspiration from Gandhi’s Swadeshi Movement of small-scale labour intensive and indigenous innovations and The Appropriate Technology blending traditional and new technologies (Bhalla, 1984, cited in Kaplinsky, 2011b; Schumacher, 1973, cited in Kaplinsky, 2011b) to meet the needs of the BOP.
(2014) states how unnecessary features of high-tech products are removed to make a product affordable for the BOP consumer. However, he also states that such innovations do not necessarily meet BOP consumers’ basic needs, such as food in an equitable way.

Given Papaioannou’s (2011, 2014) argument for a Basic Needs Approach to inclusive innovation, the next section discusses how need based inclusive innovations can connect need to demand and become part of mainstream innovation.

### 3.3.2 The challenge of inclusive innovation connecting need with demand

As discussed previously, the first step to inclusive innovation is to understand the BOPs' unmet needs (Papaioannou, 2014). The second is to link BOP need to demand with Srinivas’s (2012) study of inclusive innovation, providing a framework for understanding how to connect innovations to BOP needs. Distinguishing between need and demand, Srinivas (2012) gives a four-fold classification of need and demand within the context of innovation presented in the table below:
Table 3.3. Four-fold classification of need and demand

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Need not recognised as need:</td>
<td>Here Srinivas (2012) believes there will be no policy, institutional or organisational support for the needs. Therefore, BOP needs will not be understood (Chataway et al. 2014).</td>
</tr>
<tr>
<td>ii) Need recognised as need but not as demand:</td>
<td>When needs are recognised in policymaking but not by the markets. Here the BOPs inability to pay for products ensure innovations are not commercially viable. Here, Srinivas (2012) suggests the need for the innovation to be made commercially viable by research and development, subsidy grant, distribution support and subsidy pricing.</td>
</tr>
<tr>
<td>iii) Recognised need but unfulfilled demand:</td>
<td>Where a demand exists but the supply cannot meet the demand resulting in BOP needs remaining unmet.</td>
</tr>
<tr>
<td>iv) Effective demand:</td>
<td>Where market systems take care of BOP needs.</td>
</tr>
</tbody>
</table>

**Source:** Srinivas 2012

Srinivas’s (2012) four-fold classification challenges Schumpeter’s model of innovations assumption that innovations satisfy society’s needs. When viewed in the context of unmet BOP needs not manifest as effective demand it appears that innovation does not satisfy the needs of society. Therefore, this research argues, to design and assess development interventions from the perspective of markets meeting BOP consumer demands through MNCs motivated by profit, misses the whole point of addressing BOP needs. Innovations based upon demands miss the critical link of achieving an inclusive society by ignoring BOP needs that are not backed by the ability to pay (Srinivas, 2012).

Instead, Srinivas (2012) recommends bringing together social welfare goals and innovation priorities to convert BOP needs to demands. This approach assumes there is no profit motive for the market to convert BOP needs into demands. Therefore, a welfare motive could help meet BOP needs through corporate social responsibility, state aid or welfare intervention. Kaplinsky (2011a, 2014), Chataway
et al. (2014) and Srinivas (2012) in their discussions on inclusive innovation call for state and policy intervention to support innovations to meet BOP needs through demand led policies that have the potential to influence innovation and transform needs into demands (ibid).

Since this study is concerned with the BOP, this study focuses on Srinivas’s (2012) first two needs: (i) need not recognised as need, and, (ii) need recognised as need but not as a demand. This is because an underlying assumption of both these needs lie in the BOPs’ inability to pay and, therefore, the BOP needs remain unmet, thereby requiring a development intervention. Further, within the developing country context, whilst economic growth and development are seen as a process of connecting BOP needs with innovations, BOP consumers lack the cultural capital to engage with products to satisfy their needs which is also explored in this research (Bourdieu, 1984). While Srinivas’s (2012) study looks at scarcity innovation, this research extends her classification of need and demand to MNCs leading on mainstream inclusive innovation for connecting BOP needs to demands.

This research explores an alternative perspective to Chataway et al. (2014), Kaplinsky (2011a, 2014), Papaioannou (2011, 2014), and Srinivas’s (2012). The perspective that mainstream innovation can be directed at the BOP market, based on commercial principles that yield profits to the MNCs and benefit the BOP consumers by meeting their basic needs, thereby converting needs to demand. Thus, this research explores incremental FMCG product innovations marketing to the BOP to generate consumer benefits and profits, resulting in inclusive growth. This is particularly relevant in the context of this research and its focus on
developing countries like India that are experiencing economic growth and hence increasing demand at the BOP.

### 3.3.3 Current dynamics of innovation in developing countries

Kaplinsky (2011a, 2014, p.9) argues that current global economic growth has led to ‘disruptive factors’ in innovation, such as (i) growth in low income and emerging economies in Asia, Africa and South America, such as China and India; (ii) radical technologies like information and communication, and (iii) diffusion of innovative capabilities that have created large consumer markets with possibilities for innovations for low-income economies. For example, increasing income and the spread of media to earlier media dark regions has led to increased advertising and marketing, resulting in higher demand. Kaplinsky (2011a, 2014) adds that this dynamism in the hope of generating higher profits from a growing and untapped market is leading to an innovation shift from developed to developing countries. Chataway et al. (2014) describe this innovation shift as an attempt to recouple growth and development by incorporating the BOP.

Kaplinsky (2011a) gives the example of MNCs within the FMCG sector with their pro-poor innovations as a major driving force for inclusive innovation. However, while Kaplinsky (2014) alludes to the role of MNCs in inclusive innovation, several issues arise. First, he does not provide a theoretical or empirical understanding of how MNCs’ inclusive innovations can meet BOP consumer needs. Second, he is unclear regarding what products qualify as inclusive innovations.
While Papaioannou (2014) discusses the role of basic needs in inclusive innovation, he does not consider the role of MNCs and, therefore, does not see inclusive innovation within the context of mainstream innovation. This study proposes to extend Papaioannou's (2014, 2019) need-based inclusive innovation model to MNC FMCG innovations and marketing activities targeting the BOP to understand the consequences of these innovations.

In the context of Kaplinsky’s (2011a, 2014) argument of disruptive factors discussed previously, current development policy discourse and shift towards market-based interventions like the BOP approach (DFID, 2011, 2015; U.N. SDG, 2015), the role of MNCs in inclusive innovation needs to be studied further.

As proposed by Prahalad (2006), the BOP market presents MNCs with an opportunity for innovative FMCG products to deliver profit, illustrated by examples of Unilever, Procter and Gamble and Nestle. These MNCs claim they are developing specific innovative products with innovative product strategies, including design, and development of products, targeted at specific BOP consumer needs. For example, Unilever Thailand’s innovative detergent saves twenty litres of water per laundry wash. Table 3.4 provides examples of FMCG product innovations targeting BOP consumers.
Therefore, to expect need to be converted to demand requires a discourse that encourages MNCs' inclusive innovation to meet BOP needs. Thus, whether the BOP approach necessarily needs Government policy support or merely requires an opportunity for profit by MNCs is explored in this research.

### 3.4 Defining the MNCs and understanding their role at the BOP

As a business entity, MNCs are defined by their activities located in more than two countries with an organisational form that circumscribes FDI (Kogut, 2001). Thus, MNCs are characterised by their contribution to the flow of private investments like outward FDI from mainly developed home countries to developing host countries. Dunning (2001, 1993) and Buckley (2009) explain MNCs key determinants of FDI are ownership and location which are then central to the conceptualisation and

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**Table 3.4 MNCs' FMCG innovative products and claimed benefits**

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unilever</td>
<td>Comfort One Rinse - product helps save 20 litres of water per laundry wash</td>
<td>Thailand, Vietnam, Indonesia</td>
</tr>
<tr>
<td>Nestle</td>
<td>Ideal Dancow - milk with iron, calcium, and proteins</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Procter and Gamble</td>
<td>P&amp;G Purifier of Water - water purification packets to make water fit for drinking by adding one sachet to ten litres of water</td>
<td>65 countries</td>
</tr>
</tbody>
</table>
decision to invest abroad. MNCs will then locate production where it will be most beneficial for maximising their profits.

Whilst the BOP approach proposes MNCs innovate to address BOP consumers’ needs, the literature does not discuss the tensions between reconciling MNCs’ profit motive and understanding and meeting BOP needs. The previous sections demonstrated the MNCs limitations in, adequately understanding BOP needs and innovating products to meet them. MNCs conceptualisation of innovation for profit appears contradictory to well-being objectives of development policies.

Additionally, adequate concerns regarding the role of MNCs in developing countries is not raised. Mainly, MNCs targeting consumer goods at the BOP raises concerns about MNC influencing BOP consumers’ wants and creating needs by offering consumer choices that are aimed at MNCs’ profit objective (Clay, 2005; Karnani, 2007a). Equally, the well-being outcome of MNC products marketed to BOP consumers with low incomes and unmet basic needs is not clear.

This section discusses the nature and scale of MNCs’ business operations in developing countries and some of their positive and negative outcomes within the context of MNCs, economic growth, globalisation, and development. A critical perspective of globalisation and global policy environment that encourages MNCs’ role in development without questioning their profit motive and imbalance of power created by their operations at the BOP is also discussed.
3.4.1 Economic growth and development: MNCs engaging with BOP needs

A key reason for developing economies engaging with MNCs lies in the latter's role in transmitting capital, knowledge, and ideas contributing to economic growth and development (Adebayo, 2013; Bhagwati, 2007; Meyer, 2004; Reiter and Steensma, 2010). Oetzel and Doh (2009) and Reiter and Steensma (2010) argue that developing countries benefit directly from MNCs' investments, tax revenues, infrastructure creations, enhanced productivity, job creation, generation of incomes and their product and service offerings. Furthermore, MNC investments can lead to access to advanced technologies, knowledge, and skills to local individuals and firms, that increase competitiveness for domestic industry (ibid). Some of the positive outcomes of MNCs involvement in development discussed by Jenkins (2007, cited in Nelson et al. 2015) are presented in the following table.

Table 3.5 Positive outcomes of MNCs involvement in development

| i) Financial sustainability: | the core business investment and operations are profitable, and they contribute to further growth in the long term (Oetzel and Doh, 2009; Meyers, 2004; Reiter and Steensma, 2010). |
| ii) Scalable development multiplier effect: | maximising the outcomes of initial business investment contributing to greater magnitude in terms of positive development outcomes including of human capital development (Oetzel and Doh, 2009; Meyers, 2004; Reiter and Steensma, 2010). |
| iii) Innovation and efficiency abilities: | based on the premise of the private sector risk taking and reward generating through application of resources like capital in new and profitable ways (DFID, 2011; Wach and Thorpe, 2015). |

Source: Author
Some developing countries have welcomed MNCs involvement as part of Government anti-poverty measures, playing to MNCs strengths, including marketing networks, efficient management practice, demand-based approach, and targeting capabilities for new product development and its packaging suited to consumer needs (Dohlman and Halvorson-Quevedo, 1997; Sachs, 2005). Consequently, MNCs have been assigned to deliver essential goods and services to the poor (Bayliss and Fine, 2007, cited in Sridharan et al. 2017), with MNCs, like Nestle, Wal-Mart, Proctor & Gamble, and Unilever, claiming to align their growth with countries development needs (DFID, 2011). The table below draws upon Humphrey (2014), Humphrey and Robinson (2015), and Nelson et al. (2015) to illustrate examples of MNCs’ approaches illustrating this alignment.

### Table 3.6 Private sector and development approaches

<table>
<thead>
<tr>
<th>i) Market for Poor:</th>
<th>an approach to make market systems work for the benefit of the poor by helping in the creation of opportunities and capacities for them. It provides a framework to define market systems and facilitates the role of the various agencies within it (Humphrey, 2014; Humphrey and Robinson, 2015).</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii) Bottom of the Pyramid:</td>
<td>the BOP approach is a market-based approach led by MNCs to sell innovative products to the people at the BOP to not only generate profit but also reduce poverty by selling to the BOP and meeting their needs (Prahalad, 2006).</td>
</tr>
<tr>
<td>iii) Corporate Social Responsibility:</td>
<td>the long-term view of adding value to organisations activities by ensuring a positive impact on its social, environmental, and economic performance (OECD, 2001).</td>
</tr>
<tr>
<td>iv) Creating Shared Value:</td>
<td>a conception of capitalism where not just profit drives the corporations but the connection between the societal and economic progress are the new force to drive forward global growth (Porter and Kramer, 2011).</td>
</tr>
</tbody>
</table>

**Source:** Author
While the development market-based approaches in the table above differ in their conceptualisation and process, they all aim to align businesses activities with positive social and economic outcomes, including poverty reduction and basic need fulfilment. This research explores Prahalad’s (2006) BOP approach calling for MNCs to meet BOP consumer needs. Challenging the views of excluding the BOP from the market, Prahalad and Hart (2002) and Prahalad and Hammond (2002) present a business case for poverty reduction, arguing MNCs could grow their profits whilst lifting the BOP out of poverty. This outcome can be achieved by MNCs acting in their ‘self-interest’ while ‘entering BOP markets’ situated mainly in developing countries, like India (Prahalad and Hammond, 2002, p.48).

However, MNCs impact on host economies is not well understood (Meyer, 2004; Reiter and Steensma, 2010). Expectations of MNCs’ investments leading to economic growth which will ‘trickle down’ to the BOP, has guided developing countries increasing engagement with MNCs. An engagement motivated in the belief that the inward flow of capital and knowledge from MNCs will bring benefits (Adebayo, 2000, cited in Adebayo, 2013; Bhagwati, 2007, p.7; Mehrotra and Delamonica, 2005).

However, although businesses are essential for developing countries economic growth, when MNCs, particularly FMCG firms, market products to BOP consumers, it raises certain questions. Broadening MNCs’ consumer base to increase BOP demand for branded goods raises questions of development and notions of inclusivity (DFID, 2008). BOP consumers’ vulnerability to the marketing of basic need products, characterised by a price negotiated through market exchange, differs from grant-based development intervention (section 3.3.2) (London, 2008;
Prahalad and Hart, 2002). Therefore, MNCs must demonstrate how the integration of profit needs with inclusive growth within a development agenda represents, for the BOP, a win-win situation. Increasingly, in the context of globalisation and a neoliberal growth agenda, MNCs meeting BOP needs is leading to claims of reinventing capitalism by innovating more inclusive growth strategies (Porter and Kramer, 2011). This is explored in the next section.

3.4.2 MNCs meeting BOP needs: globalisation and neoliberal agenda

Extending the economic growth argument of MNCs meeting BOP needs, liberalisation, and globalisation of developing economies (section 2.3) has encouraged rapid inward FDI flows (UNCTAD, 2008). Additionally, Government policies in developing countries are removing restrictions for MNCs participation and ownership by offering investment incentives for MNCs to invest in more economic sectors and establish operations (DFID 2015, 2016; Reiter and Steensma, 2010; UNCTAD, 2006). For example, MNCs like Unilever through its Indian subsidiary Hindustan Unilever (HUL) selling several brands within the Indian FMCG market. This neoliberal agenda is usually accompanied by the state, based upon perceived Governments failures, withdrawing from economic sectors it had previously invested in, which then advantages and empowers MNCs (Stiglitz et al. 2006).

However, MNCs’ profit maximising objectives may ultimately determine and direct their investments rather than creating benefits for others who have not paid for the benefit (Meyers, 2004; Reiter and Steensma, 2010). Rugman (1993, p.87, cited in Oetzel and Doh, 2009, p.109) states that the ‘single goal of efficient economic performance’ facilitated through globalisation ‘will be compromised’ by MNCs being
more responsive to social needs, including BOP needs. In other words, MNC investments are directed towards their financial growth which is now increasingly met in developing economies like India with large populations and their growing incomes rather than meeting the unmet basic needs (section 2.3.1 and 2.3.3). Additionally, perspectives of MNCs as a negative force characterised by poorly regulated and enforced laws and policies, such as environmental safety and labour standards in the developing countries, are presented in Table 3.7:

**Table 3.7 MNCs negative impact on host economies**

<table>
<thead>
<tr>
<th>i)</th>
<th>Crowd out domestic local firms and businesses by assuming monopolistic status.</th>
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<tbody>
<tr>
<td>ii)</td>
<td>Not make long term transfer of knowledge, technology or skills, transfer obsolete technologies, and restrict technology spill-overs.</td>
</tr>
<tr>
<td>iii)</td>
<td>Reduce domestic capital and tax through price manipulation and profit repatriation.</td>
</tr>
<tr>
<td>iv)</td>
<td>Environmental degradation, pollution, depletion of large quantities of natural resources.</td>
</tr>
<tr>
<td>v)</td>
<td>Inadequate safety standards, employment of child labour.</td>
</tr>
</tbody>
</table>

**Source:** Oetzel and Doh, 2009

Dunning (2001) argues that MNCs’ role in determining and controlling FDI flows reorganises global and national power levels as MNCs control of technology, knowledge and capital become important sources of power (Buckley, 2009). This power is further enhanced by MNCs’ innovation and marketing of standardised product offerings that aim to broaden their market, thereby creating increased product availability leading to ‘lock[ing] consumers in by branding’ (discussed in section 3.7.1.3) (Buckley, 2009, p.133).
Thus, in the market field, which is defined as a network of objective relations that demonstrate a pattern of practice guided by rules in the social space, from relative positions (Bourdieu, 1977) in the market, MNCs as sellers and BOP consumers as buyers use their habitus and capital to engage with the market field. As well as the exchange relationship of buyer and seller in the market field, the differential distribution of capital, seen through habitus, the relationship between MNCs and the BOP consumers reflects an interaction shaped by a hierarchy of positions and power. Thus, as Fourcade (2007) claims, in the market field, the network of relations between the MNCs’ marketing, BOP consumers and basic need products is determined by the MNCs’ habitus to generate profits. Furthermore, the MNCs volume of capital provides them with power and ‘stronger field effects’ to advance their position in the market field. Bourdieu (2015, p.76, cited in Fourcade, 2007) adds, that ‘everything in the market field is ‘acted on the MNCs behalf’, as the MNCs subjective behaviour or habitus in the market field is determined by the objective rules (Doxa) of the market field. In this case, MNCs’ FDI investments in developing country markets are guided by the rules of capital investments to generate higher profits in favourable market conditions to achieve this objective (discussed in sections 3.6, 3.7.1.1 and 3.7.1.2).

Thus, Fourcade (2007) argues that MNCs’ profit objectives and power differences with the BOP consumers in the market field, allow MNCs to ‘influence’ the state to take actions that create social structures by modifying the prevailing rules of the ‘game’ to their advantage (Bourdieu, 2005b, p.81, cited in Fourcade, 2007). Thus, MNCs demonstrate the ‘production and reproduction’ of power, using differential access to financial, technological, commercial, and symbolic capital (Bourdieu, 1986). In the context of this research, Bourdieu’s practice theory (1977) by providing
a critical yet constructive framework of understanding of how situations come to be what they are (Warde, 2014), can help us understand the issue of power and structural inequality between MNCs and vulnerable BOP consumers (section 3.6.3). Hence, Cooke (2004) asserts that the neoliberal agenda of economic efficiency goals increase privatisation and advancement of MNCs, represent market expansion and profit-driven motives, rather than developing countries economic development. Moreover, he states that reducing the role of the state and expanding the global market supports MNCs’ profit motivations and not necessarily BOP needs. Equally, as Stiglitz et al. (2006) state, many developing countries that liberalised their economies and drew in MNC investments did so without being informed of the consequences of such actions. Thus, a development perspective of engaging with MNCs involves understanding the power realities that can shape development outcomes. As Aremu (1997, p.19, cited in Adebayo 2013) states, MNCs’ power represents an ‘imperialistic predator exploiting the entire globe for the sake of corporate few and creating a web of political and economic dependence among nations to the detriment of the weaker ones.’

3.5 The market

As the previous section established MNCs’ profit maximisation objective on their investments in developing countries, this section explores the role of MNCs as powerful players within the market field as it expands with increasing globalisation and liberalisation. This section briefly defines the market, discusses its role as an exchange system (3.5.1) and then explores the market’s role in alleviating poverty via economic growth, specifically in the context of MNCs and BOP markets (section 3.5.2) (Achrol and Kotler, 2016; Kolk et al. 2014; Ravallion, 2001; Warnholz 2007;).
3.5.1 Defining the market

An economic perspective of the market describes it as an abstract institutional arrangement where households, firms, and workers make consumption, production and labour decisions based on the system of prices (Levine, 1980). Competitive forces in the market maintain price equilibrium for demand and supply to intersect, allowing for the allocation of capital for production and profits on capital invested (Begg, 2003; Callon, 1998; Casson and Lee, 2011; Slater and Tonkiss, 2001). This perspective of the market assumes MNCs are responsive to profits on consumer demands which is supported by the ability to pay, and not needs. This limitation of the market is explored in the context of the BOP in section 3.6.2 and 3.7.2.

As an arrangement for buyers and sellers to allocate scarce resources to meet ends through the exchange, the three core elements of a market are:

i) Supply- where the seller (MNCs in the context of this research) bring the goods (FMCG innovated products) to the market (BOP market).

ii) Demand- goods the buyer (BOP consumer) wants to purchase.

iii) Price – the value at which exchange takes place (Slater and Tonkiss, 2001).

The above definition of the market describes it as a perfect condition which is defined as buyers (BOP consumers) and sellers (MNCs) interacting amidst (i) homogenous products available to them (of the same kind and quality and no alternatives available in the market), (ii) there are sufficient numbers of buyers and sellers to prevent price influence through monopolistic conditions and (iii) both buyers and sellers have complete knowledge of market conditions like price of
products, knowledge of products which they can then compare with other options available to them (Slater and Tonkiss, 2001). However, a perfect market condition is seldom achieved (ibid). Moreover, such a definition of the market describes individual’s rational behaviour as motivated by their self-interest, unaffected by social needs and realities (Ackerman, 1997).

From a marketing perspective markets are defined based on the concepts of exchange and relationships between potential buyers and sellers of products and services, where the buyers need can be satisfied through the exchange relationship (Kotler and Armstrong, 2012). The market then includes groups of individuals with similar features who respond in similar ways to marketing stimuli (Forlani and Parthasarathy, 2003). Such a perspective of the market includes the consumers’ behaviours and motives for participation which are not explored in the economic view of the market (Forlani and Parthasarathy, 2003). Thus, from a marketing perspective, the market addresses the issue of whom (BOP consumer) the firm (MNC) wants to have a relationship with and why the consumers might agree which determines the effective way of establishing this relationship (ibid).

A Bourdieuan lens adopted by this research helps understand this perspective by emphasising the market field as not only buyers and sellers but on the relationship between producers, consumers, and the products (Fourcade, 2007). For example, why a producer and consumer have a market relation and their relative positions in the market field. This relation is demonstrated through taste and habitus that corresponds to the market field through marketing and consumption practices where the MNCs and BOP consumers adjust and strategize the use of their capital to advance their positions in the field (Bourdieu, 1977; Fourcade, 2007; Holt, 1998).
In a Bourdieuan perspective of social structure, markets exist above and beyond the MNCs and BOP consumers whom it then influences and affects (Fourcade, 2007). The extent of the markets effect defines the limit of its field (Jenkins, 1992). Such an analysis of the market lends to an understanding of increasing MNC powers in the context of neoliberal, globalised growth, and MNCs mediating and affecting the social structure and functioning of the market in pursuit of profit including from the BOP market. The next section looks at the BOP market.

3.5.2 Conceptualising the market in the context of BOP

The BOP approach assumes that the BOP market offers MNCs opportunities to market products that satisfy consumers’ needs and make a profit (Prahalad, 2006). The key argument is that the BOP can be included in markets and benefit from growth, thereby creating ‘inclusive growth’ (Prahalad, 2006). However, the BOP market is characterised by:

i) limited purchasing power,

ii) lack of awareness among consumers,

iii) inadequate market infrastructure,

iv) inadequate institutional framework, and

v) limited market penetration of products

(Adebayo, 2013; Anderson and Billou, 2007; Beninger and Robson 2015; Bharti et al. 2013; Prahalad, 2006; Rivera-Santos and Rufin, 2010; Schuster, 2012).
Further, it is argued that: i) because of imperfect conditions like inadequate income and market infrastructure in the BOP market (Alwitt, 1995; Hammond et al. 2007; Hill 2001; Lee et al. 1999; Warnholz, 2007) BOP consumers experience ‘poverty penalty’ (Caplovitz, 1967) of having fewer product choices and higher prices, and ii) the BOP are poorly served, by the informal market, which is relatively inefficient and uncompetitive (Prahalad, 2006). It is argued this is because BOP needs do not manifest as effective demand and, therefore, MNCs do not market to them because of lack of profitability (Hammond et al. 2007; Prahalad, 2006; Prahalad and Hart, 2002; Srinivas, 2012; Warnholz, 2007). Section 3.5.2.1 reviews the argument whether the inclusion of the BOP consumers within the market addresses these issues.

In recognising the BOP approach and the need for MNCs to align their profit-seeking growth with BOP needs, Karnani (2015) argues that in perfect market conditions, both profit and BOP need can be satisfied. Central to his argument is the assumption that there are no market failures, asymmetric information flows, and power influences. As a result, private profit and need fulfilment of the BOP are congruent. Here it is assumed that complete information protects the consumers from questionable products and marketing and allows them to make informed product choices (Ozanne and Murray, 1995). While assuming non-existing perfect market conditions, Karnani (2015) does not provide an understanding of how profit objectives and BOP needs can be met in the context of the BOP market. Furthermore, Karnani (2015) does not explore the role of MNCs’ marketing and its influence (power) on BOP consumers (Clay, 2005; Chikweche and Fletcher 2012), which this study explores.
Conversely, for a BOP market-based approach, MNCs are required not only to make accessible and affordable products available to BOP consumers (discussed in section 3.7.2) but also satisfy MNCs’ profit requirements. Thus, MNCs entering the BOP market need to find buyers and create demand for their innovative products. This presents a challenge for MNCs considering BOP consumers’ needs, their low incomes and low capacity to consume (Prahalad, 2006). In other words, market-based interventions must address MNCs and BOP consumers very differing needs (Humphrey and Robinson, 2015). The increasing focus on the BOP as a latent market with a large aggregate purchasing power that the MNCs hope to address are discussed next in the following sections.

3.5.2.1 The economic perspective of engaging with the market at the BOP- the growth argument

Warnholz (2007), presenting a critical economic perspective of the BOP approach’s ability to addressing poverty, argues that the market can meet BOP needs through the increased supply of products role arising from competing MNCs. It might be argued that as new firms enter the BOP market in pursuit of profits, BOP consumers will be able to buy better quality products at lower prices without additional income (Choudhury et al. 2019; Prahalad, 2006; Warnholz, 2007).

Warnholz (2007) adds that the resulting extra purchasing power can potentially make a difference to the BOP consumers in meeting their needs, such as better intake of nutrition. Furthermore, Warnholz (2007) argues that increasing BOP demand is crucial for economic growth that taps into a vastly underserved BOP

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market allowing for economies of scale\textsuperscript{27}, increasing returns on production technology and innovation providing gains for both MNCs and BOP consumers. This argument appears to support Prahalad's (2006) BOP approach and two dominant strands of the ‘Washington consensus’ – FDI ‘liberalisation’ and ‘privatisation’, the essence of which is to provide an environment conducive for economic growth (section 2.3.3 and table 2.3) (Williamson, 2008, p.5).

The above argument merits further discussion which this research presents to understand the role of markets, MNCs and their marketing in the context of globalised markets and how it can impact poverty by stimulating growth (Williamsons, 2008).

3.5.2.2 The marketing perspective of engaging with the BOP market –

Adoption of innovations

To understand the BOP consumers ability to be included or the possibility of being excluded from the market exchange (Vishwanathan et al. 2012), this section looks at product diffusion and adoption. Diffusion of innovation is the process by which innovations are circulated over time to the intended users within a social system (Rogers, 1976). In this research, diffusion of innovation allows for empirical research of innovative products marketing and BOP consumers engagement with the product both in the event of a purchase and use of the product or not.

\textsuperscript{27} Gains in productivity reduce the price of consumer goods and make them affordable to a larger number of households. This generates bigger markets for these goods, which again raises productivity via economies of scale. Thus, the role of domestic consumer demand in the process of economic development (Warnholz, 2007).
Rogers (1976) adoption of innovation framework demonstrates BOP consumers’ perspective of understanding of products attributes and benefits, as well as MNCs’ marketing practice in positioning and targeting products to the BOP market (section 3.6.1.2). This is important to study and determine the consequences of marketing innovative FMCG products to the BOP consumers and understanding the extent to which the innovative products and related marketing meet their basic needs.

Diffusion contributes to new product adoption, where adoption of innovation involves the purchase of new products. The diffusion process involves: (1) the innovation, (2) its communication through certain channels, (3) over time, and (4) among people in a social system (Rogers, 1976). Appendix D describes the elements of the diffusion of innovation. For this research, diffusion is defined as innovation and its characteristics from the BOP consumer perspective.

Rogers (1976, 1995) noted that the consumer’s perspective of the product’s characteristics could influence the purchase of innovation, with the following characteristics of innovation determining its adoption. These are, the products:

i) relative advantage - the perceived improvement of the innovative product over what currently exists.

ii) compatibility – how well the product, aligns with the need, experience, and context of those adopting it.

iii) complexity – ease of understanding the use of the product.
iv) trialability - the possibility for the consumer to test and try the product before deciding to buy it.

v) observability - how visible the innovative product is to the consumers.

Except for complexity, it is proposed that as each of these characteristics increases, the adoption or product purchases increases (Lundblad, 2003). Thus, Rogers (1995) argues, the above innovation characteristics help to determine product adoption by the consumers.

MNCs’ marketing activities need to be considered to understand the characteristics of innovation that could lead to the adoption of innovation and the consequences for BOP consumers (Rahman et al. 2013). Prahalad (2006, p.16) argues that MNCs’ market to BOP consumers by ‘creating a capacity to consume’. This involves innovating products that are available, accessible, and affordable to BOP consumers, these products must have a relative advantage over existing products, and these consumers have product awareness and knowledge (section 3.7.2) (Adebayo, 2013; Prahalad, 2006).

In the absence of a clear framework to explain and understand the concept of marketing inclusive innovations to the BOP, this research empirically explores the phenomenon. In doing so, the research contributes to existing concepts of inclusive innovation and addresses the inadequacies and lack of clarity in this field, which is new and unexplored (George et al. 2012). The research also contributes to marketing’s need to understand and cater to the BOP consumer, making this research relevant to the world’s BOP population which is an under researched area
(currently, 15% of the world’s population is of interest to marketers) (Hill and Martin, 2014). This lack of clarity is explored further in the next section.

### 3.6 Markets, marketing, and the BOP consumer

Taking a modernisation and market-based perspective with large and powerful market actors like MNCs’ marketing products in response to unmet BOP needs, Prahalad and Hart (2002, p.2) discuss development within the realm of creating ‘modern’ infrastructures and institutions, for example, using the market to meet BOP needs. Such a modernisation perspective of meeting needs of marginalised consumers through the expansion of the markets is based on globalisation and neoliberal policy agenda for increased trade, deregulation, and the reduced role of the state (section 2.3.3) (Kilbourne, 2004; Tadajewski et al. 2014).

Additionally, Prahalad and Hart (2002) argue, market exchanges involving BOP participation in the market, albeit between unequal market actors like MNCs and BOP consumers, empower BOP consumers by addressing their poverty and development concerns. The assumption here is that economic growth will meet BOP needs and fulfil their aspirations (Sridharan et al. 2017), justifying the expansion of the market field although without policy nor the MNCs clearly understanding the real needs of consumers at the BOP (Tadajewski et al. 2014).

However, the previous sections argue how the MNCs are constrained by i) the rules and characteristics of the market field, ii) their habitus and objective to make profits on investments, and, iii) thereby directing MNC innovations mainly towards the middle and high-income consumers. This is demonstrated through MNCs
inadequate understanding of BOP consumer needs, often leading to the BOP exclusion from the market. It can be argued that BOP consumer exclusion from the market occurs owing to BOP market characteristics, like limited purchasing power and lack of product awareness, thus failing to meet their needs (Section 3.5.2). Yet, market-based economic growth appears to address these issues unsatisfactorily. How the assumptions of a market-based intervention and marketing can adopt development requirements is explored in this section. The section discusses MNCs’ marketing innovative products to meet BOP needs and how they influence consumer behaviour leading to the adoption of innovations (section 3.6.1) (Sheth and Parvatiyar, 1995, cited in Srinivas Sridharan et al. 2017) within the context of consumers and their vulnerability (section 3.6.2 and 3.6.3).

3.6.1 Marketing

The American Marketing Association (2013) define marketing as activities involved in the flow of goods and services from production to consumption, which involves processes of creating, communicating, delivering, and exchanging offerings. As described by Kotler and Armstrong (2012), marketing creates value for consumers in terms of satisfying needs, and by capturing consumer value produces a financial profit for the business. Exchange is a basic concept of marketing (Alwitt, 1995).

Discussing some of the benefits of marketing, Wilkie and Moore (1999) state that marketing by stimulating demand creates freedom of choice in consumption, production of desired products, delivery of products, growth, development, and prosperity. Kotler and Armstrong (2012) argue that marketing achieves this by (i) understanding the needs of the customer, (ii) identifying the target markets or
customers, (iii) dividing the markets into customer segments, and (iv) offering products that meet consumer’s needs.

However, such an assumption that marketing responds to consumers need by offering consumption choices which result in prosperity, growth and development that trickles down to the BOP is a simplistic representation of reality. Without considering the influence of marketing practices and assuming its contributions ignores the issue of power, mainly economically derived power, and its socio-cultural impact (Tadajewski, 2012) in the context of the lives of the BOP consumers. Stiglitz (2019) argues that the benefits of globalisation and neoliberal market-based growth has led to income and wealth ‘flowing up’ rather than trickling down.

Whilst the BOP literature inadequately demonstrates what MNC products meet BOP needs, BOP consumes not only basic need products but also many non-essential MNCs branded products (Jaiswal, 2008), for example, cosmetics. This raises questions regarding MNCs’ engagement and influence on BOP consumers (Karnani, 2007a). Some of these questions include: what are the MNCs’ marketing objectives towards the BOP other than profit? What is the MNCs’ marketing strategy and what products do MNCs replace from the current consumption? How does the penetration of brands influence the existing BOP market?

These questions introduce us to critically explore the issue of MNCs’ objectives (section 3.6.1.1) and marketing strategy aims, segmenting, targeting, and positioning and their implications for BOP consumers (section 3.6.1.2). Using a Bourdieuan lens to analyse MNCs’ marketing products for BOP needs from a well-being and development perspective offers critical insight to how markets and
marketing can be made inclusive to BOP needs (Dholakia, 2012; Tadajewski et al. 2014). Such a perspective differs from a top-down study of the BOP market, which the existing research mainly focuses.

3.6.1.1 Marketing objectives

Kotler and Levy (1969) state that marketing objectives involve product development, pricing, distribution, and communication with continuous attention to changing consumer needs that is mostly discussed as a business activity. In that sense, MNCs’ marketing objective, as part of their business activity, is to build a profitable customer relationship through reduced costs and increased sales, thereby improving returns on their investments (Kotler and Armstrong, 2012).

It can be argued that MNCs’ marketing objective of higher profits create an ethical conflict (Tadajewski, 2012) when engaging with the BOP market which assumes each consumer is fairly treated as they capture value – profit and meet needs. The reality, however, represents the lack of such a balance in market exchange and marketing practice. Since profit generation is not always consistent in guiding MNCs’ actions in favour of BOP consumers, it often results in an ‘imbalance’ of exchange between the BOP and MNCs (Alwitt, 1995, p.565). The is demonstrated through MNCs use of capital and power, for example, marketing brands which represent MNCs’ symbolic capital and hide their profit-seeking interest (Lee et al. 1999). In doing so, MNCs’ marketing practice (Bourdieu, 1986) generates higher profits and value for the MNCs and tilt the power differences in their favour.
3.6.1.2 Marketing strategy and the importance of targeting, segmenting, and positioning

The MNCs’ marketing strategy establishes creating value by satisfying consumers’ needs in return for profitable growth by identifying, evaluating, and selecting market opportunities and making strategies to achieve this growth (Kotler and Armstrong, 2012). This is achieved through:

i) Market segmentation and targeting - by the MNC dividing the market into smaller customer groups with distinctive needs or behaviour and determining the best profit-oriented growth opportunities. The MNC then decides the most profitable segment to target its marketing at with specific products to stimulate consumer needs leading to purchase of the products (Kotler and Armstrong, 2012; Kotler and Levy, 1969). In the case of the BOP market, some of the key criteria for targeting the segment are the lucrative segment size, and its growth (section 1.2.1) (Prahalad, 2006). However, targeting vulnerable consumers to create needs where none exist or with potentially harmful products often raises tensions (section 3.2.3 and section 3.6.2) (Clay, 2005), for example, soft drinks and fast food marketing targeted toward children.

ii) Differentiation and positioning: MNCs create differentiated value for targeted segments through product offerings by creating superior customer value and determining what position the product takes relative to competitors’ products in the consumers’ mind (Kotler and Armstrong 2012). Thus, the brand’s value proposition – a clear and desirable position which is a full mix of the benefits on
which the brand is differentiated and positioned (section 3.6.1.3) (Kotler and Armstrong, 2012).

Marketing strategy typically uses four marketing tools to satisfy customer needs. These are product, price, place, and promotion (Kotler and Armstrong, 2012). Known as the 4P's of the marketing mix, in the context of this research, MNCs’ marketing strategy may manifest in innovating basic need satisfying products. The MNCs’ marketing strategy then must decide the following:

**Table 3.8 Marketing strategy**

<table>
<thead>
<tr>
<th>i) Product:</th>
<th>what type of product, technical specification, and quality it is willing to produce for the BOP consumer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii) Price:</td>
<td>determined by what customer the product aims to target, the price of the product they are willing to sell at and what they believe the BOP consumer is willing to pay.</td>
</tr>
<tr>
<td>iii) Place:</td>
<td>through which kind of distribution channel it is sold like supermarket, retail markets or every store possible and how it will make the product available to the BOP consumers where they can buy the product.</td>
</tr>
<tr>
<td>iv) Promotion:</td>
<td>how the MNC aims to communicate with the BOP the products benefits, typically through promotion. For example, through advertising, shelf promotion, and sales promotion.</td>
</tr>
</tbody>
</table>

**Source:** Kotler and Armstrong, 2012 and author

MNCs’ marketing strategy to the BOP, therefore, requires a shift in marketing’s focus from finance and production, the process of exchange, high-value markets, corporate social responsibility, and capitalist driven growth (Achrol and Kotler, 2012). Achrol and Kotler (2012), and Sridharan et al. (2017) argue that recent marketing research shows such a shift in marketing strategy, demonstrating a move
towards more relational aspects of marketing, including: product innovations, prices, ideas, feelings, time, energy, and information. Marketing strategy then claims to focus on specific products, proactive corporate strategies for BOP market, development, and policies for regulated capitalism (Achrol and Kotler, 2012).

Furthermore, Sridharan et al. (2017) argue, marketing’s focus on BOP consumers’ vulnerability and experiences in the market exchange (section 3.6.3) demonstrates a shift from focusing on constraints at the BOP towards one on opportunity expansion and well-being. Thus, marketing strategy aims to not only address BOP market exclusion, constraints, and consumption restrictions, in the context of globalisation (Alwitt, 1995; Kilbourne, 2004; Martin and Hill, 2012). A BOP approach claims to create an inclusive market that provides access to products through participation and more equitable consumption choices (Baker et al. 2005; Prahalad, 2006; Sridharan et al. 2017; Viswanathan and Rosa, 2007).

How expanding the market at the BOP and marketing MNC brands influences BOP consumers, is explored in the next section. This helps understand how vulnerable consumers engage with the market despite the imperfect nature of market exchange, MNCs’ power relations and marketing objective of profit.

3.6.1.3 The importance of branding

Kotler and Armstrong (2012, p.231) define a brand as ‘a name, term, sign, symbol, design or a combination of them which is intended to identify the goods and services of one seller and differentiate them from those of the others.’ A brand embodies the quality, reliability, social status, value, or safety of a product (Bowbrick, 1992) which
determines a consumer’s response to the brands’ marketing. As the definition of a
brand suggests, it involves both tangible and intangible properties that assign value
to a product which is more than the real cost of producing the product. In other
words, the value-added through branding a product is often more than its actual
cost. How this is done is discussed next.

MNCs’ marketing strategy position products and build brands to capture greater
market share using two key dimensions of a brand (Keller, 1993, p.3). The first
dimension, brand awareness, involves ‘brand recall’ and ‘brand recognition’ which
reflect the brand’s previous use, the level to which a brand is remembered on being
given a cue and the extent to which a consumer recognises it. The second
dimension, brand image, suggests that a brand is more than a symbol or a name
and represents the association people have of a brand in their mind based on their
perception of it. According to Keller (1993), a brand image is influenced by several
things, including:

i) Product attributes, like the technical specification, product price, packaging,
   quality, as well as the other people who use it.
ii) Product benefits which a consumer thinks will accrue to themselves on using the
   product, like:
   a. functional benefits, like the intrinsic advantage of using the product
   like providing nutrition or safety etc.
   b. experiential benefits, like what it feels like to use the product, which is
   related to the functional benefits, and
   c. symbolic benefits, which usually relate to the social approval related
to the use of the product.
As stated by Fishbein and Ajzen (1975; 1980, cited in Keller, 1993), the products perceived attributes and benefits as well as experiential and symbolic benefits (Percy, 1987, cited in Keller, 1993) then determine the consumers' brand attitude which often forms the basis of product choice (Keller, 1993).

Building brands for the BOP, therefore, involves working on various product attribute and benefit dimensions, along with sustained efforts towards creating and retaining brand awareness and image. This active element of MNCs influencing brand attitude to meet BOP basic needs demonstrated through establishing and marketing brands is done to capture market share for profits through increased sales. As a result, the marketing objective and power of selling branded products to the BOP yields maximum returns for the MNCs as the ‘value capture’ - profits are significantly more than the ‘value-added’ – cost of production at the stage of branding and marketing (Henderson et al. 2002, p.449).

Consequently, well-known MNC brands are penetrating developing country markets, adding value to products, and increasing MNCs’ profits by establishing brands and brand dimensions discussed previously. Brands marketing allow MNCs to market their branded products at a higher price, to BOP consumers who are willing to pay for a product with a positive brand attitude (Jaiswal and Gupta 2015; Starr and Rubinson, 1978, cited in Kotler, 1991). Branded products and branding, therefore, can increase MNCs’ economic and cultural capital through their marketing practices, increasing their power within the market field (Bourdieu, 1977,1986; Lee et al. 1999).
In the context of this research, MNCs’ marketing branded FMCG products is particularly viewed in terms of the BOP consumers’ perspective of brand image and brand attitude and how it influences their engagement and adoption of brands. This is important to recognise why despite the BOP consumers’ low capital - income and awareness, to meet their many unmet needs and engage with brands, they chose to consume branded products which are possibly more expensive than non-branded products available.

Based on his study of the Indonesian BOP market using Unilever products, Clay (2005) states that brand loyalty tends to lead to repeat purchase rather than looking at alternative brands or domestic and local products. Clay (ibid) claims this is of concern because Unilever-Indonesia’s marketing of branded FMCG products influenced BOP consumers preference for higher value Unilever products that the consumers replaced with low-priced domestic products.

It can be argued that marketing branded products not only demonstrates an unequal exchange and MNCs’ power in capturing greater value in the market. Equally, it demonstrates the potential influence of brands on BOP consumers and brand loyalty to prioritise spends on branded products over non-branded products (Clay, 2005). Existing studies of the BOP state that brands and branding are a key influencer in purchase decisions of the brand conscious BOP consumers as they aspire for a better life through quality products (Chikweche and Fletcher, 2012; Jaiswal and Gupta, 2015; Prahalad, 2006).

Whilst it can be argued that in the long term this could drive out local suppliers, eventually reducing BOP consumers’ choices, it can be equally argued that BOP
consumers must prioritise their needs and purchase products to meet their needs. Yet, the influence of brands and their marketing on BOP needs to be understood as the outcome of MNCs' engagement with the BOP consumers' basic need fulfilment, and wellbeing is not well established. More importantly, Clay (2005) does not research specific basic needs or the role of innovative products aimed at meeting them which this research explores to understand the well-being outcome and inclusive nature of MNCs' product innovations, and their marketing targeted at the BOP.

As this research explores a market-based development intervention by MNCs, this raises concern regarding MNCs' capital, and marketing practice, and how they disturb the BOP capital by introducing vulnerabilities by breaking from traditional consumption practices (Karnani, 2007a) through the influence of brands. BOP consumers' vulnerabilities are further amplified if the MNC brands fail to meet BOP basic needs. For example, as Karnani (2007a) notes with Unilever’s ‘Fair & Lovely’ fairness cream, branded products can perpetuate social wrongs. Here potentially exploiting the already prevalent Indian cultural need for fair skin being a profitable venture at the cost of promoting healthier images of women in society.

This is explored in the following sections, which looks at consumers and their vulnerability in the context of BOP.
3.6.2 The consumer

This section briefly discusses the differing perspectives of what constitutes the consumer (sections 3.6.2.1), and the issue of consumers’ opportunity cost (section 3.6.2.3).

3.6.2.1 Differing perspectives of what constitutes the consumer

A consumer can be defined as an individual, a household or as many sets of groups of people who are interested in acquiring products for consumption (Kotler and Armstrong, 2012; Kotler and Levy, 1969). A consumer may consume goods, services, ideas, events or any entity, the acquisition and usage of which provides value\textsuperscript{28} to the consumer (Holbrook, 1987). In the context of this research, a consumer can be defined as a BOP individual who pays money to consume non-branded goods, branded, and/or innovative MNC products. The products consumed represent variety, quality, design, features, packaging, and brand name (Kotler and Armstrong, 2012).

An economic perspective of a consumer which is assumed in the context of the BOP approach, view the consumer as a purchaser of products who considers the utility of a product after rationally considering income, preference and tastes that determine demand based on an individual's independent decisions (Holbrook, 1987; Warde, 2014). Such a view describes the consumer as subordinate to the market, with consumer habitus (that determines the ways of feeling, thinking, and acting),

\textsuperscript{28} Value is a type of experience when a need is fulfilled or a want is satisfied (Holbrook, 1987).
influenced by the market field and the marketing objective of profit maximisation (Warde, 2014). Holbrook, (1987) posits, an economic perspective of a consumer ignores the role of cultural and social capital in consumption and does not look at the investment of time, energy and other resources used by the consumer.

Taking a Bourdieuan practice lens (1977) of the consumer situates a consumer in the social context in which their activities of acquisition and consumption occur. Bourdieu (1986, 1984) claims that forms of capital operate within the practice of consumption. Particularly, the cultural capital of a consumer presents itself through tastes, skills, knowledge, and preferences in consumption practice, making it distinct from economic capital (financial resources), and social capital (social relations and networks). Typically, embodied forms of cultural capital, a key constituent of habitus, is strategic in consumption practice including, of food, lifestyle, and other domestic consumptions choice (Allen, 2002; Holt 1998). Using cultural capital, a consumer ‘secures the respect’ of others through the consumption of products (Holt, 1998, p.4) which goes beyond the utility the product provides.

This research explores the nuances of BOP consumption practice in the context of their low capital and basic need fulfilment, for example, issues like how BOP consumers use their low cultural capital to form strategies by way of tastes, choice and preferences in determining basic needs and products to meet them. Such consumption practice has been previously studied to understand how it produces socio-economic status distinction demonstrating the relationship between class and lifestyle as well as consumption as the site of class reproduction in which consumers’ negotiate advancing their position (Allen, 2002; Holt 1998; Ustuner and Holt, 2007).
Equally, Adebayo (2013) discusses the role of social capital in the life of BOP consumers, arguing with greater social capital the BOP can cope with the challenges of low consumption spending by satisfying family or communal needs rather than individual needs. Such a sociological perspective of the consumer also presents the challenges consumer faces in using products (Holbrook, 1987) in addition to their low income like sacrificing immediate needs for their family.

However, as Warde (2014, p.283) argues, an economic and socio-cultural dimension of consumers, expressed through consumption, demonstrates the influence of ‘income, prices, subjective norms, socio-demographic characteristics, and lifestyle group membership’ on the individual. Thus, the individual choice remains a core presupposition (Warde, 2014) in the BOP consumers strategic use of capital in consumption practice to meet their needs.

3.6.2.2 Introducing the issue of opportunity cost

Discussing consumers’ unlimited wants that need to be met with limited resources, Spiller (2011) defines opportunity cost as the consideration of alternative uses of one’s resources when deciding to spend. Suggesting that normatively opportunity cost should inform decision when engaging with products, Spiller (2011) argues that consumers who consider opportunity cost are inclined to be more sensitive to the value the product offers. This is mainly because of a perception of immediate resource constraint that may limit the use of resources on products leading to consideration of opportunity costs. Spiller’s (2011, p.596) focus on the effect of perceived constraint on opportunity cost suggests that it creates ‘tight mental budgets’, reducing consumption by sacrificing needs and products that meet them.
In the case of BOP consumers, consideration of opportunity costs reduces the BOP consumers expenses, including food, which often includes making consumption trade-offs between basic needs of health and food (Shapiro, 2005, cited in Spiller, 2011). Constraints of a low monthly or daily income restrict BOP consumers weekly or monthly budgets (Morewedge et al. 2007, cited in Spiller, 2011).

Furthermore, BOP consumers are constrained by their lack of awareness which impacts their consideration of the cost of buying alternative products, even though they are available and accessible (Karnani, 2007b; Priester et al. 2004, cited in Spiller, 2011). For example, discussing the lack of information as a market failure for the consumers, Karnani (2007a) questions the efficacy of Unilever's fairness cream being marketed to the BOP. Although the product is successful at the BOP market, Karnani (ibid) argues that Fair and Lovely cream does not, as claimed, create a fair complexion. Yet, BOP consumers engage with this product because of their lack of awareness, making them vulnerable to MNCs branded and expensive products which they could substitute with locally sourced traditional products.

BOP consumer vulnerability is discussed in the next section.

3.6.3 The consumer as vulnerable: a case of concern for the BOP consumer

Consumer vulnerability is a consumption situation arising from the interaction of a consumer with market actors, based upon individual characteristics and external conditions (Baker et al. 2005). The issue of BOP consumer vulnerability is linked not only to individual demographic characteristics, like low education, low income, and unmet needs, (Alwitt, 1995; Baker et al. 2005; Hill, 1995) but to multi-
dimensional and context-specific consumption restrictions, like unliveable
neighbourhoods, lack of understanding marketing messages and products, and lack
of affordable products (Baker et al. 2005; Hill, 2001). Because of the lack of a ‘full
range of resources’ (Hill, 2001; Lee et al. 1999, p.230) BOP consumers, vulnerability
makes consumption a daily challenge (Blocker et al. 2011).

Simanis et al.’s argument (2008, p.57) extend this concern that Prahalad’s (2006)
BOP approach suggests the possibility of MNCs ‘doing development was a question
of doing business with a different consumer’. A consumer previously not considered
sufficiently lucrative to merit targeting and positioning of products at (Chakravarti,
2006). Simanis et al. (2008) argue that the BOP approach appears to be an over-
simplification of a very complex BOP phenomenon. Instead, the free-market
perspective of the BOP argument (where the poor are described as rational
consumers), ignores how vulnerable BOP consumers are due to their lack of
economic, social, and cultural capital – income, education, information, and socio-
cultural deprivations and are open to exploitation (Karnani, 2009). Thus, social
inequality in the market field is reinforced through the MNCs and the BOP
consumers interplay of different forms and ownership of capital, making the BOP
more vulnerable (Lee et al. 1999).

Moreover, Prahalad’s (2006) BOP approach can overlook the developmental
outcomes of BOP consumers’ basic need fulfilment as MNCs’ market brands to the
BOP in the pursuit of profits (Karnani, 2015). The MNCs’ core strength in
understanding existing customer demand, which lies in middle and high-income
consumers, leading to their product innovation and marketing strategy, directed to
their needs as Christenson (1977 cited in Kaplinsky, 2011a) state, compounds the problem as MNCs fail to understand BOP consumers’ needs.

Thus, Karnani (2007b) argues that BOP consumers risk being marginalised and constrained compared to other consumers because they lack adequate income and information, rather than because of the availability of goods. Additionally, marketing practice often increases BOP consumers’ vulnerabilities by impacting the significance of their cultural and social capital in their market exchange for meeting needs (sections 1.5.2.2 and 3.5.2.2) by influencing their traditional consumption practices (Karnani, 2007a). Subrahmanyan and Gomes-Arias (2008) reiterate this argument by noting that not only does the BOP consume non-essential products (section 1.2.2) but also that the BOP is susceptible to sales promotion, advertising, in-store personnel influence, and celebrity product endorsements. Consequently, the BOP is vulnerable to MNCs’ marketing without clearly establishing the product attributes and benefits and hence their significance in the context of their lives.

Prahalad (2006, 2012) cites some examples of BOP products mentioned below, which not only suggest the non-essential nature of the products but also raise the question about the significance of the products in the context of consumers living under US $2 a day. Examples like Ginger hotel rooms and Tata Nano cars appear to be difficult to afford by the BOP:
In the context of consumer vulnerability, the next section looks at the issue of consumer literacy.

### 3.6.3.1 Consumer literacy

Himmelweit (2014) describes consumer literacy as a combination of skills, knowledge, and engagement that consumers use in the market. Besides, Adkins and Ozanne (2005) define consumer literacy as reading and writing skills, the ability to manage one’s identity, and leverage personal, situational, and social coping skills. Viswanathan et al. (2009) add consumers’ market literacy manifests at three levels, presented in Table 3.10.

### Table 3.9 BOP product and services examples

<table>
<thead>
<tr>
<th>Product/Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and hygiene products – Unilever’s Lifebuoy antibacterial soap.</td>
</tr>
<tr>
<td>Nutritional food- Unilever’s Annapurna iodised salt.</td>
</tr>
<tr>
<td>Grameen Bank microfinance.</td>
</tr>
<tr>
<td>Citigroup and Monsanto credit schemes for farmers.</td>
</tr>
<tr>
<td>Arvind Ruf and Tuf low priced denim jeans.</td>
</tr>
<tr>
<td>Hewlett-Packard and MIT Media Lab information and technology hubs.</td>
</tr>
<tr>
<td>Ginger twenty-dollar hotel rooms (a chain of hotel by this name in India).</td>
</tr>
<tr>
<td>General Electric low-cost electric cardiogram machines.</td>
</tr>
<tr>
<td>Tata Nano car priced at two thousand dollars.</td>
</tr>
</tbody>
</table>
Table 3.10 Three levels of market literacy

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Everyday experiential</td>
<td>the lowest level basic training resulting in learned behaviours, like completing a purchase.</td>
</tr>
<tr>
<td>ii) Procedural</td>
<td>skills and knowledge that are tied to specific context and issues and are not generalisable, like how to find a discount.</td>
</tr>
<tr>
<td>iii) Conceptual</td>
<td>the highest level of consumer literacy that represents an understanding of principles that govern exchange, like how and why to seek value in exchanges in a market.</td>
</tr>
</tbody>
</table>

**Source:** Viswanathan et al. 2009

Consumers inadequate understanding and engagement, i.e. consumer literacy, influences the consumer’s ability to make informed consumption decisions, thus making them vulnerable in the market field (Choudhury et al. 2019; Himmelweit, 2014; Lee et al. 1999). As a result, low literacy levels are often associated with several negative market outcomes like choosing the wrong product or misunderstanding product information (Adkins and Ozanne, 2005)

Venugopal and Viswanathan, (2017), Viswanathan et al. (2009) and Choudhury et al.’s (2019) study of the BOP in India demonstrates BOP consumer literacy amongst low-literate consumers manifesting through:

i) concrete thinking (processing a single piece of information and experiencing difficulty in higher-level abstraction,

ii) viewing brand names and prices as objects (instead of as symbols), and

iii) considering quantities (rather than using product information).
As a result, BOP consumers' low cultural capital exhibited through inadequate consumer literacy presented numerous vulnerabilities including lack of confidence and skills to shop, unplanned shopping, not checking prices or till receipts, and not assessing cost and benefits (Choudhury et al. 2019; Viswanathan et al. 2009). These innumerable vulnerabilities and experiences then become embodied as ways of thinking, feeling, and acting through what Coskuner Bali and Thompson, (2013) called subordinate cultural capital and habitus in the market field. Subordinate cultural capital is defined as a low embodied and institutionalised form of cultural capital, typically found in marginalised groups (as opposed to the ‘dominant’ form) (ibid).

As Viswanathan et al. (2009) and Choudhury et al.'s (2019) studies claim, BOP consumer vulnerability binds them to the local neighbourhood retail shops. Such constraints among BOP consumers often led to reduced product and brand choices, as well as potentially being charged a transaction cost\(^{29}\). Yet, because of BOP consumers’ social capital generated through their repeated face to face interactions with the shopkeepers (Adebayo, 2013), neighbourhood retail shops allowed the BOP to purchase products on credit. Equally, they provided BOP access to products without the need to travel, with shopkeepers offering BOP consumers some product know-how in the absence of BOP consumers’ market awareness and literacy skills (Choudhury et al. 2019; Viswanathan et al. 2009).

\(^{29}\) The additional costs incurred in exchange of goods or services apart from manufacturing cost, normally associated with a cost incurred in overcoming market imperfections is known as transaction cost.
Thus, although BOP consumers lack economic and cultural capital, adequate social capital allows them to cope and strategize in the market field through consumption practice (Choudhury et al. 2019; Kolk et al. 2014; Lee et al. 1999). Consequently, Viswanathan and Rosa (2007) argued it is a misconception of business to assume that consumers lacking literacy and numeracy skills cannot function in the market or must function ineffectively and inefficiently. Instead, they claim that this perspective ignores the shopkeeper’s face-to-face interaction compensates for lack of cultural and economic capital, and instead social capital plays an important resource for the BOP consumer, allowing for a mutually beneficial exchange. For example, BOP consumers relationship with the local retailer allows them to purchase products on credit, as well relying upon and trusting the retailer to offer them a fair price for the product they purchase (Viswanathan et al. 2009).

However, as Viswanathan et al. (2009) state, because of BOP consumers’ unmet basic needs and their restricted ability to fulfil them, market limitations such as uncertainty, fear of limited income (economic capital), and lack of adequate consumer literacy (cultural capital) often lead to BOP consumers’ developing feelings of powerlessness and vulnerability (National Institute of Urban Affairs, 1988, cited in Viswanathan et al. 2009). BOP consumer vulnerability, therefore, has practical implications in understanding BOP consumers’ choices and priorities (Choudhury et al. 2019). For example, Choudhury et al. (2019), and Gupta and Pirsch (2014) posit that the BOP cope with their constraints and vulnerabilities by using their own choice rule, such as buying small quantities or packs of MNC FMCG products (Mukherjee and Pal, 2014, cited in Choudhury et al. 2019). However, Warnholz (2007), and Karnani (2007a) are critical of the BOP meeting their need by
paying more for small quantities, and single-serve sachets which are central to the BOP approach of meeting consumer needs.

Hence, Viswanathan et al. (2009) propose that for BOP consumers to benefit from increased market access, they need to develop a higher level of procedural and conceptual skills, and knowledge to become an informed consumer with a developed understanding of market exchanges. A perspective the extant literature does not appear to discuss. Consequently, this research explores the BOP’s imperfect market conditions, combined with BOP’s position of powerlessness within market exchanges which does not appear to be adequately addressed.

3.6.3.2 Consumption as social status

Consumption is often seen as having a symbolic role in meeting human needs that bestows utility, status or social position and well-being (Fine and Leopold, 1993). A more critical view of consumption views it as an alteration of tastes and consumer behaviour to generate sales and profitability in response to the goods and services produced (Fine and Leopold, 1993). According to Bourdieu (1984), consumption is a particular status game (Holt, 1998), with people drawing upon the different type of capital resources to compete for status or symbolic capital (Bourdieu, 1984; Holt, 1998).

Bourdieu (1986) posits, values, interests, and tastes of the dominant social class, which are naturalised in habitus, determine the status value of cultural capital in consumption practices. Such habitus creates desire or dislikes for products in consumption practice where stratified and different tastes are expressed as
lifestyles (Holt, 1998). Although Holt (1998) states, economic capital can also be inscribed in consumption practice through an exchange, consumers engagement with products is determined by differences in their value.

However, Coskuner-Balli and Thompson (2013) argue that BOP consumers’ subordinate cultural capital when coupled with low income, BOP consumers’ practical embodied knowledge, and skills may determine their taste and consumption practice (Coskuner-Bali and Thompson, 2013; Holt, 1998). This is evidenced in Pathak and Nichter’s (2018) study of marketing of grooming and cosmetic products to Indian consumers which they state is mainly aimed at key cultural concerns for cleanliness, and wellness rather than purely aspirational marketing of global beauty brands offering social mobility through consumption practice. Pathak and Nichter (ibid) argue, therefore, grooming, and cosmetic products marketing resonate with the consumers embodied knowledge and claim to address issues like hair-fall and dull skin which is often linked to weakening body rather than as beauty products.

Additionally, Indian BOP consumers' socio-cultural context of living is also influenced by the caste system and traditional practices prevalent in India, which affects consumption (Pathak and Nichter, 2018). For example, discussing the need for personal cleanliness, they note how it is tied to the notion of purity, a topic intricately associated with higher caste status in India. This perspective is then looked through the lens of social class and notions of cleanliness, personal hygiene and grooming to secure respect from others through the consumption of objects (Holt, 1998; Pathak and Nichter, 2018). Hence such products are viewed as returning the consumer to an original healthier and purer state.
However, Bourdieu (1986) mainly discusses consumption-driven status determined by the use of capital to achieve social mobility typically within social stratification based on class which agrees more with social relations of advanced western capitalist societies. While Bourdieu (1977) acknowledges that socio-cultural conditions in which consumption occurs may be incompatible with aptitude of consumers cultural and social capital that present structural incompatibilities (Coskuner-Balli and Thompson, 2013). However, the existing BOP marketing literature does not explore BOP consumption practices in the context of their subordinate cultural capital, and its interplay with traditions and value and the influence of marketing which this research presents through an ethnographic account of their lived experiences. The research explores basic need determination and consumption of products associated with the phenomena of MNCs’ marketing to the BOP that might evidence notions of hygiene and cleanliness that are possibly associated with caste. However, it is beyond the scope of this research to explore how the caste system influences consumption.

Further, BOP consumers exposure to globalised markets presents structural incompatibilities with their subordinate cultural capital like inadequate skills to engage with the market. (Coskuner-Balli and Thompson 2013; Yurdakul et al. 2017). Ustuner and Thomson (2012), argue that structural incompatibilities lead to BOP consumers experience of constraints and vulnerabilities within the market field which often results in feelings of disappointment and inadequateness (Yurdakul et al. 2017). Such constraints and vulnerabilities are because BOP consumers’ subordinate cultural capital leading to low levels of social and economic capital conversion gives them less currency in the market field (as seen from the income and education details, section 5.3.2.2) (Coskuner-Balli and Thompson, 2013; Holt, 2013).
Typically, the constraints of the BOPs’ low level of cultural and economic capital imply that the products the BOP engage with varies from other consumers (Holt 1998) evidenced in the MNC marketing and BOP consumption practice which this research explores.

Nevertheless, BOP consumers consume products other than for basic needs. As the focus of this research is on BOP consumers’ basic need fulfilment, which it can be argued differs from status determining consumption that offers symbolic capital that Bourdieu discusses in the context of developed countries (Holt, 1998). However, increasing BOP demand for products (section 1.2.1) and influence of MNC marketing efforts aim to channelize BOP consumption practice into consumer behaviour more akin to global consumer cultures (section 3.2.3) (Ger and Belk, 1996). Therefore, with the economic liberalisation of developing countries like India, MNCs’ market penetration may create tensions from the increasing use of branded products promoting the quest for targeting BOP vulnerable consumers.

Yet, Ustuner and Thomson (2012) argue, despite the BOP constraints (lack of education, awareness, money, and other resources like adequate housing), the changing socio-economic conditions in the context of globalisation and expansion of markets at the BOP have diversified the limits of the BOP consumers’ habitus. BOP consumption practice is adapted as they engage with new innovative products representing lifestyles of the affluent class.

It is argued that greater availability of FMCG products has reduced the novelty and, therefore, the social value associated with many products (Holt, 1998). Thus, wider product accessibility and affordability amongst differing social classes consumer
preferences, including the BOP (Jaiswal and Gupta, 2015), implies a reduction in products/brands power to determine status. In that sense, cultural capital requirements to consume products successfully are less constraining with increasing consumption of mass products (Bourdieu, 1984; Holt, 1998). Hence, in the context of globalisation and MNCs’ marketing of standardised products, it appears that taste in consumption practice for daily basic needs products like branded soaps and toothpaste apply in mass for all consumers which this research explores.

The next section looks at the issues involved in MNCs’ innovations and marketing to consumers at the BOP.

3.7 MNCs, marketing and innovations targeted at the BOP needs

As discussed in the previous sections, a development intervention by MNCs, aimed at meeting BOP consumer needs, requires a clear understanding of what constitutes BOP consumers’ basic needs which allows the MNCs to innovate products to address them. However, innovative products by themselves do not have any outcome if the intended BOP consumers do not adopt them. Thus, the prominent feature of the BOP approach is the role of the market as a medium, where producers (MNCs in the case of this study) can meet and sell their innovative products to buyers (BOP consumers) (section 3.7.1). However, the current literature does not adequately explain to what extent MNCs’ innovative products and marketing meet BOP needs. Marketing to the BOP also raises the question of consequences of MNCs engaging with the BOP through the market (discussed in section 3.7.2).
3.7.1 MNCs developing innovative products for the BOP consumer


Subrahmanyan and Gomes-Arias (2008) mention some MNCs offer innovative FMCG products to the BOP, such as Danone, Nestle, Tetrapak and Unilever. Innovative products include adding nutrition enriched, fortified foods and safe packaging to yoghurt, milk, and iodised salt. Table 3.11 presents some examples of MNCs BOP product strategy demonstrating incremental innovation (section 3.3.1.1). These include minor adaptations, like repackaging innovations with product benefits that meet BOP needs.
Table 3.11  Examples of BOP product strategy

<table>
<thead>
<tr>
<th>Product Strategy</th>
<th>Product Type</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repackaged to adapt to BOP needs, e.g. single serve</td>
<td>Everyday products like toothpaste, biscuits, soaps, shampoos, cooking oil etc.</td>
<td>Unilever, Procter &amp; Gamble</td>
</tr>
<tr>
<td>packs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovative product strategy, e.g. design aimed at specific BOP need</td>
<td>Everyday food products added with nutrition; Hygiene products added with health benefits</td>
<td>Unilever, Nestle, Danone, Philips</td>
</tr>
<tr>
<td>Inclusive growth, e.g. new product development with the BOP participation</td>
<td>Everyday consumer goods</td>
<td>Unilever, Nestle, Danone</td>
</tr>
</tbody>
</table>

Source: Adapted from Payaud, 2014

Table 3.12, illustrates Subrahmanyan and Gomes-Arias (2008) list of MNC product innovations, giving examples of the BOP food and nutrition product categories and where they come from. Here MNC product innovations do not appear to be significant in comparison to the BOPs’ overall food products consumption.

Table 3.12  Food and Nutrition Needs

<table>
<thead>
<tr>
<th>Basic Need of Food and Nutrition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products - Staple grains, vegetables, meat, dairy, salt, spices, cooking oil</td>
</tr>
</tbody>
</table>

Source: Subrahmanyan and Gomes-Arias, 2008
However, Subrahmanyan and Gomes-Arias (2008) note that not enough products have been made available and affordable for BOP consumers. Particularly bio-engineered foods, like vitamin-enriched rice. In the context of this research, which explores the basic need fulfilment of BOP consumers through innovative FMCG products, Subrahmanyan and Gomes-Arias’s (2008) point raise the following issues:

i) MNCs are not marketing enough innovative products with the potential to meet unmet basic needs,

ii) what are the products that MNCs are marketing to the BOP and what are the consequences of their marketing, and

iii) while this points to the need for more innovative products being made available to BOP consumers, what role does marketing play?

However, within the context of MNC marketing to the BOP, there is need for a post-production stage of innovation to look beyond the innovative product where marketing aspects like price, performance, product accessibility and adoptability and other characteristics leads to better uptake of the product (Prahalad, 2006, 2012). These aspects of marketing will demonstrate the intended outcomes of product innovations, evidenced through their adoption and consumption. The next section looks at the marketing of branded innovative products in the context of BOP consumers.
3.7.2 MNCs’ marketing of branded innovative products for BOP consumers

Prahalad (2006, 2012) proposes that innovative products can meet BOP consumer needs by creating a capacity to consume’ which requires a marketing strategy differing from the 4P's of marketing (section 3.5.1.2). Alternatively, Prahalad (2006, 2012) also suggests marketing branded products by focusing on the four A's namely:

i) Affordability – of quality products at a low price,

ii) Access- of products even in remote areas and locations.

iii) Availability- by building trust and a loyal consumer base at the BOP by providing an uninterrupted supply of products

iv) Awareness- of products so that the BOP consumers know what is available and how to use it.

However, in understanding the role of MNCs’ marketing to the BOP, a caveat needs to be added. Are all innovative branded products marketed to BOP consumers beneficial to them? An example highlighting this is SABMiller’s innovation of Cassava beer in Mozambique and Ghana, using locally grown cassava to make beer (and claimed to encourage local sourcing thereby). SABMiller markets the beer to the BOP consumer claiming their beer marketing prevents the BOP from buying spurious local liquor. A claim based upon SABMiller doing social good along with generating employment (BFP Editor, 2011, 2013).

Furthermore, the centrality of profit in marketing products for alleviating poverty (Prahalad, 2006), raises several important criticisms of existing research. Criticisms
Based on the key assumption that aligning MNC product innovations and marketing to BOP needs can generate profits (Karnani, 2015; Kolk et al. 2014). For example, Prahalad (2006, 2012) cites a range of BOP interventions, including credit, clean energy, and low-cost cars that raise the question of what precise BOP needs are the MNCs aiming to meet? As the examples mentioned above suggest, some of the products and services cater to the needs of people living on US $2 and above per day income, ignoring those earning under US $2 a day.

Equally, Blocker et al. (2011), and Clay (2005) add that MNCs’ marketing to BOP consumers unnecessarily perpetuates their consumption, thereby creating a demand for brands when there was no market need (section 3.6.1.3). Additionally, the influence of brands and brand loyalty on BOP consumers has the potential to prioritise spends on branded products over non-branded products. Such prioritisation often leads to BOP consumer sacrificing basic needs expenditure for non-essential items, frequently purchased on credit and loans (Blocker et al. 2011; Clay, 2005; Jaiswal, 2014; Martin and Hill, 2012; Subrahmanyan and Gomez- Arias, 2008). The influence of brands is then a source of concern within the BOP consumer’s context of limited spending power and unmet basic needs (Karnani, 2007b).

Furthermore, acknowledging that in many developing countries, the buyer-seller exchange happens in local informal markets (Adebayo, 2013; Varman and Costa, 2008; Viswanathan et al. 2009), Araujo (2013) takes a critical view of BOP consumers’ engagement with Prahalad’s (2006) formal market. Araujo (2013) argues that viewing the tyranny of informal markets from which the BOP consumers need to be rescued overlooks the sustaining character of the informal market that
the BOP consumers rely upon. This includes disturbing their social capital and its role in their market exchange (see section 3.6.3.2) (Choudhury et al. 2019 Karnani, 2007b; Kolk et al. 2014; Subrahmanyan and Gomez-Arias, 2008).

Adopting a practice theory lens helps this research focus on both the marketing practice in the local, informal market and the formal market and how BOP consumers demonstrate a shift from one to the other (Araujo, 2013). Equally, as argued by Warde (2014), focusing on BOP consumption practice as consumer routines, dispositions, and practical considerations, offer a contextual understanding of why products are used and valued. This is opposed to an understanding of actions, decisions, and deliberations that only demonstrate a products utility or symbolic meaning of using a product (Warde, 2014). Thus, a Bourdieuan lens taken by this research explains the circumstantial ‘saying and doing’ of people and the ‘meaning and experiences’ of engaging with products (Leipamaa-Leskinen et al. 2014).

However, existing marketing literature does not explore contextual and socio-cultural issues, nor does it demonstrate the impact and role of MNCs increasing marketing and research aimed at the BOP market of innovative brands on BOP consumers. For example, several BOP studies only focus on some aspects of the market and marketing, including distribution (Vachani and Smith, 2006), corporate strategy (London et al. 2010), marketing (Beninger and Robson, 2015; Bharti et al. 2013; Chikweche and Fletcher, 2012; Ireland 2008), internationalisation process model (Schuster and Holtbrugge, 2012), sales effectiveness of fast-moving dairy products (Reiner et al. 2015), small and affordable packages, innovative marketing, adapting products and services (Schuster and Holtbrugge, 2012), economies of
scale (Warnholz, 2007), and purchase schemes (Prahalad, 2006). This research presents a bottom-up understanding of MNC marketing and BOP consumption practice to build knowledge and address the gap in the existing literature.

While some marketing literature explores experiences of impoverished and vulnerable BOP consumers within the context of poverty and development (Baker et al. 2005; Hill, 1995; Hill, 2001; Rosa and Vishwanathan, 2007). Recent research has focused on the BOP consumers inclusion in the market and meeting their aspirations (Sridharan et al. 2017; Yurdakul et al. 2017) without adequately discussing tensions of power in the market exchange at the BOP and MNCs’ influence on vulnerable consumers. Furthermore, the main debate in the BOP approach should be about how MNC marketing of innovative brands meets BOP consumers’ basic needs by offering ‘value’ in terms of product attributes and benefits experienced by the BOP when consuming these products (Martin and Hill, 2012; Patom and Halme 2007). Such MNC marketing practice should be seen within the context of constraints of BOP consumers’ low incomes and significant unmet needs (Yurdakul et al. 2017). A perspective the current literature struggles to demonstrate.

These points pose a question. As a development intervention, what needs, and products should MNCs’ focus on? Are there well-categorised needs and hence products that meet BOP needs? This point is important as product needs for the BOP living below the US $2 mark compared to others are different (Warnholz, 2007). The lack of a clear definition surrounding BOP consumers and the categorization of BOP products prevents the establishment of product innovations and policies aimed at fulfilling BOP basic needs (Adebayo, 2013; Karnani, 2007b;
Warnholz, 2007). Adebayo (2013) adds that it is important to understand how BOP consumers perceive products marketed to them in terms of meeting their expectations, including affordability, quality, and needs. These expectations are important to determine whether MNCs’ innovations fulfil BOP basic needs.

While some previous studies of BOP consumer behaviour and MNC marketing by Gupta and Jaiswal (2013) and Subrahmanyan and Gomes Arias (2008) try to establish BOP consumers’ basic needs, the lack of a theoretical argument focusing on the concept of basic needs fails to establish a clear categorisation of basic needs and associated products. For example, Subrahmanyan and Gomes Arias (2008), and Gupta and Jaiswal’s (2013) study of BOP case studies, categorise various products like toothpaste, shampoos, ice creams, tea, and coffee as luxury items. Thus, by adopting a critical view of MNCs’ marketing, Gupta and Jaiswal (2013, p.33) argue that although BOP has the same needs as middle-class consumers, MNC marketing of such ‘luxury’ products often harms BOP consumers. It could be argued that the BOP might not view such products and the need they meet as a ‘luxury,’ something which Gupta and Pirsch (2014) attempt to address through their research. This is discussed next.

Jaiswal and Gupta (2015), and Gupta and Pirsch’s (2014) research on Indian BOP consumers established the BOPs’ widespread consumption of brands. Whilst, Jaiswal and Gupta’s (2015) study reiterated how BOP consumers bought non-essential ‘luxury items’, they also recognised BOP consumers’ susceptibility to promotions, advertising and influence of sales personnel. In doing so, Jaiswal and Gupta (ibid) established marketing’s influences on BOP consumer behaviour, becoming critical of BOP consumers diverting expenditure from basic and essential
needs to ‘luxury items.’ Adebayo and Clay (2005) established a similar finding (2013) amongst BOP consumers in Nigeria and Indonesia. Their studies claimed that BOP consumers are better served by local and domestic brands based on the BOPs’ price sensitivity towards products and what constituted their regular and basic product purchases.

Yet, Gupta and Pirsch’s (2014) survey of Indian BOP consumer’s attitudes and behaviours towards seven MNC FMCG products targeting the BOP demonstrated that: i) BOP consumers do not see certain products, like toothpaste and shampoos, as luxury products, and ii) the BOP do not consider themselves vulnerable to MNC marketing. This suggests that BOP consumers wanted more access to the same products available to other consumers. However, a limitation of Gupta and Pirsch’s (2014) study is the focus on only seven products that were identified and pretested on non-BOP (university students) consumers who categorised products as basic need or not. Hence the seven products\(^{30}\) were not entirely representative of the BOP consumers perspective of what constituted basic need products. Besides, the BOP consumers who participated in the survey earnt US $2 to $4 a day, hence not adhering to a strict categorisation of BOP consumer of under US $2 a day. However, this research provides an in-depth contextual understanding of BOP consumer perspectives towards their basic needs and product consumption.

Further, some studies use Maslow’s\(^{31}\) (1943) hierarchy of needs to understand BOP consumer ‘motivation’ for the consumption of products and provide a framework to

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\(^{30}\) The seven products were: toothpaste, shampoo, antibacterial soap, washing detergent, yoghurt, fairness cream, high interest credit card (Gupta and Pirsch, 2014).

\(^{31}\) Maslow’s (1943) need hierarchy states, as a person’s lower order -physiological needs are met they progress to higher level needs of safety, social needs for love and belonging, recognition
explain how MNC marketing aligns to BOP issues and needs (cited in Achrol and Kotler, 2012; Gupta and Jaiswal, 2013; Subrahmanyan and Gomes Arias, 2008; Yurdakul et al. 2017). Such a theoretical understanding of MNCs’ marketing to address poverty focuses on BOP consumers motivation for ‘higher-order’ needs. For example, Subrahmanyan and Gomes Arias, (2008), and Gupta and Jaiswal’s (2013) study argues that in the context of high social capital and reliance on family relations in times of need, BOP consumers spend on ‘higher-order’ needs, like satisfying family needs instead of individual needs. For example, the use of communication technology and mobile phones to keep ties with families, thus forgoing their other basic needs. Achrol and Kotler (2012, p.48) argued that such a marketing approach then leads to analysing the ‘unique needs’ of the BOP and developing products to meet them after segmenting the BOP and targeting and positioning the ‘need-solutions.’ However, the literature does not demonstrate how MNCs understand and address these ‘unique needs’ at the BOP which are variously described to include ‘luxury products’ like shampoos, as well as higher-order needs for mobile communication albeit with the use ‘Apple I-phones’ (Gupta and Jaiswal, 2013; Subrahmanyan and Gomes Arias, 2008; Yurdakul et al. 2017, p.293).

These existing researches, therefore, do not explore and theoretically exactly explain what BOP needs are from the BOP consumers’ perspective, and consequently cannot explain how they can or cannot be met by MNC marketing innovative branded products to the BOP. Additionally, these researches do not study the characteristics of the innovative products nor compare what the BOP and esteem and ultimately reach the need of self-actualisation. Such an approach posits that as one need level is met it ceases to motivate and the person moves to satisfy the next order need.
consumers might have been consuming before the innovative products were available to them to establish the outcome of their marketing to the BOP. Thus, this research presents an understanding of the extent MNCs’ marketing of product innovations meets BOP consumers’ basic needs. Specifically, this research examines and identifies BOP consumers’ basic needs, explaining aspects of needs that evidence the influence of marketing, and examines, identifies, and explains aspects of BOP consumer behaviour influence of marketing on the adoption of innovation. In doing so, this research explores how the nature of and degree to which need-based product innovations and their marketing are inclusive and encourage BOP consumer needs adoption.

3.8 Conclusion

This chapter has positioned the research as a critique of existing research on the BOP approach to MNCs’ marketing product innovations at BOP consumers. This chapter reviewed research and theories, highlighting the knowledge gaps in the existing literature. Section 3.2 evaluated the concept of basic needs and understood the previous development efforts using the Basic Needs Approach. Section 3.3 presented perspectives of innovations and the role of Schumpeter’s model mainly adopted by MNCs. The next section extended Schumpeter’s model to BOP consumers to consider how this model can be made inclusive by connecting BOP consumers’ needs to demand and the current dynamic of innovation in developing countries. Section 3.4 reviewed the role of MNCs in economic growth and development, particularly in the context of increasing globalisation. Section 3.5 discussed the BOP market and the economic growth and marketing perspective of engaging with the BOP market leading to the adoption of innovation. Section 3.6
outlined how the market field, marketing practice and BOP consumption practice present the keyway for MNCs’ engagement with the BOP consumers by innovating and marketing products to the BOP.

This chapter concludes that a review of the existing literature using a practice theory lens demonstrated BOP consumers’ vulnerability in market exchange when faced with powerful MNCs’ marketing and influence of brands on the BOP consumer behaviour. Whilst marketing practice using a BOP approach demonstrates a shift in marketing from an exchange focused on buying and selling, towards specific market needs of the BOP. However, the MNCs’ understanding of consumers’ needs, whether innovative products meet them in the context of BOP, and how it aligns with their profit motives is explored through empirical research.
Chapter Four Conceptual Framework

4.1 Introduction

This chapter presents the conceptual framework of research. The main purpose is to discuss the key conceptual and theoretical issues which arise concerning the literature reviewed and the research question that the study addresses. To theoretical and empirical knowledge gaps, this study brings together the theory of need and the model of mainstream innovation, which is then extended to inclusive innovation. Central to this framework is the role of the market as a mediator between MNCs and BOP consumers. The research operationalizes the notion of marketing of inclusive innovations using the adoption of innovation theory which is viewed with an overarching practice theory lens. Through this conceptual framework, the research proposes to address the following research question:

From a development perspective, to what extent can MNC product innovations and related marketing meet BOP consumer needs?

This chapter argues that the proposed conceptual framework presents a careful consideration of theoretical and conceptual understanding that exerts an important influence on analysing the fieldwork findings as well as discussing and presenting the contributions of the research.
4.2 What needs? Prioritizing BOP needs and determining basic need products

This section identifies the BOPs’ basic needs using Gasper’s (2004) normative needs as prioritised needs over other positive needs, to establish the basic need and basic need products (section 3.2.1). Distinguishing between ‘want’ and ‘need’ was critical to determining basic need products and understanding the consequence of their marketing to BOP consumers. This distinction helped in the empirical study, demonstrating what products meet basic needs and which ones do not. This also demonstrated – to what extent MNC innovations meet BOP needs. Thus, as figure 4.1 shows the central objective of the conceptual framework is to empirically investigate BOP consumers’ view of their basic need fulfilment using a practice theory lens.

Figure 4.1: Basic need fulfilment

Using Gough and Doyal’s (1991) structure of needs, and Gasper’s (2004) prioritised normative needs, a narrowed-down focus of basic need is presented in Table 4.1:
Table 4.1 Narrowed focus of basic needs

<table>
<thead>
<tr>
<th>i)</th>
<th>Basic minimum to achieve universal goals of health and survival (Gough and Doyal, 1991), which corresponds to Gasper’s normative prioritised Mode C, which includes prioritised needs of health and wellbeing.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii)</td>
<td>Intermediate needs (Gough and Doyal, 1991) required for fulfilling prioritised basic needs, which corresponds to Gasper’s Mode B. In the context of this research, Intermediate needs refer to food and nutrition, and health and hygiene needs.</td>
</tr>
<tr>
<td>iii)</td>
<td>Satisfier commodities (Gough and Doyal, 1991) to meet intermediate needs (which vary across culture, context, or individuals) corresponding to Gasper’s Mode B – which in the context of this research are the FMCG innovative food and health products.</td>
</tr>
</tbody>
</table>

**Source:** Author

Therefore, this study focuses on mode C – basic need of health and survival, which is met by the intermediate and satisfier needs of food and health through FMCG innovative products.

In the determination of basic needs and associated products for this research, it is assumed that there is no marketing stimulus, like branding, that influences need determination. This is in line with Gasper’s (2004) view that a normative need discourse emerges when the market is not the arbiter of assigning values to everything. Thus, prioritising needs attempts to disallow the market or demand, which is the ability to pay for the want, to determine its significance (Gasper, 2004). In other words, it takes away the role of the market and profit to determine. For example, what are the basic needs for health and survival? This is now shown in Figure 4.2
Thus, as Gasper (2004) argued, a link between the intermediate needs of food will help in empirically observing the engagement of innovative products on BOP consumer needs. For example, satisfier products like vitamin enriched nutritious biscuits meeting the need for food. However, as Chapter Three demonstrated, MNCs’ market many non-essential products to the BOP (Jaiswal and Gupta, 2015; Prahalad, 2006; Yurdakul et al. 2017), which are consumed by the BOP. Marketing non-essential products raise the question of consequences of their marketing to the
BOP and whether the products the MNCs are marketing are targeting the BOP or the middle-income consumers in the emerging and growing markets like India.

The next section introduces inclusive innovation and marketing to the framework.

4.3 Mainstream model of innovation and inclusive innovation

Basic need fulfilment requires the availability of a certain quality of products (Stewart, 1989). London and Hart (2004), and Prahalad (2006, 2012) add that MNCs need to innovate to offer better products that meet BOP consumers’ unmet needs. However, the existing literature does not explain what need and hence what the innovation should entail. Guided by BOP consumers’ basic needs, this section explores the concept of mainstream innovation and extends it to Heeks et al. (2014) concept of inclusive innovation.

For this research, MNCs’ innovation of inclusive products is assumed, i.e. MNCs are already producing innovative products targeted at BOP consumers. However, to empirically investigate the inclusive nature of innovative products, the BOP consumer’s engagement with these products must be understood. Whilst the first step is determining whether the product caters to BOP consumer needs and benefits them, the second is to understand how need is connected to demand. This requires extending mainstream innovation approach to the inclusive innovation framework and understanding how the marketing of innovative products will meet the needs of BOP consumers. We will show this in Figure 4.3:
As this study assumes the MNCs’ role in inducing inclusive innovation, the next section looks at the elements involved in making it inclusive.

4.3.1 Inclusive innovation and BOP consumers

Heeks et al. (2014) suggest that the following two innovation elements are required for inclusivity:

i) identify the marginalised group, which in the case of this research are BOP consumers, and
ii) identify whether the marginalised group benefit from the innovative products, which in the case of this research are FMCG basic need products.

This study empirically investigated BOP consumers’ engagement with MNCs’ innovative basic need products, and the consequences of MNCs’ marketing to the BOP to understand the benefit of innovation to the marginalised BOP.

Heeks et al. (2014) go on to demonstrate the levels of inclusiveness of innovation, which this research draws on to develop its conceptual framework. This is presented in Table 4.2:

Table 4.2 Understanding the levels of inclusive innovations

| Level 1: Inclusion of intention - | if the intention of innovation addresses the needs or wants of the marginalised |
| Level 2: Inclusion of consumption - | if the innovation is adopted and used by the marginalised group |
| Level 3: Inclusion of impact - | if the innovation has a positive effect on the lives of the excluded group |
| Level 4: Inclusion of process - | if the marginalised group is involved in the development of the innovation |
| Level 5: Inclusion of structure - | if the innovation is created in an inclusive structure |
| Level 6: Poststructural inclusion - | if the innovation is created in a inclusive frame of discourse |

Source: adapted from Heeks et al. 2014

To develop a framework of analysis this study integrates Heeks et al.’s (2014) Level 1 Inclusion of intent and Level 2 Inclusion of consumption. As the MNCs’ objective of marketing to the BOP is determined by their profit motive (section 3.6.1), the intention to innovate and address unmet needs of marginalised consumers is central
to understand objectives other than MNC profits when marketing to the BOP. Thus, a focus on the ‘intent’ and ‘consumption’ helps to understand MNCs’ objectives for product innovations and their ‘intention’ to include the BOP as beneficiaries, and empirically verify if BOP consumers use the innovative products, how they view the MNCs’ product innovations and the benefits they offer them. For example, the inclusion of BOP consumers intent (based on their low-income and unmet need) would entail the product innovation has attributes which, when experienced by BOP consumers benefits them. This was explored through the research’s fieldwork.

From BOP consumers use of products, the inclusive nature of the innovative product can be analysed in terms of (i) the MNCs intending and catering to BOP need, and (ii) marketing to BOP leading to consumption. Therefore, a need based inclusive innovation framework is now added to MNCs’ inclusive innovation in the emerging conceptual framework in Figure 4.4:
4.4 BOP needs and MNC interventions meet the market

MNCs’ inclusive innovations aim to offer products that satisfy BOP consumer needs. However, as the markets and marketing bring together sellers (MNCs) and buyers (BOP consumers), this poses a challenge. Can BOP consumers afford to buy these innovative products? Do the BOP consumers have adequate knowledge and awareness of products and benefits? What are the factors that influence their choice?

The BOP consumer needs do not represent a demand, and their engagement with MNC products does not represent an ideal engagement of a buyer and seller in the market. As discussed in Chapter Three, the role of marketing is central in connecting
the innovated product to BOP consumer needs. The market then brings BOP consumers and MNCs together as buyer and seller to offer value in terms of meeting BOP consumer’s need and profit for the MNCs. The role of marketing in connecting the BOP unmet needs with innovative products assumes significant benefit for BOP consumers. For example, BOP market characteristics, like lack of knowledge and awareness, raises the issue of MNCs’ power, their marketing, and its consequences on BOP consumers. These two arguments are now added to Figure 4.5:
Figure 4.5 Basic need fulfilment by mainstream inclusive innovation and its adoption

Source: Author
Marketing involves positioning innovative products and creating awareness amongst the targeted BOP consumers. Product attributes and benefits directed towards the unmet BOP needs are central to marketing. The market strategy targets the BOP consumer with products not only to meet their needs but also generate profits for the MNCs. While the products represent quality, characteristics, and brand name, the influence of marketing promotions of brands on the BOP leads to the issue of what value does the BOP get from branded basic need products?

Therefore, the role of marketing in creating brand awareness can help market innovative products to BOP consumers. However, as marketing has the potential to create demands where none exist and create brand loyalty to various product offerings, including non-basic need products, the consequence of marketing to the BOP consumers in the context of this research needs to be better understood. Using a practice theory lens to answer the research question, the themes that emerge from the fieldwork are:

i) Constraints of low income
ii) The importance of values and relations with the families
iii) Determining basic needs
iv) BOP informant’s low consumer literacy mediating their engagement with products
v) BOP informants’ engagement with innovative products
vi) MNCs innovating to meet the needs of the marginalised?
viii) MNCs' failure to create adequate product awareness at the BOP

This is now shown in Figure 4.6:
Figure 4.6 Basic need fulfilment by mainstream inclusive innovation and its adoption

Key area 2

- Need based inclusive innovation - assumed role of MNCs
- Level 1 - inclusion of intent
  - Identify the marginalised - BOP
- Level 2 – inclusion of consumption
  - Identify benefits to consumer

Key area 3

- The market
- Connecting inclusive innovation to unmet need through innovated product
- Role of MNCs’ marketing strategy for innovative products
- Importance and role of brands
- Recognising the consequences of market inequalities on BOP consumers

Key area 1

- Basic need fulfilment - empirically investigated BOP consumers view using a practice theory lens
- Mode B
  - Intermediate needs hygiene and food
- Mode C
  - Basic needs of health and survival
- Satisfier commodities – FMCG food and hygiene basic need products for this study

Source: Author
The conceptual framework investigates BOP consumers’ usage of MNCs’ innovative products, brands, and marketing. This is achieved through observing and enquiring about the BOP consumer’s experiences that are satisfied by Rogers (1976) approach of determinants of diffusion and adoption of innovative products. Also, George et al. (2012) state that Rogers (1995) diffusion of innovation concept lends an explorative theoretical lens for inclusive innovation, which this research proposes to use.

However, Rogers (1976) discusses a source-bias within diffusion in marketing. Chiefly, diffusion studies have not been conducted from the consumer’s point of view. Consumer-oriented research questions have not been asked in diffusion research like, ‘What information does the consumer need to know to make an intelligent decision?’ For a bottom-up inclusive process of innovation that aims to meet BOP needs, this is an important issue to address. Therefore, this research adopts a practice theory lens to understand the consumption and marketing practice, attempting to explore the issues and themes around the adoption of BOP consumers’ perspective of these innovative products.

Therefore, to operationalize the ‘need based inclusive innovation’ framework, this research studies the marketing of innovation and its consequences for BOP consumers. Figure 4.7 presents this research’s conceptual framework model. The role of the market in connecting BOP consumers and MNCs through the marketing of innovative products was empirically investigated and analysed using the BOPs’ views of the innovative product and its characteristics. This is now shown in Figure 4.7:
Figure 4.7 Basic need fulfilment by mainstream inclusive innovation and its adoption

Key area 2

Need based inclusive innovation - assumed role of MNCs

Level 1 - inclusion of intent
Identify the marginalised - BOP

Level 2 - inclusion of consumption
Identify benefits to consumer

Key area 3

Connecting inclusive innovation to unmet need through innovated product

Role of MNCs’ marketing strategy for innovative products

Criteria for adoption of innovated products by BOP consumers:
- relative advantage
- compatibility
- complexity
- trialability
- observability

Recognising the consequences of market inequalities on BOP consumers

Importance and role of brands

Key area 1

The market

Basic need fulfilment - empirically investigated BOP consumers view using a practice theory lens

Mode B

Intermediate needs hygiene and food

Mode C

Basic needs of health and survival

Satisfier commodities – FMCG food and hygiene basic need products for this study

Source: Author
4.5 Adopting a practice theory lens

Bourdieu’s theory of practice is often associated with the market and consumption (Arsel and Bean, 2013; Fourcade, 2007). This section examines existing studies of development (cited in Bebbington, 2007; Rankin, 2002), marketing and consumer research (cited in Arsel and Bean, 2013; Holt, 1998; Warde, 2014) that incorporate Bourdieu’s concepts of field, habitus, taste and capital in the study of consumption and development. In doing so, this section integrates the concepts discussed in previous sections with a practice theory (Bourdieu, 1977) lens.

4.5.1 Field, Habitus and Taste

Bourdieu (1977) posits that the field and habitus represent the objective and subjective aspects of a social phenomenon. The market field is then a system of objective relations, functionally defined by concepts of exchange and relationships between potential buyers, sellers, and the products. Habitus as a system of patterned actions, influenced primarily by socialisation, overtime is adjusted to the current context of the field. Habitus is not just the product of ‘external structure’ or ‘subjective intention’ but also a ‘circular relationship’ with the field that shapes the habitus, which in turn ‘shape the actions that reinforce the field’ (Chudzikowski and Mayrhofer, 2011, p.23). Habitus in the field, therefore, is influenced by the individual’s competence or capital informing ways of feeling, thinking, and acting (Holt, 1998).

Tastes shape preference use and meanings of products through repeated association and adjustments with them (Arsel and Bean, 2013). In this research, the
habitus of taste deals with everyday consumption practices of basic need products by BOP consumers. As habitus adapts to new situations, marketing practice informs and perpetuate taste, for example, through the influence of branding. This is demonstrated by the mix of products BOP consumers engage with that are common to both BOP and high-income consumers (Erickson, 1996, cited in Arsel and Bean, 2013).

Arsel and Bean (2013) argue that taste-conditioning habitus is not completely rule-bound nor guided solely by capital but by the individual's strategy to cope with the consumption practice. Hence, using a Bourdieuan view of the dynamic nature of habitus demonstrates how the lived context of BOP consumers informs taste and their engagement with marketing practice. The interplay of individual capacities, resources, and external influence of marketing informs how the BOP evaluate, choose, and adopt products. As the market provides influence on taste, the conceptual interdependency of habitus and capital is demonstrated through the market field and consumption practice (Arsel and Bean, 2013; Bourdieu, 1984).

Emphasising the need to draw on ‘somewhat down to earth relationship with the social world’ and ‘ordinary experience’, Robbins (2005, p.35) discusses the need to go beyond the two opposing modes of knowledge in social sciences - subjectivism and objectivism - and ‘grasp the limits of objectivists' knowledge’ (Robbins, 2005, p.43) using Bourdieu’s (1977) theory of practice.
4.5.2 Capital

Bourdieu (1986, 241) states that capital in its objectified or embodied form is responsible for making the functioning of the ‘games’ of society, not just ‘chance offerings’ but one where accumulation, heredity, and acquired properties determine the chances of success of practices (for those who have adequate capital). Equally, capital is responsible for the set of constraints, such as inequality of opportunity and imperfect competition, in social life (for those who do not have adequate capital). Bourdieu (1986) suggests that capital must be used by individuals to develop strategies to compete in a field to improve their position. This is central to this research as it explores the BOP consumers’ engagement with the market field and coping with the marketing practice and adoption of product innovations to meet basic needs.

Bourdieu posits that individuals different positions within a field determines their opportunities to advance their well-being (Bebbington, 2007; Bourdieu, 1986). Thus, the accumulation of capital, which takes time, is then necessary to produce profits and reproduce itself (Bourdieu, 1986). Hence, as capital tends to persist, the differential distribution of capital represents the structure of the world and differences in the capital between individuals. This then creates ‘structural’ difference or habitus which leads to ‘functional’ differentiation of society into different ‘fields’ which have their own rules, purposes, and ways of operating (Bebbington, 2007, p.156).
4.5.2.1 Cultural Capital

The three forms of cultural capital that BOP consumers and MNCs possess in varying degrees are:

i) incorporated or embodied dispositions of habitus for example skills,
ii) objective capital like cultural products, for example, books, tools, machines, and
iii) institutionalised capital like academic titles and degrees that inform habitus

The fourth kind of capital is symbolic capital which is the authorised use of a certain form of cultural capital in a specified field that accords honour and value (Holt, 1998). Thus ‘symbolic capital’ is the socially recognised ‘currency’ in the field (Chudzikowski and Mayrhofer’s 2011, p.24) whose transmission and acquisition are more disguised then those of economic capital. Hence, symbolic capital’s symbolic nature, unrecognised as capital and recognised as legitimate competence and authority (Bourdieu, 1986). In the context of this research, it can be assumed the MNCs possess more cultural capital, including symbolic capital in the market field.

Bourdieu’s (1977; 1986) conceptualisation of cultural capital represents what he describes as the duality between natural, familiar, domestic, and traditional culture on the one hand, and artificial, acquired, constructed culture on the other (Robbins, 2005). In this research, the distinction between the dual natures of cultural capital helps in observing how BOP consumers inherit a natural condition, which circumscribe their choices of artificial cultural products or symbols of culture (Robbins, 2005). For example, their social differentiation demonstrated in domains
like living conditions and consumption of products and how culture is used to adapt in the consumption field.

In highlighting BOP consumption as an instrument to understand the difference in cultural capital, this study recognises the unequal distribution of capital, power and need for profit informing MNCs’ marketing practice, may not be favourable to marginalised consumers like the BOP with a subordinate form of cultural capital (Coskuner-Balli and Thompson, 2013). In the context of continuous interaction between the natural and acquired cultures the ‘intrinsically’ ‘socially or economically’ determined needs are continuously altered through acquired cultures (Robbins, 2005, p.23) making the BOP consumers vulnerable to marketing practice of MNCs.

4.5.2.2 Social Capital

Social capital is the relationships and mutual recognition offered from a group membership based on social connections (Bourdieu 1986). In his work on social capital and development, Bebbington (2007) argues that social capital cannot be seen out of context of a system of social, economic, and cultural structures (Foley and Edwards 1999, cited in Bebbington, 2007). Here, social capital within the context of the BOP is a household asset where different family members have different forms of social capital that can be understood in terms of the distribution of resources and power relationships of which it is a part and reinforces to reproduce (Bebbington, 2007; Bourdieu, 1986). Thus, social capital helps understand how relations of difference, power and domination are created and sustained (Bourdieu, 1977, 1986). This then helps understand how BOP consumers are positioned in the market field and operate within these set of power relationships.
In this research, BOP consumers’ social capital provides a socially embedded understanding of their relationships and ties. Their social capital is the aggregate resources which link them to a durable network of relationships and serve as credentials that entitle the individuals to resources controlled within that network (Bebbington, 2007). For example, BOP consumers ties with their extended families in their native villages and their role of sending remuneration to them represents maintenance and mobilisation of social networks to enable resource access. This reciprocity rooted in social capital ensures a form of social insurance, creating a social safety net for the BOP (Ansari, 2012). Such practices strengthen bonds and reproduce networks that benefit the BOP members by building trust and promoting well-being (Ansari, 2012; Bebbington, 2007). Thus, social capital, in the context of the BOP, sometimes compensates for the lack of other forms of economic capital and cultural capital in habitus (Adler and Kwon, 2002).

4.5.2.3 Economic Capital

Economic capital is the general and all-purpose use of money, which is transferable from one generation to the other and maybe institutionalised in the form of property rights (Bourdieu, 1986). Economic capital represents the tangible and material form of capital that is easily convertible into money (Bourdieu, 1986). The ‘power’ in the market field converts economic capital to social, cultural, and symbolic capital, for example, obtaining products using economic capital without secondary costs like time. In contrast, the social capital of relationships like social obligations is maintained over a long time. That is, time is the cost of investment in the long term (Bourdieu, 1986).
In the context of this research whilst BOP consumers have low economic capital, they have a good social network of relations – social capital in which they invest time. However, as Bourdieu (1986) posits, economic capital is formative for all other types of capital. The logic then of the functioning of capital is that it is reducible to economic capital. Bourdieu (1986) states that this then reduces the efficacy of other types of capital, for example, social capital embracing the power inequalities in the field which impacts the BOP.

4.6 Conclusion

Chapter Four presented the conceptual framework of this research. It discussed BOP consumers’ basic needs and how FMCG products for hygiene and food form the focus of this research within a mainstream inclusive innovation framework. This chapter also discussed the operationalization of marketing of inclusive innovations using the adoption of innovation frame with a practice theory lens. The conceptual framework mainly presented a way to understand BOP consumers’ lived experiences and constrictions of life at the BOP as they engage with MNCs’ marketing of innovative products in the market.

Particularly, the conceptual framework presented a way to analyse and discuss the market field and marketing practice of MNCs and their impacts on BOP consumers’ capital as they strategize their habitus in consumption practice and draw on their habitus for need fulfilment, including the adoption of innovations by investing and converting different forms of capital. The conceptual framework then brings together theoretical and conceptual elements of the theory of practice, basic needs, adoption of innovations and combine it with the MNC marketing practice using a BOP
approach. Thus, this research examines BOPs’ consumption practices and basic needs through the adoption of innovations using concepts of habitus, field, and capital. This approach enables the research to consider whether MNCs’ role in development interventions may be better positioned or not to address the issue of BOPs’ basic need fulfilment and well-being. A clear understanding of the outcomes and gaps of such an approach has significant development policy implications.
Chapter Five Methodology

5.1 Introduction

The research methodology is guided by both the aims of this study, and the ontological and epistemological stance of the researcher (Goulding, 1999) to address the research question:

*From a development perspective, to what extent can MNC product innovations and related marketing meet BOP consumer needs?*

This chapter argues that an interpretive research philosophy using a qualitative ethnographic methodology suits the aims of this exploratory research. The chapter elaborates how the researcher’s worldview and research aims, both informed the research methodology (Goulding, 1999). The chapter is structured as follows. Section 5.2 outlines the research design for this study. Section 5.3 outlines the research methods used in this study. Section 5.4 discusses the research journey, including data collection and analysis, while section 5.5 offers methodological reflections on this research.

5.2 Research design – positivism vs interpretivism

This section discusses the research design adopted for this research. The planning of procedures for researching to establish the link between data and theory (Easterby-Smith et al. 2008) that is most likely to address the research question is presented in this section. Complimenting this is a need to understand the research
design within the context of ontology and the epistemology to establish the philosophical underpinning of this research.

Ontology studies questions about the nature of the world, what it consists of, and how it operates. Epistemology studies the nature of knowledge, what to study, and how to learn about it (Easterby-Smith et al. 2008; Hussey and Hussey, 1997; Potter, 2006). This research uses an inductive approach to construct concepts and themes that are analysed and interpreted from observing fragmentary details of empirical reality and establishes a connected view of a social phenomenon (Easterby-Smith et al. 2008; Gill and Johnson, 1997). This is opposed to a deductive approach that uses a pre-existing hypothesis that is tested by empirical data (Gray, 2014). The research design then selects between positivist and interpretivist research philosophy.

Positivism is the idea that the social world exists externally to the researcher and assumes i) reality is objective and ii) knowledge is significant if it is based on observation of external reality (Easterby-Smith et al. 2008). A positivist research approach adopts then systematic reasoning based on rigour and precision that assumes social reality is independent of human behaviour as it seeks objective meaning and facts of social phenomena (Hussey and Hussey, 1997; Potter, 2006). In not regarding the subjective state of the individual and seeking to separate the individual from the social context, positivist research presents limitations to explore and understand the social phenomenon which this research undertakes.

Alternatively, interpretivism is the ‘culturally derived and historically situated interpretations of the social life-world’ (Crotty, 1998, p.67, cited in Gray, 2014). This
interpretive research then deals with the actions of individuals and constructs reality-based upon interpretations from meanings given by people (Gray, 2014). Therefore, interpretive research places importance on peoples' experiences, their individual and collective thinking, and feelings. Interpretive research proposes that interpretations and understanding are shaped by context (Hudson and Ozanne 1988). This approach allows us to understand and explain the differing experiences rather than search for external causes or universal laws (Easterby-Smith et al. 2008).

The research design undertakes an interpretive philosophical position which allows the study to guide the research question and the methodological choices. This research’s underlying interpretive philosophical view then focuses on the meaning of the social phenomena of engaging with MNCs in development and how marketing to BOP consumers meet their needs and stresses on the subjective aspects of human activity (Hussey and Hussey, 1997). Since the primary goal of interpretive research is understanding (Hudson and Ozanne 1988), such a stance is well-suited to exploratory aims of this research to know the relationship between marketing and development and how the BOP approach affects consumers. This is done by tapping into the 'structures of capitalism'- the market, MNCs’ marketing practice, and understanding the reality experienced by BOP consumers (Tadajewski et al. 2014, p.1751). Consequently, interpretivist research offers a means of understanding how BOP consumers fulfil their basic needs through the consumption of products within a context. Therefore, to study the BOP consumers' engagement with products and understand their experiences leads to the choice of qualitative interpretive research of marketing of innovative products to the BOP. This provides
a broadening of analytical perspectives which interdisciplinary studies like this research present (Belk, 1995, cited in Goulding, 1999; Tadajewski et al. 2014).

This research then undertakes a qualitative research approach that aims to build on well-illustrated concepts, nuanced observations and interpretations of the phenomena being studied (Belk et al. 2013). Denzin (2010) describes qualitative research as consisting of interpretive practices, which represent the world in its natural settings. The merits of a qualitative study include rich, detailed data, which is contextualised and considers the socio-cultural characteristics (ibid). Data gathered from informants in a qualitative study may reveal matters related to a phenomenon, which would otherwise be left unsaid (Hussey and Hussey, 1997). As opposed to this, a quantitative study seeks quantifiable and numeric data in a controlled environment whose relevance can be generalised in a different context (Belk et al. 2013; Hussey and Hussey, 1997).

Within the scope of increasing the role of the private sector in development, this study explores the social phenomena of MNCs’ marketing innovative products to BOP consumers, defined in this research as a population who earns US $2 a day or less (Prahalad, 2006) (defined in Chapter 2). Development interventions engaging with MNCs as new development partners are directed towards creating inclusive growth (DFID, 2014, 2015; UN, 2000, 2015a) by aligning MNCs’ product innovations and their marketing with BOP consumers’ needs.

However, in understanding limitations of interpretive research’s focus in being more sensitive to the description of how lived experiences of BOP come about to be, this research did not ignore the social structure and power of the MNCs in a market.
exchange (Tadajewski et al. 2014). Using a practice theory lens (Bourdieu, 1977) and focusing on both the individual experience of BOP consumers and MNCs’ marketing practice, this research explores structural issues of power that shape BOP consumers experience in the market and constrain consumption practice (section 1.4). This research then highlights the ways development initiatives might reproduce and not undermine power imbalance and inadequately have well-being outcomes at the BOP (Tadajewski et al. 2014).

5.3 Research methodology – ethnography

This section briefly outlines the key tenets of ethnography and how it informs this study. Ethnography is an interpretive methodology, which uses socially acquired and shared knowledge to understand patterns of behaviour, which takes place in a clearly defined location (Gill and Johnson, 1997; Hussey and Hussey, 1997). Werner and Schoepfle (1987, cited in Hussey and Hussey, 1997) state that ethnography is a full or partial description of a group of people enabling the interpretation of the social world from the group’s perspective. Ethnography is conducted in a natural setting to study human action and behaviour, thus reflecting its interpretive nature of enquiry (Easterby-Smith et al. 2008; Gill and Johnson, 1997; Gray, 2014).

Arnould and Wallendorf’s (1994) and Mariampolski (2006, cited in Belk et al. 2013) define the key characteristics of ethnography as engagement, context, subject-centeredness, flexibility, multiple data sources and triangulation. An ethnographic methodology offers this research both descriptive and interpretive account, with a high level of details, to determine the significance of the phenomena observed from
a bottom-up perspective. This qualitative interpretive representation is achieved through multiple data sources: field notes, interviews, observations, photographs, and recordings of the group of people the ethnography studies (Easterby-Smith et al. 2008; Gray, 2014). Thus, the research methods used reflect the specific knowledge that the research seeks (Flick, 2007) and explains the informant’s point of view of the social phenomena.

Such an approach is suited to engagement with practice and understanding the sociocultural context in which practice is situated (Gray, 2104). The ethnographic fieldwork immersion, prolonged exposure, and participant-observation in a natural setting in this research are undertaken with BOP informants (Arnould and Wallendorf’s 1994). The multiple data sources used with BOP informants generate varying perspectives on consumer behaviour and context rather than achieve convergence of interpretations.

Focusing on 'behaviour of people constituting a market for a product or service', this 'market-oriented' ethnography presents BOP consumer behaviour in the context of their lives lived with scarce resources and limited means (Arnould and Wallendorf, 1994, p.484). This is opposed to 'ethnographies of marketing,' which focus on people in organisations carrying out marketing tasks. This 'market-oriented' ethnography aims to provide 'multiple strategically important perspectives' on consumer behaviour in marketing research. This goal and characteristics of the ethnographic interpretation and analysis present how this research helps develop an understanding of consumer behaviour of market segments contributing to theoretical knowledge (Arnould and Wallendorf, 1994).
The key characteristics of ethnography: engagement, context, and multiple data sources guided the methods used in the research’s fieldwork. As an ethnographic research, this research studied BOP consumers as a cultural group to understand the meaning they attach to their lives and consumption choices, focusing on MNCs’ marketing of innovative FMCG products. Taking an ethnographic approach helped in the development of literature review themes discussed earlier and contribution to knowledge. For example, ethnographic research assisted in getting a nuanced understanding of BOP consumers’ interactions in the marketplace (Belk et al. 2013) and their adoption of products, based on affordability or trialability (Rogers, 1976). This approach provided insights into the phenomena of MNCs’ marketing innovative products and brands to BOP consumers. The analytic lens using practice theory (Bourdieu, 1977) adopted by this ethnographic research (section 1.4) helps determine the unit of analysis for the study (section 5.4.3). The BOP informants' basic needs and their fulfilment is analysed in the context of the role of the market and more specifically, the power of MNC marketing of product innovations.

This study uses the ethnographic research stages (discussed further in section 5.6.1) suggested by Bodgan and Taylor (1975, cited in Hussey and Hussey, 1997) as seen in the table overleaf.
Table 5.1 Ethnographic research stages

| i) | Building trust and developing strong contacts with a few key informants |
| ii) | Becoming involved with the phenomena but maintaining an analytical perspective |
| iii) | Gather data using multiple methods |
| iv) | Capture informants views of their experiences in their words |
| v) | Write field notes |

Source: Bodgan and Taylor, 1975, cited in Hussey and Hussey, 1997

5.3.1 Data collection methods

Ethnography uses multiple methods, typically observation, and interviews (Belk et al. 2013; Easterby-Smith et al. 2008). Interpretive techniques of collecting data from multiple data sources – secondary data, BOP informants from two sites and MNC executives from six firms, and triangulating the data collected with a variety of tools seeks to describe, translate and ‘come to terms with meaning’ of the phenomena being studied’ (Van Maanen, 1983, cited in Hussey and Hussey, 1997, p.53).

5.3.1.1 Secondary data collection

A broad mix of academic, practitioner, policy and commercial literature was used to obtain the background information about the research phenomena specifically focusing on the MNC product innovations for the Indian BOP market. The data collected was used to validate the phenomena of marketing innovative products to
the BOP consumers and focused on the unit of analysis for this research discussed in section 5.4.3.

Using the conceptual framework discussed in Chapter Four, an indicative list of MNC product innovations and their features were drawn out from the secondary data search in the first phase of the study. This established some basic need products and their innovations the BOP informants consumed. For example, the availability of innovative basic need products for health, hygiene and food and nutritional needs was validated using secondary data specifying what was going to be studied.

Secondary data then served as a way of guiding the researcher to the possible relationships that exist between the social phenomena and the BOP informants, informing development of research protocol used during the informant interviews. Whilst, this research adopted an inductive approach as a way for exploring the phenomena, using some form of structure in terms of the i) kind of questions to be asked ii) the focus of the research iii) the sample, and iv) field selection was made using the conceptual frame drawn from the literature and theoretical review to prevent gathering large amounts of data (Gray, 2014). The Interview guide and protocol for the BOP consumers and MNC executives, and FMCG products categorisation for the BOP market attached as Appendix E1 and E2 and F at the end of the report were used to guide the data collection.

Secondary data were used to triangulate the findings that emerged from this research to reveal the phenomenon's complexity and to strengthen the credibility of the findings (Denzin, 1978 cited in Jentoft and Olsen, 2019) (section 5.4.3.3).
5.3.1.2 Observations

Within consumer studies, ethnography involves participant-observation in a natural setting (Arnould and Wallendorf, 1994). This is done by getting access to the field and obtaining first-hand eyewitness account of social activities, supported by writing descriptive accounts of what is observed and analysing initial findings (Gray, 2014). Thus, observation research seeks to systematically, capture and record in some way, the manifest act of the group of people under study (Belk et al. 2013). It differs from an in-depth interview and focus groups by placing greater emphasis on BOP consumer behaviour within their social context and interactions with the broader environment (Belk et al. 2013).

Observation within marketing research points to a phenomenon’s external realities, which can be generalised, to other contexts. Therefore, observation research offers strong external validity as they reveal the existence of the phenomenon being researched (Belk et al. 2013), for example, the existence of fortified food products available in the BOP informants’ home. Observation offers opportunities for researcher judgement by engaging in decision-making acts about where to focus attention, what to overlook, what to record, and how to record. Therefore, observation allows for data collection within BOP consumers’ social context, understanding how the social context influences behaviour, and how the individual behaviour influences the context.

This research also used unobtrusive outcropping (Gray, 2014) which refers to something that stands out or is exposed to the observer in a research location as part of observation (Fetterman, 2009, cited in Gray, 2014). Unobtrusive measures
of observation reduce the risk of bias in observation. Using unobtrusive measures, along with interviews and focus groups, ensures a strong level of analysis (Gray, 2014). The unobtrusive outcropping was collected using a still camera. Interpretivist research’s unobtrusive outcropping measures are given in the table below.

Table 5.2 Unobtrusive Outcropping Measures

<table>
<thead>
<tr>
<th>i)</th>
<th>Non-reactive sources – the outcropping or product (or its packaging) in the case of this research is not responsive to the observation or study being conducted. The researcher does not interact with the outcropping.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii)</td>
<td>Independent of the presence of the researcher – the outcropping is present there irrespective of both the researcher and informants’ presence.</td>
</tr>
<tr>
<td>iii)</td>
<td>Physical evidence – like an object. For example, a face-wash soap lying on the floor of a bathroom or spices put out in the sun for drying in a courtyard (a practice popular in India).</td>
</tr>
</tbody>
</table>

Source: Gray, 2014

5.3.1.3 In-depth interview

In-depth interviews are defined as deep probes that provide meanings people attach to a phenomenon and help uncover new dimensions by providing a vivid account based on the respondents’ personal experience (Burgess, 1982, cited in Easterby-Smith et al. 2008; Gray, 2014). In-depth interviews not only reveal the respondent’s viewpoints but also help understand why they have held these viewpoints (King, 2004, cited in Easterby-Smith et al. 2008). Although in-depth interviews can be lengthy, they provide rich and descriptive data compared to a survey (Belk et al. 2013).
In-depth interviews for this research were used to help acquire a deeper understanding of the research question from the informant's perspective, which offers the most appropriate means for informants to freely share their experiences (Belk et al. 2013; Yin, 2003). Furthermore, in building an interpretation, in-depth interviews in ethnography do not always use the informants' words about their behaviour as accurate accounts of their behaviours. Instead, they are used to provide a subjective and contextual perspective of their action.

Using in-depth interviews allows this research to obtain BOP consumers' viewpoints on the increasing availability of MNCs’ innovative FMCG branded products and the way they penetrate their homes and lives. A rich understanding of their engagement with MNC FMCG products helps understand the extent of their basic need fulfilment and the outcomes of marketing to the BOP.

As suggested by Belk et al. (2013), an in-depth interview is typically recorded. In this research, each interview was recorded after the interviewer introduced the topic, explained how long the interview would last, and obtained the interviewee’s formal consent. Using Belk et al.’s (2013) guidelines mentioned in the table overleaf the interview questions funnelled from general to specific. Closed-ended questions requiring a yes or no response were avoided. Judicious use of probes and attempts to circle back to earlier topics to get greater depth and fill in missing information in discussions was also followed.
Table 5.3 Guidelines for conducting in-depth interviews

<table>
<thead>
<tr>
<th>Guideline</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Funnel questions in a sequence from general to specific.</td>
</tr>
<tr>
<td>2</td>
<td>Do not ask why.</td>
</tr>
<tr>
<td>3</td>
<td>Do not ask yes/no questions.</td>
</tr>
<tr>
<td>4</td>
<td>Use probes judiciously and strategically to elicit elaboration without interrupting the flow of an answer.</td>
</tr>
<tr>
<td>5</td>
<td>Try to circle back to earlier topics for greater depth and as a lead-in to missing areas of the discussion.</td>
</tr>
<tr>
<td>6</td>
<td>Explore topics that the interviewee brings up, but use judgement when to guide interview back on-topic.</td>
</tr>
</tbody>
</table>

Source: Belk et al. 2013

5.3.1.4 Photograph elicitation

As a primary data record, a photograph captures visual details as part of the research observation. Photograph elicitation is the use of visual data to study the meaning attached to the objects in the visuals (Belk et al. 2013). A photograph represents a frame of what the person taking it considers relevant to the study, which is then analysed in the context of the study (Belk et al. 2013). For example, photograph elicitation was used to study BOP consumer's perception of healthy food or hygiene products in their homes that show the various products they use.

The relevance of photographs in market-oriented ethnography helps address any unintended discrepancies in other observational records, like over generalisations (Arnould and Wallendorf, 1994). Accurately representing and describing the pictures prevents inferences from being drawn about the phenomenon without adequately validating it, for example, ‘We always buy this brand’ or discrediting participant
comments like ‘This product never works’ (ibid). Photographs then provide a visual frame in addition to the informants’ interviews. Furthermore, as ethnography aims to increase familiarity with what is being studied, the photographs help increase familiarity with those being studied (Belk et al. 2013). However, photographs can be limiting when used on their own. This limitation emphasises the value of observational data, photographs, and interviews when used together.

5.3.1.5 Focus groups

Focus groups are defined as a group interview used to gather data relating to the group’s opinions on the common phenomenon they are involved in (Hussey and Hussey, 1997). Specifically, by creating an environment in which the informants are made to feel there is no wrong answer, a creative environment in a focus group brings out a diversity of opinions through a free form sharing of opinions (Belk et al. 2013).

As a data collection method, focus groups offer versatility and productivity in different fields of enquiry as a primary source of data. As the core concerns of disciplines differ, the focus groups are designed, fielded, and analysed differently. For example, in marketing research like this study, focus groups are extensively used to explore consumer’s involvements in product categories regarding various brands, consumption histories, trends, and aspirations (Stewart et al. 2007). Focus groups help in addressing concerns related to product design, consumer perception of prices, brands, market environments, and marketing stimuli like advertising (ibid). However, focus groups lack the depth of a one on one interview and present the possibility of some informants not expressing themselves freely in a group setting.
Focus groups may, therefore, require a moderator to create an environment in which all the informants are encouraged to respond.

This research uses Stewart et al.’s (2007) proposed four normative criteria that form the core of a focus group for using across disciplines. The criteria provide a common purpose, and structure to this technique, offering further insights into BOP consumer lives, such as their views of FMCG products in the BOP market by interviewing a group of informants convened in a single location. What these criteria are and how they are addressed in this research are presented in the table below.

**Table 5.4 Proposed four normative criteria of a focus group**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Focused research</td>
<td>Implies a singular focus on the group interview which when contrasted to a survey research gathers information on various topics. For example, in this study the purpose of the focus group is to gather qualitative data from BOP consumers who have experienced a situation relevant to the phenomena being investigated.</td>
</tr>
<tr>
<td>ii) Group Interactions</td>
<td>The objective of the focus group is to understand the BOP consumers group dynamics that affect an individual's perceptions, information processing, and decision-making as consumers of innovated products.</td>
</tr>
<tr>
<td>iii) In-depth group interviews</td>
<td>The aim to elicit in-depth rather than surface explanations from the interactions. These can include: consumers’ attitudes, preferences, and motivations. However, in-depth group interview requires the number of questions to be limited in accordance with time to allow for an interactive discussion.</td>
</tr>
<tr>
<td>iv) Humanistic interview</td>
<td>Where the emphasis is on meaning rather than measurement, implying an orientation towards openness, active listening, and empathy in the interaction with the informants. The objective of the interaction should be less evaluative distinguishing it from a survey method.</td>
</tr>
</tbody>
</table>

**Source:** Stewart et al. 2007
Focus group interview was suited for this study since they tend to be exploratory and interactive, gathering consumer’s reactions to products, marketing communications, and competitive brands which this research aims to understand to answer the research question. The BOP informant’s awareness and understanding of product innovations, issues discussed, and questions raised provided an ‘open discovery’ while exploring the phenomenon (Hussey and Hussey, 1997).

The sample and field selection are discussed next.

5.3.2 Sampling

A sample is a subset of a population that represents the main interest of the research (Hussey and Hussey, 1997). Sampling in a qualitative study follows a more purposive and flexible logic as compared to a formalized way in a quantitative study. For example, drawing from the BOP population, the sample group for this research represents certain characteristics, such as income levels (Flick, 2007). Thus, sampling establishes a collection of deliberately selected items for constructing a body of empirical examples for studying the phenomenon of interest around a concept of purpose (Flick, 2007). Sampling needs to be representative of the broader population being studied in terms of their relevance to the phenomenon and their demonstration of experience, knowledge, or practice of the phenomenon (Gray, 2014). The following sections discuss the sampling approach proposed for this study.
5.3.2.1 Sample group design and criteria

The sampling strategy adopted in this study reflects the qualitative research’s exploratory aims, and hence this research does not aim to produce a statistically reliable and representative sample base. Instead, the aim is to provide rich insight into the lived experience of the BOP consumers in the slums\(^{32}\) of Gurgaon\(^ {33}\), India. Therefore, this study employed a purposive sampling method to identify and enlist the informants for this research. Purposeful sampling is defined here as the identification of an information-rich case. Purposive samples are used when informants are chosen because they are known to provide information on the phenomenon being studied (Gray, 2014). Based on the methods used for this research, sampling included recruiting individual informants for interviews as well as for focus groups using a purposeful sampling approach (Flick, 2007).

This study recruited two sets of sample groups: i) BOP consumers and ii) senior executives working in MNCs. MNC executives were identified after the first phase of data collection based on some of the firms that innovated and marketed FMCG products to the BOP market. Having two sample groups provides a greater variety of experiences in the phenomenon under study. Within the sample groups, understanding of innovative products and other FMCG products differed from person to person based on their engagement with products as BOP consumers and

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\(^{32}\) A slum is a multidimensional concept involving aspects of poor housing, overcrowding, lack of services and insecure tenure (UN-Habitat, 2003).

\(^{33}\) The Government of Haryana, India changed the name of Gurgaon to Gurugram in September 2016. However, this research continues to use the name Gurgaon to maintain continuity with its reference in existing literature at the time of conducting the research.
MNC executives. The sampling criteria for selecting informants for this study are discussed next.

Since the BOP is a categorisation of a population group based on income, the first criteria of selecting BOP consumers as informants were by their level of income, i.e. earning under US $2 a day (Prahalad, 2006). The second criteria are gender. Since the BOP informants as females are decision-makers for purchasing basic need products like food and hygiene for their families and using the products for the proposed sample population (Hussey and Hussey, 1997), they satisfy the criteria of providing information of the phenomenon being studied (Gray, 2014). The female informants who were working and earning members of the household, as well as the homemakers, were mainly responsible for consumption practice like shopping, cooking, and cleaning. Therefore, their understanding of the products and the needs they meet appeared central to understanding the research phenomenon. Further, a homogenous sample group based on gender also supported the nature and quality of interactions in the focus group interview (Stewart et al. 2007) and participant observation in the homes.

As the researcher for this research is also an Indian woman, sensitivity to cultural needs of the informants and the researcher interacting for long durations was also considered. Repeated and regular interaction, including in the environs of the BOP informant’s homes in slums led to the choice of females as the sample group. Female informants of all ages (above sixteen years) were recruited as informants.

The second sample group for the study was six senior FMCG MNC executives who were able to discuss the MNCs’ product innovations. The MNCs’ products
innovations were assumed, i.e. the MNCs are already producing these products targeted at the BOP consumers. As basic need fulfilment requires the availability of certain quality of products (Stewart, 1989), the MNCs’ innovative products claim to offer better products that meet BOP consumer needs (London and Hart, 2004; Prahalad, 2006). The MNCs as a sample group thus provided a perspective on marketing with a view on:

i) Innovative product characteristics

ii) Inclusive nature of the innovation including the perceived benefits of consumption for the BOP consumers

iii) Awareness and promotions of the products to help the BOP consumers understand and engage with the products.

5.3.2.2 Sample group location

The sample group for this research was recruited from Nathupur, and Sikandarpur slums in Gurgaon city, in the state of Haryana, India. Gurgaon is part of the national capital region of India and is approximately twenty miles from New Delhi, the capital of India. This is illustrated in the maps shown in Figure 5.1 and 5.2:
Figure 5.1: Location of Nathupur slum and Sikandarpur slum in the city of Gurgaon

Source: https://www.google.co.uk/#q=map+of+nathupur+village;
https://www.google.co.uk/#q=map+of+Sikandarpur+Ghosi+village.
Figure 5.2: Location map of Gurgaon District

Source: http://www.maps-india.com/haryana/gurgaon/gurgaon-map.html

Figure 5.2 above shows the location of Gurgaon city (headquarter of Gurgaon district), which is in the state of Haryana, adjacent to Delhi, and bordering the state of Uttar Pradesh, and Rajasthan.

Gurgaon city, which has a population of 1,514,432 people (Census, 2011), was selected for this study for several reasons:

i) Gurgaon city has the third-highest per capita income in the country and more than 250 offices of Fortune 500 companies. There is a clear demonstration of premium high-rise apartment blocks, shopping malls, markets, and urban affluence in the city. However, because Gurgaon was developed mainly by acquiring agriculture land by private builders, Gurgaon has villages and pockets of underdevelopment within the city. Gurgaon has slums on private lands with poor infrastructure and service provisioning, illustrating the wide socio-economic
disparity of lifestyles of residents (Goldstein, 2016). Sixteen per cent of Gurgaon’s population, which mainly comprises of migrant workers lives in slums as per Census 2001 (Goldstein, 2016; Gurugram.gov.in, 2019).

This research’s sample group consisting of BOP consumers live in slums of Nathupur, and Sikandarpur villages in Gurgaon. Whilst living amidst the affluence of the area, the BOP population have appeared to form their own economic and cultural groups in their residential areas, ensuring they represent a valid group to research.

ii) Nathupur slum has a population of approximately 4,266 people in 903 households (Census, 2011). Sikandarpur slum has approximately 1,318 people in 278 households (Census, 2011). Unlike Delhi, the two slums in Gurgaon where the sample group of BOP informants was drawn, are not located on government land, and therefore are officially denied amenities, such as electricity, drainage, water, and roads (Indian Express, 2016). Consequently, there is no official data available on the BOP in these slums. The municipal government in Gurgaon was established as recently as 2008, and on account of the public-private ownership of land, housing, and infrastructure it is often not clear who is responsible for planning and provision of services (Goldstein, 2016).

iii) Urban slums in India have large BOP population (Gupta and Jaiswal, 2013) and the urban BOP market accounts for 80% of India’s BOP market\textsuperscript{34} assessed by

\textsuperscript{34} The BOP market in India is valued at US 450 billion dollars (Dobal, 2006, cited in Alur and Schoormans, 2013)
household spending (Dobal 2006, cited in Alur and Schoormans, 2013). This statistic substantiates the selection of the sample group location in urban slums. Many people living in these urban slums work as domestic help and construction workers in adjacent urban areas of Gurgaon city that offers employment for unskilled and semi-skilled workers (Agrasar, 2013). Consequently, this employment provides a relatively stable source of income throughout the year as compared to rural areas, which are economically mainly dependent on agriculture that provides seasonal employment and income (Alur and Schoormans, 2013).

Hence many residents in these slums are economic migrants from different parts of India, particularly West Bengal and Bihar (Agrasar, 2013). Although migrant workers have higher incomes than what they would earn in their native rural villages, they still have relatively low incomes (Ravallion et al. 2009). Besides, many BOP informants spoke other Indian languages, such as Bengali and Bihari and had some knowledge of Hindi and no knowledge of English. This language difference creates a distinctive cultural and economic group in terms of their low income, and social and cultural practices within these slums compared to the adjacent city of Gurgaon. This migratory population then offered a valid participant sample and sample location.

iv) The researcher having lived in Gurgaon for some years is familiar with the two proposed villages being studied, and previously visited them and contacted BOP consumers there.
The NGO Agrasar's study of the migrant BOP population in Gurgaon was used to establish the socio-economic background of the informants, validating the informant's account of their incomes and livelihood. Agrasar researched the migrant workers in the slums of Gurgaon from December 2012 to November 2013. A sample size of four hundred and fifty families from various slums in Gurgaon, including Nathupur and Sikandarpur, was chosen for their study. The BOP informants for this research were migrant workers from the two villages. Agrasar's findings on the nature of job and incomes helped establish the socio-economic status of the informants. This is presented in the table below:

Table 5.5 Socio-economic information of BOP residents in slums of Gurgaon

| i) Unskilled job – contractual labour, cleaner, housekeeping, security guards, sweeper – Average monthly income INR 5000/- approximately £56 |
| ii) Unskilled entrepreneur – maids, rickshaw pullers, street vendors – average monthly income INR 6000/- approximately £67 |
| iii) Semi-skilled jobs – office jobs in sales, accounting etc. - average monthly income INR 8000/- approximately £89 |
| iv) Semi-skilled entrepreneur – auto/tempo drivers, shopkeeper, electrician, plumber - average monthly income INR 8000/- approximately £89 |

Source: Agrasar, 2013

5.3.2.3 Sample group selection and profile

Twelve BOP informants were recruited for phase one of the study. Five of these informants were also included in the second phase of the study. A sample group size of eighteen (including five from phase one) BOP consumers and six MNC executives were recruited for this research to gather qualitative data in the second
phase. Thus, including the first phase informants, twenty-five BOP consumers and six marketing professionals formed the two sample groups.

Five BOP informants formed the key group of informants for the ethnographic fieldwork’s researcher immersion and prolonged exposure in the natural setting of their homes and their visits to the market (Arnould and Wallendorf 1994). The selection of five informants satisfied the criteria of gathering detailed and descriptive account of the informants’ experience of the phenomenon using multiple data sources in ethnographic studies (Easterby-Smith et al. 2008; Gray, 2014). The five informants were then used for collecting data using observations, photographs elicitation and focus group interview to obtain different perceptions of the phenomenon in its analysis and understanding what is happening in a situation by looking at patterns. This satisfies Hussey and Hussey’s (1997) requirement for small sample groups to get in-depth information for qualitative research.

The sample recruitment for phase one and two for the BOP consumers was done in an informal manner using initial contacts with some of the BOP consumers. The sample recruitment of MNC executives was done in a formal manner using personal contacts the researcher has, as well as her professional contacts in the marketing and advertising sector in India. The MNCs from which the sample was recruited were Glaxo Smith Kline, Hindustan Unilever, Dabur, Mother Dairy, Cargill, and PepsiCo India. Purposive sampling technique was used for recruitment of informants. Appendix G provides a brief description of the six MNCs.
The table overleaf provides key demographic information about 25 BOP informants whose names have been anonymised and code names given. Five informants who were interviewed twice are 1C1N, 1C2N, 1C3N, 1C2S and 1C4S.
Table 5.6 Demographic profile of BOP informants

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Education</th>
<th>Employment</th>
<th>Income</th>
<th>Husbands /fathers employment</th>
<th>Husbands /fathers Income</th>
<th>Household Income</th>
<th>Family members supported by the household income including in native village</th>
</tr>
</thead>
<tbody>
<tr>
<td>1C1N</td>
<td>25</td>
<td>Nil</td>
<td>Domestic help</td>
<td>INR 20000</td>
<td>Not applicable (separated)</td>
<td>-</td>
<td>INR 20000</td>
<td>5</td>
</tr>
<tr>
<td>1C2N</td>
<td>32</td>
<td>6th grade</td>
<td>Domestic help</td>
<td>INR 13000</td>
<td>Office peon</td>
<td>INR 7000</td>
<td>INR 20000</td>
<td>9</td>
</tr>
<tr>
<td>1C3N</td>
<td>23</td>
<td>Nil</td>
<td>Domestic help</td>
<td>INR 7000</td>
<td>Not applicable (physically challenged and unemployed)</td>
<td>-</td>
<td>INR 7000</td>
<td>4</td>
</tr>
<tr>
<td>1C4N</td>
<td>25</td>
<td>Nil</td>
<td>Domestic help</td>
<td>INR 12000</td>
<td>Did not disclose</td>
<td>INR 10000</td>
<td>INR 22000</td>
<td>7</td>
</tr>
<tr>
<td>1C1S</td>
<td>35</td>
<td>Nil</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Domestic help</td>
<td>INR 12000</td>
<td>INR 12000</td>
<td>6</td>
</tr>
<tr>
<td>1C2S</td>
<td>23</td>
<td>7th grade</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Driver</td>
<td>INR 15000</td>
<td>INR 15000</td>
<td>10</td>
</tr>
<tr>
<td>1C3S</td>
<td>25</td>
<td>Nil</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Domestic help</td>
<td>INR 10000</td>
<td>INR 10000</td>
<td>5</td>
</tr>
<tr>
<td>1C4S</td>
<td>25</td>
<td>Nil</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Works as a hairdresser in a salon.</td>
<td>INR 8000</td>
<td>INR 8000</td>
<td>7</td>
</tr>
<tr>
<td>1C5S</td>
<td>17</td>
<td>8th grade</td>
<td>Domestic help</td>
<td>INR 7000</td>
<td>Parents worked as daily wage labour and domestic help</td>
<td>INR 25000</td>
<td>INR 22000</td>
<td>7</td>
</tr>
<tr>
<td>1C6S</td>
<td>17</td>
<td>5th grade</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Did not disclose</td>
<td>INR 17500</td>
<td>INR 17500</td>
<td>5</td>
</tr>
<tr>
<td>1C7S</td>
<td>22</td>
<td>8th grade</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Did not disclose</td>
<td>INR 15000</td>
<td>INR 15000</td>
<td>5</td>
</tr>
<tr>
<td>1C8S</td>
<td>23</td>
<td>4th grade</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Paints houses</td>
<td>INR 7500</td>
<td>INR 7500</td>
<td>3</td>
</tr>
<tr>
<td>2C2N</td>
<td>32</td>
<td>Nil</td>
<td>Domestic help</td>
<td>INR 20000</td>
<td>Not applicable (deceased)</td>
<td>-</td>
<td>INR 20000</td>
<td>5</td>
</tr>
<tr>
<td>2C4N</td>
<td>Did not know</td>
<td>Nil</td>
<td>Domestic help</td>
<td>INR 15000</td>
<td>Did not disclose</td>
<td>INR 7000</td>
<td>INR 22000</td>
<td>7</td>
</tr>
<tr>
<td>2C5N</td>
<td>22</td>
<td>Nil</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Salesman</td>
<td>INR 9000</td>
<td>INR 9000</td>
<td>9</td>
</tr>
<tr>
<td>2C6N</td>
<td>30</td>
<td>Nil</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Paints number plates</td>
<td>INR 30000</td>
<td>INR 30000</td>
<td>8</td>
</tr>
<tr>
<td>2C8N</td>
<td>32</td>
<td>5th grade</td>
<td>Domestic help</td>
<td>INR 9000</td>
<td>Office peon</td>
<td>INR 8000</td>
<td>INR 17000</td>
<td>10</td>
</tr>
<tr>
<td>2C1S</td>
<td>27</td>
<td>5th grade</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Salesman</td>
<td>INR 15000</td>
<td>INR 15000</td>
<td>7</td>
</tr>
<tr>
<td>2C2S</td>
<td>27</td>
<td>Graduation</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Accountant</td>
<td>INR15000</td>
<td>INR 15000</td>
<td>5</td>
</tr>
<tr>
<td>2C3S</td>
<td>25</td>
<td>Nil</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Daily wage labour</td>
<td>INR 10000</td>
<td>INR 10000</td>
<td>8</td>
</tr>
<tr>
<td>2C4S</td>
<td>27</td>
<td>8th grade</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Construction labour</td>
<td>INR 10000</td>
<td>INR 10000</td>
<td>6</td>
</tr>
<tr>
<td>2C5S</td>
<td>32</td>
<td>10th grade</td>
<td>Homemaker and part time tuition</td>
<td>Did not disclose. She stated she earns a few thousands of rupees</td>
<td>Currently unemployed as he lost his job. The participant was therefore reluctant to discuss income</td>
<td>Not Disclosed</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>2C6S</td>
<td>32</td>
<td>6th grade</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Salesman</td>
<td>INR 15000</td>
<td>INR 15000</td>
<td>5</td>
</tr>
<tr>
<td>2C9S</td>
<td>18</td>
<td>5th grade</td>
<td>Domestic help</td>
<td>INR 5000</td>
<td>Daily wage construction labour</td>
<td>INR 6000-7000</td>
<td>INR 11000-1200</td>
<td>7</td>
</tr>
<tr>
<td>2C11S</td>
<td>30</td>
<td>Nil</td>
<td>Homemaker</td>
<td>Nil</td>
<td>Driver</td>
<td>INR 10000</td>
<td>INR 10000</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Author
5.3.3 Unit of analysis

The unit of analysis is what the phenomena being studied, and the research problem refers to for which data needs to be collected and analysed (Hussey and Hussey, 1997). There are two units of analysis for this study:

i) The BOP consumer’s basic needs – referred to in the research problem and within the conceptual framework. Defined here as food and hygiene needs and the products that meet these needs. More specifically, the innovative product attributes and benefits that meet BOP consumer needs (Kotler and Armstrong, 2012). Product attributes could include technical and design features, price, packaging, quality, and brand names. The benefits could include functional benefits arising from intrinsic advantage like a nutritional fortification to the symbolic benefits of using certain brands (Subrahmanyan and Gomes-Arias, 2008). These attributes and benefits that are important in the adoption of innovative products (Rogers, 1995) are discussed in Chapter Three. The reason for this unit of analysis is MNCs’ FMCG products offer a range of products and well-known brands that have a good market penetration within the developing countries markets and are increasingly used by the poor (Jaiswal, 2008).

ii) The effect of MNC product innovations on BOP consumers - this research does not specifically seek out specific MNC product innovations rather than taking an interest in the extent and how BOP consumers engage with these innovations. This is in keeping with the inductive logic that seeks to explore and understand the phenomena in systematic empirical research (Gill and Johnson, 1997). The MNC product innovations as a unit of analysis help understand the inclusive
nature of the innovation as discussed in the conceptual framework (Heeks et al. 2014) where inclusivity of innovation can be studied by understanding the i) intent of MNCs to include marginalised consumers and the ii) benefits that accrue to the BOP consumers from consuming these products.

The BOP literature identifies a broad classification of product innovations capturing the benefits BOP consumers may experience (Payaud, 2014; Prahalad, 2006). These include:

i) product packaging,

ii) adaptation of product features, or

iii) both.

Thus, the two units of analysis selected for this are appropriate to answer the phenomena being studied (Hussey and Hussey, 1997).

5.3.4 Ethical considerations

Ethics refers to the moral principles guiding research (ESRC, 2004, cited in Gray, 2014) so that it is conducted in a more responsible way adopting the most appropriate research methodology. As this research involved contact and data collection from the human population, the research involved ethical considerations. The ethical criteria this research applied are given in the table below:
Table 5.7 Key principles in research ethics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Honesty and transparency in communicating about the research to the informants</td>
</tr>
<tr>
<td>2</td>
<td>Respecting the dignity of the research informants</td>
</tr>
<tr>
<td>3</td>
<td>Ensuring a fully informed consent of the informants</td>
</tr>
<tr>
<td>4</td>
<td>Protecting the privacy of the informants</td>
</tr>
<tr>
<td>5</td>
<td>Ensuring the confidentiality of the research data</td>
</tr>
<tr>
<td>6</td>
<td>Protecting the anonymity of the individuals</td>
</tr>
<tr>
<td>7</td>
<td>Avoidance of any misleading or false reporting of research findings</td>
</tr>
</tbody>
</table>

**Source:** Easterby-Smith et al. 2008

A research protocol for this study was granted ethical approval by The Open University’s Human Resource Ethics Committee (HREC) for research with human informants (Appendix H). Given that the informants included BOP female informants, who lived in slums in India, the study was scrutinised with a full review by The Open University ethics committee. Informants were informed verbally and/or by a leaflet, using clear, plain language, about the research and what participation entailed (Appendix I 1 and I 2 provides a copy of the leaflet for BOP and MNC informants). The informants were aware that their participation was voluntary and that they could withdraw anytime during the research process. Informants understood the interviews were informal discussion of their experiences, more like a conversation than a formal interview (Belk et al. 2013), and they could talk as much as they chose to. The informant’s consent was taken to record the interviews.
Consent to participate was gained from all informants via signed written consent form. The forms were read out to the BOP informants and explained verbally in Hindi (see Appendix J1 and J2). In one case, the interview with the MNC executive happened over the telephone, and the consent form was obtained over email. Considering one of the methods used for this research is photograph elicitation, the BOP consumers were made aware of what is expected in this form of data and how it would be used in the study and who the potential audience would be.

Informants’ identities have been anonymised in line with the Data Protection Act 1998 codes of practice: individuals’ names have not been disclosed, and data has been stored securely. Their confidentiality has also been protected using codes.

All informants were given the researcher’s telephone contact details for further information or notifying if they wished to discontinue the research. At all times, the researcher endeavoured to treat the informants with dignity and respect, for example, giving primacy to the informant’s consideration of time and availability. The researcher’s frequent and informal interaction with BOP informants created a ‘friend’ like understanding with them. The informants had given several hours of their time and treated the researcher like they would treat a family member or guest despite juggling many responsibilities and busy family schedules.

5.4 The research journey

This section discusses the journey undertaken by the researcher, from gathering data through to data analysis. This research is now described to offer transparency, providing insight into the process of how the data collection and analysis was done.
5.4.1 Sample group recruitment

The research sample comprised of BOP female consumers and MNC executives, as discussed earlier in the chapter (sections 5.3.2.2). The process of participant recruitment began in the first phase of data collection in February 2017 and was challenging in many ways. For example, one of the challenges was in selecting the sample location. However, the researcher had anticipated most challenges and was able to approach the research design with enough flexibility, which meant the sample location and sample group could be changed or expanded without compromising the aims of the study. For example, at the start of the recruitment process, the aim was to recruit around 30 BOP informants in slums of Nathupur and Chakarpur.

While the researcher had made several visits to the slum of Nathupur, Chakarpur and Sikandarpur before the study, she had useful contacts with three key informants from Nathupur slum for a few years. The three key informants were recruited for the study during the first phase and recruitment efforts to enlist more informants were made using their contacts in both Nathupur and Chakarpur. However, after several visits to potential informants in Chakarpur, it became clear that the sample location would need to be changed as recruiting informants was slower in this slum. While retaining the focus on the sample group profile of socio-economic and cultural identity, the researcher decided to recruit informants from Sikandarpur slum, which is adjacent to Chakarpur and Nathupur.

The challenge of recruiting informants from Sikandarpur was overcome by contacting a local NGO - Agrasar - using their contact details available on-line.
Agrasar works with migrant BOP population in many Gurgaon slums and runs schools and women's skilling-centre's (teaching them sowing), including in Sikandarpur. Through the contacts and appeals of Agrasar, gradually many informants came forward. Therefore, the sample location was changed to Sikandarpur. Further, the researcher's daily visits to the slum, including the Agrasar centre, helped build familiarity and confidence among the females who were then recruited for the study. Subsequent visits to their homes and the researcher's presence in the slums daily created a friend like relation with most of the informants in the research.

It is recognised that the composition of the sample shapes the findings of this study. For example, the informants in this research are BOP migrants from different parts of India living in the slums and may have similar experiences of life away from their native villages. These informants are likely to engage with the market and capture experiences which will be different from informants who are not BOP migrants. It is recognised that the sampling criteria requiring BOP informants in urban areas may have then led to the selection of migrant workers. Additionally, the need to study the phenomenon in a natural setting in the informant’s home in slums led to the sampling criteria of gender. This was related to the cultural sensitivities of interacting with the researcher, who is a woman. Thus, selecting BOP females as informants may have shaped the findings of this study differently than selecting men.

Indeed, compounding the challenges in recruiting BOP informants who understood the phenomenon was their lack of education, understanding and market awareness. BOP consumers' basic needs and products to meet them was analysed by capturing how most BOP informants experienced and engaged with the market in the context
of their lives in the slums. Relying on traditional knowledge that determined the use of local products, as well as the influence of marketing of MNC branded products, meant that informants could decide for themselves how best to meet their needs. For most informants, the price was the key determinant in engaging with products, which led to the engagement with branded product in small packets often substituting local unbranded products. However, for some informants nuanced consideration of convenience or satisfying their children’s desire for taste was also involved in exerting their choice for basic need determination and associated products.

While the composition and nature of BOP informants were not anticipated before participant recruitment or data collection, as the data collection progressed, the researcher became aware of how the informant's everyday account of their lives in the slums helped to structure the findings chapters. Chapter Six captures how contextualised living at the BOP led to the prioritisation of some needs over others, making them basic. Chapter Seven examines the products the BOP consumers engaged within the market and the role of marketing in the adoption of the products is analysed in Chapter Nine. In doing so, this research contributes to reducing a source-bias within diffusion in marketing that has not been conducted from the consumer’s point of view (Rogers, 1976).

Recruitment was extended to include FMCG MNC executive informants for the second phase of the study after secondary data collection and analysis of the first phase of the study. Key MNCs who manufactured and marketed innovative products to the BOP market were recruited using purposive sampling to get their perspective. The researcher’s contacts in India helped recruit senior executives. In all, six
informants from GlaxoSmithKline, PepsiCo, Cargill, Dabur, Mother Dairy, and Hindustan Unilever were interviewed.

The research recognises that the MNC executive informants whose selection was based on the innovative MNC products the BOP consumers engaged with may have been more comfortable and confident to share their experiences of the phenomena. Given the increased marketing of branded FMCG products to the BOP in emerging markets like India, the MNC executives may have wanted their voice to be heard. The findings from data are presented in Chapter Eight which discusses the role of MNCs in marketing innovative products to the BOP as a market segment versus meeting a developmental objective of basic need fulfilment (Karnani, 2007b; Simanis et al. 2008).

Indeed, this research acknowledges that a different sample may contribute to different findings. Nevertheless, the research sample for this study has generated rich data that enabled the researcher to discern common meanings whilst examining the data. This has enabled the research to contribute a nuanced understanding of how the marketing of MNC product innovations meets BOP consumers’ basic needs.

5.4.2 Collecting the data

Reflecting on the interpretive foundation of social research, the researcher acted as an 'instrument' (Belk et al. 2013), interacting with the BOP informants to enable them to make sense of their lived experiences. By constructing the meaning of the participant's interpretations, the researcher aimed to reconstruct their experiences
and generate new knowledge from the data (Belk et al. 2013). Existing literature did not dictate the process and content of data collection, nor the themes that emerged from the findings. Instead, keeping with the theoretical approach using inductive logic, the findings from the fieldwork shaped the themes constructed in this research.

Data for this research was collected in two phases. Phase one used three data collection methods on 12 BOP consumers: (i) observations (ii) in-depth interviews and (iii) secondary data collection methods. The in-depth interview and observations collected data of BOP consumers’ basic needs and their engagement with products including branded innovative products to meet them.

During the first phase of the study, secondary data was collected to establish the socio-economic background of the informants of Nathupur and Sikandarpur to determine their BOP status. Secondary data was sought from the Municipal Corporation of Gurgaon. Despite three visits to the office, no information was got. Thereafter, two meetings with the District Statistical Officer Mr Dangi and one meeting with the city project officer Mr Mahinder Singh at Municipal Corporation of Gurgaon were held. However, the researcher was informed that there was no data for migrant BOP population available with the Municipal Corporation of Gurgaon. This was because the newly formed Municipal government in Gurgaon (Goldstein, 2016) gathered such information of permanent residents of the village and the BOP informants in the slums were migrant workers as suggested by Mr Dangi.

Secondary data sources were also used to get information about MNC product innovations for BOP consumers in India. This research used secondary data
sources, mainly company websites and reports, to understand FMCG MNC product innovations for the Indian BOP market. The secondary data analysis helped in establishing the distinction between the functionality of products, for example, the intrinsic advantage of a product like nutrition as opposed to the symbolic role of using or not using a brand.

The nature and quantity of data from the first phase generated considerable and insightful data, the analysis of which helped to refine further the interview protocol, (Appendix E1 and E2) using the proposed framework in Chapter Four. The first phase of interviews was conducted from 20th February to 20th March 2017. Table 5.8 presents the outcome of the first phase data collection:

**Table 5.8 Outcomes of the first phase of data collection**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i)</td>
<td>Gaining access to the data collection site in the proposed villages of Nathurpur and Sikandarpur (section 5.3.2.2) and generating some background information about the two villages that were proposed as the main research sites.</td>
</tr>
<tr>
<td>ii)</td>
<td>Identifying informants for the research and ascertaining the BOP consumers’ income levels. By visiting the field site and continually interacting with BOP informants their engagement with MNCs branded innovative products was also validated. As well as their understanding or lack of, of the phenomenon of marketing innovative products to meet their basic needs.</td>
</tr>
<tr>
<td>iii)</td>
<td>Classifying innovative features of products and brands that were referred by BOP consumers in their homes and observed in shops in the slums (Easterby-Smith et al. 2008; Le Compte and Goetze, 1982, cited in Gray, 2014). The classification of innovative features of products was done by visiting the slums and the small retail shops frequently. Observation in shops and discussion with shopkeepers about the brands they kept was used to determine the innovative products available in the market and their features. Secondary data sources were also used to classify and validate product innovations.</td>
</tr>
</tbody>
</table>

**Source:** Author
Importantly for this research, after the first phase of data collection, analysis and triangulation of the findings using secondary data, it was decided to include the MNC executives as informants for in-depth interviews. This was to supplement the study of the units of analysis for this research (section 5.4.3).

The second phase of data collection was from June 2017 to September 2017. The second phase of data was collected from a sample group size of eighteen BOP consumers and six MNC executives. The second phase used: (i) observations (ii) depth interviews (iii) photograph elicitation and iv) focus groups to collect and analyse the data for greater validity (Gill and Johnson, 1997). While all four methods were used in collecting data from the BOP consumers, in-depth interviews were used for collecting data from the MNC executives. Appendix M provides a list of participant codes and dates of the interviews.

Five BOP informants formed the sample group for the ethnographic fieldwork’s researcher immersion and prolonged exposure in the natural setting of their homes and their visits to the market (Arnould and Wallendorf 1994). Data from the five informants who were then key informants were collected using observations, photograph elicitation and focus group interview. However, in the observation of BOP consumers in the marketplace and shops, their interaction was observed using photographs and audio recordings. Following on from initial data, analysis in the first phase to explore emergent themes, the second phase explored further themes raised both by the informants and by those mentioned in Chapters One, Two and Three.
In-depth interviews with the BOP informants and MNC executives ranged from forty-five minutes to one and a half hours. All but one of the interviews were face-to-face. All the interviews were digitally recorded to ensure full and accurate collection of data. The interview with HUL executive was conducted over phone as he was based out of HUL office in Bangalore, a city in the south of India.

The MNC interviews were conducted in their offices in Gurgaon, New Delhi, and Noida – National Capital Region. The interviews were open-ended and guided by the research paradigm and aims of the study. Unlike a survey, which uses a questionnaire, the researcher used an interview protocol covering a list of topics that did not have any specified sequence or order of questioning (Belk et al. 2013). Thus, the interview while following a consistent line of inquiry used topics emanating from a fluid rather than a rigid flow of conversation (Rubin and Rubin, 1995, cited in Gray, 2014).

Mostly BOP informants’ interviews were conducted in their homes. Some informants in Sikandarpur slum were interviewed in the Agrasar centre. The interviews with the BOP informants began with the researcher explaining the phenomena being studied in very simple terms. This was followed by an initial question about the informants and their family background, education, and work. Depending on informants’ comfort levels, the researcher then enquired about the household income as early in the discussion to validate the BOP status of the informants. So, that the question did not appear disrespectful, a conversation was built around ‘how many people’s needs were met’ with the household incomes earned. Most of BOP informants did not hesitate to disclose the amount of money they and/or their husbands earned although the question was put very delicately to them.
Because of the low levels of literacy and awareness among the BOP informants, keywords like ‘MNCs,’ ‘brands,’ ‘innovation’ were explained to the BOP informants. Given the exploratory, interpretive nature of the study, the researcher tried to enable the BOP informants to offer their accounts of what kind of needs and what products they engaged with within their household incomes. In many cases, the informants required prompting and explanations of some concepts even though the researcher used simple language and words to explain herself. Typically, the interview questions funneled from general to specific questions (Belk et al. 2013). Interviews continued till no new themes were emerging from the findings, and the researcher was satisfied that saturation was reached.

The five BOP informants who were interviewed twice allowed the researcher to gather a deeper understanding of the phenomena as well as follow-up questions that had emerged after the first set of interviews. For example, early stages of data analysis—transcribing and translation of the interviews commenced shortly after the first phase of interviews. The analysis revealed the significant role of non-branded and staple foods in meeting BOP informants’ basic needs as they described their consumption practice and use of various products. Analysis of the data is discussed in the next section.

Such ethnographic consumer and market research help gain a detailed and nuanced understanding of consumption or a phenomenon that is then captured and presented with great attention to the cultural qualities in framing the lived experience of the informants (Belk et al. 2013). For example, after spending long hours in the informant’s home (during the summers months when the fieldwork was conducted), their consumption practice like consuming cold beverages and cooking
demonstrated the constraints they faced because of lack of piped drinking water and facilities like refrigerators and how they relied on water or cold beverages they purchased instead.

As ethnography is directed towards the production of rich description of the situation, participant observation was carried out. Fieldnotes, photographs, and audio recordings were taken to record information describing the researcher's experiences and observations regarding what is thought, felt, seen, or heard (Gray, 2014). For example, observing BOP consumers in their real-life setting where they used the products and stocked them, like their homes, offered insights into the significance and benefits of the products and their packaging to the BOP consumers. It also indicated the difficulties associated with product usage in their natural settings as opposed to what might be the case in an ideal situation for the use of a product. For example, lack of running tap water and the difficulty this might pose for using soap for handwashing. Such observation provided details about individual and group decision-making, financial considerations, consumers spontaneous needs, a judgement of products use and substitution, and expression of culturally patterned consumption values (Arnould and Wallendorf, 1994).

By taking this approach, vivid and detailed experience of the field was captured (Belk et al. 2013) at the occasion of key events like shopping, as new aspects of BOP consumption practice emerged from observations and casual conversations. This was done by the researcher observing the BOP consumers at three points: (i) where the FMCG products are purchased – local shops, (ii) the point of use – homes where consumption and use take place, and (iii) whom, how and what is involved in this consumption process. These points were selected because they represent a
key site where consumption practice of shopping, cooking, cleaning, and eating takes place as well as where family members interact and influence the purchase of products. For example, on many visits to the local shops with informants the researcher observed the interaction and engagement of BOP informants and their children with the shopkeeper and the children’s assertive ways of buying food products of their choice. Such participant observation in a market-oriented ethnography provided access to complex behavioural details of the BOP consumers in their natural settings.

Throughout the data collection process primacy was given to the researcher chronicling the complex ways in which consumption contexts determined the informant’s behaviour. In doing so, the research strived for a complex, textured interpretation of culturally constructed behaviour that market-oriented ethnography aims to capture through participant observation (Arnould and Wallendorf, 1994).

Photographs taken by the researcher were used as ‘mechanical observations’ to obtain complementary data (Arnould and Wallendorf, 1994, p.488). The photographs and their labelling presented in Appendices K and L to L3 help demonstrate the meanings of the picture concerning the discussion in the finding’s chapters, providing convincing understanding and analysis (Kunter and Bell, 2006).

Photographs captured by BOP informants were used as visual details of the research observation. Five key BOP informants were provided with disposable cameras and asked to take photographs to include, but not limited to (i) daily or weekly shopping, (ii) where they shop, (iii) how they shop, (iv) how their shopping is arranged in their home, and (v) how they consume these products. The researcher
had to demonstrate how to use a camera as most informants had not handled a camera before. The informants were asked to take pictures over two months. The photographs represented what the BOP informants considered relevant to the study, which was then analysed in the context of the study (Belk et al. 2013). Photographs elicitation explained the meaning attached to the objects in the visuals (Belk et al. 2013) by the BOP informants. For example, this was significant in offering more in-depth insight into what food products BOP consumers considered basic need from their perspective and demonstrated the role of MNC branded products in the context of their lives.

This study conducted one focus group interview with six BOP informants after the in-depth-interviews were conducted to gather a diversity of opinion and validate the study. The BOP informants convened at a single location for a face-to-face focus interview (Stewart et al. 2007). The nature of the group was homogeneous concerning the income of households, knowledge about the phenomenon being studied and common experience of the situation. The interview was conducted in a natural setting and was recorded with a video camera to capture the conversation. Informants were informally introduced to each other. A few innovative MNC products they had discussed using were placed in front of them on a table. This was to allow them to explore further their experiences and engagement with such products during the interview. The time of the interview was approximately two hours.

The data analysis and triangulation are discussed in the next section.
5.4.3 Analysing the data

The fieldwork findings were analysed using thematic analysis (section 5.4.3.1), the analysis of the photographs (section 5.4.3.2) and the triangulation of the data (section 5.4.3.3).

5.4.3.1 Thematic analysis

The collected data were analysed using thematic analysis, a method for identifying and analysing patterns or themes within qualitative data that describes the data in detail (Braun and Clark, 2006). In this research, a theme 'captures something important about the data' concerning the research aims, representing a 'patterned' meaning within the data (Braun and Clark, 2006, p.82; Gray, 2014). While a theme is ideally identifiable in several instances across the dataset, more instances do not necessarily mean the theme is more crucial (Braun and Clark, 2006). In this study, themes were considered 'key' based on what they capture concerning the research question.

Braun and Clark (2006) distinguish between inductive and theoretical thematic analysis. An inductive bottom-up approach means that the themes emerge from the data themselves. A theoretical top-down analysis, in contrast, emerges from the researcher's theoretical stance. The thematic analysis used in this study is based on the exploratory aims and interpretive paradigm (as discussed in section 5.2). A 'rich thematic description' of the entire data set was provided to demonstrate the 'important themes.' While in such analysis 'some depth and complexity' is lost, a 'rich overall description' is provided. This is useful in a previously under-researched 202
area like this research (Braun and Clark, 2006, p.83). Whilst recognising that the researcher cannot fully exclude themselves and their knowledge from the analysis process, theoretical interest did not initially drive the themes.

Themes were data-driven and were not coded to fit a predetermined coding frame (Braun and Clarke, 2006). This theoretical positioning has shaped choices made in conducting thematic analysis which is outlined below. It is also important to clarify the level at which themes are identified (Braun and Clarke, 2006). The coding moved from informant's perspective to linking them to the larger literature and concepts. Thus, themes were derived from the informant's words and discussion which were interpreted concerning concepts from relevant literature. This research used Braun and Clarke's (2006) six phases for thematic analysis. These phases offered a practical approach to analysing the data. The themes were developed iteratively, alongside the process of refining codes which is now discussed.
### Table 5.9 Phases of Thematic Analysis

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 - Getting familiar with the data</td>
<td>The process involved translating and transcribing data, reading and rereading the transcripts and noting down initial ideas.</td>
<td>Health is good, the stomach gets filled by eating all of this, so I think this is necessary for me. (1C2N)</td>
</tr>
<tr>
<td>Phase 2 - Generate initial codes by coding interesting features.</td>
<td>The process involved generating initial codes manually using five transcripts by coding interesting features of the transcripts in a systematic fashion. This process was then followed by using Nvivo software version 11 for generating codes in a systematic fashion across the entire amount of data set, collating data relevant to each code. Example of code: Need for food and nutrition.</td>
<td>Example of coded transcripts extract: Main needs are around food. If we do not eat we cannot survive. (2C1S)</td>
</tr>
<tr>
<td>Phase 3 - Search for themes.</td>
<td>The process of collating codes into potential themes, gathering all data for each potential theme. Example theme: Determining basic needs: informants understanding of what constitutes 'basic'. Example of codes and sub codes for this theme: Need for food and nutrition: staple foods and non-staple foods; Need for health and hygiene: personal grooming and household-cleaning.</td>
<td>Example of coded extract for this theme – ‘We are poor people, we can’t eat good things a lot. We eat chicken or fish once in a month or two months. That too if we have money. The children might ask to eat chicken (curry). However, if I do not have money how can I buy that for them? I will buy eggs instead and make egg curry or tell them to just eat green vegetables, and lentils. We don’t use much of outside things. We focus on homemade food like chapatti, rice, lentils, and vegetables’ which she says is ‘filling and nutritious. One thing I use is Lux soap for INR10, Clinic Plus shampoo and oil.’ (1C4S)</td>
</tr>
<tr>
<td>Phase 4 – Reviewing themes.</td>
<td>Description: the process of checking if themes work in relation to coded extracts and the entire data set. A thematic map was developed in which themes were organised into three findings chapters.</td>
<td>Example of 1st findings chapter (Chapter Six) - BOP informants lived experience: determining basic needs. Example of theme: Constraints of low income. Example of subthemes: The lack of infrastructure and facilities in the slums; Limited education and role of traditional knowledge in contextualizing informants basic need determination.</td>
</tr>
<tr>
<td>Phase 5 – Defining and naming themes.</td>
<td>The process of ongoing analysis to refine the specifics of each theme and overall story the analysis tells; generating clear definitions and names for each theme. Example of theme: BOP informants’ low consumer literacy mediating their engagement with products.</td>
<td>Defining the theme - the theme captures how BOP consumers’ engagement with products in the market is shaped by their basic needs and low consumer literacy as they negotiate a shift from consuming some non-branded to branded products.</td>
</tr>
<tr>
<td>Phase 6 – Producing the report.</td>
<td>The process of final analysis, selecting vivid, compelling extracts, relating back the analysis to the research question and literature, producing a scholarly report.</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Braun and Clarke, 2006
Phase one

Familiarisation with the data began with the interactive nature of phase one data collection and its analysis as the interviews were translated and transcribed. The BOP consumer interviews, and focus group interview were in Hindi and were translated and transcribed verbatim, by the researcher who is a native Hindi speaker. The process of translation and transcription was extensive and time-consuming.

The MNC interviews were in English and transcribed verbatim by a university approved transcription company. Each transcript was checked against the audio recording for errors and gaps (Dey, 1993). The transcripts were then anonymised by codes given to informants and read several times alongside the recording. The familiarisation process involved listening to the audio recording several times during translation and transcription as well as reading and searching the transcripts for patterns of meaning and highlighting areas of interest.

Phase two and three

Phases two and three of the analysis involved generating initial codes after becoming familiar with the data. A code can be applied to a word, short phrase, or a chunk of text (Belk et al. 2013). As the study is exploratory, the coding was not specifically geared towards topics within the data. The coding looked at matters like ‘what is happening in the text,’ what are the ‘reasons for it’ and ‘how is it happening.’ To manage the data and cumbersome process of coding effectively, Nvivo 10 was used which was later updated to version 11. Nvivo, a software programme, is designed to manage qualitative data. The benefit of using Nvivo was, selecting data easily and coding to any relevant code. The software allowed the codes to be
merged or expanded and re-organised, including highlighting, re-naming, generating maps quickly and easily. Nvivo collated data that was easily converted to word format making the handling of the dataset easier. Locating relevant excerpts and navigating between codes and transcripts was helpful for the iterative coding process. Once the data collection was completed, the researcher iteratively developed codes and began to search for themes across the dataset.

The codes and the coding process then served as the ‘building blocks’ for creating ‘patterns of meaning’ – themes. The process of interpretation involved moving between phases two and three as coding progressed and themes emerged which were challenged and modified. The interpretive process, which followed an inductive logic then presents the researcher’s analytic observations of the contextualised lives of the BOP consumers, their behaviour and consumption practice. The emergent themes represent what the informants ‘feel’ ‘think’ and ‘do’ (Braun and Clarke, 2017, p.297). As part of this stage of interpreting the data, the researcher drew on the literature on the theory of basic needs (Gasper 2004; Gough and Doyal, 1991), BOP approach (Prahalad, 2006, 2012) and models of innovation (Schumpeter, 2004).

Bourdieu’s theory of practice and concepts of field, habitus and capital were particularly helpful in moving from the micro-level of informant’s explanation to the macro-level analysis of the phenomena being studied (Jerolmack and Khan, 2017). The conceptual framework and theoretical lens used in this research to interpret data were established during this phase of the data analysis.
Phase four and five

The fourth and fifth phases of the analysis began when themes and sub-themes were developed and refined, with thematic maps generated using Nvivo to capture how themes and codes were linked. In phase four and five, themes and sub-themes were examined to ensure that the coded data supported the emergent themes. The researcher checked that the data within the emergent themes was clear and identifiable (Braun and Clarke, 2006). This phase involved re-reading data for the interpretation process and getting a clear idea of the emerging themes and how they relate to the research aims and objectives. The themes were further refined and named and defined in phase five. Within each theme, the data was re-organised to give a coherent account of the story the themes tell.

Phase six

In the sixth phase of the analysis, the report was produced. In this research, the findings are written in three findings chapters. (Chapters Six, Seven and Eight). The researcher chose ‘vivid examples’ or excerpts that ‘captured the essence’ of the point demonstrated and embedded it in the ‘analytical narrative.’ Thus precise, consistent, and exhaustive thematic analysis presents ‘trustworthy’ and ‘insightful’ findings’ (Braun and Clarke, 2006, p.93; Nowell et al. 2017).

5.4.3.2 Photograph elicitation analysis

In addition to in-depth and focus group interviews, this research used photograph elicitation of photographs taken by the BOP informants. This was different from photographs taken by the researcher as part of participant observation methods. This method involved giving five BOP informants disposable cameras, taking
around 20 to 25 photographs each of basic need products they engaged within their homes. The photographs were catalogued and used, along with other data collected. The photograph analysis helped reveal and augment information about the contextual relationship (Kunter and Bell, 2006) that BOP informants have with the products they use. Photograph-elicitation provides contextual, interpretive and critical revealing of BOP consumers personal experiences, values, beliefs and cultures (Parker, 2009). As photographs elicit individual interpretations of taking a photograph, and it's content, photographs description provide an understanding of BOP informants' basic needs and how they meet them.

The photographs demonstrated and captured the significance attached to the product and the BOP informants' understanding of its role in meeting their needs. As each photograph was discussed during subsequent visits to their homes, they served as interesting ways to engage in conversation with the BOP consumers on the research. The photographs helped in understanding the meaning and importance of the objects captured in the photographs. The photographs helped demonstrate and analyse the BOP consumers’ behaviour in engaging with the products like the frequency of purchase, the quantity of purchase. For example, IC4S on returning from one of her visits to the market, where her daughter and son accompanied her, took pictures of her preparing a green vegetable she purchased. This is followed by pictures of her daughter having lunch comprising of rice, lentils, and the green vegetable. Alternatively, photographs of two packets of instant noodles that her son asked her to buy were what he chose to eat for lunch instead.

During the interview discussion, IC4S mentioned her son frequently purchased snacks like instant noodles and biscuits, whilst her daughter was ‘simple’ in her food
habits, occasionally asking for ‘candies.’ Such in-depth discussion using photographs then helped analyse their behaviour better. Photographs helped in triangulation with other data collected which is discussed next (Belk et al. 2013).

5.4.3.3 Triangulation

The use of different research methods in the same study that provide diverse viewpoints on the same topic is known as triangulation (Hussey and Hussey, 1997; Olsen, 2004). Triangulation which also includes comparisons of distinct data sources, like different sample groups, and primary and secondary data, support claims of this interdisciplinary research’s findings, overcoming potential biases appearing in a single method approach (Gray, 2014; Olsen, 2004). Triangulation in this research was done by use of multiple methods and sources discussed (section 5.3.1), including two distinct sample groups, allowing for triangulation of the data (Short and Hues, 2009, cited in Gray, 2014). Firstly, triangulation helped in deepening the understanding of phenomena being researched with secondary data sources (section 5.3.1.1) (Jentoft and Olsen, 2019). Secondly, by asking different but complementary questions from two different sample groups, BOP informants and MNC executives, in the same research allowed for more in-depth interpretation and nuanced understanding of the phenomena (Jentoft and Olsen, 2019). For example, the BOP informants understanding of the inclusive nature of MNC innovations compared with the MNC executives view of it. Finally, triangulation in this research also lies in what seems to be evident in interviews, and what appears through observation in the field and differences and similarities that arise in comparing the interpretations of the same things (ibid).
5.5 Methodological considerations

This section offers methodological considerations for this research and considers the position of the researcher in this study (section 5.5.1) and evaluates the quality of the research process undertaken (section 5.5.2).

5.5.1 Position of the researcher

Recognising and considering the position of the researcher is an important part of conducting qualitative, ethnographic research, particularly when researching marginalised groups like the BOP. As an interpretive researcher, the researcher’s position attempts to illustrate and explain the phenomena using a thick description and systematic interpretation of the findings (Alvesson and Skoldber, 2000, cited in Shankar and Patterson, 2001; Geertz, 1971).

Since the research uses an ethnographic research methodology, the researcher’s role involved building trust and developing strong contacts with five key BOP informants, as discussed in section 5.3. Care was taken to reduce biases, motivations, and values embedded in the researcher by increasing familiarity and deepen understanding with the five informants as part of the ethnographic fieldwork. This was achieved by frequently visiting the informants and regularly communicating, including over the telephone. The researcher used an informal way of introducing and conducting the study to encourage BOP respondents’ participation and elicit natural responses which could be achieved with continued interaction over time (Belk et al. 2013).
Throughout the research journey, the researcher recognised how she, as an Indian woman, experienced meeting basic needs, including engaging with both branded and non-branded products, as had the informants in this study. As noted in section 5.4.1, the researcher often had to explain the research in simple terms to the informants. On becoming familiar with the concepts and the study, the informants offered detailed accounts of their conceptualisation of basic needs and the reasons for engaging with the products they chose to meet them. It seemed that many informants regarded the researcher as occupying the position of a consumer with similar taste and preference of products.

Physical and social limitations for the researcher to access the field site (Belk et al. 2013) was carefully handled by finding alternative ways which account for participant flexibility and rescheduling of observation. For example, the need for changing times for scheduled access to informants during a public holiday or if the informants needed to pick up their children from school. As an Indian woman and consumer of products in the Indian market, the researcher and the BOP informants shared enough common ground for them to share their lived experience, perhaps more freely than if the researcher were a male and non-Indian.

However, it is recognised that the BOP consumers were aware of the difference in income levels, and often the informants presented themselves as ‘poor’ and hence adopting products consistent with their lives at the BOP. For example, 1C4S stated ‘We are poor people. We cannot eat good things a lot.’ Care was taken to help the BOP informants to act the way they normally act even in the presence of the researcher (Belk et al. 2013). The researcher’s sustained interaction over time and an informal way of introducing and conducting the study encouraged BOP
respondents' participation to elicit natural responses. Regular visits and the nature of interaction led the BOP informants to assume the researcher needed to know about their life and, therefore, presented detailed descriptions of their life at the BOP and related issues.

5.5.2 Evaluating the research

This section discusses how the quality of the research is evaluated to ensure enough depth of the data and analysis that answers the research question (Gray, 2014) convincingly, using a framework developed for qualitative, ethnographic, interpretive research (Golden-Biddle and Locke, 1993; Hogg and Maclaran, 2008). Golden-Biddle and Locke (1993) constructed a framework to enable researchers to demonstrate the soundness of their interpretation and contribution to knowledge based on authenticity, plausibility, and criticality of the text. Golden-Biddle and Locke's (1993) framework is particularly important for interpretive researchers who are working within a discipline in which largely positivist research paradigms remain prevalent to evaluate research using concepts of reliability, validity, and generalizability (Shankar and Patterson, 2001). Here, reliability and validity are concerned with the credibility of the findings of the research. If research findings can be repeated, the study is deemed reliable and, replicable (Hussey and Hussey, 1997). Validity is the extent to which the findings represent what is happening in the research location. Further generalizability is the application of research findings like patterns, concepts, and possible theories to other situations than the one it is examined in. Generalisation thus requires a comprehensive understanding of the activities and behaviour concerning the phenomena under study (Hussey and Hussey, 1997).
While ‘no methodology is perfect’ (Shankar and Patterson, 2001, p.487), and it is the insights gained that matter. This interpretive consumer research aims to ‘access the knowledge of a perceived world’ and engage the readers with the ‘substance’ of phenomena (Shankar and Patterson, 2001). The underlying philosophical assumptions and position of this research guide evaluation towards different approaches from those used mainly for evaluating positivist research. Therefore, the research convinces its readers of the credibility of the accounts presented, by appealing to authenticity, plausibility, and criticality of the text (Belk et al. 2013; Golden-Biddle and Locke, 1993; Hogg and Maclaran, 2008). This research draws on these three concepts to evaluate the study - and how the research meets each of the components of authenticity, plausibility, and criticality framework (Golden-Biddle and Locke, 1993).

5.5.2.1 Authenticity

Authenticity is concerned with convincing readers that the interpretation is based on the findings of fieldwork (Hogg and Maclaran, 2008). Interpretive researchers develop the authority of text by making appeals to the authenticity of their findings that emerge from the researcher having ‘been there’ and shared the informants lived experiences (Golden-Biddle and Locke, 1993, p.599). Authenticity is established by using everyday words of the respondents, after offering a transparent account of the process of data collection and findings (ibid.).

This research and this chapter have sought to demonstrate authenticity within the research process. The findings and discussion chapters draw on informants’ experiences described through their own words. This methodology chapter has
endeavoured to offer a transparent account of the process of data collection and analysis as well as outlining the researcher’s position. The iterative approach to data analysis aimed to demonstrate how meaningful interpretations were formed while remaining true to the informants lived experiences. In researching the informant’s experiences within an unfamiliar field (BOP life), the researcher could draw on her unfamiliarity to challenge her interpretations throughout the research process (Golden-Biddle and Locke, 1993).

5.5.2.2 Plausibility

Plausibility is concerned with accounting for as much of data possible, so the reader is convinced the interpretations of data are credible. The interpretation of data should present a distinctive study (Hogg and Maclaran, 2008). In this research, plausibility has been sought to highlight the gaps in the literature to which the research contributes ‘something new in an area of generally shared importance’ (Gephart, 1986, cited in Golden-Biddle and Locke, 1993 p.609). The literature review in Chapter Three has outlined several ways in which existing research should be extended. This research constitutes ‘something new’ by examining from the bottom up how BOP consumers prioritise some needs over others to determine their basic needs. The research foregrounds the BOP informants’ basic needs and the products they then engage with to meet them rather than a top-down BOP marketing approach of selling products to the BOP. This research offers a plausible, but different means of examining the BOP consumers' needs and consumption practices. From a development context as this research is positioned, it then helps understand the role of MNCs in inclusive innovation aimed at inclusive growth and basic need fulfilment.
It is recognised that this research presents an account of the findings that may highlight only some aspects of the BOP informants lives and the MNCs’ role in inclusive economic growth and development, while possibly overlooking others.

5.5.2.3 Criticality

Criticality refers to the ability of the text to encourage the reader to probe the ideas and underlying assumptions that shape their beliefs. Criticality in ethnography is achieved when the researcher is challenging conventional thought and reframing how the phenomena are perceived and studied. This enables its readers to imagine new possibilities (Golden-Biddle and Locke, 1993; Hogg and Maclaran, 2008).

This research seeks to encourage the reader to re-examine their views in many ways, most notably to question the role of MNCs in basic need fulfilment of the consumers at the BOP through FMCG product innovations. It does so by re-evaluating the developmental aims and objectives of MNC marketing to the BOP by using a theoretical lens based on the theory of practice (Bourdieu, 1977).

This research uses a different conceptual frame (based on the theory of need and adoption of innovation) to understand the informant's experience and engagement with products than is typically done when studying the market at the BOP (i.e. BOP approach). The research offers criticality by encouraging the reader to put aside prior assumptions of MNCs’ marketing to the BOP as just another set of consumers whose need fulfilment can be viewed as a developmental outcome (Simanis et al. 2008), or of innovations in products marketed at the BOP intended for the benefit of the BOP consumers (Prahalad, 2012). Indeed, setting aside the assumptions
underpin the interpretive research methodology and complement the exploratory nature of this study.

Overall this section 5.5.2 has outlined how the research presents a carefully developed text from informants’ accounts of their experience. The section has discussed how the criteria of authenticity, plausibility and criticality have shaped the emergence of these interpretations. In doing so, the section has endeavoured to establish the quality of this research.

5.6 Concluding remarks to this chapter

This chapter has argued that an interpretive research philosophy using a qualitative ethnographic methodology suits the aims of this exploratory research. Constructing the informant's accounts by interpreting meaning from their experience, the research design and process creates knowledge from data collected and analysed from the fieldwork (Belk et al. 2013). Thus, providing transparency to the research journey (Yin, 2003), the chapter contributes to the findings and constructs them into themes. The next three empirical chapters discuss this research’s findings.
Chapter Six BOP informants’ lived experience: determining basic needs

6.1 Introduction

The findings from this research are organized in three chapters. The first findings chapter (Chapter Six) discusses the BOP informants’ lived experience in the slums of Gurgaon, offering a contextualized understanding of their basic needs. The second findings chapter (Chapter Seven) examines the BOP informants’ experience and engagement with products in the market to meet their basic needs. Finally, the third findings chapter (Chapter Eight) presents the MNC’s perspective on marketing incrementally innovative products to the BOP and the extent to which they are inclusive of their basic needs.

This chapter presents an interpretive discussion of three themes i) constraints of low income, ii) the importance of values and relations with family and iii) determining basic needs. These themes emerge directly from empirical findings based upon actions of BOP informants and interpretations from meanings given by them (Gray, 2014). The chapter discusses how the BOP approach, which is based on the notion of consumers making rational choices in their interest (Eyben et al. 2008; Karnani, 2010) to meet needs is constrained. While the BOP approach assumes consumers will benefit from MNCs’ marketing to include them in the market, the findings will demonstrate how MNCs fail to understand BOP consumers’ lives contextually and how these contexts influence BOP needs. To put it another way, the assumption of markets meeting BOP needs ignores the context of cultures and power, which this chapter explores.
This chapter identifies economic and other issues like lack of infrastructure, education, and socio-cultural influences that inform and determine basic needs at the BOP. The chapter argues that the BOP informants’ basic needs, consumption practice and engagement with the market are constrained by their context of living, and capital (Adebayo, 2013; Arsel and Bean 2014; Bourdieu, 1977,1986; Holt; 1998). In doing so, the chapter contextualizes the BOP informants’ understanding of their basic needs and associated products as they prioritise some needs over others which they then meet through their limited incomes.

Further, the chapter argues, the BOP traditional knowledge, social relationships, and values of maintaining family ties influence their behaviour and basic needs (Subrahmanyan and Gomez-Arias, 2008; Leipämaa-Leskinen et al. 2014; Yurdakul et al. 2017). Yet, as will be shown, the BOP consumers’ habitus helps them to form coping strategies with their subordinate cultural capital and low economic capital (Allen 2002; Coskuner-Balli and Thomson, 2013; Holt, 1998, 2001; Lee et al. 1999) as they struggle to meet their basic needs.

Whilst contributing to an understanding of basic needs (Gasper, 2004), the chapter argues that since such needs are not absolute but relative (McHale, 1979; ODI, 1978; Streeten, 1979), determining the products which meet them is central to a BOP approach to development (Adebayo, 2013; Karnani, 2007, 2011; 2017; Warnholz, 2007; Yurdakul et al. 2017). This is something that existing research has not adequately demonstrated (Prahalad and Hammond, 2002; Prahalad and Hart, 2002; Prahalad, 2006). Since it is not clear what needs MNCs’ marketing aims to satisfy (Christensen and Hart, 2002; Davidson, 2009), this chapter creates clarity on
the possible role of MNCs in meeting basic needs of consumers living under US $2 a day (Karnani, 2017; Warnholz, 2007).

The first two interrelated themes contextualize the informants’ lives and how this influences their basic needs. Theme one (section 6.2) focuses on how informants’ low incomes limit their access to better infrastructure and living conditions in the slums. The theme also engages with the role of education and traditional knowledge in determining their basic needs. The second theme (section 6.3) focuses on trade-offs between the informant’s often-compromised values and needs. These two themes indicate how informants are strategizing and adapting the meaning of their basic needs to meet the challenges of daily BOP life. Finally, (section 6.4) how the informants’ basic needs take precedence over any other needs is discussed.

6.2 Constraints of low income

BOP informants’ lived experience is not adequately discussed in the existing BOP marketing and consumer behaviour literature. By presenting a rather top-down BOP marketing studies in developing countries, existing literature mainly focuses on an economic perspective of the BOP in framing their needs (section 2.2.2.1) (Rew, 1978). Typically, such research focuses on the BOP as a low-income market segment characterised by low literacy and limited awareness, which then needs specific marketing strategies (section 3.6.1 and 3.7.2). For example, being a BOP consumer means purchasing low priced products in small quantities to meet needs like food, water, health, and shelter (Adebayo, 2013; Gomez- Arias, 2008; Karnani, 2011; Prahalad, 2006). Yet, existing literature often discusses products like Apple phones (Yurdakul et al. 2017), budget hotels, and cars (Prahalad, 2012) without
clearly discussing what needs and associated products MNCs aim to provide for BOP consumers’ well-being. Other studies of consumption in the context of consumers’ poverty, are usually based in a developed country context and do not present an understanding of BOP consumers in developing countries like India, including a contextual understanding of their consumption practice and coping strategies (Adkins and Ozanne, 2005; Baker et al. 2005; Blocker et al. 2013; Hill, 1995, 2001, 2002; Lee et al. 1999; Leipämaa-Leskinen et al. 2014).

Constraints of low income emerge as an overall theme from the empirical data and are concerned with how contextualizing the BOP informant’s lives and their manifestations reveal the real needs of the BOP. Defining the scope of the BOP for this research as people living under US $2 or less a day (Karnani, 2017) demonstrates the constraints of low income and how it influenced the BOP informant’s lives and their experience in the slums of Gurgaon (section 6.2.1). Adopting a Bourdieuan (1977) lens to explore the context of the informant’s lives, leads to an understanding of a range of issues influenced by education and traditional knowledge (section 6.2.2). This offers a comprehensive analysis of BOP lives and needs that differs from previous empirical research mainly focused on consumers living above US $2 a day (Jaiswal and Gupta, 2015; Subrahmanyan and Gomes-Arias, 2008; Yurdakul et al. 2017).

6.2.1 The lack of infrastructure and facilities in the slums

Despite India’s recent economic growth (Ahluwalia, 2019) and declining poverty (OECD, 2017; The World Bank, 2019), the overall benefits of growth are not experienced by the BOP who live in poor conditions and polluted environments. This
was observed in detail during field visits to Nathupur and Sikandarpur slums in Gurgaon city which demonstrated a lack of affordable liveable housing and infrastructure. This affected the quality of BOP informants’ lives compounded by their low income. This is discussed in the following sections. Appendix K presents photographs of the field sites Nathupur and Sikandarpur.

6.2.1.1 The lack of infrastructure and facilities in the slums – the external environment

Nathupur and Sikandarpur slums lack basic infrastructure, including proper roads, electricity, sanitation, drainage, and clean piped water (Economic Survey of India, 2018; Indian Express, 2016; Kumar, 2019). This lack of infrastructure was evident in both places: roads typified by dirty puddles, large piles of rubbish, open drains, leaking water pipes and filth, resulting in informants’ claims of rat infestations, insects, and associated diseases. Goldstein (2016) suggests this was mainly because of the municipal council’s neglect of the slums arising from the ambiguity of service provisions on private and village lands on which the slums were built (section 5.3.2.2).

BOP informants complained that the slums unhygienic environment made them vulnerable to diseases because they could not protect themselves from rats, mosquitoes, and flies ‘all around them’ and in their homes. Despite informants’ awareness of the health risks the pests posed, they or members of their family often contracted life-threatening diseases – Dengue, Chikungunya, and Typhoid. One informant, 1C2N, noted how last year she got Chikungunya and ‘was in much pain’
leaving her unable to work for several weeks. Without work, 1C2N was deprived of any financial compensation.

Despite suffering from health and economic costs of living in unhygienic conditions in the slums, 1C2N like most informants did not use mosquito repellents and disinfectants. The informant’s expressed despair as they saw ‘no point’ in using mosquito repellent products because they cannot always protect themselves. Another informant, 1C4N, noted:

The mosquitoes are everywhere. They will come back immediately into the house because there is no way to keep them out. Even though I see it on television (mosquito repellents), I do not buy it. I just use the (mosquito) net when I get in bed.

This excerpt captures how the informants are resigned to the fact that they cannot do anything about their environment, and, therefore, do not always consider using health safeguarding. It might be argued that the informant’s failure to determine basic need of health and purchase associated products, like mosquito repellents, is because they do not see the products overall relevance and efficacy in the pest infested slums. This argument extends Srinivas’s (2012) suggestion of connecting BOP needs to demands through innovations (section 3.3.2) where demand is constrained not just by income but also by bigger issues like the polluted environment and living conditions which are unaddressed by the government. Hence, looking at basic needs beyond economic constraints and understanding how BOP have been excluded from basic services demonstrates the government’s neglect of the BOP (Gaspers, 2018). Instead, the BOP approach’s argument that
FMCG products meet the basic needs of the consumers rationalises the state’s failure to provide safe living environments while the informants suffer and struggle in both recognising and grasping the benefits of the products in this context. In fact, the informants sacrificed their own and their family’s health and wellbeing. They lived with the risk and challenges of unhygienic conditions and their lack of adequate economic capital expressed through poor living conditions (Holt, 1998), preventing them from satisfying their basic health needs.

Equally, the slum environment and living conditions influenced the informant’s food consumption. For instance, many informants like 1C3N, 1C1N and 1C2N do not store (basic need) products which form part of staple Indian diet at home, like flour (to make chapattis), because they fear pests spoiling food stocks. 1C2N justifies her choice to buy just enough flour to meet her immediate needs by referring to the unsafe environment of the slum. Alternatively, 1C2N consumes more rice (which can be washed before cooking) instead of chapattis. The constraints of BOP life causes 1C2N distress and influences her consumption of a basic food item, like chapattis which she sacrifices. 1C2N then considers chapattis ‘special’ when she ‘occasionally’ gets flour, while such consumption for other consumers represents a routine and basic food.

Indeed, the informants have fewer product choices, constrained by their low income and lives at the BOP (Alwitt, 1995; Hammond et al. 2007; Hill 2001; Lee et al. 1999; Warnholz, 2007). However, the previous excerpts demonstrate bigger issues, like the inability of the informants to improve their inadequate living conditions which influenced their basic need determination as they forgo the consumption of some basic need products for food and health needs.
However, a sociological perspective of poverty (Betille, 2003) and contextual understanding of BOP life suggests that in addition to low income, the informant’s migrant (section 5.3.2) status distanced them from their family and village homes, reducing their social capital. Their low economic and social capital limited the informant’s power to negotiate their position and demand better liveable environment and facilities from their property owner or the state Municipal Corporation. For example, IC4S stated ‘no one is going to listen to us here’. Instead, to earn more money in the city than they did in their villages (where they had their homes but few employment opportunities) the informant’s compromised on their living conditions, including the health risks it posed. It might be argued that informants’ ability to earn more in Gurgaon did not result in improved standards of living often attributed to an economic growth argument (Betille, 2003). Instead, it appears the state Municipal Corporation failed to provide BOP consumers with liveable conditions and thereby magnified their experiences of poverty in the unhygienic environments of the slums of Gurgaon that compounded the constraints of their lives at the BOP.

6.2.1.2 The lack of infrastructure and facilities in the slums – the domestic space

For many informants, living conditions in their homes, including lack of space, nature of the informant’s houses, and facilities, affected their needs. For example, space was a constraint for almost all informants who lived in one-room accommodations, which included a cooking arrangement inside the same room. Many informants had shared toilets and bathrooms. Therefore, the informants did not keep many belongings, including much food, at home. For example, informant 1C2N stated ‘at
home, there is no space to keep. So, we will not keep much food at home.’ The informants stored some food products in old plastic jars to keep them safe in their unhygienic home environment. In doing so, the BOP consumers demonstrate how they resourcefully use products to save money and exert control over their lives (Leipämaa-Leskinen et al. 2014).

Further, informants’ houses in Nathupur were temporary structures made of corrugated aluminium and plastic sheets, cardboard, and mud floors. There were holes in the roof and walls, with no windows and proper doors. This not only leads to pests getting inside their houses but also causes poor ventilation when cooking inside the room. Moreover, it prevented the informants from keeping ambient temperatures during extreme heat which then affected the consumption of many basic need products, for example, the storage of perishable food products like milk. These findings support Leipämaa-Leskinen et al.’s (2014) research that suggests inadequate circumstances and context of poverty tacitly frame the cultural capital expressed through reduced consumption. For example, despite being aware that consumption of big economical packs of products could save money and time, in making repeated purchases, the informants chose to purchase small quantities to consume immediately. It can be argued that both poor environment and lack of space prevented them from making a rational choice of products.

Equally, the lack of proper living space and facilities is intertwined with the basic need to maintain hygiene and the consumption of associated products (Leipämaa-Leskinen et al. 2014). For example, most informants in the slums did not have access to facilities like piped water, drinking water, properly constructed bathrooms, and toilets. While informants like 1C4N struggled to store water in large plastic
containers for cooking and washing from community taps, drinking water was often purchased. As 1C4N stated ‘we have to fill it (water) up and store it.’ Often this influences habits like regular washing of hands, laundry and dishes and the products the informants used like soaps and detergents. For example, the practice of handwashing using soap to clean the hands is difficult because of the unavailability of running tap water. Hands are then often not washed properly, resulting in basic hygiene needs not being met. It could then be argued that although BOP informants might convert some of their need into demand by purchasing products, for example, soaps or handwash, the efficacy of such products is questionable in the context of inadequate facilities, like piped water.

These insights into BOP lives are central to building knowledge and solutions that address larger issues that influence their behaviour as consumers and adequately address their needs (Kolk et al. 2014). Despite India’s recent poverty reduction and economic growth (Ahluwalia, 2019), inadequate infrastructure and facilities targeting the BOP demonstrate the failure of economic growth to trickle down and benefit the BOP (Datt and Ravallion, 2002; Srinivas, 2012). On the one hand, the BOP informants’ lack the power to challenge their property owners, and on the other, they cannot demand public services from the government to support their hygiene and health needs (Goldstein, 2016). The former is due to poverty, while the latter is due to policies regulating urban planning, infrastructure, and housing. These policies do not have jurisdiction over ‘private slums’ (slums built on private land) and temporary structure of houses that many informants lived in (Goldstein, 2016). Thus, neither globalisation and economic growth nor the expansion of the market and MNC products marketing to the BOP appear to have improved the BOP standards of living
and meeting of basic needs. To make matters worse, the role of MNCs’ FMCG products appear limited in the context of the informant’s lives and larger issues.

This section’s extracts illustrate how the informant’s lives in the slums significantly shape their basic needs as they often compromised and limited their own needs. Thus, informants’ low levels of capital demonstrated in the poor infrastructure and facilities suggest how income poverty further pushes the BOP informants into lower standards of living (Clark et al. 2017). Indeed, BOP life not only influences basic needs and the number of products consumed – ‘material things’ - consequently excluding some basic needs from their daily requirements and consumption practice (Leipämaa-Leskinen et al. 2014, p.259) but also the ‘immaterial quality of their lives’ because of their lived slum conditions (Beteille, 2003).

6.2.2 Limited education and role of traditional knowledge in contextualizing informants basic need determination

MNCs’ marketing to BOP consumers presupposes that products are purchased after rational consideration of income, preference, and product information (Holbrook, 1987; Prahalad, 2006; Warde, 2014). This section presents how the informant’s education and traditional knowledge contextualised their basic need determination. In doing so, this section demonstrates how the informant’s cultural capital informed their taste in consumption practice (Bourdieu, 1986; Holt, 1998) and basic needs. This is evidenced by both embodied (dispositions of habitus, for example, skills and traditional knowledge) and institutionalised cultural capital (for example, education) (section 4.5.2.1) influencing the informant's basic needs. The section also discusses how the informant’s challenge their literacy levels and employ their existing skills to overcome their limited literacy to determine and meet
their needs by using their social capital and relations with the local shopkeepers to make purchasing decisions (Viswanathan et al. 2009).

By highlighting BOP consumption as a way to understand differences in i) BOP consumers’ embodied and institutionalised cultural capital, and ii) between the BOP and MNCs’ cultural capital, this section shows that unequal distribution of capital and power in the market field impacts on BOP informants’ subordinate cultural capital (Coskuner-Balli and Thompson, 2013). Through the continuous interaction between BOP informants embodied - traditional and natural cultures, the ‘intrinsically’ or ‘socially-economically’ determined needs are ‘continuously’ altered through the institutionalised - newly acquired and constructed cultures (section 4.5.2.1) (Robbins, 2005, p.24). The findings will demonstrate how the informant’s engagement with the market leads to modifying their cultural capital and habitus to adapt and adjust to the market field, making them vulnerable to MNCs’ marketing practice (Chapter Seven and Eight).

6.2.2.1 The lack of education

Most BOP informants were poorly educated with limited literacy and numeracy skills, with virtually no knowledge of the English language (section 5.3.2.3). In many cases, informants’ illiteracy was intertwined with their BOP life experiences. Informants like 1C10S, 1C1S and 1C1N had to leave school because of problems at home which affected their families’ finances. For example, 1C10S left school to look after her mother, the only earning member of the family, after she had an accident. 1C10S, being a daughter, was expected to run the house and take care of her younger brothers and never went back to school. The informants being females often had to
give up studies and instead to take up home responsibilities and manage ‘circumstances’ while their siblings continued to attend school. Some informants were married at a young age and took on ‘domestic responsibilities’ and, therefore, could not continue with their studies. The expectation for mainly females to give up their education to take on domestic responsibilities was predominately a manifestation of a cultural value framework and symbolic power that prevented prioritisation of female education over domestic responsibilities.

Many informants like 1C2S accept their lack of education as a limitation in their basic need determination and making more informed decisions, constraining their choice of products. 1C2S stated:

If a person is educated and has the knowledge, they know what to buy and can buy products from anywhere but otherwise how will they know whether to eat this product or not? What will happen to us if we eat this product? (1C2S)

The excerpt above demonstrates the informant’s inadequate institutionalised cultural capital and limited consumer literacy (Chapter Seven) was tested and challenged in the market field (Adkins and Ozane, 2005; Bourdieu, 1984). A key determinant of informants' consumer illiteracy was their lack of understanding of what constituted a ‘brand,’ evident in informants using the terms ‘packaged’ and ‘company’ products versus, ‘unpackaged’ ‘local’ or ‘open’ products describing non-branded products. In the context of the informant's unmet needs coupled with their uncertainty and fear of limited income (economic capital), their lack of education
often created vulnerability and powerlessness in market interactions (Baker et al. 2005; Viswanathan et al. 2009).

However, the informant’s engagement with the market, observing other consumers and television influences their basic need determination and associated products (Clay, 2005). For example, 1C2N noted before moving to the city ‘(I) did not know anything’ about nutrition or hygiene and the products available in the market to meet these needs. However, 1C2N stated ‘now we hear people talking about these things.’ Not only expressing the need for better hygiene, but 1C2N stated she is now also aware that sugar and oil in food can cause ‘diabetes’ and ‘heart problem’. 1C2N claims she has learnt this from the house she works in and from her engagement with ‘educated’ people. Yet, while 1C2N is mindful of her need to eat ‘sugar’ and ‘oil’ in moderation, like most informants, her illiteracy prevents her from reading and understanding the sugar and oil content in branded and packaged products like the cola beverages she consumes regularly. Instead, as she did not get any information from the products packaging and labelling nor its advertising message, like many informants she considered many such branded snacks and beverages beneficial without understanding the possible harms from their consumption (section 7.2).

Although their limited education challenged the informants, the market and MNCs’ marketing did not communicate product information creatively and innovatively with BOP consumers (Ozanne and Murray 1995). It might be argued that if BOP consumers are empowered with complete product information by the MNCs, they may choose not to consume branded products, for example, food with high sugar content, as noted by I2CN in the excerpt above. Thus, complete product information may threaten the uptake of branded products as they are then better understood by
the BOP. Instead, it appears, MNCs’ marketing based on capturing market share and profits defined how the FMCG brands are promoted to the BOP as aspirational and modern products (Prahalad, 2006). Indeed, the informants understand the requirements for food to provide ‘energy’ and ‘nutrition.’ The informants then establish their basic food needs and were continually seeking information from educated family members, including their children as well as using their traditional knowledge. For example, 2C5S stated:

I know vitamins, and proteins but I do not know in which thing (product) they are found...I am aware that there are vitamins in vegetables like spinach, gourd etc.

Consequently, expressing their desire to know more about the branded products they consumed, the informants relied on the local shopkeepers for certain product information they provided. Besides, the local shopkeepers provided facilities like credit, easy availability, and access to products close to the informants’ homes. This observation supports Subrahmanyan and Gomez-Arias (2008) and Viswanathan et al.’s (2009) research on the role of BOP consumers’ social capital with shopkeepers in meeting their needs. Moreover, many informants were reluctant to visit the big stores, due to their lack of self-confidence, and consumer literacy to engage with products on the shelves in big stores as discussed in Viswanathan et al.’s (2009) research on BOP consumers’ engagement with the market and reliance on local retailers in the slums.

However, as BOP consumers’ social capital and relations with local shopkeepers allowed them to engage with the market despite their low literacy (Adebayo, 2013;
Viswanathan et al. 2009). It might be argued that the informant’s reliance on local shopkeepers for purchasing has limitations and compromised the informant’s consumption practice. While many informants are compelled to depend on external sources for product information, they had no way to verify product information, potentially exposing the informants to harm. Despite financial and cognitive barriers, the practical implications of constrained BOP consumers in the market then results in their reliance on their own previous consumption experiences (Choudhury et al. 2019). The findings in this section suggest that the informant’s lack of education did not allow them to develop adequate consumer literacy, negatively impacting their product engagement in the market field, particularly packaged branded products (Choudhary et al. 2019) (Chapter Seven). This is discussed in Chapter Seven.

The next section discusses the role of traditional knowledge in helping informants understand and determine their needs, for example, for more nutritive and healthy foods.

6.2.2.2 Role of traditional knowledge in determining basic needs

This section presents the many ways in which BOP consumers’ traditional knowledge guides their consumption practice in the market field, by situating BOP consumers in a broader socio-cultural context. A finding addressing a gap in the current literature (Viswanathan et al. 2009). This section argues that despite BOP consumers relative illiteracy, informants’ embodied form of cultural capital, evident through traditional knowledge guides their coping strategies and consumer product choices to meet their basic needs (Allen, 2002; Holt 1998).
Many informants, like 1C10S, 1C2N, 1C3N, 2C1S and 2C5S, demonstrated a greater understanding of their needs and associated products based upon traditional knowledge. For example, need for food, nutrition and associated products largely included ‘local’ and non-branded products they consume when they lived in their native village, including fresh fruits and dairy. As noted by 1C5S and 1C2S, in their native village even ‘wheat grain’ and ‘whole spices’ were purchased in the ‘local’ informal market and cleaned and prepared into flour and ground spices at home to ensure ‘they can eat clean and pure’. As the informants continue to follow the consumption practice of buying many ‘local’ products even in Gurgaon, they demonstrate their reliance on the informal market and significance of non-branded products in meeting needs based on their traditional knowledge.

Informants like 1C2N are aware that their everyday food, ‘lentils, green colour vegetables and fish are a good source of strength’. Here 1C2N associated strength with the food’s nutrition offering. She considers this food ‘good for health.’ 1C2N adds these food choices are based on consumption practices followed by her family and elders in her native village. 1C2N states, she ‘is not aware if by eating it we get nutrition or energy’ but that ‘by eating things like vegetables the body remains healthy we know that’:

> We are using all this from an early age. Our parents used to eat and give us all this, and now we also eat like this. We have got a habit of eating all this.

This excerpt demonstrates how informants embodied cultural capital and the power of this capital shaped their basic needs. Additionally, the informant’s ‘doctors’
reinforce their traditional knowledge and need to eat ‘nutritional food’ if they ‘feel sick’ or are ‘feeling weak.’ Products like ‘fruits,’ ‘eggs’ and ‘some medicines’ are then required. For example, 1C2N noted ‘eating 2-3 boiled eggs’ or things like ‘dates, banana, lentils, are a good source of energy.’ Similarly, although 1C3N cannot explain which food the source of specific nutrients is she stated, ‘whenever I feel weak then I buy pomegranate and dates and eat it’ and claims then ‘we feel good and healthy.’ Like most informants, 1C3N neither understands words like ‘vitamins’ and ‘calcium’ nor their food source. When faced with these words, she noted she believes the source of ‘vitamins’ and ‘calcium are the tablets, which also helps ‘get rid of weakness.’

These excerpts demonstrate informants’ traditional knowledge helps determine their use of traditional, non-branded and locally sourced products to meet basic needs. However, it is their lack of economic capital which limits their consumption practice. For example, nutrition-rich foods are only consumed when the informants have money. Note how 2C1S states ‘we bring almonds for the children, for the development of their brain, so that they will focus on studies’ while acknowledging she buys them occasionally because of lack of affordability.

My daughter is a little weak, so we think that if she eats egg, then her health will improve...I have heard that it is healthy to eat eggs and pomegranate. We bring these so they should not fall ill and improve their haemoglobin...We do care for food children eat so that they do not lack in any type of nutrition so that their eyesight does not get weak and they do not need to use spectacles.
The excerpt above demonstrates the significance of many non-branded local food products based on the informant’s traditional knowledge which then shape their habitus in consumption practice. Furthermore, relying on traditional knowledge to consume many nutritional food products ‘fresh,’ the informants were avoiding risks of buying adulterated locally packaged products as well as minimising costs of using brands. For example, many informants like 1C3N, 1C1N and 1C4S were consuming many ‘open’ and ‘local’ basic need products that were cheaper than branded alternatives to ‘save money’ and ensure that they meet their families’ basic need of food and nutrition within the incomes they had:

I buy an open but good quality product. I do not buy too many packaged goods for these kinds of items like rice, spices, flour. Vegetables and sometimes fruits like mangos, pomegranate, apple, guava for nutrition as it benefits me…I bring it from the local market. (1C3N)

This quote demonstrates BOP consumers’ choice and relation to (Arse and Bean, 2013) ‘good quality’ local products based on traditional knowledge which differs from the assumption that the consumers at the BOP are inadequately served by the informal market and need to be included in the formal markets served by MNCs (Prahalad, 2006, 2012). It is argued, BOP consumers’ engagement with local products not only emphasizes the role of their traditional knowledge in meeting basic needs (section 6.4). Instead, it establishes the need for strengthening the functioning of local informal markets let alone replacing them with increased penetration of MNC brands (Aroujo, 2013).
Section 6.2.2’s findings support existing studies by Adebayo (2013), Bharti et al. (2013), Choudhury et al.’s (2019), and Viswanathan et al. (2009) suggesting BOP consumers lack awareness and information when engaging with the market, thereby making them vulnerable consumers. However, these findings extend Choudhury et al.’s (2019) and Viswanathan et al.’s (2009) studies of how the BOP consumers’ cope with market challenges by suggesting that informants’ understanding and awareness of their needs, lies mainly in traditional knowledge and their experiences with local products. The excerpts here capture how informants’ traditional knowledge intertwined with the market in determining and meeting their needs, even though the informant's lack of formal education limits their engagement with branded products. Indeed, many informants, like 1C1N, IC2S, 2C1S, 2C5S and 2C6S, regarded education and awareness is essential in determining and meeting their needs. However, many informants adapted their habitus and consumption practice and determined and met basic needs which differed from when they lived in their native villages as they adopted new products. For example, demonstrating an adaptation to lack of infrastructure and facilities including space in their homes in the slums (section 6.2.1), many informants now used ‘readymade’ flour and packaged branded spices differing from the traditional practice of preparing these at home. Equally, greater availability of ‘readymade,’ branded products influenced the informants to increasingly adopt branded products, suggesting informant’s adaptation to city life.

Overall section 6.2 demonstrated how BOP informants’ living on under US $2 a day impacted their basic needs determination. Therefore, by ignoring a narrow definition of BOP (US $2 a day) and including BOP as consumers who earn up to US $8 - $10 a day significantly alters the scope, nature, and BOP approach solutions. Although
Prahalad (2006) states that exact figures of the BOP (based on the income) are less important than the overall objective of his argument of MNCs meeting poor consumers’ needs. Yet, the findings in section 6.2 demonstrate that by not defining clearly the BOP nor adopting a narrow definition (US $2 a day), Prahalad (2006) and others (Jaiswal and Gupta, 2015; Prahalad, 2012; Subrahmanyan and Gomes-Arias, 2008; Yurdakul et al. 2017) fail to understand BOP basic needs. It is argued that the existing literature and MNCs not only wrongly assume some BOP needs and significance of MNC products in meeting them. Instead, the relevance of many products marketed by MNCs appears to be based on the middle-income consumer’s needs. Hence the overall role of MNCs in meeting basic needs in the context of the lives of the BOP is not only limited but rather constrained. MNCs do not understand the BOP needs in the context of their lives nor understand the significance of traditional products in meeting their needs. Instead, the MNCs’ marketing of FMCG products disturbs BOP consumption practice without having any real well-being impact on their lives.

The findings suggest other than lack of economic capital, bigger issues impact BOP consumers’ basic need determination, often making them vulnerable and constrained in the market. Informants’ economic and cultural capital affects their physical, cognitive, and emotional competence, influencing their strategies to cope in the market field and exit their poverty (Clark et al. 2017). The findings, therefore, demonstrate the challenges and limitations of connecting BOP consumers’ unmet needs to demand through MNCs’ marketing. The next section presents the second theme.
6.3 The importance of values and relations with family

This importance of values and family relations is another theme emerging from the data. It describes how BOP informants’ culture and values of maintaining close ties with family and performing roles as wives and mothers influences their basic needs. Values of retaining close ties with the BOP informant’s family members in their native villages oblige them sending remuneration to their families in their native village (section 6.3.1) that constrained how their immediate needs are met. Existing literature does not discuss the importance of BOP consumers’ values and ties with their native villages and families and how it influences the informant’s context of living at the BOP. Equally, informant’s relationship with their children was impacted by socio-cultural values, as they accommodated many of their children’s specific needs (section 6.3.2). For example, they were sacrificing their individual and immediate basic needs and instead were maintaining and building their social capital by meeting family needs for nonessential products (Hill, 2008; Subrahmanyan and Gomez-Arias, 2008; Yurdakul et al. 2017).

6.3.1 Values and ties with the family in the village

All the BOP informants having migrated from different parts of India to Gurgaon for work, maintain ties with their native villages. Despite the informants or their husbands’ low incomes, values, and ties with their families in the native villages obliges them to send remunerations mostly for their parent in-laws, parents, or children’s needs. For many BOP informants’ like 1C1N and 1C2N who worked, their children lived with their family in their native village. This was mainly because the informant’s unliveable and unsafe environment in the slums (as findings in section
6.2.1 suggest) required them to depend on their family in the villages to take care and raise their children as the informants go to work. Hence, the informant’s sent money for their children’s education, and other family needs to their native villages. For example, 1C2N sends remuneration to her village for seven people, including both her parents, parent in-laws and her three children. She sees her role of contributing towards family expenses as her responsibility as a good mother, daughter, and daughter-in-law. Explaining her monthly expenses, 1C2N noted:

I spend INR 2000 (about £21.7) on a monthly rent. INR 6000 – 7000 (about £65.2-76) on food and other expenses. Then there are doctor’s expenses. Then in the village for my children, parents, and in-laws I send INR 10000 (approximately £108.70). I also send for my children’s education. Also, separate for their tuition.

This quote demonstrates that remunerating a large part of their income for family and children's needs severely constraints how the informants meet their needs with the limited money they have left. For example, 1C2N stated 'It depends on how much money is there in the house. We buy accordingly. If there is a lot of money, we buy more things and keep.' Often consuming fewer products and smaller quantities of basic food items, like fruits, dairy and even ‘flour and lentils,’ this excerpt demonstrates how despite the lack of money to meet immediate basic needs the informants do not question the need to follow their culture and values and remunerate incomes for their families.

Equally, building on their social capital even in times of hardships, participants like 2C5S, 1C3N and 1C4S reveal that recently even as their husbands were unable to
earn money because of loss of job and ill health, informants did not question the
need to remunerate money for family members in their villages. Instead, the
informants compromised their immediate needs making consumption trade-offs
between meeting basic needs of nutrition, hunger, or illness. For example, 1C4S
and her family gave up the consumption of milk and tea because of the expenditure
incurred for her husband’s treatment for typhoid.

Interestingly, when challenged to meet their immediate needs within the constraints
of low income and consumption restrictions (Blocker et al. 2011), the informant’s
social capital manifested through family and village ties act as an investment for
future contingencies. For example, sending money to their native villages is not only
a ‘joint family’ member role but being ‘connected to their native village homes,’ as
stated by 2C5S, acts as family insurance to draw upon when the need arises. For
example, 1C3N was certain that when she took her disabled husband for medical
treatment to his family in the village, her previous remunerations would provide
additional family support to take care of her husband.

6.3.2 Values and relations: mothers meeting children’s needs

This section explores how some informants adapt their habitus to accommodate
their children’s differing needs and how these are included in their consumption
practice (Bourdieu, 1984; Kates, 2002). Despite the informant’s low income and
many unmet basic needs their relations with their children and role as mothers
influence their consumption practice for many non-essential branded products
which then become part of their basic needs, for example, foods like snacks,
confectionaries, ice-creams, and cold beverages. This problem is compounded by
MNCs increasingly targeting the BOP market with ‘luxury’ and ‘non-essential’ products (Jaiswal and Gupta, 2015; Subrahmanyan and Gomez-Arias, 2008; Yurdakul et al. 2017).

However, given that many informants struggled to meet other essential and basic needs of their family, some informants discussed how they continued to deal with their children’s desires for products and how they used their limited money to purchase them (Holt, 1998). For example, 2C6N has four daughters and accommodates their needs by giving them ‘INR 20, INR 30’ (£0.22 or £0.33) or ‘even more’ to buy ‘snacks’ and ‘fast food’ of their choice ‘every day’. Like many mothers, 2C6N knows she cannot afford her children spending money on snacks while she struggles to meet the basic needs of her family using her husband’s small income. However, she cannot prevent her children from such consumption, as she notes:

… it is difficult to keep them from eating things like crisps, Kurkure\(^{35}\), savoury snacks, toffee, biscuits, and chocolates. They eat many things, but if they do not eat these foods and if they eat homemade food, then their health will be good. They eat fast food and then drink water. This affects their hunger.

This quote demonstrates not only the relationship between consumption of FMCG products such as snacks and BOP consumers’ limited income diverted away from meeting more basic needs but also how the influence of brands marketing on children reduces the mother’s ability to dissuade them from eating foods which might

\(^{35}\) A savoury snack sold by PepsiCo.
not be as nutritive as home-cooked meals. It might be argued that the influence of brands (section 7.2.) on children lead to adaptation in consumption practice that puts a strain on the informant’s ability to meet their family’s basic needs. Rather than meet any basic needs, FMCG products like snacks and beverages influence daily consumption wants and desires of children evidenced through increased consumption of non-essential products despite the BOP consumers’ low incomes, and subordinate cultural capital (Coskuner-Balli and Thomson, 2013).

Equally, most informants like 2C6N, 1C1S and 2C5N’s children purchased products on their own and appear to be exerting individual choice in consumption practice that is consistent with market-based BOP approach in meeting needs. However, within the constraints of low incomes, and inadequate product awareness, children buying products leads to i) purchases made without comparing prices or considering opportunity costs (Spiller, 2011), and ii) increasing consumption of foods, like snacks, candies, and beverages as opposed to more nutritious food.

Furthermore, these findings allude to marketing’s role in influencing BOP consumer behaviour (Jaiswal and Gupta, 2015) by providing easy availability and product access (section 8.2.2) through shops in the slums and located near schools where many children purchased and consumed such food and beverages. This finding, therefore, supports existing literature that suggests BOP consumers buy products from local shops and due to lack of transportation are unable to compare prices nor access larger stores to get better price offers and choice (Subrahmanyan and Gomez-Arias, 2008; Venkatesh et al. 2009).
These findings are in line with Yurdakul et al.’s (2017) study that suggests BOP consumers are often burdened by the need to meet their children’s needs and desires to consume trendier branded global products. Needs which may be created or perpetuated by the MNCs’ marketing targeted at the BOP (Jaiswal and Gupta, 2015). Indeed, the influence of marketing (Chapter Seven) on consumption practice demonstrates what Yurdakul et al. (2017, p.298) describe as the ‘unwritten standards’ of global consumer culture, that extends beyond basic needs and associated products. Yet, such non-essential products marketed by MNCs are more representational of globalised consumer culture (Ger and Belk, 1996) as opposed to consumption practice guided by traditional knowledge and products. Hence, such a habitus is suggestive of dominant social class lifestyles (Bourdieu, 1986; Holt, 1998) which is increasingly adopted by BOP consumers. However, this presents a tension in BOP consumers’ context of living and unmet basic needs and their aspirations to consume like other consumers in the limited incomes they have. It can be argued the informants try to escape their poverty, albeit momentarily, by consuming products like other consumers and cannot be denied the choice and need to decide for themselves to consume products they desire which includes some aspirational products that make them feel good, even though momentarily. For example, 2C5N stated, when she was young, she did not get money from her mother to spend on what she would have liked because ‘at that time we did not have money’ and there were not so many products available. Hence, she allows her children to purchase and consume some products they desire. Yet, the marketing of such FMCG products like snacks and beverages that informants increasingly consume do not resolve or reduce their problems at the BOP let alone meet basic needs. Instead, they make the need for non-essential products appear as basic, which are then included in their consumption practice. It may be argued, in the
context of MNC meeting informants' basic needs, poses the question of whether MNC marketing of non-essential products targeted at the BOP increases problems of consumers spending on non-essential products which diverts their limited resources from more basic needs.

Overall section 6.3 shows how maintaining and building social capital affects the basic needs of BOP informants as they send remunerations to their families in their native villages and accommodate, where possible, their children’s needs. However, BOP needs are constrained not only by their low incomes but also their need to maintain their social capital and socio-cultural roles as good mothers and daughters, requiring a self-sacrificing nature for their family (Bebbington, 2007).

The next section presents the third theme emerging from the data.

**6.4 Determining basic needs**

In the context of informants lived experience, outlined in section 6.2 and 6.3, this theme is about how informants determined their basic needs and noting why some needs take precedence over others. Informants categorised their requirement for food, nutrition, grooming and hygiene as their most basic needs (section 6.4.1). Yet, the informants described their need for convenience and time as nuanced and important determinants of their basic needs and their consumption of associated products (section 6.4.2).

This research presents, possibly, one of the few empirical understandings of BOP basic needs. In doing so, it extends Subrahmanyan and Gomez-Arias’s (2008) and
Gupta and Pirsch’s (2014) work on BOP needs (section 3.7.2) by empirically advancing BOP consumers categorisation of basic needs and associated products from the BOP consumers perspective. A contextual categorisation of BOP consumers’ basic needs from their perspective then helps analyse what role MNC products and their marketing play in meeting basic needs or perpetuating consumption by creating needs and demand where none previously existed (Blocker et al. 2011) This is discussed in Chapter Seven.

**6.4.1 Basic need of food, nutrition, health, and hygiene: understanding what is essential and basic**

Food, nutrition, health, and hygiene emerged as the most basic needs of the informants. First, food and associated product consumption emerged as informants most basic need. This corresponds to Subrahmanyan and Gomez-Arias’s (2008) and Adebayo’s (2013) study that, based on expenditure, food needs represent the most basic BOP need. Further discussion about the informant’s food needs helped to understand and categorise their staple food consumption and diet versus non-staple foods items, and the determinants and reasons for their consumption. This dichotomy of staple versus non-staple food presents a comprehensive understanding of BOP basic needs, which is not adequately discussed in the BOP literature (Adebayo, 2013; Subrahmanyan and Gomez-Arias, 2008).

Second, health and hygiene emerged as an important and basic need for the informants that was demonstrated through their consumption practice of personal grooming and need for keeping domestic spaces hygienic. This finding differs from other BOP studies which appear not to recognise the significance of this
consumption practice. For example, Gupta and Jasiwal (2013), Jaiswal and Gupta (2015), and Subrahmanyan and Gomez-Arias (2008) categorise grooming and hygiene product needs as ‘luxury’, ‘discretionary purchases’ and the ‘finer things in life, based on the need for self-esteem and self-actualisation’. Further, Hammond et al. (2007) and Subrahmanyan and Gomes-Arias (2008) in their study claim that BOP expenditure on grooming and hygiene need products does not appear significant compared to other basic needs like food (section 1.2.1), hence the need not appearing to be significant. However, based on the findings from this research, it might be suggested that grooming and personal hygiene need emerged as important. For informants, personal grooming and hygiene is a basic need.

Additionally, informants’ preferences and exertion of product choice in meeting basic needs, as part of their daily routine, is not adequately explored in the existing BOP literature. Thus, using a Bourdieuan lens to understand how the informants use capital in consumption practice, this theme presents a socio-cultural understanding of the informant’s basic needs and associated products as they prioritise some needs over others which existing BOP literature has failed to determine (Achrol and Kotler, 2012; Karnani, 2017; Yurdakul et al. 2017).

6.4.1.1 Culturally determined need for ‘rice and lentils’ as ‘main food’:

Understanding the role of staples in food and nutrition in BOP needs

All informants referred to their basic need for foods such as ‘rice,’ ‘lentils,’ ‘wheat flour,’ ‘vegetables,’ ‘oil,’ ‘salt,’ ‘spices,’ ‘milk,’ ‘eggs,’ ‘chicken,’ ‘fish,’ ‘meat,’ and ‘fruit’. For example, 1C4S stated, ‘Food is the most essential need’, adding that her
'main food is lentils, chapatti, and green vegetables’, which meets her need to ‘buy flour, rice, vegetables, oils spices, and lentils.’

This finding establishes the significance of staple foods in the consumption practice of the BOP. Indeed, all the informants described staple food as their most important ‘basic need.’ For example, 1C2N stated ‘rice and flour are particularly important and secondly vegetables, and lentils.’ This is followed by ‘fish and chicken’ which she cooks at least once a week. 1C2N stated ‘They (staple food) are everyday needs’ and she, therefore, considers food as a ‘basic need’, adding: ‘By consuming this health is good, and the stomach gets filled by eating all of this. So, I think this is necessary for me.’

Informants’ shaping of their basic need for staple foods demonstrates the role of taste - as a set of embodied traditional knowledge and preference (Allen, 2002; Arsel and Bean, 2013; Holt, 1998) in determining habitus in their consumption practice. The influence of their cultural capital - traditional knowledge (section 6.2.2.1) and cultural determination of what food was appetising, filling, and nutritious guided their consumption practice. For example, 2C6S and 1C3N stated that their ‘daily needs’ ‘essential’ foods like ‘lentils, chapatti and rice’ take care of ‘taste and filling’ their ‘stomach’.

A staple food constitutes a dominant portion of a food eaten routinely for a given people. It forms the source of a large part of energy and nutrient needs. Staples are typically inexpensive and readily available foods that that include vegetables, animal products, cereals (e.g. rice, wheat, maize, millet, starchy tubers, and root vegetable (e.g. potato, cassava) meat, fish, eggs, and milk. Other staples include pulses, fruits, sugar, salts, spices, and oils (depending on the region: like mustard, olive coconut) (FSSAI, 2017).
Equally, most informants associated foods like fruit, meat (chicken), dairy-milk, and yoghurt as healthy foods, and consumed them when they could afford it. For example, 1C1N stated while she is satisfied that her staple foods take care of hunger and health and are ‘important for eating’, she is also aware of her need to consume other healthy foods is compromised by her lack of money and spending power, such as purchasing fruits and milk. As she notes:

I do not consume these regularly. When I need it, I buy it. I do have some money problem. I want to save some money. The things I eat daily are not costly.

Hence, 1C1N suppresses her needs and demands nutritive foods, like fruit and milk, and consumes them when she is sick. Informants associated staple foods consumption, including milk and fruit with hunger, nutrition, and health. However, owing to low disposable incomes, informants consumed these nutritional products infrequently, prioritising staple food consumption based on their affordability. Consider 2C5S narrative:

We meet our needs by consuming staple food like rice, lentils, and vegetable. However, children and elders need products like milk, yoghurt, and egg. I also drink milk with Horlicks sometimes. It is important and is required every day. We drink lemonade every day for energy. However, spending on more expensive foods like meat and fish is once in 15 days.

These excerpts demonstrate the importance of food staples, like lentils, rice, and vegetables, in their daily consumption practice, with foods like dairy, chicken, fruits,
meat, chickpeas and kidney beans are eaten less frequently owing to their expense. Consequently, more expensive staple foods were considered ‘special.’ For example, 1C4S occasionally cooks’ 'special' things like ‘paneer paratha (bread stuffed with cottage cheese)’, or ‘chicken curry’ according to the ‘wants of children.’ 1C4S stated, ‘We are poor people; we cannot eat good things a lot. We eat chicken or fish once in a month or two months. That too if we have money.’

Discussing the role of staple foods versus non-staples in her diet 1C2S noted:

Some things cannot change like chapatti and rice, because that is what we eat. What else will we eat? The chapattis and rice fill our stomach. However, for packaged food, if we eat this, it will not fill our stomach. It is like snacks. Therefore, chapattis and rice are important. We get energy from it. If we do not eat food, we get weak.

The excerpts in this section demonstrate how the informants determined their basic need for food and associated products based on their need to satisfy hunger, nutrition, and taste (physiological). It is argued that BOP consumers depend on staples for their food needs based on traditional knowledge and habits, suggesting MNC marketing ‘snacks and beverages’ disturb consumption of more staple foods. However, while MNC marketing deters BOP away from meeting basic needs as they spend on non-essential products (next section), it does not substitute, leave alone replace consumption of staple food products. It is argued that by establishing the limited role MNCs’ FMCG products play in BOP basic needs of food and nutrition this analysis demonstrates how the unarticulated role of staple foods in BOP
literature, typically reinforces the constrained argument of MNC marketing to BOP without clearly understanding BOP consumers' real needs and how to address them.

6.4.1.2 Understanding the non-staples in the diet and children's influence in making them basic

Most BOP informants mentioned the consumption of non-staple foods, such as packaged food and beverages, and convenience food, like burgers, chow mien, samosa, and momos (dim sum). For example, 2C5S noted 'occasionally' her family consumes 'burgers, pav bhaji, chole bhature' (the last two are popular Indian street foods) and packaged food and beverages, like 'cream biscuits,' 'instant noodles' and 'cold drinks.' Similarly, 2C2N noted 'the children like momos and samosa with tea every day', which she tries to purchase as often as she can from nearby shops.

Non-staple packaged foods were consumed regularly, such as instant noodles, bread, biscuits, confectionaries, and various savoury snacks. For example, informants like 1C10S, 1C6S, and 2C3S consumed 'biscuits', 'crisps' and 'instant noodles.' While many informants, such as 1C4S and 1C10S, cooked non-staple foods, like pasta, macaroni, instant noodles, particularly for their children. For example, 1C10S 'eats instant noodles not only because they are tasty' but also because she believes they are 'healthy and nutritious'. However, the informants clarify that these products do not represent their 'main food.' Hence, non-staple food does not replace their families staple foods, like rice and lentils. For example, on one of the visits to 1C4Ss house, she explained why she cooked pasta for her children who 'wanted to eat something different'. A decision partially based on the children (section 6.3.2), who learnt about these products from television and
observing school friends and because pasta and instant noodles cooked ‘quickly’ as compared to traditional Indian foods:

Children eat Maggi (instant noodles) and pasta when they are a little hungry. Then you make it, and they eat it, and their stomach gets filled, and they get a bit of energy. However, this is not our staple food. Our main food is rice, lentils, and vegetables. This is just fast food.

Similarly, most informants like 1C6S, 1C10S and 2C6N referred to consuming cold beverages bought in the market, like cola drinks and other readymade juices or homemade drinks like mango shake, and lemonade. 2C6N explained the need for a refreshing beverage, stating ‘if we wish to drink then we buy Pepsi and drink it. In summers, it keeps us cool. There is no other reason for it (consuming).’ Equally, during the winter months, informant’s beverage needs altered. For example, 1C6S consumes cold drinks like Limca, Glucon D and Rasna’ in summer, but ‘not in the winter months…in the winters, I use Choco or Bournvita in my milk at times’. Indeed, while India’s summer heat determined informants need for cold beverages. Yet, many informants like 1C6S and 2C6S do not consume cold drinks in the winters and instead drink milk and beverages like ‘Horlicks’ demonstrating some practical reasons for their choice of product.

Some informants like 1C3N, 2C5N and 2C3S consume cold beverages more regularly. Consider 1C3N’s rationale:

In the summers in the evening, I get Pepsi. I need Pepsi all the time like a child. I buy a cold bottle from the fridge in the shop. It is my habit. I work
all day and am tired. I buy the INR 10 (about £0.10) bottle. Maybe not every day but at least five days a week I can say. When I feel hot whatever I feel like I buy, at times, even half litre bottle. It costs INR 35 (about £0.39).

This quote is significant in demonstrating the relationship between inadequate facilities and infrastructure at the BOP and increased consumption of MNC products such as Pepsi. The very fact that BOP consumers are deprived of drinking water, electricity, and basic technological goods such as refrigerators enables the MNCs to promote cold drinks such as Pepsi as essentials and create habits (as if they were natural) through marketing. Additionally, the excerpt suggests how the informants need for energy after a long and tiring day at work appears to be met by a cold and sugary beverage. Such marketing of products neither has any positive impact on the wellbeing of BOP consumers nor improves their overall health and nutrition intake, let alone conditions of living. Instead, marketing is targeted to BOP for the sake of maximising MNCs’ profit, while the real needs of the BOP like drinking water, regular supply of electricity, remain unaddressed.

This sections excerpts capture how informants consume various non-staple foods, including i) locally made foods, including convenience food, ii) locally packaged and branded snacks and beverages, and iii) non-staples cooked at home. These products became part of informants’ family’s consumption practice, with frequent consumption of non-staple foods resulting in them being considered ‘basic’ foods, constituting part of informants’ staple diet, for example, beverages, snacks, and instant noodles.
While the informants expressed a clear understanding and identification of their basic and staple foods, they still spent money to meet their non-staple food requirements, owing to i) the demand of their children, and ii) for the pleasure and preference for taste (physiological) and experience from consuming such foods. Hence, as informants spent their limited disposable income on non-staple foods, such as foods and beverages, increasingly formed part of their basic needs.

6.4.1.3 Practice of personal grooming and household hygiene

All informants like 1C6S, 2C9S, 2C6N and 1C1N mention their consumption of soaps, shampoos and cream for grooming and hygiene. 1C6S commented ‘my needs are my hair wash shampoo and bathing soap’. 2C9S explains her need stating, ‘I cannot bathe without soap’ whilst 1C10S noted, her daily needs included ‘soap, cream, brush, Colgate, face wash, and hair oil’. Discussing her personal grooming needs and related product consumption, 1C1N noted ‘Personal items, yes. They are important, like body lotion, soap, shampoo, cream, oil. All this I use. Therefore, these things I buy.’

Similarly, 2C6N stated ‘if I take a bath with water, I do not feel good, and if I apply soap, then I feel good’. The excerpts demonstrate the importance of informants’ various engagement with products needed to maintain their hygiene and health. This finding differs from Subrahmanyan and Gomez-Arias, (2008), and Jaiswal and Gupta’s (2015) studies which categorised such BOP needs as non-essential and a luxury. However, informants’ product and brand choices (Chapter Seven) varied. For example, 1C10S mentions how she uses a ‘separate’ antiseptic soap for handwashing and a ‘face wash’. However, informants like 1C2N, 1C3N and 1C1N,
noted how they did not buy a separate soap for washing their hands. 1C1N stated 'I use the same bath soap, which is leftover and becomes useless. We use that for washing hands.' Likewise, informants like 2C1S, 2C9S, 1C1N, and 1C1S said they used face wash, while other informants used the same soap for bathing and washing their face. Informants rationale for this product engagement was determined by their basic need to be well-groomed and hygienic, strongly influenced by their understanding and product perception based upon its price (section 7.2.2.2).

Interestingly, 2C11S, 1C3S, 1C2N, 1C1N and 1C1S stated they use ‘fairness creams’ (skin lightening creams) (Karnani, 2007a) ‘for making the face clear’, i.e. to achieve a light skin complexion. While skin creams were used to moisturize the skin, informants used ‘fairness’ creams to satisfy their cultural need to have a ‘fair’ complexion. Hence, 1C2N and 1C1S had used fairness creams ‘for a very long time’ which then became part of their daily and basic needs. This finding supports Karnani (2007a) and Jaiswal and Gupta’s (2015) research attributing Unilever’s ‘Fair & Lovely’ skin lightening cream brand and related marketing to the BOP through sachets, and advertising perpetuates the cultural practice and consumption of informants wanting a fair complexion. However, most informants do not question the product’s efficacy (section 3.2.2.2) (Karnani, 2007a), instead, engaging with the product owing to lack of awareness and being influenced by MNCs’ marketing.

While all informants recognised soap, shampoo, and creams as part of their basic grooming and hygiene needs, only a few informants, like 2C9S and 1C1N, discussed using cosmetics. For example, 2C9S noted how she ‘uses creams, nail paint, lipstick, etc.’ This narrative supports Pathak and Nichter’s (2018) study of Indian women suggesting that the personal grooming segment is dominated by
body and hair care needs, with cosmetics contributing a small share. Informants like 2C5S and 1C4S occasionally use deodorants and ‘INR 10 or 20 nail paint that’s all’. During a visit to 1C1Ns house, the informant showed which cosmetic and grooming products she uses. Fearing she may be judged for using these products by her friends and neighbours sitting around in the room 1C1N tried to explain her need for the various products and noted ‘because I will look beautiful that is why I will use it’. However, 1C1N’s friends and neighbours scorn her for saying this mainly because the informants typically associate the use of cosmetics as an adornment within the context of traditions of married life (1C1N was separated from her husband) (Pathak and Nichter, 2018), and with people who have more disposable income (Anderson and Billou, 2007) and were therefore beyond 1C1N’s means to afford. Yet, 1C1N adapted habitus based on her choice to include such products in her consumption practice, demonstrating how she challenges her basic needs boundaries.

Clarifying her position, 1C1N noted, that after ‘working hard’ to earn her living and supporting her family in her native village for whom she sent remuneration, she ‘did not find anything wrong’ in buying these products for herself and using them made her ‘feel good’ about herself. However, while 1C1N discussed her aspirations to appear ‘fair’ and well-groomed, spending money to meet such needs in the context of her low income induced a sense of guilt. This guilt was compounded by the community perceiving her consumption as beyond her means when she should be prioritising other family member’s needs, including of her daughters, over hers. During this discussion, 1C1N laughs, defending herself by stating, ‘Today I have been caught’.
Equally grooming and hygiene needs, and notions of adornment often meant consumption of traditional products that many married informants like 1C1S use, e.g. ‘kajal, bindi, sindoor etc.’ (traditional Indian makeup for married females). However, tensions of engaging with branded products in the market like fairness creams and other ‘luxury products’ emerge as 1C1N’s case demonstrates. Arguably this is because branded cosmetic products do not fall within the context of traditional beauty and grooming norms and are often critically cited in the BOP literature (Karnani, 2007a, Gupta and Jaiswal, 2013). However, the findings of this research suggest that informants’ perception and needs for such products involve constant negotiation and engagement with branded grooming, hygiene, and some cosmetic products. While the development and well-being impact of branded grooming products is questionable, the influence of increased product marketing impacting informants’ habitus and consumption practice is evident. This is discussed in the next chapter.

Interestingly, considering that the informants were females, only 1C4S mentioned the use of sanitary napkins and described it as a regular need. It is possible the informants still follow the practice of using old cloth instead. Likewise, 1C7S mentions she buys disposable diapers for her child for use in the night so they could sleep through the night without being woken up by the child and do not have to spend much on the diapers. Conversely during the day, she used old cloth nappies.

For all the informants, the need for maintaining hygiene in their homes and belongings was an equally important part of their daily cleaning routine. However, overall cleanliness and hygiene were impacted by environs of the slums, (section 5.2.2) and informants’ inability to do anything about it, for example, 2C5S and 1C2S.
complain that ‘we do not even keep hygiene around us. We throw rubbish everywhere.’ However, despite their inability to keep their environment clean, this did not affect the daily cleaning of their own domestic space in the belief that clean homes benefitted their health.

These findings demonstrate that the personal grooming and hygiene needs of the informants are basic and not 'higher-order needs' that lie dormant unless 'lower-order needs' for survival like food are met (Subrahmanyan and Gomes-Arias, 2008).

6.4.2 More descriptive and nuanced needs: factoring convenience and saving time

This section looks at how informants determined their basic needs in the context of their BOP lives and often alluded to the importance of how ‘convenience’ influenced their basic needs and associated products, such as food. Convenience was particularly evident amongst informants who worked and considered the effect of time and energy spent on household chores (Holbrook, 1987). Informants like 1C3N and 1C1N explained the need for ‘convenient’ foods like ‘bread, biscuits, instant noodles as ‘easy to cook and eat’ and, therefore, ‘are beneficial’. Here the product benefits are not necessarily viewed in terms of nutrition or price but the how it saves informants time. For example, 1C1N stated ‘Whenever I am late from work or tired, I get a packet of bread and eat it’. Typically, as the informants who worked are still expected to come back home and cook food for their families, saving time in their chores particularly in the kitchen was something they valued. Equally, convenience determined the informant’s engagement with certain ready-made products, like ice-creams and sugary beverages, for immediate food and energy needs. Such a
contextual analysis of the informant’s consumption practice demonstrates how they prioritised even non-essential products that then became part of regular consumption practices and basic needs.

Additionally, saving time and energy in household chores was not the only reason for informants expressing their need for convenience. Working informants like 1C1N express the need for saving time so that she can ‘work and earn more’ and hence ‘save more’. 1C1N aims to save money so that she ‘will have money to buy food’ when she ‘is old and will not be able to work’. The excerpt captures how the uncertainty of the future encourages the informants to work hard and save money. Yet, while the consumption of some products might be more expensive, the informants consider the long-term advantage of saving time over costs that allows them to work and earn more beneficial for them.

It is argued that incorporating time into the conceptualisation of basic need fulfilment and dimension of well-being, for example, a person’s availability of time to work, rest or spend time with family and friends, can be a way of addressing BOP issues of poverty (Clark et al. 2017). Alternatively, informants who did not work also needed products that offered convenience, as informants’ challenge and expand their basic needs to include products that allow them such convenience and need fulfilment in the context of their lives at the BOP. For instance, the lack of adequate water made informants choose products that are convenient to use in their limited facilities. For example, shampoo replaced the practice of washing hair with ‘clay’ that some informants claimed to use when they lived in their villages.
…from the time I have come here, I have been using shampoo. You need at least three to four buckets to wash your hair thoroughly (after using clay), especially when we have long hair. We have more water supply in the village. Here shampoo is convenient.

The above quote suggests there is a relationship between lack of infrastructure at the BOP and increased consumption of MNC products that offer convenience like shampoos. Absence of proper bathrooms and adequate water enables MNCs to sell shampoos that offer convenience to use when washing one’s hair. For example, 1C4S stated that while the clay is ‘very good’ and ‘is available free’ even if she wanted to use it, she could not because there was not enough water. Thus, informants like 1C4S, determine their needs and engage with products differently from what they used before based on convenience.

Equally, many informants consumed ready to use snacks like biscuits, readymade curd, ground spices and small packs of products for convenient storage. This was not only because these informants felt the need to save time but because they lacked facilities like regular supply of electricity and gas, or appliances like refrigerators and blenders and space in their homes. For example, 1C6S and 1C7S, buy packaged curd from the market even though setting curd at home was economical as opposed to buying packaged and branded curd, which was convenient. Explaining the inconvenience 1C1N noted ‘Who has the time for that? I will have to set at least half a litre of milk for myself and who will eat that much? I do not have a fridge to store it in.’ On a subsequent visit to 1C1N’s house, she had bought a refrigerator for herself. She, however, continued to buy readymade yoghurt.
Products that offered convenience then are important determinants of the informant’s basic needs and their fulfilment. This finding is line with Sridharan et al. (2017) that suggest access to MNCs’ FMCG products offers consumers at the BOP some choices that offer convenience through the participation in the market. Indeed, in 1C2N, 2C2N and 1C1Ns case, it seems saving time and convenience of having ready to eat food products became an important determinant in how they meet their basic need for food. Increasingly ‘convenience’ therefore, is a basic need they associated with their daily life. While convenience may not be as basic as food or hygiene, however, it played an important role in meeting their basic needs and products they use.

The excerpts in this section demonstrate an alternative to an economic perspective of the BOP consumers’ consumption practice (which would consider the income and cost in engaging with the products). Using Bourdieu’s practice theory lens (1977), we can situate the BOP consumers in a socio-cultural context of consumption. This helps in understanding the convenience of certain packaged and branded products in the context of the informant's limited facilities and conditions of living at the BOP. It also helps in understanding the importance of saving time and energy (Holbrook, 1987).

This theme has established the BOP informants' basic needs of food, nutrition, personal grooming, and hygiene. Clear categorisation of basic needs and distinction between the staple and non-staple foods and associated products present an understanding of the role and limitation of branded products in meeting food needs. As the BOP informants increasingly engage with the market and marketing of FMCG products, informants negotiate their grooming and hygiene needs and
accommodate many of their children's needs for non-staple foods. Interestingly, some informants even expressed the need for convenience, saving time and energy in how they met their basic needs.

6.5 Conclusion

This chapter has outlined the informants lived experience at the BOP and demonstrated the consumers perspective of what constitutes basic needs in the context of their lives. The key findings this chapter presented are i) bigger issues other than income impact basic need determination in the context of life at the BOP, ii) maintaining and building social capital affects basic needs and iii) prioritisation of what is basic demonstrates the dynamic and changing nature of basic need determination and how it is met within BOP context. In presenting these finding, this chapter highlights MNCs’ lack of a clear understanding of basic needs in the context of the BOP consumers lives. The findings challenge the received wisdom that engagement with certain 'luxury' and non-essential branded products like shampoos and creams creates tensions for MNCs’ marketing to the BOP. The findings instead suggest the informants constantly negotiate and accommodate certain needs to be more basic exercising choice and preference, using their social and ‘traditional’ embodied cultural capital (Bourdieu, 1986). The informants pushed the boundaries of basic needs to include needs compatible with their context of living at the BOP as well as accommodate other needs despite challenges of low income and associated living at the BOP. However, in the context of the BOP consumers, low incomes, and limited awareness of how the market meets these needs and MNC marketing practice and brands influences their consumption practice is discussed in
the next empirical Chapter Seven. The table below presents a summary of findings of Chapter Six.

**Table 6.1 Summary of findings**

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<th>Key Finding I</th>
<th>Bigger issues, other than income impact basic need determination in the context of life at the BOP.</th>
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<td>1. Limitation of environment and infrastructure affect some basic needs determination and fulfilment, not just low income. This was seen in:</td>
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<td>a. Some basic needs of health</td>
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<td>b. Consumption of some basic need food items.</td>
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<td>c. Quantity and quality of basic need products consumed</td>
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<td>2. A significant role of BOP consumers’ traditional and folk knowledge - embodied cultural capital- in basic need determination that sustains and creates cultural capital and informs habitus for the consumption of non-branded products.</td>
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<td>a. Some unbranded products like staple food are irreplaceable.</td>
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<td>b. BOP consumers satisfied in using good quality, safe unbranded local products.</td>
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<td>3. Limited education and market literacy make BOP consumers vulnerable</td>
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<td></td>
<td>a. In the context of low literacy, the market does not do enough to create awareness among the BOP, making them vulnerable.</td>
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<td>b. BOP consumers market experience increased with the marketing of FMCG products which influences need determination and associated product as well as harm from consuming some products.</td>
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<th>Key Finding II</th>
<th>Maintaining and building social capital affects basic needs.</th>
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<td>4. Maintenance of social networks and ties with families in the village requires an economic contribution which affects the basic need determination and consumption of products which are often used.</td>
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<td>5. A reliance on social networks created with local shopkeepers for purchasing on credit has limitations and exposes the BOP consumers to harms and compromised consumption practice.</td>
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<td>6. Accommodating non-essential needs of children resulted in such needs becoming basic.</td>
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### Key Finding III

Prioritization of needs based on BOP consumers perspective of what is basic demonstrates the dynamic and changing nature of basic need determination and how it is met within the BOP context.

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<th>7. Clear categorization of food as a basic need and staple and non-staple foods and products that meet them.</th>
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<tr>
<td><strong>a.</strong> Comprehensive understanding of role and limitation of branded and innovated foods which suggest constraints to meet nutrition needs more because of money and availability of fresh and quality local products rather than availability or the lack of branded packaged food.</td>
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<tr>
<td><strong>b.</strong> Non-staples do not replace staples even if they are nutritionally enhanced innovated products.</td>
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<td><strong>c.</strong> Some non-staple become basic needs.</td>
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<th>8. Hygiene and grooming and associated products are a basic need.</th>
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<tbody>
<tr>
<td><strong>a.</strong> Personal hygiene and grooming are a basic need, and BOP consumers challenge boundaries and norms, exerting preference and choice, including for some cosmetics.</td>
</tr>
<tr>
<td><strong>b.</strong> Keeping domestic spaces clean is a basic need.</td>
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| 9. Descriptive and nuanced needs for convenience, saving time and energy, which presents an alternative perspective to a rational economic definition of a consumer, seen in a larger socio-cultural context. |

**Source:** author
Chapter Seven Markets meeting basic needs of informants: engagement and experience with products and their innovations

7.1 Introduction

The previous chapter presented a contextualised understanding of BOP informants' basic needs. This chapter discusses two themes emerging from the empirical data: i) BOP informants’ low consumer literacy mediating their engagement with products, and ii) BOP informants’ engagement with innovative products. This chapter presents a critical yet constructive account of markets efforts to meet BOP basic needs by understanding the relationship between the BOP consumers, products, and marketing (Warde, 2014) using a Bourdieuan (1977) lens. While discussing BOP informants’ experience in the market, particularly with branded and innovative products, this chapter analyses how within the context of low consumer literacy, MNC brands influence BOP consumption practice. For example, when looking at the influence of brands in consumers’ negotiation of products as opposed to habits based upon embodied cultural capital (Warde, 2014). Chapter Eight further discusses the MNCs' marketing practice (from the MNCs perspective), highlighting the power inequality in market exchange at the BOP.

This chapter argues that BOP consumers’ engagement with products, despite their low incomes and consumer literacy, demonstrates how the informants survive their poverty through consumption practices and meet their needs. However, complexities in the informant’s experiences with the market field and marketing of
products often lead them to negotiate a shift from using local non-branded to branded products and vice versa (Araujo, 2013; Figueiredo et al. 2015). While the findings in Chapter Six brought out the significance of non-branded products (based on traditional knowledge) in meeting basic needs, it will be argued in this chapter that the lack of adequate and quality non-branded products was a key consideration for informants’ adopting branded products. Yet, whilst establishing safety and trust in some branded products the informants consume, based upon products perceived attributes and benefits, the role of FMCG branded products in meeting their basic needs is limited.

The chapter also argues that while informants’ benefit from the consumption of some branded innovative products that met some of their basic needs, their understanding of the products innovative attributes was almost absent. This was mainly because of MNCs inadequate efforts to creatively address the issue of BOP awareness (refer to Chapters Eight and Nine). It might be argued that as the MNCs fail to inform the BOP consumers of some of the possible unmet needs FMCG product innovations might meet, it appears the innovative products are not intended specifically for the BOP and are not inclusive of their basic needs. Throughout this chapter’s themes, the informant’s capital and taste determined their habitus, explaining which products were used and valued. For example, the informant’s habitus demonstrated not just a brand’s utility or symbolic meaning when engaging with branded products in small packs (Arsel and Bean, 2013; Warde, 2014), but also the contextual doing of people and the meaning and experience of engaging with them (Leipa¨maa-Leskinen et al. 2014).
The next section, section 7.2, discusses BOP informants’ low consumer literacy mediating their engagement with products. Following this, section 7.3 discusses BOP informants’ engagement with innovative products.

### 7.2 BOP informants’ low consumer literacy mediating their engagement with products

BOP consumers’ engagement with the market was shaped by their basic needs (section 6.4) and associated products\(^ {37} \) (Gough and Doyal, 1991). The BOP approach assumes BOP consumers’ engagement and inclusion in the formal market will have well-being outcomes leading to inclusive growth (Prahalad, 2006), with consumers adept at engaging with brands (Clay, 2005; Gupta and Pirsch, 2014). However, the BOP approach ignores BOP consumer vulnerabilities, including their low income and consumer literacy, when engaging with products within the market (Baker et al. 2005; Hill, 1995, 2001; Lee et al. 1999). This section argues that the BOP consumers need for rational, utility maximising consumer behaviour assumed by the BOP approach, is challenged by informants’ low consumer literacy when engaging with the formal market and their consumption choices (Choudhury et al. 2019; Hammond et al. 2007; Prahalad, 2006; Prahalad and Hart, 2002; Viswanathan et al. 2009; Warnholz, 2007).

The informants’ low consumer literacy impacted their consumption practice. For example, 1C1N explained how owing to her inability to read and understand product

\(^{37}\) Whilst BOP consumers also engage with products for meeting needs other than basic needs, the study of non-basic needs and associated products is beyond the scope of this research.
package messages, mainly in the English language, disadvantaged her market transactions. Like most informants, 1C1N then depended upon other people to read aloud and explain product information, such as a product's nutritional benefits, or its price. As 1C1N noted:

I cannot read. I am not literate. So, let us say he (shopkeeper) gives me this soap. I cannot read what is written on it. How will I know its price? Whatever he says I pay him… I have no idea about the product and how much energy or nutrition the food contains. As I am not educated, I get to know from what people tell me about the things which are good.

1C1N’s excerpt demonstrated how the informant’s low consumer literacy limited their ability to engage with the market, which was further hampered by the apparent MNCs’ failure to understand the BOP’s vulnerability and needs. That is, the BOP informants could not read, let alone understand English! For example, 1C4S claimed she had never bothered to know what was on the packet. She stated she ‘cannot even read because it is in English.’ Whilst low literacy at the BOP is well-established in the BOP literature, MNCs’ failure to address this gap including by labelling products in English establishes a lack of development objective of their marketing to the BOP to empower the consumers to make informed product choices. Instead, the informants limited understanding of technical specifications like ingredients, largely because of product labelling in English, extends existing literature (Choudhary et al. 2019; Vishwanathan et al. 2009) and shows how constrained the informants are in their engagement with the market and MNCs branded and innovative products. However, as the informants accept their limitations in understanding labels of the products in English, they coped with the
market exchange by leveraging a modest set of personal skills recalling visual information like logos, price, and packaging (discussed next) (Adkins and Ozanne, 2005).

Consequently, market engagements often led to the informant’s dependence on third parties such as local shopkeepers for product information through personalised one-to-one interaction (section 6.2.2.1). Whilst most of the informants indicated shopkeepers understood their needs and accordingly offered appropriate products to purchase often leading to their reliance on shopkeepers (Alur and Schoormans, 2013; Vishwanathan et al. 2009). It might be argued the informant's low consumer literacy not only undermined their confidence to engage with the market but also perpetuated their dependence on others, i.e. the shopkeeper (Adkins and Ozanne, 2005).

This dependence upon others was further complicated by the intentions of others. Informants like 1C4S and 1C2S noted how shopkeepers often overcharged or sold expired and / or fake products, or stale and harmful products. For example, 2C5S commented, 'the shopkeepers' only want to sell and make a profit at all costs. They do not care about us.' Despite this, informants attributed and justified shopkeepers’ actions to their need to make profits.

Similarly, during a field visit with 1C2N to a shop in Nathupur, the shopkeeper attempted to sell the informant fake bottled water. An attempt which the researcher recognised from differences in the product's packaging, which contrasted with 1C2N's consumer illiteracy and her failure to recognise the fake product. This finding extends Choudhury et al. (2019) and Venkatesh et al.'s (2009) research that BOP
consumers reliance upon local shopkeepers makes them vulnerable to i) MNC brands labelled in English, ii) the shopkeepers need to make profit at all costs, iii) complete failure of the MNCs to not only ensure that the local shopkeepers are informed of branded products attributes targeting the BOP, and iv) failing to safeguard BOP consumers from expired and fake products, potentially through not enforcing legal controls, such as trademark infringement arising from fake products being sold.

The next sections illustrate how informants coped with low consumer literacy in engaging with non-branded and branded products, constrained by their limited ability to complete a purchase in the market. The possibility of negative market outcomes like choosing the wrong product or misunderstanding product information (Adkins and Ozanne, 2005; Viswanathan et al. 2009) often led the informants to limit their engagement to a few products and brands which they purchased based on their experience from using them. By drawing upon their cultural capital, some branded products became integral to the informant’s habitus based on product benefits (section 7.2.1). Equally, based on the informant’s understanding of certain product attributes (section 7.2.2), BOP consumers formed a positive brand image of some products (Keller, 1993). How the informants’ safety and trust in branded products lead to their product choice is important to understand how MNCs’ marketing influences BOP consumers’ habitus and consumption choices between non-branded and branded products when engaging with the market.
7.2.1 Safety and ‘trust’ consuming branded products - benefits of brands

Existing literature argues that BOP consumers are typically ‘brand conscious’ consumers looking for safe and ‘better’ products to meet their needs (Chikweche, 2010; Chikweche and Fletcher, 2012; Clay, 2005; Prahalad, 2006). Needs typically met by greater market penetration of MNCs branded products (Prahalad, 2006). Yet, existing literature inadequately discusses the significance of ‘local’ non-branded products, like staple foods in BOP informants’ consumption practice (section 6.2.2.2 and 6.4) (Clay, 2005; Subrahmanyan and Gomes-Ariaz, 2008).

Despite the BOP informant’s reliance on non-branded products for meeting basic needs, there were some products the informants had almost stopped buying local or ‘open,’ for example, cooking oil, milk, and curd. This was mainly because of concern that local non-branded oils, milk, and dairy are adulterated as was often reported in media and government directives (Times of India, 2012). For example, government advice warned consumers against the use of ‘open’ dairy and dairy products, suggesting possible harm from their use (ibid). Consequently, the availability of apparent safer branded milk and dairy product alternatives, at affordable prices, encouraged informants’ consumption of various branded dairy products.

Similarly, the informants were negotiating between branded and non-branded products, with greater use of branded products for grooming and hygiene needs (Gupta and Pirsch, 2014). For example, informants like 2C11S, 1C3S, and 1C1N use ‘local’ mustard oil for moisturising the body in addition to using it for nourishing hair as a conditioner, especially for babies. However, informants like 2C5S and
2C6S are disappointed in the oil they get in Gurgaon and adopted branded ‘baby oil’ and ‘olive oil’ or body lotions and creams because ‘they are safe from adulteration.’ For example, 2C6S commented: ‘there is a lot of difference in the mustard oil available in the market here’ as compared to her native village where she got ‘fresh oil’ and therefore ‘even now people use mustard oil in the villages because it is good.’

Although informants like 2C1S, 1C1N, 1C2S, and 1C3N, noted their engagement with some branded products, like staple foods, e.g. ‘Aashirvaad flour’, ‘Tata salt’, ‘Fortune refined oil’, and ‘Fortune mustard oil’. Yet, in the context of low consumer literacy, most informants like 1C2N are not aware of most of the brand names of products they use and tried to describe what they claimed were benefits of consuming brands, e.g. taste, which then formed a consideration for engaging with them. 1C2N stated:

I get ice-cream when I go to the market. The one for INR 10 or 20. (about £ 0.10 -0.20) I do not know the name. We eat home food. The packaged/company food that too we eat. However, it is not our main food. We eat it because it is tasty.

The excerpt above suggests how many BOP informants like 1C2N largely based their decisions to engage with products like snacks on what they believed were the functional benefit of taste (physiological) and what it feels like to use products because of its taste (Keller, 1993). 1C2N’s response is typical, as she admits that she is not aware of any ‘benefits’ of nutrition in ‘packaged’ snacks. Instead, she states:
We do not know the benefits of these (packaged) products and do not understand the need to eat them. The company food (snacks) we eat...because it is tasty. Biscuits, rusk, mathi (Indian savoury snack), and many products.

Thus, BOP consumers lack adequate awareness, including of any harm from consumption of branded products with possibly high saturated fats and sugar content (section 6.2.2.1). It might be argued that informants’ consumption of ‘many products’ based on consumer preference for ‘taste’ (physiological), allows the MNCs to increasingly market more unhealthy products based on their preference for taste. However, such marketing that meets some needs of taste without communicating to the consumer information about health risks presents tensions. One tension was demonstrated when 2C2N stated she is struggling to get her son (around the age of twelve) to lose weight which her doctor attributed to the child’s habit of eating ‘a packet of Lays crisps and Cadburys chocolates every day.’ 2C2N, who recently lost her husband to a heart attack is concerned about her son’s health and complained about the influence of ‘tasty’ products her child cannot stop eating.

Yet, as the informants engage with the market, they cannot separate themselves from the influence of MNC marketing non-essential products. Instead, it appears the influence of brands and the informant's trust in them makes the BOP consumption practice arbitrary as they spend money on non-essential and possibly harmful products. The informant’s make new product choices and consumption decisions, whether informed or not (Clay, 2005) as they struggle to consume ‘good’ products to meet their and their family’s needs. For example, 1C1N’s choice between consuming a local snack like samosa (Indian snack) which she also finds ‘tasty’ and
branded crisps like ‘Lays’ is determined by the dual advantage that branded snacks are ‘tasty’ and ‘safe’ ‘...because they are packed’ and therefore hygienic while samosas sold in the local shops in the slums might not be ‘safe’. She noted ‘I do not eat (samosa) because it is not healthy as the flies keep flying over the food and after eating, we fall sick. In packed food, this is not the case.’ Such harm from consumption of ‘local’ products led informants like 2C1S and 1C2S to constantly include branded products in their consumption practice instead. As this finding suggests, this was because packaged foods ensure satisfaction like the taste as well hygienic and safer product options which the informants then trust and associated with brands and the properties they embody (next section) which many local ‘open’ products do not provide.

Indeed, the informants feel branded products are ‘cleaner and healthier’ hence safer, which is important for health and nutrition. It might be argued that they are unaware of the long-term consequence of consuming them. Instead, the finding suggests that for the informants, some immediate negative experiences and consequences of bad choices are more severe and harmful, when products not only fail to meet their immediate needs but impact their health as they spend their limited resources on unsafe products. Note how 1C1S narrates her experience as she establishes trust and safety with some brands she consumes.

In the company products that we consume, there is no such harm to us. I think if you are wise and even if you have less money there is no harm in spending INR 2 more on a better product. You might buy a product a little cheaper, but you might end up spending more on a doctor's visit after using the product. Moreover, your health gets affected, and you
suffer in pain. I feel a few such experiences can make anyone realise the need to buy better products on their own. Then they would not buy open products and will choose packaged products.

The informant’s experience and belief that they benefit from using ‘good’ ‘clean,’ and ‘unadulterated’ products because they were ‘packaged’ helps form a positive brand image and attitude (Keller, 1993) making them loyal to the brand. Hence, the informants constantly evaluate the opportunity cost (Spiller, 2011) of choosing between safe and better quality (next section) branded products that are possibly more expensive versus unhygienic, yet lower priced local products, albeit without adequate product information of the brands they increasingly consume. Yet, the influence of MNC brands present tensions for BOP consumers’ limited incomes, as they increasingly consumed products that appear as non-essential like ice-creams (Jaiswal and Gupta, 2015; Karnani, 2007b, 2009). Note the excerpt below which indicates how many MNC brands formed part of the informant’s like 1C4S’s consumption practice:

I buy the INR 12 yellow pack of Maggie. Biscuits I buy at times Good Day, Tiger cream biscuits or the INR 5 or 10 one. Their father brought biscuit of Bournvita once. Parle-G is also good. We buy Frooti, Cadbury Dairy milk chocolates, 5 Star, Pulse toffees, and ice cream. Chocolate ice creams. We buy Lays chips, Kurkure, Punjabi tadka, Navratan mix (Indian savoury snacks), Mountain Dew, Mazza, Coco cola, Pepsi, Lassi. The children know what is good for them… (Long pause) … Nothing else.
While the excerpt suggests some of the influence of brands which forms the symbolic basis of MNCs’ power (Lee et al. 1999) on BOP consumers, demonstrated through their consumption of non-essential products like snacks. It might be argued that the BOP informants do not recognise the symbolic power of brands influencing and determining their product choice (Lee et al. 1999). Moreover, while these findings suggest the consumers wanted access to markets to meet their needs (Arnould, 2007), the role of brands in meeting the basic needs of food was not comprehensive, and branded products met some staple food needs.

Similarly, while informants in this study used only a few products for personal hygiene and grooming, they mostly used popular branded products that were similar to those used by other consumers (Alwitt, 1995). For example, Lux, Lifebuoy, Dettol and Cinthol soaps as well as Clinic Plus, Pantene, Dove and Head and Shoulders shampoos. Most informants like 1C1S, 1C5S, 1C6S, and 1C10S used creams like Fair & Lovely, Ponds, Vaseline body lotion and other brands like Nivea, Boro Plus and Vicco Turmeric. The informants commonly used various branded hair oils like Dabur Amla and Bajaj almond and Parachute coconut and jasmine.

Many informants like 1C4N consumptions of branded products for personal hygiene and grooming needs was based on the brands’ perceived benefits which were then contrasted to what she used before. For example, 1C4N used ‘Lifebuoy soap’ for washing her hair before she used shampoo. However, using shampoo, she feels ‘is good for hair and makes them shine.’ Replacing soaps and detergents, which some informants used for washing hair, with branded shampoos was, therefore, a favourable experience for many informants which they then associated with brands. The excerpt demonstrates how experience from using branded products was an
important way for informants to understand the benefits of the product. While the informant’s low cultural capital limited their product knowledge, like its contents or indicated benefit, it might be argued the informant’s choice and preference for branded products was mainly based on their own experiences. Simultaneously, while such choices and engagement with branded products show a sense of contentment (Leipämä-Leskinen et al. 2014), it appears the brands advertising for grooming products mainly suggests the consumer’s aspirations will be met by consuming the products. Informants, like 1C3N, expresses happiness and satisfaction as she stated she uses ‘…Dove because it makes my hair look beautiful’ and believes the use of the products will restore their bodies and hair to healthier conditions (Pathak and Nichter, 2018), for example, addressing hair loss and getting ‘shiny’ and ‘silky’ hair, implying healthier hair. The fact that the informants believe the product offers these benefits demonstrates how marketing influences the consumers even though the efficacy of many products is not proved (Karnani, 2007a), for example, fairness creams many informants used (section 6.4.1.3). Thus, MNCs not only promote aspirational products that appear to benefit consumers ‘body and health,’ but the availability of many brands influence habitus and offer choice to the informants to satisfy their needs without necessarily improving their health.

However, informants were not always in awe of branded products. Many informants expressed some doubt when adopting ‘new’ branded products because they lacked adequate product information. For example, based on her experience, 1C10S stated ‘Problem with shampoo is too much shampoo leads to hair loss.’ Equally, some informants like 2C9S had a negative experience from using ‘new’ branded face wash ‘recommended’ by people which she claims caused her ‘face (to) get
pimples’. Consequently, she decided to use traditional and local products like fresh ‘neem leaves’ to treat her skin. Not only is 2C9S happy to have learned about the benefits of traditional Indian products and practice for grooming, but she also noted she has since begun using ‘natural things’ like ‘aloe vera’, and ‘lemon juice’ rather than buying ‘too many products.’ This finding demonstrates the informant’s constant negotiation between branded and non-branded products to meet their basic needs satisfactorily.

While demonstrating the influence of increased availability and consumption of brands targeted at the BOP evident in the choice of basic need products based on practical reasons, the above excerpt suggests a globalised consumer culture for FMCG products marketed by MNCs (Ger and Belk, 1996; Yurdakul et al. 2017). Yet, many of the products mentioned above, are possibly not meeting informants’ basic needs, as suggested by the informant’s in Chapter Six. Instead, consumption of non-essential branded products suggests how the BOP consumers challenge their poverty and accommodate products in their consumption practice, thus, making them a basic need.

Thus, the BOP informant’s overall experience with products influenced their views of brands and the way they used them by i) replacing local unbranded basic need products with branded ones, ii) using brands based on their understanding of benefits, and, iii) expanding and including branded non-essential products to become part of daily needs. This was mostly shaped by the informant’s subjective handling of their habitus as they adopted branded products based on how their use of brands made them feel.
7.2.2. Escaping constraints of life at the BOP- considering key brand attributes

This section looks at how informants’ low consumer literacy was evidenced by their difficulty to process product information and technical specifications, e.g. ingredients, in their engagement with branded products (Vishwanathan et al. 2009). Instead, they relied on information like product attributes of the price (section 7.2.2.1), quality of products (section 7.2.2.2), and quantity - hence pack size (section 7.2.2.3). Similarly, this section will show how recommendations by other consumers were not a significant determinant in the informant’s engagement with brands unless other product attributes met the informant’s needs satisfactorily as they then use their own choice when engaging with brands (Choudhury et al. 2019; Gupta and Pirsch, 2014).

7.2.2.1 Price and affordability

The informant’s demonstrated some skills to form a strategy that allowed them to choose products to meet their needs using their low consumer literacy. For BOP informants in this study, price and affordability were a key determining factor in consuming branded products (Adebayo, 2013). The informants frequently tried to purchase products that were ‘inexpensive,’ hence affordable. For example, 1C4S noted how she used Lifebuoy and Lux soap ‘not for any benefit as such’ but that it ‘fits’ her ‘budget’:

…when I do not have the means for better, then that is good enough.

However, if one has more money, there are better products.
Here 1C4S does not necessarily consider the antibacterial properties of Lifebuoy soap and better hygiene as the basic need the product meets. Instead, 1C4S’s response is typical as she noted, ‘If I have money at times, I buy Dove.’ It may be argued whilst an antibacterial soap like Lifebuoy, which is cheaper than Dove is adequate to meet the basic need of handwash and hygiene. However, the marketing of more expensive and aspirational brands like Dove create needs among the informants for what they then consider ‘better’ products that in fact, might not have any additional benefits for them.

Furthermore, price and affordability appear central to the informant’s engagement with brands to distinguish products, even though they did not know many of the names of the brand products they used. For example, 1C2N does not know the name of the detergent she uses, stating ‘It is an INR 10 pack that I use. I see the packet and recognize it. I ask the shopkeeper for the INR 10 packet, and he gives it’. This supports Adkins and Ozane (2005) and Viswanathan et al.’s (2009) study that BOP consumers view brand names and prices as objects instead of as symbols because of their inability to understand other product information and attributes. Engaging with brands by the informants was then based on cues like colours or price of products (Adebayo, 2013), which appears as inadequate product knowledge, instead of important product information, e.g. ingredients or calorific values.

7.2.2.2 Quality of products

Despite the need for affordability, the informants strived to buy ‘quality’ products with their limited finances. Informants, like 1C1N, often recognised brands as ‘good
quality’ products compared to some inferior quality local products, often discerning product quality based upon its price. As 1C1N commented:

I do not buy cheap products because they are not good. The shopkeeper also suggests that this product is good, and this product is cheap, so, I know those costly products are good.

1C1N’s quote demonstrates her understanding that good quality products, lend a positive experience warranting additional expenditure, albeit they are a little more expensive. Whilst there is an economic cost to buying more expensive branded products, the informants were confident that ‘large companies’ selling ‘packaged’ products offer quality hence safety. As the excerpt above states, shopkeepers reinforced informants’ belief that ‘expensive’ branded products were ‘better quality.’ However, the shopkeepers selling the branded products to the informants were motivated to sell branded products owing to MNCs paying shop keepers an additional commission to sell brands.

Thus, for informants, consuming good quality products defined mainly by their benefits as unadulterated, safe, and healthy satisfied BOP needs (Alwitt, 1995). For example, 1C10S recalls, her mother’s advice to engage with better quality products to meet basic needs.

My mother says that you need to purchase good products. Even if it means buying less but it should be of good quality. That will have its benefits for me. When you buy unpackaged products, they are dirty. See when you buy open flour, there is so much grit, and even the colour of
the chapattis is not right. It is not soft and does not even taste nice. It seems that the packaged products will be of good quality.

The excerpt above explains how the informants establish the alternative use of their limited resources by choosing better quality products. By constantly making trade-offs between quality and quantity, the informants then choose to consume small quantities of better-quality products. This is discussed next.

7.2.2.3 Quantity and pack size

As well as understanding the need for affordability, informants justified their engagement with ‘good quality’ and ‘expensive’ branded products mainly by purchasing small quantities. For example, 1C2N stated ‘I never buy big packs. I always buy small,’ which she thinks is ‘good’ for her. Additionally, the infrastructure and facilities like storage space, refrigeration, electricity, and hygienic conditions discouraged the informants from buying large quantities that they not could store adequately (section 6.2.1). Note how 2C6S explains the significance of purchasing small quantities that allow her to meet her immediate needs in the limited income she had:

If I do not have more money and if the product is there in small packing so, that would be enough for us, and if only big packets are available and I do not have money then I will not be able to buy it. Some people say that there are benefits in the bigger packet, but it is good for them who have money and if I do not have money then I think that let us buy small products. When I have money, I will buy a bigger packet.
The excerpt above suggests the informants could financially afford and accommodate their basic needs by buying small quantities/packs by making daily, weekly purchases. This finding corresponds to Hammond et al.'s (2007) study that ‘sachet marketing’ or packaging products in single-use or small units associated with fast-moving consumer goods made them more affordable to the BOP. The incremental innovation of small packs is discussed further in section 7.3.1.2.

Overall the findings in this section (7.2) demonstrated the role of branded products in meeting the BOP consumers' basic needs as some branded products offered better quality, hence establishing safety, and trust compared to the local alternatives. In that sense, it can be said the informants in this study were not different from other value-conscious consumers seeking affordably priced quality products (Alwitt, 1995; Clay, 2005; Gupta and Pirsch, 2014; Jaiswal and Gupta, 2015; Prahalad, 2006). However, as the findings show that in the context of the informants’ low consumer literacy, and reliance on non-branded local products based on their embodied cultural capital, the local products in the informal market often fail to meet their need. It might be argued that government regulations fail to provide safe and trusted products for the BOP which leads to the breakdown of the BOP consumers' trust in local products, as they then engage more with brands marketed by MNCs. However, while the MNCs provide an alternative of safer products, the findings suggest there is need for understanding and distinguishing between facilitating consumers access to better quality local products, as opposed to MNCs meeting needs because of the failure of the government and local market to provide safer alternatives (Figueiredo et al. 2015).
Thus, section 7.2 reveals the complexity of BOP consumers' engagement with the market which Prahalad (2006), rather simplistically, argued should be directed towards 'modern,' 'safe' and affordable products. Consuming suitable non-branded and local products was not seen as inadequate by the informants. Indeed, for many informants consuming various non-branded products was non-negotiable. Yet, as informants were constantly negotiating between branded and non-branded products based on their experience with products available in the market, many preferred non-branded products were replaced with brands because of lack of trusted, safe local products. Whilst the informant’s engagement with branded products demonstrated an alteration of tastes and consumer behaviour in response to product marketing (Fine and Leopold, 1993; Jaiswal and Gupta, 2015). It might be argued that Prahalad's (2006) notion of 'modern' basic need products does not align with the BOP consumers' habitus demonstrated through their contextually determined basic needs and associated products as well as their limited capital to engage with the market field. Instead, their adaptation of consumption practice is mainly reflective of how they cope with their poverty, the failure of the market to provide safe and good quality local products as well as the increasing marketing of MNC products which they then adopt.

This the next theme discusses the BOP informant’s understanding of innovative product attributes of the brands they consumed.

7.3 BOP informants’ engagement with innovative products

Prahalad (2012) argues that MNCs need to understand the BOP consumers specific unmet needs and innovate products that provide the dual benefits of price and
performance (Gupta and Jaiswal, 2013). Furthermore, Rahman et al. (2013) argue that for BOP consumers to perceive characteristics of brands innovative attributes like its relative advantage or compatibility with their needs (section 3.5.2.2) (Rogers, 1995), MNCs need to communicate the products innovative attribute to influence its adoption. However, within the context of development and inclusive growth, inclusive innovations must address basic needs (Papaioannou, 2014, 2019). Yet, as the findings suggest MNCs and their innovative products do not mainly meet the informant’s basic needs, nor do they understand the technical attributes of branded innovative products that claim to address unmet needs. Instead, it has been demonstrated that informants’ low economic and cultural capital lead them to consume branded products to navigate the market and escape the challenges of their poverty.

This section establishes incremental innovations identified and outlined within the scope of this study, i.e. the perceived newness of the product by the BOP consumers (Rehman et al. 2013; Rogers, 1995) (section 5.3.3) evidenced through – adaptations in FMCG products (section 7.3.1) and small, single-serve product packaging (section 7.3.2). In presenting the informant's contextual engagement with the innovative products, this section discusses i) BOP understanding of the innovations and their benefits, and, ii) ascertains the inclusive nature of the MNCs’ FMCG product innovations (Heeks et al. 2014). Specifically, focusing on the basic need products BOP consumers use, this section now demonstrates how many informants adopted branded innovative products without adequately understanding the innovative attributes. The section argues that the BOP informants lack of awareness of innovative attributes of products demonstrated the absence of the MNCs' intent and role in meeting BOP needs. In doing so, this theme provides better
clarity on what constitutes inclusive innovation for the BOP and how MNC innovations can be directed at BOP needs (Chapter Eight) (Mukherjee, 2014).

7.3.1 Products adapted to make them ‘better’ for the BOP?

BOP informants consumed certain branded products designed to meet their needs. The three key ways this adaptation happened were: i) adaptation of staple foods through fortification for example, with vitamins for better nutritional value, ii) adaptation of products for better health and hygiene, and, iii) other non-essential foods that were adapted and included in the BOP consumers daily consumption practice. Appendices L to L3 provide tables and photographs of some of the innovative products the BOP informant’s consumed using secondary data and field observations.

Despite the BOP informant’s using branded innovative staple food products like - nutritionally adapted Fortune soya-bean oil, Tata salt, Mother Dairy milk, and Nestle yoghurt most of the informants were not aware of the product’s innovative attributes. For example, on a visit to 2C11S house, she showed a packet of fortified Fortune brand refined soya oil she purchased. However, like most informants, she was unaware of what the oil was made from nor what it meant to be fortified. Hence, she was unaware of the benefits of the innovative product.

Similarly, many informants liked consuming fortified branded products, as informant 1C1S noted regarding Tata Iodised salt: ‘The new products the companies make are benefitting all of us. Compared to the earlier local products, the new products are better.’ However, few informants were aware of what constituted ‘iodised’ nor
the dietary benefits of iodine. Hence, most informants did not have any views on MNCs’ innovations or their intentions to inclusively innovate for BOP consumers unmet needs. For example, consider the need for additional vitamins in BOP informants’ diet. In this example, only after explaining the innovations to her, did 1C6S understand the benefits, noting:

If it (a product) has a positive effect on my health, then it is good. It is good the company thought about it. But I had not yet understood the benefits of the products in terms of health until you told me about it.

This quote indicates MNCs’ failure to provide the BOP with product information. The fact that the informants did not know the innovative product attributes and how that might be beneficial for them not only denies the informants’ power to make informed choices for consuming ‘better’ innovative products. Instead, it negatively affects the adoption of innovative products (Rehman et al. 2013) as consumers did not establish the advantage of engaging with them. Informants not only lost an opportunity to consume ‘better’ innovative products, e.g. nutritive foods but also consumed more brands that possibly did not have any real benefits for them as they could not differentiate between the products.

For example, during the focus group discussion, 1C2N admits that even if she tried to read and understand the nutrition labelling on the pack, including the information on fortification, all she could read is the alphabet ‘A’ and ‘D’ from the sentence ‘fortified with vitamin A and D’ which then meant nothing to her. Whilst the informants’ low consumer literacy supports their decision to engage with some brands, and they consumed some innovative products and benefited from them. It
might be argued that this did not necessarily lead to the adoption of innovative, branded products. The informants could equally give up the use of innovative products since it is not based on their understanding of the relative advantage of the innovative characteristics of the product. The informant’s engaged with innovative products just like any other branded product, without establishing either its benefits or the MNCs’ intent of marketing products that are inclusive of their unmet needs.

Similarly, many informants consumed adapted non-staple food products like instant noodles and bakery products like biscuits and bread. The fortified non-staple foods were readily available in almost all shops in the slums. For example, Nestle’s ‘yellow’ Maggie Masala noodles, and Britannia Tiger biscuits which were consumed by many informants and their families were fortified with nutrients. However, as the informants did not know the nutritional adaptations of such food products, they could not ascertain their advantage over non-innovative products. Therefore, it could be argued that the availability of some nutritive adapted product options had no real significance for the informants as they had no way of knowing the advantages of the more nutritious products.

However, informants like 1C2S, 1C10S, 2C1S and 2C5S had some awareness of ‘nutritious’ brands like Horlicks and traditional nutritive Indian jam Dabur Chawanprash (traditional nutritive Ayurvedic Indian jam). The informant’s believed consuming these products helped in ‘children’s growth’ and ‘better mental development’ and ‘impact their children positively in their studies.’ This awareness came mainly from the brands’ sustained advertising of the product’s innovative attributes. For example, informants like 2C6S and 2C1S bought ‘nutritive’ ‘company’ products like Horlicks and Dabur Chawanprash.
Chawanprash my children eat in summer. These things I buy for my house. We bring these things to eat. Good products we eat, and which are not we do not eat. (2C1S)

The excerpts above show informants try buying more nutritive branded foods based on their understanding of some branded products, e.g. traditional nutritive jam. It might be argued that the awareness of the nutritive values of these products led to the informants, including them in their consumption practice despite the products being expensive. The informants accommodated their habitus to consume them when they could afford it demonstrating how the awareness of the product allowed them to make an informed product choice for the nutritional and health benefit of their family despite their low incomes.

Equally, the adaptations in some hygiene products were typically seen in soaps and hand washes like Dettol, and Lifebuoy. Many informants were familiar with innovations like antibacterial properties in brands like Lifebuoy and Dettol based on the product’s advertising message. For example, 1C2S noted she is aware that Lifebuoy is an ‘antibacterial soap with health benefits,’ stating ‘...There are benefits for us, and I think there should be more of such products.’ Similarly, informants like 1C4S, 1C1N and 1C4N discussed the ‘antibacterial’ property of Lifebuoy, with 1C4S stating that, ‘Yes, I have seen that on T.V. They even advertise for Lifebuoy hand wash for children to kill bacteria and germs.’ She states she is aware because the soap has been in the market for ‘long.’ 1C4N noted, ‘the company has done good by making such a product’.
While the informants did not always use Dettol or Lifebuoy being aware of the antibacterial properties allowed them to use the products where they considered it appropriate, for example, 2C5S stated she used Dettol for washing her children's clothes because they played in the mud. This demonstrated how product awareness allowed the informants to meet their needs adequately. It might be argued then that by not creating product awareness, MNCs do not allow BOP consumers to meet their needs adequately. It appears, not only do the MNCs fail to understand the BOP needs in the context of their lives but they fail to create awareness and comprehensive information about how some innovative products can meet BOP basic needs.

7.3.2 Incrementally innovating packaging for the BOP market

The literature discusses FMCG MNCs single-serve package innovation, adapted to meet BOP needs, as a successful marketing strategy when targeting the BOP (Hammond and Prahalad, 2004; Payaud, 2014; Subrahmanyan and Gomez-Arias, 2008). However, critiquing the single-serve sachet marketing to the BOP that claims to offer choice to the BOP, Karnani (2007a; 2009) argues that MNCs should not sell branded and expensive products to vulnerable BOP consumers. Gupta and Jaiswal (2013), Karnani (2007a) and Warnholz (2007) argued that the BOP consumers pay more for small quantities and single-serve sachets which are central to the BOP approach of meeting consumer needs (Prahalad, 2006). Further, Karnani (2009) argued, the MNCs ignored BOP consumers' lack of capital and vulnerability to the power of MNC brands that substituted locally supplied traditional products.
As small packs of branded products (section 7.2.2.3) appeared to meet most of the informant’s needs by offering affordability, the informants were encouraged to engage more with branded products (Prahalad, 2012; Adebayo, 2013). For example, fortified Mother Dairy milk, Nestle’s fortified yoghurt, and Maggie instant noodles. Thus, informants like 1C4N, and 1C3S believe that ‘companies’ have done ‘good by making small size packs’ which allows them to buy appropriate quantities to meet many of their immediate needs. Indeed, if the products were only available in large packs, BOP consumers would struggle to afford them. Thus, many products, including for basic needs like, antiseptic soaps or Sensodyne toothpaste which is otherwise expensive to buy in a big pack, meet the BOP consumer’s needs. Consequently, it can be argued that many branded products in affordable small packs offer better alternatives to BOP consumers. For example, whilst, BOP consumers cannot afford regular visits to the doctors, their doctor’s recommendation to use Sensodyne toothpaste, which was now available in a small pack, allows the informants to meet their needs.

Equally, a nutritive adapted product like Horlicks and Dabur honey made available in a small pack allows consumers like 2C6S to consume the product more regularly because she could spend small amounts of money to buy it in her irregular monthly household income. She noted,

My son drinks Horlicks, and I get the small light blue bottle. I do not buy big sizes. See there is a bigger pack then this (shows a small bottle of Horlicks). I only buy small because it costs less…and I know how long it will last… So, when I can meet my needs with this much, why should I buy more? I manage my month in small packets.
The excerpt above captures how informants, like 2C6S, met many of their unmet needs by exercising judgement to purchase small packs of products. Buying small packs allowed the informants to consume many products to meet their needs and alleviate the distress of being poor. Although this meant consuming small quantities, the informants did not have to trade off meeting one need for the other. In doing so many informants demonstrated how they coped with challenges of life at the BOP and their desire to reduce constraints of being poor through consumption and basic need fulfilment (Lee et al. 1999; Leipämaa-Leskinen et al. 2014). It might be argued that the incremental innovation of small packs allowed the informants to consume many products and meet their needs which they could not afford in big packs. For many informants like 2C6N, 2C2N and 1C3N small packs priced at lower price points made them confident of meeting their basic needs.

Thus, many informants, like 1C10S, stated small size is an advantage not only for her but ‘By making a small size pack everyone can buy’. The excerpt suggests that the informants see the advantage of small packs as empowering many consumers with the possibility of buying brands that they often trust and consider safe (section 7.2.2). The significance of small packs in the BOP consumer's consumption practice challenges BOP marketing literature (Alwitt, 1995; Hill, 2001; Karnani, 2007a) which is critical of sachet marketing to the BOP. Whilst Karnani (2007a) states that the single sachet revolution is a failure and affordability is a fallacy. However, the findings in this study demonstrate the popularity and important role of the sachets in meeting BOP basic needs. A perspective based on the BOP informant’s response to the marketing and products meeting their basic needs.
Significantly, observations by the researcher of some of the products BOP informants consumed in small packs revealed that some products sold in sachets like shampoos were not only affordably priced but cost less proportionately than the large packs. For example, a Clinic Plus shampoo bottle of three hundred and forty millilitres cost one hundred and fifty rupees, whereas a six-millilitre sachet costs INR 1. A comparison of the two prices and volume demonstrates the larger pack is 2.65 times more expensive than the sachet pack. Similarly, a Dove shampoo bottle of six hundred and fifty millilitres is 1.6 times more expensive than the INR 3 sachet. Thus, it appears that ‘price wars’ between MNCs like HUL and Procter and Gamble has resulted in sachets of many products like shampoos, detergents, tea, coffee, and even chocolates costing less than large family packs (Economic Times, 2004).

However, while the small packs offered the informants the choice of consuming many branded products at affordable prices by connecting their needs to demand, many informants, like 2C5S and 2C1S, were critical of the availability of all kinds of savoury snacks and candies in small packs at every shop in the slum. For example, discussing the innovation of small packs during the focus group interview, 2C5S states she believes the easy availability of such products in small packs is responsible for children demanding more snacks and candies when she thinks they should be eating healthy foods instead (section 6.4.1.2).

It is mostly these tiny packs of INR 5-10 (about £0.05-0.10). It is a waste of even that amount of money. It is better we give them (children) better things that will benefit them and even save us the money…And it is because these packaged foods are useless that is why they are selling so cheap. Otherwise, why are fruits and healthy things not cheap? If we
get a healthy and beneficial product for INR 5-10 (about £0.05 - 0.10), do not you think we will buy it. But it is not available. Whatever is harmful is what is available cheap.

Agreeing with 2C5S, all the informants say that if any nutritional and beneficial products are priced cheaply, they are not aware of them. Yet 2C5S adds that low priced snacks serve as a way of satisfying some needs.

That is the point I am making. We get these products in INR 5-10 to satisfy some needs at least. It might not be nutrition, but it is doing something for us.

Equally, 1C2N then supported the use of a small pack and stated:

So, then it makes sense even to give them (children) an INR 5 (about £0.05) pack and satisfy the children. They do not care how much of the snack they have eaten or if it has filled their stomachs.

The excerpts above show that while the informants acknowledge the significance of small size pack in meeting various basic needs, they do not entirely approve of them particularly for snacks and beverages which they claim leads to increasing consumption of the non-staple foods. The informants showed some reservations about the easy availability of such products in small packs that they did not consider necessary and basic. However, they increasingly consumed them because they were available in the market in affordable packs.
This section explored how MNCs’ incremental innovation of small size and single-serve packaging addressed constraints of BOP consumers’ low income and affordability of products. Whilst understanding the BOP consumer’s perspective of how the incremental innovation in packaging influences their habitus and consumption practice in meeting their needs. The significance of some FMCG basic need products marketed in small packs is demonstrated through the findings. It might be argued that innovation of small packs that help convert needs to demand of many products at the BOP, leads to demand push innovation (Nemet, 2007, cited in Greenacre et al. 2012) as the expanding market at the BOP offers MNCs opportunity to profit. However, as the findings suggest few FMCG products are aligned to address basic needs. Instead, by incrementally innovating products and their packaging and by making them available at the BOP, MNCs obscure the real needs of the BOP informants. For example, informants like 2C5S say they would buy more fruits if they were affordable which the market fails to provide for the informants to meet their needs. Yet, MNCs have made non-essential products like snacks and beverages available and accessible in small affordable packs.

7.4 Conclusion

This chapter has demonstrated that BOP informants engage with both branded and non-branded products to meet their needs. The chapter argued while the BOP informant’s habitus guides them towards using many local products, lack of safe and quality local products often leads to informants adapting their habitus to accommodate branded FMCG products in their consumption practice. The informant’s experience with MNC brands and their increased marketing at the BOP (discussed further in the next chapter), influences their consumption practice as they
trust some brands based on their practical use and attributes of the products that they then claim to benefit from. However, the informants do not clearly understand the advantages or disadvantages of the innovative and branded products they adopt.

Further, the chapter argued that while incrementally innovating packaging transforms some needs into effective demand at the BOP, the MNCs failed to demonstrate the products were inclusive of BOP consumers' basic needs. Instead, many products marketed in small packs are non-essential and appear to obscure informants’ real needs for good quality and nutritious local products. The chapter claims, the many ways in which MNCs’ power of marketing brands influences BOP consumer behaviour, presents a challenge at the BOP. Whilst MNCs’ innovations and their marketing of safe, affordable, and quality products superficially appear to include the BOP consumers in the market. Such innovations are not inclusive of their basic needs. Specifically, the chapter highlights that local products are central to meeting BOP basic needs. The role of branded innovative products does not appear significant in basic need fulfilment. Instead, MNCs’ failure to create awareness of innovative products suggests not only the need for MNCs to market products more aligned to BOP consumers' basic needs but also create comprehensive product knowledge to empower them and help them make informed product choices and their need to be included in the market.

A summary table of the key findings from this chapter is presented in the table below.
### Table 7.1 Summary of findings

<table>
<thead>
<tr>
<th>Key Finding I – Lack of availability of good quality non-branded products influences consumption practice as consumers mediate engagement with brands with low consumer literacy.</th>
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<tbody>
<tr>
<td>1. Despite the significant role of non-branded products in meeting basic needs, complexity is added in consumption practice by unsafe, unhealthy, adulterated non-branded and local products.</td>
</tr>
<tr>
<td>2. Role of English in brand marketing makes the consumer vulnerable and keeps the balance of power in market exchange in favour of MNC’s.</td>
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<tr>
<td>3. BOP consumers cope with the market based on their own experience and choice.</td>
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<th>Key Finding II - The BOP informants demonstrate some control over their life despite the constraints of low consumer literacy and vulnerability when engaging with the market.</th>
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<tr>
<td>4. Branded products not comprehensive in meeting basic needs.</td>
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<tr>
<td>a. Consumption of branded products was more for non-essential foods and grooming and hygiene products.</td>
</tr>
<tr>
<td>5. Branded product consumption was guided more by practicality: i) attributes like – quality, price, and pack size and ii) benefits like the experience of how it feels, taste and safety.</td>
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<tr>
<td>6. Despite low awareness of brands BOP consumers' consumption of brands was based on symbols and price.</td>
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<tr>
<td>7. BOP consumers met many needs by using small packs of branded products.</td>
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<tr>
<td>8. There is limited understanding of technical specifications like ingredients mainly because of product labelling in English.</td>
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<tr>
<td>9. The BOP consumers did not understand innovations like food fortifications</td>
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<th>Key Finding III - The BOP consumers used some innovative basic needs products, but there was a very big gap in awareness of the innovations.</th>
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<tr>
<td>10. BOP consumers used innovative basic need products for staple food, non-staple foods, and grooming and hygiene.</td>
</tr>
<tr>
<td>a. The BOP consumers had almost no knowledge of the innovations in the products.</td>
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<tr>
<td>11. The BOP consumers did not think that the innovations, including the small packs, were intended for them.</td>
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**Source**: author
Chapter Eight MNCs’ marketing innovative products: BOP approach and inclusive innovations

8.1 Introduction

Chapters Six and Seven focused on BOP basic needs and their engagement with the market. In this sense, they brought out the voice of BOP consumers. This chapter goes further to bring out the voice of MNC executive informants. In other words, it extends the research to MNCs’ marketing practice to understand their perspective on the extent to which BOP approach of marketing FMCG product innovations is inclusive of consumers basic needs.

While Prahalad and Hart (2002) argue that market exchange between MNCs and BOP consumers empowers BOP consumers by addressing their needs. The assumption that the BOP approach meets needs by offering consumers choice in consumption of products (Sridharan et al. 2017), justifying the expansion of the formal market to the BOP, is based on BOP consumers’ demonstrating rational utilitarian consumer behaviour in a market exchange (Ackerman, 1997; Eyben et al. 2008) with no market failures like asymmetric information flows, and power influences in the market exchange (Clyde and Karnani, 2015). However, the previous chapters demonstrated BOP consumer vulnerability in the market because of their low economic and cultural capital evidenced mainly by low consumer literacy and inadequate product information that prevents the consumers from making informed product choices when engaging with the power of brands marketing. Finally, Prahalad (2006) claims that informal markets inadequately meet BOP
needs, and consumers need to be rescued from the inefficient informal market. Yet, the findings demonstrated, how drawing from their traditional knowledge, the informant’s established the significance and role of many local products in their consumption practice for basic need fulfilment, although they were often inadequate in meeting their needs.

While the existing BOP literature fails to explore some of the assumptions mentioned above, existing literature does not explain how MNCs’ profit and BOP consumers’ need fulfilment can be congruent despite existing constraints in the market as presented in the findings. Conversely, for a BOP market-based approach, MNCs are required not only to meet BOP consumers’ needs but also satisfy MNCs’ profit requirements. In other words, it seems the BOP approach needs to address MNCs and BOP consumers very differing needs (Humphrey and Robinson, 2015).

This chapter considers Prahalad’s (2012) four A’s of marketing to the BOP - availability, access, affordability, and awareness, (section 3.8.2.) - as an alternative perspective of connecting BOP needs to demands, instead of state grant and policy interventions (Srinivas, 2012). From a development perspective, research on connecting BOP needs to demands (Srinivas, 2012) through product innovations usually has not focused on the role of market and marketing, which this research does. Something which Prahalad (2012) and Kaplinsky, (2011, 2014) allude to but do not theoretically and empirically explore. This is then viewed in conjunction with marketing and commercial principles of the BOP approach which is based on the perspective that markets can meet unmet needs of the BOP as well as generate profits for MNCs (Gupta and Jaiswal, 2013; Simanis et al. 2008). This differs from the current innovation and BOP marketing literature in two ways. Firstly, this
research extends the mainstream innovation model to the BOP instead of focusing on the needs of the middle and high-income consumers (Chataway et al. 2014; Kaplinsky, 2011, 2014). Second, to understand the inclusive nature of the product innovations this research focuses on basic needs (Papioannou, 2014; 2019) and associated products which other studies (Yurdakul et al. 2017) fail to do.

The key argument the chapter makes is that MNCs incremental product innovations (Dewar and Dutton, 1986) that emerge from the BOP market do not demonstrate any intent (by the MNCs) to meet BOP consumers’ basic needs inclusively. While the informants consume some innovative FMCG basic need products, from a development perspective, the BOP approach and MNCs’ innovation strategy (Prahalad, 2006; 20012) does not present a clear well-being agenda. Instead, the MNCs’ marketing objective to include BOP consumers in the market is aimed at profit maximisation (Schumpeter, 2004), specifically by connecting consumers’ unmet needs to demands at the BOP by making FMCG products available, affordable, and accessible without any sensitivity for creating adequate product awareness. Thus, while appearing to meet needs and including the BOP consumers in the market, the product innovations are not inclusive of BOP basic needs. This will be demonstrated by the findings in this chapter.

Two themes emerging from the empirical data are presented in this chapter. Section 8.2 critically explores MNCs as innovators of products for the BOP. The section discusses the MNCs’ marketing strategy of positioning products by making them available, accessible, and affordable to meet BOP consumers’ needs and the value they offer (London, 2004). Section 8.3 explores how MNCs’ marketing strategy of four A’s fails to create awareness at the BOP.
8.2 MNCs innovating to meet the needs of the marginalised?

The BOP market is traditionally considered the domain of Governments, aid agencies, non-profit and non-governmental organisations (Subrahmanyan and Gomez-Arias, 2008). This is mainly due to constraints like limited purchasing power, lack of awareness, inadequate market infrastructure, and limited market penetration of products (section 3.6.2) (Beninger and Robson 2015; Bharti et al. 2014) that make the BOP market less lucrative for MNCs to increase profitably (Anderson and Billou, 2007; Gupta and Jaiswal, 2013; Prahalad 2012; Srinivas, 2012; Warnholz, 2007). However, Prahalad (2012) claims that MNCs need to understand specific unmet needs at the BOP (e.g. like nutrition, health, and hygiene) and innovate products that meet them. In doing so, Prahalad (2006, p.16) suggests, MNCs participate in the BOP market and create a ‘capacity to consume’ using the four A’s to include the BOP in the market thus, contributing to inclusive growth (Prahalad 2012).

Overall this theme explores MNCs’ intent to innovate products to include the BOP consumers in the market that meet their unmet basic needs and benefit them (Heeks et al. 2014). This is explored within the context of i) the BOP consumers’ lived experiences and ii) BOP market and its characteristics (section 3.6.2). In doing so this theme analyses the inclusive nature of FMCG products and understands the distinctive consumer needs they aim to meet, highlighting any key difference in MNCs’ marketing strategy- value offered, and marketing objective - profit and wellbeing when marketing to the BOP (Kotler and Levy, 1969). This section then discusses what value MNCs offer to the consumers and what they seek from their engagement with the market at the BOP.
8.2.1 Making innovative products available at the BOP – building trust and reliance on brands or their innovations?

The BOP approach suggests that MNCs leverage existing infrastructure to innovate products and make them available at the BOP by understanding consumers’ unmet needs (London and Hart, 2004; Prahalad, 2006). The BOP approach claims that marketing requires ‘responsibility’ and ‘commitment’ (Alwitt, 1995) which implies a willingness of MNCs to provide benefits of branded innovative products to BOP consumers. Correspondingly this builds trust at the BOP by making products available and accessible.

In contrast, MNC executives in this study tended to offer a differing account of their intentions for product innovations and building trust among BOP consumers. While all executives intended for innovative products to benefit BOP consumers, the executives discussed innovating products by adaptations for the entire market and not the BOP market segment exclusively. This demonstrates that the knowledge and experience from the BOP market (London, 2008) were mostly absent in the intent for innovation. For example, explaining Cargill's position on fortified oil as a 'better' product, the Cargill executive believes if 'everyone starts fortifying their oils, then that is the oil which is there for everyone available.' Hence, the availability of the innovative oil was aimed at all the consumers and not, specifically the BOP. He stated: ‘And it was not going to the bottom of the pyramid. It could be going … but not only going to the bottom of the pyramid.’ Thus, it might be argued that the MNCs’ investment in product innovations are directed at the larger market to ensure financial viability which differs from development policy’s emphasis on MNCs
investing and innovating specifically for the BOPs’ unmet needs (Deloitte WBCSD, 2016; DFID, 2015).

Similarly, the BOP literature (Prahalad, 2006; Shah, 2011) discusses HUL’s popular brand Lifebuoy as a successful innovation that reduced incidence of diarrhoea (HUL; 2011; Unilever, 2009) and improved health and hygiene of consumers. However, the HUL executive explains the antibacterial soap has been innovated to provide benefits for all consumers. Equally, the company’s intent to innovate for better nutrition is aimed at impacting the entire consumer base. The HUL executive stated:

So, but if you are asking whether a specific product, for example, this fortified will it be specifically made for a person who is at the bottom of the pyramid, the answer is no. So, it is basically for all...

This quote confirms that there is no relationship between MNCs innovating products and unmet needs of the BOP. The fact that BOP consumers have many unmet basic needs does not inform nor direct any specific investments by the MNCs to either understanding or innovating for the sake of meeting those needs (London, 2004). Instead, promoting FMCG products mainly to the middle-income consumers, and increasingly making them available at the BOP, create habits and trust for branded products. Such marketing, while creating needs for brands which otherwise would not be created, takes BOP consumers away from basic need products to other non-basic needs which do not necessarily meet their unmet needs and improve their nutrition and health.
Interestingly, as demonstrated from the findings (section 6.4 and 7.2) and stated by the HUL executive, since not all products were adapted with better attributes, innovations in products were options ‘available’ for consumers to choose from the range of branded products available. The executive stated, ‘So let the consumer decide actually which product they need between all options available in the market.’

For example, discussing iron and folic acid deficiency and fortifying foods with iron, the HUL executive noted ‘… are you developing that product for the people who are staying in Gujarat or are you developing that product for people only in certain villages in Gujarat where people are really low in iron and folic acid?’ He goes on to say that iron deficiency ‘…in general, it is an unmet need in India…especially in ladies,’ and therefore the product is innovated for all the consumers. Indeed, basic needs of nutrition, health and hygiene are universal needs, and innovative products offer ‘choice’ through brands and their symbolic value (Kotler and Armstrong, 2012).

However, in the context of the BOP consumer’s low literacy and market awareness, the consumers at the BOP do not adequately understand the product choices nor how the innovations meet specific basic needs (section 7.3.1). Instead, it appears by increasingly making products available the MNCs build BOP consumer loyalty towards brands by influencing their habitus (section 7.2.1).

It is then argued that such increased availability of MNC brands at the BOP is based on lucrativeness of the BOP market size (Prahalad, 2006) and MNCs' marketing objective of growing their market share (Martin and Schouten, 2013) and generating profits for their commercial success and returns on FDI in developing country markets (Buckley, 2009; Dunning's 2001, 1993). This argument corresponds to the mainstream innovation model driven by profit-seeking behaviour of MNCs (Schumpeter, 2004) that view the BOP market segment as passive consumers with
large unmet needs, ‘underserved’ by the local market (Prahalad, 2006). It is argued that the MNCs then target the BOP with their brands’ marketing using the notion of inclusivity to influence the consumers. In doing so, the consumers establish a relationship with brands to meet their needs (Fourcade, 2007) in the market field. However, while this appears to benefit consumers, the findings (Chapter Six and Seven) suggest that in the context of informants’ lives and needs at the BOP, market exchange and engagement with branded products increases the MNC power in an already unbalanced exchange with the consumer’s low income. This is heightened by their incomplete knowledge of products (Slater, 2001) as well as increasingly consuming non-essential products.

Additionally, the findings suggest that MNCs’ innovations, including its inclusive nature - intent and benefits for marginalised (Heeks et al. 2014), tended to vary between companies based on the nature of the company’s core business and its products. For example, MNCs like GlaxoSmithKline Consumer Health (henceforth GSK), Mother Dairy38 and Dabur’s nature of business and hence products are aimed at better health and nutrition. Consequently, their product innovations are more inclined better to meet the basic needs of health and nutrition. This is opposed to PepsiCo’s, product offerings like beverages and snacks.

As the GSK executive explained the MNC mainly deals ‘nutrition in India’ for ‘70 years’ which forms the ‘largest business part’ for the company. For example, Horlicks, a GSK brand some BOP informants consumed, is aimed at the nutritional

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38 Mother Dairy’s origin link it to the National Dairy Development Board, a Government of India initiative to set up cooperatives for milk production in India.
needs of consumers. Explaining the MNC’s intention to innovate, the GSK executive noted there are various areas where the MNC innovates for example, ‘medical’ and ‘clinical innovation,’ ‘products and package innovation’ and ‘communication and awareness innovation.’ However, like most MNC executives who participated in this research, the GSK executive describes how 'medical' and 'clinical innovation' for example, are for nutritional needs of all consumers and not specifically the BOP consumers. Consequently, the MNC executives then view the consumption and benefits of the products, for example, better nutrition accruing to all their consumers, including BOP.

Similarly, the Mother Dairy executive reiterates the fortification of milk was not done specifically for the BOP:

I do not think it was very much, very specific to the needs, the milk was meant for the larger health and wellness of consumers at large. And yes, I think it was like that all the time...Just because token milk happens to cater to the BOP, largely because of the way it's in the smaller volumes that you can buy...So then it is BOP or any set of consumers. I think it would be the same.

MNC’s like Mother Dairy, GSK and Dabur typically saw their products’ role in meeting 'basic health and nutrition' needs of consumers. As the nature of products marketed by the three MNCs lend themselves to benefit nutrition or health and hygiene, making products affordable and accessible in small packs to BOP consumers, became central to innovating to meet BOP consumers’ basic needs. This is discussed in section 8.2.2.
Although in the previous section it became clear MNCs’ innovations were intended for the entire market (not just for the BOP), three MNC executives at PepsiCo, Mother Dairy and Dabur demonstrated that there is some intention to adapt and innovate a few products specifically for the BOP. Interestingly the executive at PepsiCo India discussed some innovations that were exclusively adapted for BOP consumers. She noted, ‘when you’re targeting specifically the BOP, you would develop products which give something in terms of nutrition, for their unmet need.’ She claims that BOP specific innovation is demonstrated through the MNC’s ‘nutrition centric’ products. For example, two PepsiCo’s products, ‘Iron Chusti’ fortified snack and ‘Gluco Plus AMS.’ Iron Chusti was intended for the BOP consumers and consequently launched in a few villages in India (Tata-Cornell Institute, 2016/2019). Discussing Iron Chusti, the executive explained that despite efforts by PepsiCo to create awareness about the product and educate consumers of the nutritional benefits, the product was not successful and was discontinued in a few years. The executive, however, did not want to discuss the reasons for the product’s failure:

I’m telling that this is not your regular snack, so please do not compare it. You were supposed to have it for nutrition. You need to have it for, you know, a specific period. So, all those things, and, you know, and that’s how it didn't really sustain.

The excerpt demonstrates what appear to be nutrition-centric innovations targeted specifically at the BOP market. Yet, despite the MNC attempting to create availability
and awareness of the product, it was withdrawn from the market because of its failed commercial success. In contrast, a nutrition centric innovation of staple food like Tata iodised salt and fortification of an already popular snack like Nestle Maggie instant noodles are successful and popularly used products by the BOP consumers. These products are readily available across the market including at the BOP (section 7.3), suggesting that fortifying existing popular brands appear to be ‘low hanging fruit’ which MNCs and policy then aim to target to achieve commercial success and acceptability of the fortification at the BOP (section 9.4.1.1).

Since the failure of Iron Chusti, the PepsiCo executive stated, the MNC has launched ‘Gluco Plus AMS which is a water-based drink’ with ‘additional glucose, plus a multi-vitamin and iron, which is one of the prime needs of that population in collaboration with another Indian MNC Tata.’ The PepsiCo executive explained that ‘there is a need of energy, and there, there is a need of micro-nutrients’ at the BOP ‘which is very, very different’ for the rest of the market where ‘there is probably a surplus of energy.’ However, as Iron Chusti is no longer available in the market and the fortified water-based drink is a relatively new product, this research could not study the products in the market.

Similarly, the executive at Mother Dairy gave the examples of curd and buttermilk that the MNC innovated39 for the BOP. Interestingly the buttermilk was launched in the market in a low priced, small pouch format targeting the low-income BOP consumer and was later sold in bottles and tetra packs that catered to higher-income

39 The innovation was in technology for setting curd which does not lose its texture, consistency and taste in transportation and innovation in packaging technology that made products available in affordable packs for the BOP instead of the more expensive tetra pack.
consumers. While often BOP literature presents an example of small-sized tetra packs targeting the BOP (Subramaniam and Gomez-Arias, 2008), the executive at Mother Dairy demonstrates the MNCs need to keep the price even lower and hence adopt an economical packaging material. Thus, expressing Mother Dairy’s intent for its innovation of set curd to meet needs of BOP consumers by making it available in small packs that they could then consume:

So, see our set curd, which is a great innovation. Earlier, consumers used to set curd at home. So, people used to buy milk, you know, and they used to make curd at home...But I think we were in fact, we were the first company who realised that today's you know, housewife, they don't have time to set curd at home.

Indeed, many BOP informants in this research discuss the lack of time and their inability to set curd at home was a reason for buying packaged curd and buttermilk. Mother Dairy then catered to their unmet need which the informants could trust and rely on for both quality and availability that suited their context of living at the BOP. Accessibility of affordable packs in nearby shops allowed the BOP informants to consume curd based on their immediate need.

The executive at Dabur also referred to ‘certain products which are specifically’ innovated for rural and BOP consumers, keeping in mind the specific need of the consumers. For example, the Dabur executive noted, ‘a couple of them I can point out is Sarson (mustard) Amla hair oil...Gulabari, the skincare products, they are not very well known in the urban markets.' The MNC ‘designed this product specifically for rural areas, and that has done really well.’ The executive claims ‘we found that
a lot of the people in villages were using mustard oil for hair care and for even body care’ which Dabur then catered. Indeed, many BOP informants discussed using mustard oil for nourishing and conditioning hair as well as moisturising the skin. However, they often complained that the unbranded ‘open’ mustard oil which they bought from the market was adulterated (section 7.2.2.1). It can then be argued that MNCs like Dabur address the market and states failure to assure the availability of safe and quality products and market their brands which many consumers at the BOP adopted.

The excerpts in section 8.2.1 suggest MNCs adapted few products for basic needs of BOP consumers and their innovations are not directed specifically at the BOP consumers unmet basic needs. Hence, increasing the availability of FMCG products at the BOP is aimed at building overall trust and reliance on brands and not addressing specific unmet consumer needs by way of innovative products. As the Dabur executive stated ‘Historically…these were innovations more looking at consumer needs, not really bottom of the pyramid.’ Thus, making products available to BOP consumers and serving the BOP market appears to be principally aimed at the companies ‘doing well’ by generating profits from the large BOP market (Prahalad, 2006). Typically, if the product did not do well (possibly as in the case of PepsiCo’s ‘Iron Chusti’), despite the MNC’s intent and the benefits of the product, absence of profitability did not allow the product's availability in the market. Whilst, this supports Humphrey and Robinson’s (2015) study that market-based interventions must address the needs of both MNCs and BOP consumers, the findings only demonstrate MNCs need for profitability without necessarily having any wellbeing outcomes at the BOP.
8.2.2 MNCs’ marketing strategy – creating accessibility and affordability for the BOP through innovation

The BOP literature suggests constraints of the BOP market like limited penetration of products, inadequate market infrastructure and limited purchasing power at the BOP (Bharti et al. 2014; Bilou, 2007) can be addressed by MNC making products affordable and accessible to the BOP leading to inclusive growth. However, analysis of the findings suggests that the depth of poverty and specific unmet needs of the BOP does not present MNC’s an opportunity for investment and innovation at the BOP (section 8.2.1). Instead, it is the BOP market size and aggregate spending power represented through large unmet needs of the BOP that presents the opportunity for profit (projected) for the MNC’s (Hammond et al. 2007; Warnholz, 2007). Engaging with the BOP market based mainly on market size and projected profits is then central to MNC’s shaping their marketing strategy and solutions to access the BOP e.g. enabling accessibility and affordability through packaging products at lower-priced, small packs or sachets (Hammond et al. 2007) demonstrated in section 7.2.2 and 7.3.2.

8.2.2.1 Innovating for increasing accessibility of products: market penetration

Many MNC products penetrated the large multi-billion-dollar market at the BOP (Hammond et al. 2007) by incrementally innovating product packaging (section 7.3.2) to make them accessible to the BOP to include consumers in the ‘formal market’. For example, MNCs like GSK, Dabur and HUL’s executives stated small sachets ‘reduced the cost of transportation’ of the product for the MNCs, making
them more profitably accessible to rural and BOP markets. As well as the low-priced unit suiting the BOP consumers, the GSK executive claims accessibility has allowed the rural market and BOP to develop as a big market for GSK’s products like Horlicks and Sensodyne. The executive noted:

So, every time you look at the innovation…we keep accessibility in mind, so for example…Sensodyne. So again, we are looking at how do we make it more accessible…we want to make products affordable and accessible.

As the GSK executive discusses the advantage MNCs offer because of ‘expertise,’ ‘scale’ and ‘know-how of manufacturing’ (Walch and Thorpe, 2015) and marketing products, he reiterates the need to ‘ensure’ accessibility and affordability of quality products at the BOP to benefit the consumers. Similarly, explaining the need for innovations that create accessibility of highly perishable products like milk, the executive at Mother Dairy discusses innovation in packaging. He stated, ‘since the shelf life of the product is not very high’ innovation in ‘packaging allows for better accessibility’ of their products like ‘set curd’ in a ‘packaging tray’ with ‘grooves’ to hold ‘six cups.’ To address the need for transportation of the set curd that ‘does not lose the body within that curd’ the company not only innovated small pack size but ‘patented’ a tray which made the product accessible to the consumers. He noted, ‘So that was one innovation in which we…I think are the only company who, you know, sends your curd set, currently.’ Such innovations as the executive claims cater to the need for nutritional products as well as ‘taste’ of consumers, including the BOP (section 7.2.2.1).
The excerpts above suggest MNCs’ intent to access large, untapped emerging markets at the BOP (PWC, 2013) by overcoming infrastructural constraints determine their marketing strategy to make products 'accessible' by innovating, for example, small packs that penetrate the market at lower costs. For example, the GSK executive noted:

What we have done, we have created that accessibility component as well, so, for example, we have created the sachet, the small for 5 rupees (about £0.05) price point. Again, picking up the accessibility. So that affordability is sure so that people can buy, and we have seen very good response with our sachet, Horlicks sachet. And that has worked well.

This quote demonstrates that MNCs’ marketing strategy can successfully address some constraints at the BOP through ‘design and make products accessible.’ The data excerpts indicate MNCs such as GSK have tremendous power to make products work ‘well’ for the MNC by increasing its market penetration in the rural and BOP market through the MNC’s intent of making products accessible and affordable by incrementally innovating product packs in small and sachet formats. It can be argued that such innovations that provide the BOP consumers access (Prahalad, 2012) to a nutritive beverage, may then be considered inclusive. However, not all products that are made accessible to the BOP can claim to benefit the BOP. In fact, many BOP informants were critical of the availability of all kinds of savoury snacks and candies in small packs at every shop in the slum that influenced their children and created need for many non-essential products (section 7.3.2).
In the context of BOP informants’ low income and limited purchasing power (Adebayo, 2013) evidenced in the consumer’s engaging with affordably priced small packs of branded products (section 7.2.2.2), MNCs’ marketing addressed a key constraint of the BOP market (section 3.6.2). Whilst the BOP literature argues low purchasing power is a key reason products are often undersupplied to the BOP (Alwitt, 1995; Hammond et al. 2007; Hill 2001; Lee et al. 1999; Warnholz, 2007), consumers pay higher prices for lower quality products because they lack adequate choice (Warnholz, 2007). However, the findings from this study demonstrate, MNCs’ marketing strategy of creating affordability by incrementally innovating packaging of products addresses the key issue of affordability at the BOP. For example, consumers purchased many products marketed at ‘one-rupee price point,’ ‘five rupees,’ ‘ten rupees’ to meet many needs and did not have to buy big packs which they could seldom afford (section 7.2.2).

Correspondingly, the Dabur executive explains how Dabur products ‘inspired’ and ‘largely based on the Ayurveda\textsuperscript{40} philosophy’ keep a focus on the rural and semi-urban population where a large part of the BOP consumers lives. The intent for the MNC then is to make these inherently beneficial products accessible and affordable to the relevant market segment for its health care and personal grooming needs. Note how the executive stated:

\textsuperscript{40} The traditional Hindu system of medicine (incorporated in Atharva Veda, the last of the four Vedas), which is based on the idea of balance in bodily systems and uses diet, herbal treatment, and yogic breathing (https://en.oxforddictionaries.com/definition/ayurveda).
We did not mean to innovate. We just have a huge range of products which are relevant for that population, people buy them…Dabur Amla Hair Oil …we have built several brands around it catering to different user needs. Again, that caters to the bottom of the pyramid consumers because hair oils are widely used in India as nourishment, grooming and a conditioning product, and they are available at very low-price points. (Dabur executive)

This quote shows how a traditionally social enterprise – Dabur - was founded to work for the health and hygiene needs of the rural poor drawing on the philosophy of traditional Hindu texts. Today, Dabur is a successful MNC, marketing FMCG products based on commercial principles and profit objectives with a focus on the BOP market. Interestingly as the Dabur executive explains 'In a way, we have not maybe (innovated) in a way that's specifically for BOP', but through continued 'research' that focuses on the rural and semi-urban population, the products are accessible and affordable ‘all across and maintains that connect with the BOP’. For example, focusing on ‘very, very low-income consumers’ the Dabur executive stated, ‘we have reduced our price points and reduced the pack sizes to cater to the bottom of the pyramid market’ which leads to greater adoption of products. This excerpt suggests that for MNCs like Dabur and HUL, ‘successful experience’ of marketing and adoption of products by consumers translates to increased market share and profits at the BOP because ‘there is such a large market in low-income groups.’

Thus, it can be argued when compared to BOP informants washing their hair with detergent or soap this finding supports Warnholz's (2007) and Prahalad’s (2006)
argument of offering better products at lower prices to the BOP. The economies of scale allow MNCs to lower the unit price of the product (section 3.5.2.1). Further, as the GSK executive stated, sachet packs cost less than glass and plastic bottles and allowed better market penetration at affordable prices. This finding is supported by the executive at PepsiCo who stated that ‘Products at INR 5 and 10 kinds of price points, which really work well’ and that is why ‘those products exist, and they are in the mass volume to play…at a lesser cost’. As the executive explains, ‘mass volume products’ are ‘available’ for everybody at different price points and are a ‘simpler way of meeting needs. However, she stated that making products available at affordable price did not reflect PepsiCo's intent to innovate for the BOP consumers specifically. It can be argued that PepsiCo products like sugary beverages and snacks when marketed as brand extensions at lower price points do not address any specific basic need and the BOP marketing literature is critical of selling such products to the BOP which are considered non-essential and luxury (Gomes Arias, 2008; Gupta, 2013). Hence the executive states adapting and innovating products specifically for the BOP is then done through intent to innovate products like ‘Iron Chusti’ by the MNC (section 8.2.1.1).

Yet, explaining the importance of affordability in connecting products to the unmet needs of the BOP the executive at PepsiCo noted ‘value propositions’ offering ‘five-rupee, ten rupees, pack size…Single-serve’ provide ‘experience which ‘are giving the taste and you are giving the hygiene, you are giving the quality, in a small format, where you are not taking higher margins’. Indeed, many BOP informants in this study established these reasons for engaging with branded products like snacks and beverages which the PepsiCo executive noted, ‘anybody can afford’ and is the ‘value we are giving the consumer’ (section 7.2.2). However, the consumption of
such products from a development and well-being perspective is questionable. While the innovations aimed at increasing ‘affordability and accessibility’ of products are done with the intent to include the BOP as consumers in the formal market by converting their needs to demands, the market penetration and profit-making objective (Prahalad, 2006) of the MNC appears central into their marketing strategy to the BOP without clearly establishing any development and well-being objective.

8.3 MNCs’ failure to create adequate product awareness at the BOP

The findings in section 8.2 suggest that expansion of the market field and MNCs’ marketing strategy to the BOP is aimed at increasingly including BOP consumers in the formal market by addressing limitations of the BOP market like low purchasing power, product penetration and market infrastructure (Bharti et al. 2014; Bilou, 2007). It appears by addressing these constraints, MNCs’ capture larger market shares at the BOP that generate profits. Yet, MNCs inadequately create awareness (section 6.2.2. and 7.3) of brands marketed to the BOP including of any innovative attributes of products. As argued by Prahalad, (2006) not only do MNC products need to have a relative advantage over existing products used by the BOP, but the consumers must have product awareness and knowledge that allows them to adopt the products.

Since BOP informants in this study do not consume only basic need products, and MNCs access the BOP market to generate profits, the influence of brands on BOP consumers (Karnani, 2007b; Simanis et al. 2008) without adequate awareness of products presents several issues. It is argued, in the absence of MNC marketing empowering consumers at the BOP to make informed consumption decisions, the
choice of branded products they offer makes the MNCs desire for profit appear as the BOP consumers need for products. Typically, by creating availability, accessibility, and affordability, MNCs convert BOP needs to demand. This is demonstrated through limited sensitivity for the need to create awareness and understand nuanced BOP consumer behaviour in the context of mass-produced FMCG products which lack novelty (Tadajewski, 2019 p.26). Furthermore, as discussed in section 8.2, there is a complete lack of any real innovation for unmet BOP basic needs.

It can be argued that marketing of many FMCG branded products like iodised salt or antibacterial soaps benefits BOP consumers, thus extending the grant based Basic Needs Approach of the 1970s (Green, 1978; ODI, 1978; Streeten, 1979;) and complimenting it with the market-based BOP approach of Prahalad (2006) to meet needs. Yet, the failure of MNCs to provide complete and comprehensible information to improve the decision-making skills of the consumers (Murray and Ozanne, 1995) of branded and innovative products presents a gap in MNCs’ marketing practice.

Some MNCs claim to create awareness of innovations in a few products for the BOP. For example, the executive at Cargill states, ‘…I can go to the market and say my oil is fortified with vitamin A and B and E and it has omega 3 … What does it equate to?’ Cargill then developed an innovative communication and advertising campaign mainly for the BOP market in Odisha (a state in east India) which has very low literacy and awareness levels so ‘the common man can understand what fortification meant’ and ‘trust’ the product.
So, as a marketing campaign, we said what does our fortification mean? So, we can word that in a language which the consumer understands... That's saying that the amount of fortification here is equal to the value of vitamin A that you will get from eighteen almonds, two eggs or five glasses of milk. So, this is... By consuming 30ml of this oil, this is the equivalent value you will get through this fortification.

The excerpt demonstrates the effort of Cargill to communicate the product’s innovation to BOP consumers by ‘going to the consumer and saying that our oil is better because it is fortified’ as stated by the executive. However, the executive felt the MNC did not do enough to create awareness and stated ‘But, I think if anything we did not do as well, and we couldn’t because there’s only so much that you can invest behind a brand was to publicise the fortification piece’. The executive explains the MNCs limitations in allocating advertising spends for education and awareness of consumers because fortification of the oil was not a competitive advantage for the MNC. This is because the differentiated and superior value the fortified oil offered in comparison to competitors was easily replicable. It could then be argued since the MNC foresaw easy replicability of the innovative attribute, it limited its advertising spend. This is demonstrated by this research’s findings where almost all the BOP informant’s consumed fortified Fortune refined oil, marketed by Cargill’s competitor Adani Wilmar. However, none of the BOP informants was aware of the fortification in the oil. This finding is important in understanding and retaining that element of marketing that is good for the BOP but at the same time point to the limitations of a top-down view of marketing and advertising which assumes the information gap at the BOP is addressed with the current form of advertising (Anderson and Billou, 2007).
However, some MNCs like HUL’s efforts at creating awareness among consumers supported a change in consumer behaviour and adoption of products. For example, HUL’s Lifebuoy handwash campaign was run throughout the country to encourage the practice of handwashing at least ‘five times a day’ for maintaining cleanliness and hygiene. Backed by its brand Lifebuoy an antibacterial soap, the HUL executive explains the campaign educated ‘kids and their moms that they need to keep their environment a little better and they need to wash their hands five times a day.’ The MNC claims ‘The diarrhoea incidents have significantly come down. So, these are the kind of steps Unilever takes.’

Similarly, the executive explains HUL makes efforts at educating consumers through the labelling of products. Interestingly while explaining the company’s focus on BOP consumers in the context of their low literacy and awareness levels, he stated:

The company policy in India is to have a front of pack or back of pack input, and in addition to that we also put certain information that is not mandatory, but we put it for the consumer’s none the less to communicate how much requirement in terms of calories are being fed by this product….Only personally I believe unfortunately in India most of the large BOP, they can’t read English.

The excerpt above is important in not only explaining the gap in packaging and labelling and the MNCs efforts at communicating to the BOP but also how the knowledge and contextualised understanding of the lives of consumers at the BOP does not inform the product adequately. It is argued that the MNCs efforts at
labelling and creating awareness was of no consequence, especially to the BOP, which the HUL executive acknowledges. He noted that the lack of awareness would affect the consumers and their engagement with products:

Yes, and the end loser will, of course, be the consumer because he will be deprived of you know better quality better-innovated products. So, there you know the whole lack of awareness thing becomes very critical.

The consequence of lack of awareness as demonstrated by the findings is that BOP consumers most in need of innovative products like fortified foods do not adopt them. Based on findings in this chapter, it is then argued since the MNCs’ products are not specifically innovated for BOP consumers’ unmet needs, the product labelling and awareness is not aimed at communicating to them. This demonstrates MNCs’ lack of intent for well-being at BOP. Instead, MNCs create affordability and accessibility of products at the BOP, which appears based on the notion of inclusivity, yet, are driven by objectives of profit.

The finding demonstrates how MNCs’ marketing objective to make profits by using the power of brands and marketing practice in the market field, leads to ‘production and reproduction’ of power using differential access to capital - financial, technological, commercial, and symbolic (Bourdieu, 1986). This analysis has important implications for addressing gaps and power imbalance in BOP consumers’ engagement with the market for basic need fulfilment. This research presents the limitations of implicitly assuming that MNCs address market imperfections and create market efficiency by making products available, accessible, and affordable. Using the notion of inclusivity, the MNCs include the
BOP in the market, by marketing products that connect needs to demands. However, MNCs’ lack the intent and effort to address market lack of awareness and provide comprehensive product information to the consumers at the BOP. Furthermore, MNCs’ ability to ‘influence’ the state to take actions and modify prevailing rules of the ‘game’ to their advantage (Bourdieu, 2005b, p.81, cited in Fourcade, 2007) presents the need for the state and policy to address the issue of awareness in interest of the BOP consumers so that they can make informed decisions when engaging with branded and innovative MNC products. This is discussed in section 9.4.

Overall, findings in this chapter differed from London and Hart (2004), Prahalad, (2006 and 2012) and the development agenda of DFID, (2015, 2014) that seeks to make investments for innovation central to MNCs’ engagement with the BOP market to achieve inclusive growth. Instead, MNCs’ products neither represent any radical innovation, nor they suggest investment specifically for unmet needs of the BOP. It can be insisted that while MNCs make profits by capturing large market shares at the BOP, they do not demonstrate any significant contribution towards achieving well-being outcomes at the BOP, including empowering consumers with product information to meet their basic needs.

8.4 Conclusion

This chapter tried to show how MNCs’ marketing practice inadequately meets the basic needs of the BOP consumers through innovative products intended for their benefit. Only a few innovative basic need products can claim to be inclusive based on Heeks et al.’s (2014) conceptualisation of inclusive innovations intent to benefit
marginalised consumers that meet their basic needs (Papaioannou, 2019). Typically, by addressing constraints of low incomes and low capacity to consume (Prahalad, 2006), MNCs made some basic need products available to the BOP market. By connecting needs to demands, however, MNCs did not address the challenge for a BOP market-based approach adapting and innovating products specifically for the BOP needs as was envisioned by Prahalad (2006). More specifically, the MNCs’ role in creating awareness was inadequate and did not address the issue of product knowledge at the BOP (section 6.3).

Further, since not all MNC products are aligned to BOP basic needs, many products marketed in small packs do not present any well-being outcome (section 6.4). Instead, MNCs’ products and their marketing practice are aligned to expand MNCs’ market share at the BOP and make a profit on their investments. Thus, whilst the MNCs’ intent to innovate small packs that create accessibility and affordability appear to include the BOP in the market and benefit them with better products than what they used earlier they do not address the real needs of the BOP.

A summary of the finding in Chapter Eight is presented in the table below.

**Table 8.1 Summary of findings**

<table>
<thead>
<tr>
<th>Key Finding</th>
<th>MNC’s products and innovations are not inclusive of BOP basic needs as they make only some basic need products available to the BOP to make a profit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Some products are made available at a lower cost in smaller packs.</td>
</tr>
<tr>
<td>2.</td>
<td>MNC’s objective and strategy of marketing to the BOP are driven by their pursuit of profit.</td>
</tr>
</tbody>
</table>
Key Finding II
MNC’s do not innovate products with a development agenda in mind specifically for unmet BOP needs.

3. MNC innovations can claim to be inclusive only when their intent to innovate small packs that create accessibility and affordability is viewed in the context of including the BOP in the market and benefitting them with few better products than what they used earlier.

4. MNC’s do not demonstrate any development agenda in their marketing to BOP consumers.

5. The clear gap in addressing the issue of awareness of innovated products and offering a large choice of various branded products through increased marketing of FMCG goods exposes BOP consumers to various consequences including harms of engaging with many products they cannot understand.

Source: author
Chapter Nine Discussion

9.1 Introduction

The three previous chapters (Six, Seven, and Eight) presented the findings of this study, closing key knowledge gaps of existing research and highlighting the overall contribution to knowledge. From a development perspective, the BOP approach and MNCs’ marketing practice fail to demonstrate a mutually beneficial market exchange for both BOP consumers and MNCs as proposed by Hammond and Prahalad (2004). In fact, FMCG products do not meet BOP basic needs. Instead, it appears, expansion of the market and MNCs’ marketing to the BOP advantages and empowers MNCs, hence advancing the neoliberal agenda (Stiglitz et al. 2006). The government and local markets failure to provide safe and healthy non-branded basic need products for BOP is unquestioned not just by the BOP consumers but also by current development debate on market-based approaches of meeting BOP needs. In fact, development policy and government appear to co-opt the neoliberal agenda of increasing MNCs’ marketing of FMCG products to the BOP. Not only is the emphasis on MNCs meeting BOP basic needs overlooked but also the requirement for them to create comprehensible product information and awareness arising from their marketing. Something which is neither acknowledged nor adequately addressed in the existing literature which this chapter will discuss.

Whilst constraints and characteristics of the BOP market (section 3.5.2 and 3.7.2) are evidenced in MNCs’ marketing strategy (Chapter Eight, e.g. making products available, accessible, and affordable), (Prahalad, 2006, 2012) using the notions of innovation and inclusivity for meeting BOP needs, this is not enough to demonstrate
any real well-being impact at the BOP. Instead, MNCs’ marketing objectives aim to generate profits and neither demonstrate an intent to innovate specifically for the BOP nor adequately create awareness of products that they market to them. In fact, it might be said that MNCs have no intent of making mainstream innovations inclusive of BOP basic needs. The central argument this research makes is that the MNCs’ role in meeting the basic needs of BOP consumers is severely constrained by their lack of in-depth contextual understanding of BOP lives, social relations, and values and how these influence their basic needs. As a result, MNCs’ marketing practice tends to obscure the real and basic needs of the BOP consumers by marketing products which are neither innovative nor basic need products.

Drawing on the conceptual framework discussed in Chapter Four, this chapter discusses the findings with an overarching practice theory lens (Bourdieu, 1977) and in relation to each component of the framework:

i) Determining and fulfilling basic needs.

ii) Extending MNCs’ mainstream innovations to the BOP to understand how inclusive they are of BOP basic needs.

iii) Marketing and adoption of innovations by BOP consumers in market exchange.

First, the chapter argues, how a Bourdieuan lens helps contextually understand BOP consumers’ basic needs and the limitations of MNCs in understanding and meeting them. Using Gough and Doyal’s (1991) concept and structure of needs, and how the BOP consumers prioritise some needs over others (Gasper, 2004), section 9.2 discusses how informants’ lives at the BOP influences their decisions about basic needs and associated products which is not adequately discussed in
development and marketing literature. The chapter then considers in section 9.3 how BOP consumer behaviour and MNC marketing practice influence the BOP informant’s engagement with both branded and local non-branded products in the BOP market. The section explains to what extent BOP consumers adopt some innovative\textsuperscript{41} products based on characteristics of the innovations (Rogers, 1976). In doing so, the section discusses how MNCs’ marketing strategy connects BOP needs to demands as they adopt some products. Albeit without any awareness of their innovative characteristics. Finally, from a development perspective, section 9.4 discusses how MNCs' lack of intent to contextually understand BOP consumers’ lives and innovate specifically for their unmet basic needs constraints their role in BOP basic need fulfilment. Yet, their marketing objective of capturing greater market shares for profits determines their habitus and marketing practice in the market field to incrementally innovate products without adequately creating awareness of the products they market to the BOP. The chapter argues, whilst MNCs connect many needs to demands through the market, they inadequately demonstrate transitioning their marketing at the BOP from a process of profitable exchange to one aligned to BOP basic needs creating a ‘win-win’ situation as envisioned by Prahalad (2006) and supported by development policy (DFID, 2015).

\textsuperscript{41} For brevity’s sake this Chapter Nine and the next Chapter Ten will typically use the phrase ‘innovative products’ with the understanding that this means innovative branded basic need products unless otherwise stated since the innovation of the branded basic need products the BOP consumers use has been established in the previous chapters.
9.2 Contextualising life at the BOP: Understanding how BOP informants were positioned to determine and accommodate basic needs

The BOP approach insists MNCs must understand specific unmet needs and participate in the market at the BOP to meet them (Prahalad and Hart, 2002; Prahalad, 2012). Existing literature discusses the BOP as ‘brand conscious’ consumers looking for quality products to meet their needs (Chikweche, 2010; Chikweche and Fletcher, 2012; Prahalad, 2006). Needs typically met by BOP consumers’ engagement with MNC branded products, including non-basic need products such as electronic goods, cars, budget hotels (section 3.6.3) (Prahalad, 2006, 2012; Yurdakul et al. 2017). However, an empirical understanding of the informant’s basic needs and associated products (Chapters Six and Seven) shows that from a development perspective the MNCs do not adequately understand BOP informants’ context of living and how it pervaded their basic need determination and fulfilment. Not only is the relevance of many products discussed in the existing literature (ibid) problematic for consumers’ living on US $2 a day and appear to be directed at the middle-income consumers. Instead, how the BOP consumers prioritise some of their needs and struggle to meet them, ensuring their and their families basic needs are met, is ignored in the current literature.

This research’s findings suggest bigger issues, other than income, constrained the BOP informant’s lives that often leads to many of them forgoing some of their basic needs. For example, low income demonstrated through inadequate living conditions (Holt, 1998) and constraints of infrastructure like unhygienic and limited spaces (Goldstein, 2016) tends to force people to ignore basic needs for health and nutrition. Sacrificing their basic needs for health and survival, many informants did
not prioritise intermediate needs for health and hygiene and satisfier products (Gough and Doyal, 1991) like mosquito and fly repellents and disinfectants. It can be argued that using a practice theory lens demonstrates the meaning (Arsel and Bean, 2013) attached by many of the BOP informants to MNCs’ marketing of such products. This is despite many informants having suffered from life-threatening diseases like dengue, chikungunya and typhoid and the continued risk they were exposed to.

Yet, the informants strategize the use of their cultural and social capital in shaping their taste and consumption practice (Lee et al. 1998) to determine and meet their basic needs. In doing so, the BOP informant’s habitus allows them to prioritise some needs as basic as they participate in the market field and cope with MNCs’ marketing practice (Fourcade, 2007) despite their vulnerabilities and constraints. For example, the quantity and quality of basic need products consumed were accommodated because of the lack of infrastructure. Many informants then prioritised consumption of rice over wheat flour or equally purchased branded readymade flour and spices in small quantities instead of preparing them fresh as they did when they lived in their native villages.

Similarly, distinguishing between want and needs (Gasper, 2004) was influenced by lack of facilities like piped drinking water and refrigerators, as many informants then regularly purchased cold branded beverages like ‘Pepsi’ to quench their thirst in the summer months. Certainly, the findings also show a change in habitus and consumption practice leading to the adoption of FMCG products and urban lifestyles. More significantly, how MNC marketing obscures the real needs of the BOP consumers in the absence of adequate infrastructure and facilities is
demonstrated e.g. basic needs for a regular supply of piped drinking water and hygienic and liveable conditions.

Often such a change in habitus and increased consumption of FMCG products is attributed to economic growth and poverty reduction in India (Ahluwalia, 2019; PWC, 2013) leading to increasing purchasing power of BOP consumers’ migrating from rural to urban areas (Clay, 2005; Prahalad, 2006). This appears to support the economic growth argument for demand push innovation for such products (Greenacre et al. 2011; Kaplinsky 2011) and increasing their market penetration (Gupta and Jaiswal, 2014). Yet, using a sociological practice theory (Bourdieu, 1977) lens, the findings demonstrate that informants’ consumption practice was altered and accommodated to adopt such products because of failure of existing economic growth to provide a decent standard of living at the BOP, including regular electricity supply, and drinking water (Datt and Ravallion, 2002). This highlights the limitations of policy and government engagement with MNCs’ marketing FMCG products for better nutrition, health, and hygiene when larger issues remain unaddressed. This finding differs from existing BOP literature that mainly takes a top-down account of BOP market and considers addressing characteristics such as inadequate market infrastructure and purchasing power (Bharti et al. 2014; Prahalad, 2006) through marketing products (section 9.3) and fails to discuss bigger issues that influence the BOP consumers lives.

Further, the argument for a BOP approach assumes that markets and MNCs offer to consumers choice of products as they make rational utilitarian decisions based on individual calculations about the benefits the products offer (Hammond and Prahalad, 2004). However, in the context of BOP informants’ low levels of literacy
and product awareness which Prahalad (2006) and Adebayo (2013), among others, acknowledge (3.5.2), MNC marketing fails to create awareness of the products, how they address unmet basic needs and the implications for the BOP (Choudhury et al. 2019). This is then often associated with several negative market outcomes, like choosing the wrong product or misunderstanding product information (Adkins and Ozanne, 2005). This is discussed in section 9.3.3 to understand the extent to which the adoption of innovative products is then affected.

However, the findings in this research demonstrate how BOP consumers rely on their embodied cultural capital in the market field. Demonstrated through their greater use of traditional knowledge, the informant's taste and consumption practice play a significant role in creating and sustaining preferences for products (Allen, 2002; Lee et al. 1998). For example, the informants guided their consumption practice based on their embodied cultural capital (Arsel, 2013) by attaching meanings to local non-branded products for basic needs of food and nutrition. This was then met mainly through the consumption of fresh, local staple foods determined by their traditional knowledge.

Conversely, drawing on their limited institutionalised cultural capital, the informants restricted the use of branded products (Adkins and Ozzanne, 2005) to the few that offered them a good experience thus reducing the possibilities of harm from products they did not understand. This finding demonstrates how the informant’s cultural capital represents the ‘duality’ and role of their traditional - natural, and familiar knowledge on the one hand and the limited market - acquired, and constructed awareness on the other (Bourdieu, 1986; Robbins, 2005). The findings not only demonstrate the distinction between the dual natures of embodied and
institutionalised cultural capital but also explain how BOP consumers inherit a natural condition, which circumscribes their choices of products (Robbins, 2005) (section 4.5.2.1 and 6.2.2). However, as they engage with the market and MNC marketing practice, they adapt their consumption practice e.g. how they 'adopt' a few branded products using their low consumer literacy.

Similarly, a contextual understanding of the BOP informant’s lives shows how maintaining and building social capital - networks and ties with families in their native villages by sending money back home influenced their basic needs. This finding implies a significant contribution of money by the BOP informants to maintain social capital even as they limit their immediate basic needs. As the informants then prioritised some needs over others (Gasper, 2004), consumption of products is often reduced because of lower economic capital. Such an understanding of how the informants build their social capital whilst fulfilling their family responsibilities based on values and culture by sacrificing their immediate basic needs is not adequately understood in the current literature. Existing literature (Subrahmanyan and Gomes-Arias, 2008; Yurdakul et al. 2017) mainly focusing on social capital as a ‘higher-order need’ which the BOP builds to rely on in the future, fails to consider the socio-economic contexts and consequences of building social capital and how it influenced BOP basic needs.

Yet, even though the informants struggled to meet immediate basic needs of their family, they accommodated many non-essential needs (Clay, 2005; Jaiswal and Gupta, 2015; Subrahmanyan and Gomes-Arias, 2008) of their children, for example, branded snacks and confectionaries. It might be argued that such needs of children are influenced by exposure to globalised markets and MNC marketing
practice focusing on BOP consumers (Yurdakul et al. 2017). Yet, as the children learnt of many branded products from television, neighbourhood shops and peers in schools, their habitus shaped consumption of such products without considering opportunity cost (Spiller, 2011) and utility of many products. Such consumption practice was determined by status and symbolic value it bestowed (Fine and Leopold, 1993). Thus, demonstrating lifestyle change towards aspirational products (Clay, 2005) because of increased marketing of non-essential products targeted at the BOP (Jaiswal and Gupta, 2015). Equally, in many ways, a change in taste and consumption practice was determined by the BOP informant’s desire to meet their children’s needs. In doing so, they show how they overcome the feeling of disappointment and inadequacy in the market field (Ustuner and Thomson, 2012; Yurdakul et al. 2017).

A contextual understanding of the informant’s lives at the BOP demonstrates how the MNCs appear to ignore how vulnerable the consumers are due to lack of economic and cultural capital (Karnani, 2009; Simani’s et al. 2008). It might be argued that BOP consumers increased market experience in the context of globalisation and focus of MNCs on the BOP market (Ger and Belk, 1996; Yurdakul et al. 2017), reinforces inequality in the market field through the interplay of different forms of capital between the MNCs and the BOP consumers, making them vulnerable (Lee et al. 1999). Furthermore, the findings show informants make some strategic calculation and pragmatic decisions in the context of their lives at the BOP by leveraging their capital in consumption practice to adopt some branded products (Bourdieu, 1986 p.241; Grenfell, 2004). Yet, the MNCs and a BOP approach either fail to understand or disregard the significance of cultural and social capital in their consumption practice for their commercial gains.
A Bourdieuan lens (1977) shows how the BOP consumer’s cope with the power of MNCs’ marketing practice and the daily challenge of consumption (Blocker et al. 2011) by strategizing the use of their social capital. For example, drawing on their social capital, the BOP consumers often base their choice for branded and innovative products on the advice of shopkeepers. The BOP consumer’s reliance on local shopkeepers, including for purchasing on credit, limits the informant's product choice (Choudhury et al. 2019; Viswanathan et al. 2009). Equally, it exposes them to harms and constraints of buying fake, expired and adulterated products the shopkeepers sell them. It might be argued that the influence of the market field and its rules leads to 'everything in the (market) field' being determined by profit motive (Fourcade, 2007). As a result, shopkeepers sell fake or expired products for profit even as it casts doubt on their role in the market exchange. Thus, the economic argument of individualism and profit-seeking behaviour negatively affect BOP consumers’ social capital, breaks down trust, and weaken the social bonds among the BOP informants and the shopkeepers (section 3.6.3.2, 5.2.2. and 6.2.2.1) (Adler and Kwon, 2002; Choudhury et al. 2019; Gomez-Arias, 2008; Karnani, 2007b; Kolk et al. 2014).

Thus, as the BOP literature (Gupta and Jaiswal, 2013; Subrahmanyan and Gomes-Arias, 2008) inadequately discusses consumers’ basic needs and associated products (section 3.7.2), this research contributes to a contextualised understanding of BOP consumers’ basic needs and how they are determined from their perspective. Contributing to the theoretical (Gasper, 2004; Gough and Doyal, 1991) and empirical understanding of BOP basic needs, the research presents a clear distinction between the role of staples and non-staples in basic food and intermediate needs for satisfier products (Gough and Doyal, 1991). Such a
categorisation of basic needs and associated products and distinguishing them from non-essential products is critical to highlight the role and gap in MNCs’ marketing FMCG products and BOP consumers’ basic need fulfilment. For example, whilst coping with the market field using their ‘subordinate’ cultural capital (Coskuner-Balli and Thomson, 2013), MNCs’ marketing practice influenced the consumption of many non-staple branded and innovative foods, demonstrating the dynamic and changing nature of habitus. However, the BOP consumer behaviour establishes the irreplaceability of many local non-branded basic need products and hence the limited role of MNCs’ FMCG products in basic need fulfilment. This finding challenges Prahalad and Hart’s (2002) argument that there is a requirement for ‘underserved’ BOP consumers’ needs to be met by MNCs branded products. Whilst such an argument is helpful in aligning MNC products to BOP needs, it ignores the BOP consumer’s engagement with the local informal markets (Adebayo, 2013; Venkatesh et al. 2009). As the findings demonstrate and Araujo (2013) argues that viewing the ‘tyranny’ of informal markets from which the BOP consumers need to be ‘rescued’ overlooks the sustaining character of the informal market that the BOP consumers rely on. However, many non-staple branded foods became part of basic needs, mainly because of the influence of marketing on consumption practice, for example, children’s need for branded beverages and snacks.

Thus, a contextual understanding of the BOP consumer’s habitus demonstrates the role and limitation of branded and innovative foods and shows that the BOP consumers are constrained in meeting food and nutrition needs more by i) lack of economic capital to buy nutritional local non-branded foods like poultry, dairy, fruits and nuts and ii) availability of safer unadulterated good quality local produce rather than availability of branded packaged food. Overall, whilst the limitation of the FMCG
products in meeting basic needs is demonstrated, the significance of local and non-branded foods in BOP basic needs becomes clearer.

Similarly, prioritisation of needs based on the BOP consumer’s perspective establishes hygiene and personal grooming as a basic need of the informants. This is evidenced by informants challenging the boundaries and norms of their consumption practice to include products like creams, soaps, and shampoos as part of their basic need. This finding differs from BOP literature which categorises grooming and hygiene products as luxury items (Gupta and Jaiswal, 2013; Jaiswal and Gupta, 2015; Subrahmanyan and Gomes-Arias, 2008). Similarly, despite the unhygienic living conditions, the informants recognised the importance of keeping their domestic space clean and adopted many products as a way of maintaining hygiene and better health as a basic need. Such determination of basic needs became part of their habitus.

9.2.1 Exercising preference in determining basic needs: A difficult variable to satisfy in the context of poverty?

Often meeting needs within constraints of poverty and inadequate capital at the BOP suggests consumers inability to express preference and choice (Leipämaa-Leskinen et al. 2014). Hence, other than economic and rational considerations of saving costs in consumption practice are not adequately discussed in the existing literature. The findings in this research suggest that many informants challenged their habitus by regarding nuanced and descriptive needs like the need for convenience, saving time and energy as important in determining consumption of many products. For example, the informants were willing to pay a little more for
branded products that offered them convenience like set curd instead of setting it at home, which cost less. Thus, suggesting an alternative perspective to purely rational economic considerations in consumption practice of saving money by setting curd at home. The need to save time in domestic chores allowed the informants to work longer hours and save money for their future. Equally, convenience and saving time to rest and conserve energy was an important consideration for informants in the absence of facilities in their homes as well as for their need to raise their children and look after their family’s needs in the limited resources they had.

Additionally, some informants consumed products like cosmetics for pleasurable experiences and handle constant conflict of the 'structural incompatibility' of low capital and power of marketing practice (Coskuner-Balli and Thomson, 2013; Holt, 2007). Based on their embodied preferences that determined their taste, the informants push consumption boundaries by consuming branded non-essential products for the experience they offered. Thus, in addition to traditional knowledge, taste is determined by the influence of marketing on the informant's consumption practice. This finding suggests, within the economic and socio-cultural constraints, the informant's individual choice based on experience is a core presupposition of consumer behaviour at the BOP (Choudhury et al. 2019; Warde, 2014).

The dynamic and changing nature of basic needs determined by BOP consumer behaviour presented in the findings contributes to a theoretical understanding of basic needs discourse (Gasper, 2004). In doing so, this finding extends previous studies of BOP consumers of Adebayo (2013) and Subrahmanyan and Gomes-Arias’s (2008) which broadly categorise BOP needs based on low-income consumers’ expenditure on products (section 1.2.2). This research provides an
empirical and bottom-up understanding of these needs from the consumers’ perspective and consumption practice. The significance of informants’ preference for products demonstrated through their strategic use of cultural capital and taste in consumption practice to meet their needs and reduce their feeling of deprivation (Blocker et al. 2013; Bourdieu, 1986; Sridharan et al. 2017) is not adequately discussed in the existing BOP literature. The existing literature mainly discusses the BOP consumers’ susceptibility to promotions, advertising and influence of sales personnel whilst establishing marketing influence on BOP consumer behaviour in diverting expenditure from basic and essential needs to luxury items (Adebayo’s, 2013; Clay, 2005; Jaiswal and Gupta, 2015; Karnani, 2007b). Thus, as BOP consumers not only participate in the market exchange and address their issue of exclusion from it (Alwitt, 1995), they also challenge what products may be deemed basic. Yet, as the MNCs fail to understand the consumer’s context of living at the BOP they engage with them as passive informants in a market exchange, failing to recognise bigger socio-cultural and economic issues that influence them.

9.3 Contextualising life at the BOP: Understanding BOP consumers engagement with MNCs’ marketing and adoption of innovative products.

This section presents a contextual understanding of the relationship between MNCs, BOP consumers, products (Fourcade, 2007) and their adoption (Rogers, 1995). The section discusses the claims that development interventions like the BOP approach are effective ways of adoption of innovative products through marketing’s influence on consumer behaviour. Whilst the BOP approach assumes MNCs’ mainstream innovations offer ‘better’ product options to meet unmet BOP
needs (Prahalad, 2012) which are then adopted or resisted through the influence of the individual’s knowledge and behaviour (Eyben et al. 2008; Rogers, 1995). However, focusing on positions and motives (Forlani and Parthasarathy, 2003) of the BOP consumers as buyers with low consumer literacy and MNCs as powerful sellers in the BOP market, this section discusses how the BOP informants perceive the relative advantage and compatibility of innovative products that meet their needs, whilst MNCs aim to make profits (section 9.3.1 and section 9.3.2). Yet, the lack of observability and increased complexity (Rogers, 1995) of many products, highlights MNC marketing’s failure to communicate to the BOP to adopt innovative products. Equally, the findings suggest that the notion of MNCs 'creating a capacity to consume' (Hammond et al. 2007; Prahalad, 2012) evidenced in BOP consumption of some innovative products is inadequate as it fails to inform what unmet needs the innovative products meet. Instead, it highlights the power and influence of brands and MNCs’ marketing strategy (Fourcade, 2007; Holt, 1998) in connecting basic needs of the consumers to demands despite not creating awareness of products (section 9.3.3). Thus, the notion of MNCs’ marketing communicating to the BOP leading to the adoption of innovation (Rogers, 1995) is absent at the BOP.

Using conceptual 'tools' of habitus, field, and capital, section 9.3 provides an overall analysis of how the MNCs impact on BOP consumers’ (Jerolmack and Khan, 2017) adoption of products. As the market and MNC marketing address some constraints of the BOP market, like inadequate income and penetration of products (Alwitt, 1995; Hill, 2001; Lee et al. 1999), it demonstrates MNCs’ position of power in the market field. The section then analyses how MNCs’ marketing practice shaped consumption practices (Bourdieu, 1977) at the BOP as they use their capital to
advance their positions in the market filed. In doing so, the inclusive nature and developmental outcome of MNC innovations (George et al. 2012; Heeks et al. 2014) are analysed. However, since not all the products marketed by MNCs are for basic needs, this section looks at how marketing’s influence broadens the consumer base of MNCs. The section argues, MNCs not only lack the intent to innovate for unmet BOP needs which are evidenced by their failure to communicate innovative product attributes to the BOP to help adoption of the innovation. Instead, converting BOP needs and creating demands by making branded products available, accessible, and affordable using the notion of inclusivity and development (DFID, 2008), MNCs target vulnerable consumers at the BOP for profit.

9.3.1 Perceiving improvement of innovative products: understanding advantages

The significance of an innovative product is in the advantage the innovative feature offers over the existing product or other products available in the same category. Yet, for BOP informants to benefit from the advantages of innovative products requires them to have knowledge of the innovative attributes and how it meets their unmet needs for them to adopt the products (Rahman et al. 2013). Conversely, it means the informants understand the disadvantage or risk of not using innovative products (ibid). However, as the findings show, in the context of their low consumer literacy, BOP informants use their habitus to adopt some innovative products like fortified milk and cooking oil by establishing relative advantage of brands over some of the non-branded often poor quality, unhygienic and adulterated products they replace. Indeed, the informants demonstrated consumer behaviour response to the benefits of the availability of safer products over what they used earlier (Araujo,
2013) and their need be included in the market for branded products (Arnould, 2007). Yet, the findings show that the informants could not establish the relative advantage of the products innovative attributes because they had no awareness and knowledge of them (section 7.3.1).

Whilst the increasing availability of some MNC innovative products led to their adoption based on the relative advantage of safety, standard and quality of brands over local, non-branded products, the BOP consumers fail to establish relative advantage of innovative attributes of products. It might be argued that although the BOP consumers benefit from the consumption of some innovative products by perceiving their advantage over the adulterated local products they used, the informants could be engaging with non-innovative branded products e.g. non-fortified, based on their trust for brands whether innovative or not. For example, understanding the advantage of fortified branded oil over non-fortified branded oil. Thus, establishing the opportunity cost of adopting a branded, albeit more expensive product, their need for brands and brand loyalty was created. However, as not all branded products are innovative, the brands might not necessarily be meeting a specific unmet need as Prahalad had proposed (2012). For example, meeting their vitamin A requirement through consumption of fortified Mother Dairy milk as opposed to having non-fortified Mother Dairy milk or equally good quality locally sourced milk. Moreover, not all the branded products the informants consume are for meeting basic needs. Consequently, MNCs creating brand loyalty then becomes what Simanis et al. (2008) argue are MNCs' ‘strategies of selling to the poor’ without fulfilling their basic needs or improving their wellbeing.
Yet, the informants perceived some advantages of products from MNC marketing practice and the products use that presented them with ‘meaning and experience’ (Leipa¨maa-Leskinen et al. 2014). For example, some informants like 1C2S ‘occasionally’ consumed ‘protein’ fortified beverages and biscuits like Horlicks and Bournvita instead of other brands without clearly knowing the advantage offered. It might be argued that the MNCs’ failure to establish the effectiveness of innovative products by creating awareness of their relative advantage possibly leads to reduced adoption and consumption of the products. Instead, their failure to communicate information that could lead to greater adoption suggests MNCs’ lack of intent to innovate for the BOP. Since the advantage of the innovative products is not understood by those who most need it, e.g. better nutritive foods with additional vitamin A or risks from not consuming innovative products, e.g. iodised salt. It might be argued then that MNCs overcoming market constraints at the BOP and making products available and affordable demonstrates the lack of intent for any well-being outcomes from their products marketing to the BOP.

9.3.2 Trying products based on context and needs: ascertaining compatibility of innovative products

The BOP informants determined the compatibility of branded products with their context and needs mainly based on the brand's image established by some product attributes and benefits like price, quality, and safety (section 7.2.2) (Keller, 1993). As MNCs’ BOP marketing made many products affordable and accessible in small packs (section 8.2.2), it is argued that the informants used their capital to shape their habitus and demonstrate some skill in engaging and adopting branded products after trying them. Thus, supporting existing research on the success of
targeting BOP with single-serve package innovation (section 7.3.2) (Hammond and Prahalad, 2004; Payaud, 2014; Subrahmanyan and Gomez-Arias, 2008).

Whilst the findings reveal that small packs and sachets ensured the products were compatible with the low incomes and context of lives of the BOP informants (section 7.2.2.3) (Anderson and Markides, 2007). Additionally, they offered trialability of products to assess its compatibility with their needs before adopting them. For example, 1C2S tried a small pack of fortified Nestle spice mix 'Maggi Masala magic' that cost her 'only' INR 5 (about £ 0.05). However, after trying the product, she did not think it was compatible with her needs. Furthermore, as some products sold in small packs were available at prices lower than bigger economical pack packs, it appears that increased competition to capture the large markets and sales volumes at the BOP (Warnholz, 2007) allows MNCs to reduce costs of some products. For example, sachets of shampoos were not only affordably priced but were lower than the larger packs. These findings challenge BOP marketing literature (Alwitt, 1995; Hill, 2001; Karnani, 2007b) which is critical of sachet marketing to the BOP. Instead, the findings in this study demonstrate the popularity and important role of the sachets in meeting BOP basic needs. A perspective based on the BOP informant's response to the marketing of products in meeting their basic needs.

Thus, in coping with challenges of life at the BOP by buying small packs, the informants alleviated the distress of being poor by consuming some branded products and demonstrating their desire to reduce vulnerabilities by engaging with the market (Lee et al. 1991; Leipa¨maa-Leskinen et al. 2014). Whilst this argument appears to support Prahalad’s (2006) BOP approach, as single-use packs of branded products appear to offer value that satisfies BOP consumer needs, and
includes them in the formal market, albeit for many non-essential products as well.

It might be argued that the development focus of engaging with MNCs to invest and innovate specifically for the well-being of the BOP (Deloitte WBCSD, 2016; DFID, 2015; Nelson et al. 2015; UN, 2015a) needs to go beyond incremental innovations aimed at penetrating the BOP market for profit. For example, many informants adopted branded grooming and hygiene products not only because they appear compatible with structural constraints of consumers life at BOP but also because they were affordable in small packs hence compatible in the context of low income.

Whilst this seems to support Pathak and Nichter 's (2018) study of how deregulation and de-licensing policies of the Indian economy led to a reduction of taxes on many toiletries42, thus, making them affordable. However, it might be argued that additional investments by MNCs in basic need products are required. For example, the recent government of India proposal to reduce taxes and control prices of hygiene products like sanitary napkins, adult diapers, disinfectants, and handwash (Times of India, 2019) to make them more affordable to the BOP may lead to scalable interventions by the MNCs to address the BOP consumers’ needs for these products.

Thus, as the findings mainly show that the BOP consumers adopt many branded products based on what appear to be practical use, instead of symbolic value that brands might offer. It can be argued that MNCs’ marketing products that are compatible with BOP basic needs like salt, and soaps differ from consumption of brands as status determining (Holt, 1998). Instead, the novelty of many branded

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42 Such products are no longer considered nonessential or categorised together with cigarettes and subjected to high taxes by the government as they were earlier (Pathak and Nichter, 2018).
products which are increasingly available at affordable prices appears diminished, for example, an INR 1 (about £ 0.01) shampoo sachet. Yet, the informants consume many non-staple foods despite knowing the low nutritional values of such branded products. Such consumption practice establishes the power of brands and influence of MNCs’ marketing practice that targets consumers at the BOP (Holt, 1998; Yurdakul et al. 2017) by positioning many non-essential products mainly in small and affordable packs. It can be argued that while appearing to meet BOP needs by providing affordably priced products, for example, snacks that meet children’s desires, MNCs use their symbolic capital vested in their branding and its power to advance their position in the market field to accrue higher profits (Lee et al. 1999) by creating brand loyalty whilst not addressing and real basic needs. Instead, as many informants in the study stated (section 7.3.1.2), increased availability of many such products in small packs creates a need among children where none existed, which the informants then accommodate to include as a basic need. Additionally, MNCs do not adequately create product awareness including of any harm from consuming such products. This is discussed next.

9.3.3 Low observability and awareness of innovative products and increased complexity

Prahalad (2012) proposed that the BOP approach and MNCs’ marketing strategy of 4A’s must create product awareness so that the BOP consumers know what products are available and how they meet their unmet needs. However, the findings demonstrate that the MNCs neither communicate adequately nor create awareness of products at the BOP, including innovative attributes (Chapter Seven and Eight). The findings show, in the context of BOP informants’ low literacy and product
awareness (section 6.2.2.1, 7.2, 7.3 and 9.2), observability of innovative products is constrained (Rahman et al. 2013) hence increasing complexity in understanding and adopting them (Rogers, 1976, 1995; Schuster and Holtbrugge, 2012).

While the products explored in this research are for basic needs and typically, do not suggest any complexity in understanding and use. Yet, it is maintained that adoption of such products, which is a process of communicating (Rogers, 1976) and influencing consumer behaviour in the ways innovative products address unmet needs, was inadequately demonstrated by the MNCs. Instead, MNCs’ marketing constraints the informants as they spend their limited incomes (Baker et al. 2005; Hill, 1995, 2001; Karnani, 2007b) on products they do not adequately understand mainly because the products are concealed in packages and labelled in English as opposed to the local ‘open’ or unpackaged products. Something the HUL executives stated, ‘I believe…unfortunately in India most of the bottom of the pyramid …they cannot read English.’ However, all MNC products were labelled in English, which compounds the informant’s problem by reducing the observability of products.

Despite the BOP consumer’s low literacy, it appears MNCs assume perfect conditions - complete knowledge, like price and product information (Karnani, 2015; Slater and Tonkiss, 2001) are created by their marketing practice. Mainly adopting a top-down BOP marketing approach, MNCs view BOP consumers’ illiteracy as a constraint that can be addressed by access to media and advertising to create awareness (Anderson and Billou, 2007). However, lack of product information, including brand names at the BOP demonstrated the MNCs advertising is inadequate in creating comprehensible product awareness. Instead, the findings in section 8.3 demonstrated MNCs limited advertising spends on creating brand
awareness and not for consumers product knowledge and education that might empower them to make informed consumption decisions. This research then presents the question that is the MNCs' failure to communicate with the BOP a reflection of lack of intent to advance the well-being of the BOP.

Demonstrating the failure of MNCs to create comprehensible product knowledge, this research challenges Prahalad's (2012) BOP proposition and marketing strategy to create awareness of brands that then offer choice to BOP consumers to meet their basic needs. Instead, MNCs' marketing to the BOP prevents the consumers from making more informed choices for the consumption of important products, which possibly has consequences for their health. For example, the informants could not assess product labels, determine attributes like price, expiry dates (Venkatesh et al. 2007) nor negotiate for better prices and recognise fake products (section 7.2). Such vulnerabilities and experiences then become embodied as BOP consumers habitus demonstrated through their subordinate cultural capital (Choudhury et al. 2019; Coskuner-Balli and Thompson, 2013; Venugopal et al. 2017). Consequently, the informants were less confident when they engaged with the power of brands and MNC marketing practice raising concerns on development policies emphasis and the effectiveness to engage with MNCs at the BOP increasingly.

Hence, this research argues, while the BOP approach appears to allow the BOP consumers to assert choice and preference in the market field and includes them in the market, MNCs do not adequately address the imperfect market condition nor meet the BOP basic needs. MNC marketing practice only enhances the power imbalance between MNCs and BOP as it further entrenches the BOP consumers
subordinate position in the market to MNCs’ power (Fourcade, 2007), (next section). It might be argued that in ignoring BOP consumers’ vulnerability and inadequate cultural capital, the BOP approach increases the power of MNCs in the market field to influence them (Karnani, 2007b). Whilst it is imperative MNCs should create awareness of innovative products like nutritive foods that allow the consumers to recognise the benefits and adopt them. Instead, the practical implications of MNC marketing’s influence constrain BOP consumers in the market as they make their ‘own choice’ despite financial and cognitive barriers (Choudhury et al. 2019; Holbrook, 1998; Warde, 2014), often exposing the informants to harm (Karnani, 2007a) e.g. adapting habitus for products without having adequate knowledge and consuming fried salted snacks with saturated fats.

Thus, this research argues, the BOP approach’s assumption that consumers as rational buyers understand their needs and products, presents a risk of marginalising and constraining consumers. This is not because of low income and availability of products, as stated by Prahalad (2006). Instead, it is mainly because MNCs are insensitive to the BOP consumers context of living and information gaps. The MNCs fail to empower consumers, as Prahalad (2006, 2012) proposed and instead impact negatively on their economic and cultural capital, for example, consuming more products based on traditional knowledge and local products. This highlights the complexities of estimating the welfare effects of increased consumption choices among the BOP who have low cultural capital to engage in consumption practice.

Yet, as the BOP approach brings choices of branded products to the BOP and includes consumers in the markets as they adopt innovative products (London,
this issue touches on inherently contested views on the very nature of
development and BOP marketing addressing ‘lack of choice’ and ‘what being poor
is all about’ (Hammond and Prahalad, 2004). This is reiterated by the HUL
executive, who commented on the MNC’s products, whether innovative or not, offer
‘choice’ to all the consumers, including the BOP to choose from. The findings show
how some constraints in the BOP market like inadequate availability, access and
affordability of ‘safe’ ‘quality’ products is addressed through MNCs’ marketing
strategy (section 8.2 and 8.3) which then offers choice of branded products. Yet, it
is argued, the objective for MNCs to address the market imperfections is driven by
their need for market expansion and generation of sales and profits and not any
intent of well-being. The influence of brands and choice MNCs offer, is then a source
of tension in the context of BOP consumers’ limited incomes and large unmet basic
needs (Karnani, 2007b). This is demonstrated by the Bourdieuan lens that situates
BOP consumers in a social context in which consumption occurs. For example, the
socio-cultural influence in meeting their family’s needs by adapting their habitus as
MNC marketing’s influence on their consumption practice perpetuates consumption
and creates demand when there was no need (Blocker et al. 2011; Clay, 2005). This
is heightened as the BOP do not consume only basic need products (Karnani,
2007b) and brand loyalty for non-essential products leads to prioritisation of spends
on items by sacrificing basic needs as well as purchasing on credit and taking loans
(Blocker et al. 2011; Clay, 2005; Hill, 2012; Jaiswal and Gupta, 2015;
Subrahmanyan and Gomez-Arias, 2008). For example, this was seen in the
informants prioritising the needs of their children for packaged snacks which
changed their habitus and consumption practice to include such products in their
basic needs.
In the absence of a framework to understand the inclusive nature of MNC product innovations (George et al. 2012) for the BOP, this section (9.3) demonstrates how both BOP consumption practice and MNC marketing practice lead to the adoption of some products. Using a bottom-up understanding of the adoption of innovation which existing marketing literature inadequately discusses (Rogers and Shoemaker, 1971, cited in Rogers 1976), this research presents key issues for inclusive innovations that claim to meet basic needs of the BOP. Despite the profitability of marketing to the BOP market, MNCs are insensitive to the need for creating awareness and reducing the vulnerability of BOP consumers in their decision making and adoption of products. Instead, MNCs’ marketing practice makes their desire for profit appear as BOP consumers’ needs for their branded products which they then convert to demand through marketing strategy of 3A’s – availability, accessibility, and affordability instead of 4A’s which includes awareness.

This research demonstrated how BOP consumers established benefits of products based on advantages and compatibility to their needs even as they were constrained by a lack of awareness of the innovative attributes of the products. Whilst MNCs make some basic need products available to the BOP and include the consumers in the formal market by marketing to the BOP, presenting an alternative perspective of connecting BOP needs to demands through commercial principles instead of states role or aid as envisioned in the Basic Needs Approach (Green, 1978; ODI, 1978; Streeten, 1979). Yet, MNCs’ failure to innovate specifically for unmet BOP needs supports Subrahmanyan and Gomes-Arias (2008) work on the requirement for MNCs offering BOP consumers relevant products, by adapting and customisation. This research argues that MNCs’ lack of intent to innovate specifically for the BOP is further evidenced in the absence to communicate about
the innovative products to the BOP. It might be argued then that whilst MNCs’ marketing addresses issues that constrain market access at the BOP (Rahman et al. 2013), their marketing practice does not go beyond to tackle the issue of consumer vulnerabilities as suggested by Sridharan et al.’s (2017) research that can establish their well-being objectives and outcome. Instead, MNCs’ marketing to the BOP suggests a lack of any development objective.

9.4 Basic need fulfilment: Development agenda MNCs’ responsibility?

This research demonstrated that policies and development interventions based on the assumption of the economic growth argument offering BOP consumers freedom to act according to their rational choice in meeting needs (DFID, 2014, 2015; Eyben et al. 2008; Warde 2014) present many challenges which are not overcome by the MNCs and their marketing. This research demonstrates such market-based, and MNC marketing approaches to development lack a contextual understanding of BOP consumers’ lives, their basic needs and ignores the issue of power (Tadajewski et al. 2014), which a sociological theoretical lens using Bourdieu’s theory of practice (1977) highlights in this research. For example, when looking at the influence of marketing in consumers’ negotiation of products including buying products, they do not understand clearly as opposed to the role of traditional knowledge in guiding consumption of good quality local products. This research presents a critical yet constructive study of why and how situations at the BOP come to be what they are (Warde, 2014). However, analysis of the relationship between the BOP consumers and MNCs presents a question whether a development intervention for meeting their basic needs is the MNCs’ responsibility?
Prahalad and Hart, (2002) and Hammond and Prahalad (2004) claim market exchange, albeit between unequal market actors like MNCs and BOP consumers, are directed at empowering the consumers by offering them choice and including their participation in the market. Not only that, they argued that innovative products address concerns of poverty and development by meeting BOP needs. However, the findings establish that MNCs’ habitus in the market field is determined by rules of the field to generate profit. This shapes MNCs’ marketing practice to use their capital to expand its market share by targeting the BOP consumers (Buckley, 2009) with incrementally innovative products more aligned to generate profits.

Thus, as the findings indicate, MNCs’ marketing objective of making a profit at the BOP view the BOP consumers as a market segment targeted by their marketing strategy. This differs from a development objective which suggests MNCs like Nestle and Unilever align their growth with needs of the BOP (DFID, 2011) by investing and innovating products to meet them (Deloitte WBCSD, 2016; Prahalad, 2006; UN, 2015a). Instead, whilst MNCs increase their power by including BOP consumers in the market using notions of inclusivity, the imbalance of power in the exchange is heightened as the informant’s purchase products that they do not adequately understand and were alternatively available at lower prices through the local markets.

Indeed, the informants felt responsible for their basic need fulfilment and used their capital to adapt how they met them, including by adopting many branded products in the context of their lives at the BOP. However, it is argued that government failures, including to provide adequate quality products through government subsidy schemes like the Public Distribution System and local informal markets (section
2.3.2) (OECD, 2017) are unquestioned by the BOP. Instead, the BOP consumers who are caught between their poverty and unmet needs, including them in the formal market and offering them ‘modern’ and ‘safe’ products (Práhalad, 2006) is offered as the only solution to the failure of the informal market and government to provide safe and unadulterated products.

Furthermore, it might be argued, as consumers at the BOP are constrained not only by their low income but poor-quality local products, purchasing brands with a positive brand image allows the MNCs to sell such products at higher prices (than the cost of production). Since the BOP consumers are willing to pay more for products with a positive brand attitude (Gupta and Jaiswal, 2013), their increased engagement with MNCs’ FMCG products are then used to justify the expansion of the formal market to the BOP. Indeed, the informants welcome the availability of better-quality products sold by MNCs because of their subordinate capital (Coskuner-Balli and Thomson, 2013) and the inability to question the powers of the state. Consequently, the BOP approach of marketing products (Práhalad, 2006) is presented as the best alternative way of meeting consumers’ needs instead of addressing the real issues of the informal market and sales of poor-quality local products on which the informants mainly rely on for meeting their basic needs.

Equally, the failure of government and policy to address bigger issues (section 6.2 and 6.3) faced by the BOP contributes to increasing the MNCs powers (Stiglitz et al. 2006) as state provisioning contracts, and the market field expands to the BOP through market-based approaches where ‘everything in the field is acted on MNCs behalf (Bourdieu, 2015, p.76, cited in Fourcade, 2007). The MNCs are then positioned as provisioning agents, and the role of the state is downplayed
(Tadajewski et al. 2014) as the neoliberal agenda gains from the government and local markets failure to provide safe and healthy basic need products including food.

This research captures how the market offered both BOP consumers and MNCs an opportunity to engage and meet needs and generate profits (Prahalad, 2006) using their capital in consumption and marketing practice. BOP consumers’ need fulfilment was influenced by MNCs problematising the situation at the BOP and determining how to meet BOP needs in the context of constraints of the BOP market and yet generate profits through the marketing of innovative products (Humphrey and Robinson, 2015). For example, adaptations in products and innovations in packaging to face challenges of making products available to BOP consumers in a way they can access and afford products and at the same time provide reasons (profit) for MNCs to access (penetrate) BOP markets (Anderson and Markides, 2007).

However, from a development perspective, MNC marketing to the BOP is not only about connecting needs to demand by addressing market imperfections to include the consumers in a market exchange that mainly allow MNCs to expand their market share at the BOP. Instead, for MNC marketing to have inclusive growth and well-being impact, such marketing should benefit BOP consumers’ basic need fulfilment (Papioannou, 2019). Hence including the BOP in the market, raises several concerns about the MNCs use of power and influence of brands for profit.

This concern is heightened as the findings suggest a lack of MNCs’ intent to innovate hence invest specifically for the BOP which shows that the knowledge and experience from the BOP market (London, 2008) were mostly absent in the
innovation. This supports the criticisms of the BOP approach (Karnani, 2015; Kolk et al. 2014) of being a strategy of selling to the poor (Simanis, 2008) and increasing MNCs’ power in the market field. For example, MNCs’ small package innovations aimed at the lucrativeness of the market size at the BOP (Prahalad, 2006) demonstrates their marketing objective of growing their market (Martin and Schouten, 2013) for commercial success and returns on FDI in developing country markets (Buckley, 2009; Dunning’s 2001, 1993). This corresponds to the mainstream innovation model that is driven by profit-seeking behaviour of companies (Schumpeter, 2004).

Correspondingly some MNC executives discussed the need for a profitable ‘business model’ to serve the BOP market as ‘no business is really in the business of charity’ and distinguished this from altruistic practices. For example, Corporate Social Responsibility (CSR) in addressing developmental issues and meeting needs of the BOP. Explaining the difference between MNCs’ ‘business model’ and CSR the HUL executive stated, ‘almost every company does some charity and government has demanded that.’ However, he stated ‘…I think in a country like India it is impossible to achieve that charity route alone. So, therefore, it has to be a business model.’

Yet, explaining the need to innovate better products the executive at Cargill noted there is need to integrate a ‘good’ in the business and it ‘was not about distributing free (fortified) oil to the poor people’ since that is not sustainable and ‘could’ve been

43 A recent law passed by the Government of India in 2013 mandates 2% of net profits of firms to be spent on CSR activities.
done one time. It couldn't haven't been done sustainably forever.' The MNC executive then explains how engaging with the BOP through a 'business model' that generates profits allows for a sustained and long-term approach to basic need fulfilment (Clay, 2005; Thorpe, 2015).

However, the lack of adequate efforts by MNCs to create awareness including of any harm from consuming branded products raises the concern of their intent and influence evidenced through BOP consumers constraining their adoption of innovative products as well as engaging with some non-essential and harmful products. This information asymmetry compounds BOP consumers' vulnerability. For example, their dependence on shopkeepers for product information, relying on the product price or colour instead of a brand name or product ingredients. These findings support existing BOP research that suggests the influence of MNCs' position of power in doing business with the BOP consumers (Lee et al. 1999; Simanis et al. 2008). How? The market imperfection - inadequate awareness among the BOP consumers, adversely influences their rational decision-making ability advocated by a market-based approach. Yet, from their position of power, the MNCs inadequately address the gap to empower the consumers and give them decision-making opportunities by making them more aware hence inclusive in the market exchange. Instead, as branding does not add value to products for the consumers – except symbolic value, MNCs maximise profits by marketing branded products (which is significantly more than the actual cost of the product) by creating brand loyalty among the consumers at the BOP through advertising. Thus, a Bourdieuan lens demonstrates how an unequal market exchange does not offer a 'win-win' situation for BOP consumers in the context of their lives at the BOP even as they increasingly adopt brands by adapting their taste and consumption practice.
(Fourcade, 2007). Instead, MNCs’ marketing enhances their power as they advance their position in the market without adequately supporting the consumers to make informed consumption decisions of the products they market. Thus, it is argued increasing globalisation and policy support for engaging with MNCs in development increases MNCs’ power without adequately meeting consumers’ basic needs and fails to demonstrate a mutually beneficial exchange at the BOP.

The overall findings suggest the need for a more balanced approach with a clear role of the state (Stiglitz, 2008) and policy when engaging with MNCs in development to achieve inclusive growth. This is mainly to regulate MNCs, who whilst gaining from the market expansion at the BOP, increase the power imbalance in the market exchange, which then needs to be addressed. Furthermore, as the MNCs’ power increases, their capital can negatively impact BOP consumption practice without any real benefit for consumers at the BOP. This suggests the need to establish MNCs’ responsibility towards a development agenda based on inclusive innovation and growth when engaging with the BOP. Whilst the findings present us with the need for development policy to question the real gains for the BOP consumers and motives other than profits in MNCs engagement in development, the impact of such engagement must be critically evaluated. Yet a starting point for policy would be to regulate MNCs to ensure complete and comprehensible product information (Ozanne and Murray, 1995) which takes primacy over brand advertising that empowers the BOP consumers in the decision they make to have real inclusive growth.
9.4.1 Policy in view of engaging with MNCs in development

Increasing global policy focus on MNC engagement in development using market-based approaches for inclusive economic growth (DFID, 2011, 2015; Sridharan et al. 2017; UN, 2015a, 2015b) is encouraging national governments, and businesses to work together. Yet as the findings suggest MNCs do not adequately demonstrate a commitment to development in the interest of BOP consumers given the problem statement and policy support. While MNCs have the potential to make positive contributions to a host country, the findings demonstrate that their role in economic growth is mainly based on profit motives of their FDI (Dunnings, 2001) and domestic policy environment (Bhagwati, 2011; Srinivas, 2012).

MNC’s neoliberal global corporate agenda of free markets and limited government (Hertz, 2001), is seen to limit the power of the state as policies have often been refashioned contrary to interests of the nation (Stiglitz et al. 2006). For example, it can be argued that lack of MNCs’ efforts and policy recognition to address issues like market awareness or intent to innovate specifically for the BOP is guided by a purely profit-driven economic growth argument of MNC FDI in developing countries. Such an approach eliminates the moral and political obligation for MNCs to contribute in any direct manner to the development of host country since economic growth and development are automatically seen as a by-product of its operations (Oetzel and Doh, 2009). However, the lived experience of the BOP provides a more informed view of the priorities policy needs to take (Dreze, 2019 p.17). For example, given the problem statement of MNCs’ innovative products meeting unmet needs of BOP consumers the situation presents the need for i) informing and educating BOP consumers of health and nutrition issues ii) with MNCs support to address the issue
and iii) a greater emphasis on traditional and local products which support BOP cultural capital and consumption practice.

Interestingly the MNC executives in this study suggest the need for an ‘ecosystem’ supported by ‘multiple stakeholders’ in addition to their profitable ‘business model’ to sustain an intervention directed towards a development objective. This corresponds to Prahalad's (2006, 2012) BOP approach that proposes MNCs collaborate with the BOP, civil society organisations, and governments to 'create markets and product offerings' to 'convert the BOP into consumers.' For example, the HUL executive discusses 'partnering with the Government of India to achieve nine World Health Organisation targets to be met by 2025' that has led to innovations of new nutritional products which the company is 'currently' working on at a 'trial phase'. For example, ketchup, jam, and tea. Similarly, the GSK executive discussed Government of India's policy thrust, for example, India's National Nutrition Strategy, which he saw as an opportunity for MNC to address nutritional needs of consumers in India, where they can 'translate and implement' the policy since the 'state (does) not necessarily have that sort of capability' and there is 'not necessarily a point of duplication'. The MNC then sees its role in 'complement(ing) the overall policy…by making products available and accessible,' the GSK executive stated.

The HUL executive drew from the past success of a multi-agency partnership where their innovative product and communication campaigns were aimed at addressing health and nutrition issues like the HUL brand Lifebuoy (antibacterial soap the key sponsor) hand-wash campaign - aimed at reducing diarrhoeal deaths (HUL, 2009; Unilever, 2011). Such partnerships they claim allow benefits of innovation to address health and nutrition needs at the BOP. Similarly, the executive at Cargill
stated, to create awareness of health and nutrition issues that the MNC products meet a 'targeted approach' will have to go 'through a government programme.' Thus, the MNCs executives in this study were looking for the responsibility of the government in developing new and sustained ways of marketing innovative products, including to the BOP. This, however, raises the issue of the government co-opting the neoliberal agenda and promoting products of MNCs by what appears to be subsidising and supporting their marketing cost. It is argued such a partnership between governments and MNCs allows them to generate higher profits by expanding their market field and limiting the government's role in meeting BOP needs including of addressing market imperfections through appropriate policy. For example, inadequately addressing issues of i) information asymmetry that affects BOP consumer behaviour in adopting innovative products or not ii) consuming non-essential branded products without knowing benefits or harms and iii) making safe, unadulterated local products available. As argued by Tadajewski et al. (2014) this represents a complex policy and agenda-setting that is removed from the lived experience of the BOP consumers as powerful institutions and governments further the economic growth argument supporting neoliberal policies. This policy issue requires further research.

9.4.1.1 The case of food fortification in India

During this research, meetings, and discussion with the Government of India’s Food Safety Standards Authority of India’s (FSSAI) (Food Fortification Resource Centre (FFRC) - Ministry of Health and Family Welfare) demonstrated the case for food fortification in India. The Government of India’s recent policy encourages multi-stakeholder partnership in implementing its programme for fortifying staple and
packaged food including that marketed by MNCs like HUL, Cargill, Mother Dairy and Nestle. Employees of these MNCs were ‘seconded’ to work at FFRC on the government programme to establish standards for fortifying five staples - oil, salt, wheat, rice, and milk in October 2016 and create a communication and awareness programme including a logo for fortified foods.

The next stage of food fortification as claimed by the FFRC member was developing ‘fortification standards for processed food’ that will include ‘cereal and cereal products like breakfast cereal, pasta and noodles and bakery wares like, bread, biscuits, rusks, buns …fruit juices' marketed by MNCs. These products were chosen because they were ‘low hanging fruit’ which were ‘food categories already fortified’ with a ‘lot of arbitrary fortification happening’ (section 8.2.1.1). Thus, whilst the staple food fortification was based on the needs of the consumers, processed food fortification is being done with the view of getting ‘buy-in’ of the ‘easier categories’ to get the ‘ball going’ (FSSAI, 2017).

Further, at the time of collecting data for this research FSSAI had proposed to build ‘consumer awareness’ including through ‘joint marketing campaigns’ with the MNCs for fortified foods. FSSAI hopes to achieve consumer awareness and shifts in consumer behaviour through various activities, in partnership with the development agencies like Global Alliance for Improved Nutrition, World Food Programme among others and MNCs (FSSAI, 2017).

Interestingly, despite some ‘indicative’ outreach communication material developed both in English and Hindi, the fortification logo developed by FSSAI for product package and labelling uses the English alphabet +F as the symbol for fortified foods.
As the findings suggested, BOP informants like 1C2N could not understand such labelling or logos. For example, 1C2N could not read the packet label showing vitamin A and D fortification except the alphabet ‘A’ and ‘D’ which then meant nothing to her. Additionally, the tag line developed by FSSAI ‘sampoorn poshan swasth jeevan’ (wholesome nutrition healthy life) although in Hindi is written in English. The researcher raised the issue of communicating with the BOP in English during a meeting. Yet, inadequate understanding of the BOP consumers constraints when engaging with the formal market and insensitivity in acknowledging and addressing the need for creating awareness at the BOP is demonstrated through the communication efforts. There is a need for policy research in this regard. Below is the image of the logo. However, at the time of collecting data, the government had not yet set standards for fortification of non-staple packaged foods. Hence, the MNCs could not use the approved fortification logo.

![Image 9.1 FSSAI fortified foods logo](source:FSSAI.gov.in)
9.5 Conclusion

This chapter discussed further MNCs' lack of an in-depth contextual understanding of BOP consumers’ lived experiences as well as their indifference towards innovating specific products that are inclusive of BOP consumers’ basic needs. MNCs tend to be interested in the market for non-essential and incrementally innovative products which do not demonstrate any well-being impact and are divergent to a development perspective. Thus, an empirical understanding of engaging with BOP consumers suggests the need for a more balanced approach in ascertaining engagement with MNCs. Even as the market and MNC marketing of innovative products meet some BOP basic needs, for MNCs to have a development outcome requires policy support to regulate MNCs to present a clear intent to benefits the BOP consumers. This requires various steps that include:

i) contextually understand BOP consumers’ unmet basic needs

ii) invest in innovative products that meet basic needs

iii) create awareness of the products marketed to the BOP and

iv) consider their social and cultural capital and benefit BOP consumers with better products than what they consumed earlier.

Hence MNCs need to have a clear intent to meet BOP consumers’ basic needs through inclusive innovations which then contributes to inclusive growth and not just their profits.
Chapter Ten Conclusion

10.1 Introduction

This chapter brings the research to a close. This research builds on the notions of basic needs and inclusive innovation, with an overarching practice theory lens to explore the phenomenon of FMCG MNCs’ marketing product innovations to BOP consumers. Based on a review of the BOP marketing and development literature, the context of this research was explored in Chapter Two, identifying several knowledge gaps in Chapter Three. This resulted in the formulation of the following research question in Chapter Four, which also presented the initial design of the conceptual framework that guided the empirical research stages:

From a development perspective, to what extent can MNC product innovations and related marketing meet BOP consumer needs?

The proposed framework investigated the phenomenon, which included collecting and analysing data from BOP consumers and MNC executives using an interpretive ethnographic methodology (Chapter Five). The findings in Chapters Six, Seven, and Eight provided an in-depth insight and a novel understanding of the contextual lives of BOP consumers, their basic needs, and the phenomenon of MNCs’ marketing to the BOP to meet their needs and to what extent MNCs’ marketing met BOP needs. The analysis and discussion in Chapter Nine not only enhanced our theoretical understanding of the phenomenon of BOP marketing but also offered practice and policy insights which may be of value to senior management and policymakers which this chapter discusses.
This chapter briefly revisits the thesis aims, presenting a summary of the key findings in section 10.2. Section 10.3 outlines the theoretical contributions to development (discussed in Chapters Six, Seven, Eight and Nine). These contributions are summarised concerning the literature discussed in Chapter Three and the conceptual framework in Chapter Four. Section 10.4 discusses the contribution to marketing, and section 10.5 presents policy implications that arise from this research. Section 10.6 reflects on the limitations of the study and suggests areas for future research.

10.2 Research aims and key findings

This research was motivated by increased policy, practice, and academic interest in the phenomena of the private sector engaging in development (Deloitte WBCSD, 2016; DFID, 2014, 2015; George et al. 2012; Kolk et al. 2014; UN, 2000, 2015a, 2015b, 2015c, 2019). Despite a considerable emphasis on MNCs’ product innovations and their marketing to achieve inclusive growth, highlighting the opportunity for both profit and development outcomes (Prahalad, 2006, 2012), little is known about what BOP needs the MNCs meet nor the influence of MNC brands and marketing on BOP consumption practice. In other words, current literature focuses on developing and understanding marketing brand strategies to access the BOP markets, but less is known about the MNCs’ intent and marketing practices required to achieve BOP development and well-being outcomes. The current literature inadequately provides a bottom-up perspective of the BOP consumers’ lives in a developing country context, i.e. basic needs, constraints, vulnerabilities and the role of values and cultures. For example, what needs are deemed basic for consumers living under US $2 a day in the context of their lives? Thus, a lack of
understanding of MNCs’ marketing and BOP consumption practices in development presents a key limitation of our understanding of the BOP approach and the private sector’s engagement within development. For the first time, this research has presented a new bottom-up perspective of Prahalad's BOP approach. This exploratory research has presented a critical yet constructive account on whether the MNCs’ BOP approach led to inclusive basic need product innovations that address their unmet needs. Fundamental to this research was understanding how MNCs’ marketing branded products influenced BOP consumption practice, therefore investigating how they influenced, how products were adopted, what products they replaced, and what BOP needs they met. This research argues that the MNCs’ role in meeting basic needs of BOP consumers is severely constrained by their lack of contextually understanding BOP consumers lived experiences, social relations, and values, and how it influenced their basic needs. MNCs’ lack intent to innovate products specifically for unmet BOP needs. Instead, MNC marketing to the BOP is guided by their need for increased profits. As a result, MNC marketing practice may obscure BOP consumers’ basic needs by marketing products which are neither innovative nor meeting basic needs.

The contributions of this research are presented in the following sections. A recap summary of the key findings discussed in Chapters Six, Seven and Eight are presented in the table below.
Table 10.1 Key findings summary table

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<td>iii)</td>
<td>Prioritisation of needs based on BOP consumers perspective of what is basic demonstrates the dynamic and changing nature of basic need determination and how it is met within BOP context.</td>
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<td>vi)</td>
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<th>MNCs’ Marketing of Innovated Products: BOP approach and Inclusive Innovations</th>
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<td>vii)</td>
<td>MNCs make many basic need products available to the BOP market as they aim to make profit.</td>
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<td>viii)</td>
<td>MNCs do not innovate many products with a development agenda specifically for unmet BOP needs.</td>
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Source: author

10.3 Development – Contribution to theory

This section summarises the main development theoretical contributions in relation to the existing research. In doing so, this research narrows the knowledge gap between development and marketing within the context of an MNC led BOP approach in meeting BOP basic needs. Section 10.3.1 focuses on the theoretical contributions to research on basic needs and Basic Needs Approach. Section 10.3.2 outlines contributions relating to the development of a BOP approach.
10.3.1 Development of basic needs and market-based Basic Needs Approach.

This research contributes to our understanding of how BOP consumers’ habitus and capital shaped their basic needs and associated 'instrumental' products (Gasper, 2004). How the BOP prioritises some needs over others, delineating preference, choice, use, and meanings attached to products to meet their needs. Specifically, this research challenges and extends Gupta and Jaiswal, (2013), and Subrahmanyan and Gomes Arias's (2008) research on the categorisation of BOP basic needs and associated products.

The framework in Chapter Four demonstrated the conceptualisation of basic needs. This thesis explored the dynamic and changing nature of basic needs and associated products, based upon the BOP consumers own perspectives of their needs and what they deemed basic in the context of their lives. This research contributes to a comprehensive understanding and categorisation of BOP basic need for food and nutrition by establishing a dichotomy of staple versus non-staple food, reflecting the BOP informant’s priorities. This finding extends Subrahmanyan and Gomes Arias (2008) categorisation of food as mainly comprising of staples, consumed as a basic need motivated by survival. Subrahmanyan and Gomes Arias’s (2008) categorisation of needs is based on their use of secondary data on consumer expenditure at the BOP to infer what are basic needs. Whilst the informants in this research showed that consuming staples was central to their need for food and nutrition, non-staples, including branded products, were part of their consumption practice. This finding extends Subrahmanyan and Gomes Arias's (2008) key assumption of survival determining the need for food, as BOP
consumers’ demonstrated choice and preference in regularly consuming non-staples like anyone else by pushing boundaries of what they deem as a basic need for food. The informants showed some examples of how they used their low institutionalised cultural capital and consumer literacy in determining and meeting their basic needs by consuming some branded products. However, the informant’s embodied cultural capital, evidenced through traditional knowledge demonstrated their reliance on non-branded local products. This finding challenges Achrol and Kotler (2012), and Subrahmanyan and Gomes Arias’s (2008) key assumption that MNCs’ product innovations meet BOP basic needs. Achrol and Kotler (2012), and Subrahmanyan and Gomes Arias’s (2008) fail to explore alternative ways BOP needs are met, e.g. consumption of local non-branded products, let alone understand the context of BOP lives and categorise their basic needs demonstrated by this research.

Taking a bottom-up BOP consumer perspective, this research contributes to a comprehensive understanding of BOP basic need for personal grooming and hygiene. This finding challenges Gupta and Jaiswal, (2013), and Subrahmanyan and Gomes Arias’s (2008) argument and findings that personal grooming and hygiene are higher-order needs (Maslow,1943, cited in Subrahmanyan and Gomes Arias, 2008). An implication that personal grooming and hygiene are not basic needs and consumer expenditure on luxury toiletries like shampoos and soaps is non-essential. Their argument lies in the assumption that whilst motivation for survival determined staple food as a basic need (which then warranted large expenditures on food), personal grooming and hygiene did not. Hence personal grooming and hygiene and associated products were categorised as non-essential. This research challenges this categorisation based upon the BOP consumers own perspective of
personal grooming and hygiene as a basic need (Chapter Six). This thesis offers an insight into how, within the context of their constrained lives, BOP consumers exert choice and determine nuances in meeting their basic needs which are not unique to other consumers, for example, by engaging with more expensive branded products, that save time and offer convenience.

Similarly, empirical findings in Chapter Six and Seven suggest the informant’s habitus did not always consider saving costs and considered alternative perspectives to economic and rational considerations in their basic need determination and consumption practice. Such habitus, occurred when the informants satisfied family needs, forgoing their immediate basic needs. This finding contributes to the socio-cultural dimension of understanding BOP needs, by specifically demonstrating how BOP consumers sacrificed their basic needs in repatriating their incomes to their families in their native villages to build social capital. This finding extends Gupta and Jaiswal (2013), and Subrahmanyan and Gomes Arias's (2008) research which argues that BOP consumers build social capital as a 'higher-order' need than basic need for survival, by maintaining ties with their families (Maslow, 1943, cited in Subrahmanyan and Gomes Arias, 2008). Such a perspective of Subrahmanyan and Gomes Arias (2008) and Yurdakul et al. (2017) assumes BOP build social capital for future contingencies which Yurdakul et al. (2017) argued is demonstrated through BOP expenditure on communication technology and mobile phones to keep ties with families. However, the findings in this research show how maintaining social capital goes beyond the need of communicating with family to maintain ties as the informants send remuneration to their native village based on culture and values of contributing to family needs that impact their immediate basic needs by way of reduced consumption. Similarly, by
adapting habitus and accommodating many non-staples, including branded food needs of children, this research contributes insight into how BOP consumers who are challenged to meet their basic needs for staple food do not demonstrate rational consumer behaviour. Instead, consuming non-essential branded foods as part of daily consumption practice then appears as their basic needs. This finding then challenges Karnani’s (2007b, 2010) argument that in the context of BOP consumers’ limited spending power and many unmet needs, rational consumer behaviour would deter the BOP from spending on products other than for basic needs. This argument of Karnani (ibid) assumes that poverty constraints BOP consumption practice and being a BOP consumer means purchasing small quantities of low-priced basic need products. This research contributes a means to understanding how BOP consumers go beyond economic consideration in determining and meeting needs as they spend their limited incomes on products that are not for meeting basic needs, yet, they are consumed to satisfy their children’s desires.

This research contributes to existing conceptualisations of basic needs for development interventions. Existing research (cited in Green, 1978; Streeten, 1984) took a top-down view of conceptualising basic needs framed by governments, development, and aid agencies within an economic and political context (see Appendix C) to address failures of the GDP based economic growth. This research is one of the few empirical studies that contribute to a theoretical and empirical understanding of BOP basic needs using Bourdieu’s (1977) sociological tools and theory of need (Gough and Doyal, 1991; Gasper, 2004) with a bottom-up perspective. This perspective presents an alternative to those in power – state and market, from appropriating and determining what basic needs and associated products are for the BOP. In doing so, this research extends existing theoretical
understanding of basic needs in the Basic Needs Approach (cited in Green, 1978; ODI, 1978; Streeten, 1979), i.e. realisation of the proclaimed basic need focus of development interventions, by empirical verification and understanding of BOP basic needs.

This research extends the Basic Needs Approach with the market-based BOP approach, by providing insights to what extent MNC marketing can meet BOP basic needs by empirically investigating the phenomenon. This research then offers a means of understanding, an alternative method to BOP dependence on aid and the role of the state, in meeting BOP basic needs. In doing so, this research takes on board the criticism of Fishkin (1982, cited in Gough and Doyal, 1991) of how the Basic Needs Approach becomes one of charity and philanthropy, dependent on aid or grants if no institutional and long-term interventions are created for meeting BOP needs.

10.3.2 Development of market-based BOP approach

This research contributes to a theoretically positioned BOP approach to development. A theoretical and contextual understanding of BOP basic needs (10.3.1), foregrounds what MNC product innovations meet them. This research then provides a theoretical understanding of the role of innovation in meeting BOP needs, strengthening the BOP approach with a theoretically and well-defined need based inclusive approach, closing the current knowledge gap.

Challenging and extending existing research which has focused on needs and products, including credit, budget hotels, low-cost cars and Apple I-phones (cited in
Prahalad, 2006; 2012; Yurdakul et al. 2017), the specific focus of this research on basic needs of BOP consumers who earn under US $2 a day contributes insight into the real needs and what MNC FMCG products are relevant to meet them. Such a perspective challenges Prahalad's (2006; 2012) argument of MNCs' marketing branded products to the BOP to make a profit and thereby satisfy unmet BOP needs without demonstrating what BOP needs MNC meet. An argument based on Prahalad (2006; 2012) and Yurdakul et al.'s (2017) broad categorisation of BOP as consumers earning even up to ten dollars a day. Whilst addressing a criticism of the BOP approach of including middle-income consumers in developing and emerging countries (Adebayo, 2013; Karnani, 2007b; Warnholz, 2007), this research’s emphasis on BOP consumers earning under US $2 a day demonstrated food, nutrition, health and hygiene as their basic need. What we then see is the need for a narrow definition of the BOP and not move away to the middle-income consumers which has implications for understanding the nature and scope of the BOP problem. This research then provides a means of understanding how the BOP consumers might benefit from MNCs’ marketing of basic need products.

This research has shown BOP informants’ consumption of both local non-branded and some branded basic need products, suggesting the role of both is common consumption practice, by examining the habitus of informants who earn up to US $2 per day. This research demonstrated the significance of non-branded products in the informant’s consumption practice based on their traditional knowledge. In fact, the informants did not consume many branded products to meet their basic needs. This finding challenges Prahalad and Hart (2002) and Prahalad’s (2006) argument that the informal market inadequately serves BOP consumers. An argument based on the assumption that including the BOP in the formal markets served by MNCs.
will then meet their needs. Contrary to Prahalad and Hammond’s (2002) concerns of informal markets failing to meet BOP needs, this research posits BOP consumers do not need to be rescued from the informal market. Instead, the findings contribute to the need for strengthening the role of local products and the informal market, by suggesting BOP reliance on non-branded products. As the insights from this research contribute to understanding the limitations of MNCs in meeting basic needs, this research recommends MNCs to align the BOP approach more efficiently to address unmet BOP basic needs and their objective for profits. It urges MNCs to understand the contextual lives, cultures, and values of the BOP consumers who earn US $2 and how it influenced BOP need determination. MNCs need to question the relevance of many products targeted at the BOP to have real well-being impact. In fact, this research rejects Prahalad and Hart’s (2002) argument of undermining the informal market and local products and replacing it with the formal market and BOP approach of marketing FMCG MNCs branded products.

Finally, this research contributes to understanding MNCs’ innovative FMCG products and the extent they satisfy BOP consumers’ unmet needs. This research extends studies of inclusive innovations (cited in Heeks et al. 2014; Kaplinsky, 2011, 2014; Papaioannou, 2014, 2019) that examine the benefits of innovations to marginalised groups like the BOP. This is achieved by exploring the possibility of MNC innovations offering better product choices in the market (cited in Prahalad, 2012) that benefit the BOP by addressing unmet needs. Whilst this research has shown how BOP informants’ habitus to consume some branded, and innovative products like fortified food or products packaged in affordable packs, suggested they benefit from the innovative features of the products. Specifically extending the work of Papaioannou (2014, 2019) which argued inclusive innovations must address
BOP basic needs, the findings suggest that few MNC product innovations do. Typically, except a few staple food products adapted with nutritional benefits and hygiene products with antibacterial properties, few innovative FMCG products appeared to have well-being outcomes for the BOP. While the BOP informants consumed many incrementally innovative products in small packaging, these were not necessarily meeting their basic needs. As FMCG products did not meet many basic needs, this finding challenged Prahalad's (2012) assumption that unmet BOP needs offer opportunities for MNC to innovate products to generate profit and benefit BOP consumers. By taking this perspective, this research challenges Prahalad and Hammond (2002) and Prahalad and Hart’s (2002) argument that investments in innovations in developing countries, like India, will generate both consumer benefits and profits, resulting in inclusive growth. This was not entirely evident in the findings. Instead, MNCs’ product innovation strategy lacked an intent to innovate specifically to meet BOP needs and failed to demonstrate any development objective, offering a generic mass-market, ‘business as usual’ approach.

Rather than focusing on inclusive innovations that minimise resource usage, cost and complexity in production and emerge from low-income communities (Kaplinsky, 2011a, 2014; Papaioannou, 2014; Srinivas, 2012). This research contributes to reconceptualising the inclusive innovation argument, by foregrounding how FMCG MNCs’ marketing practice of some basic need innovative products may offer choice of better products to the BOP. Such a perspective enabled this research to extend the MNCs’ mainstream innovation model to the BOP by bringing together both MNC profit motive of marketing FMCG products to the BOP as well its possibility of meeting BOP basic needs. This research then contributes to an alternative perspective to Kaplinsky (2011, 2014), Heeks et al. (2014), and Srinivas (2012)
argument that the profit-seeking nature of innovation addressing a demand does not allow innovation to address the challenges of economic growth to be inclusive, by meeting basic needs of the BOP (since such needs are not backed by the ability to pay). By including the BOP in the market and benefitting them with better products can lead to ‘need based inclusive innovation’ and growth. This research provides insight into how MNCs’ mainstream innovation can be better aligned to development objectives at the BOP, by understanding how mainstream innovation based upon commercial principles of adoption and inclusivity can meet BOP consumers’ basic needs and, thereby, converted into demands (cited in George et al. 2012). This research, therefore, strongly suggests that MNCs establish a clear intent for well-being objectives when marketing to the BOP. While development policy encourages MNCs engagement in development and inclusive growth, this research proposes policy and government should more specifically regulate MNCs’ investment for basic need product innovations addressing unmet BOP needs (section 10.5).

10.4 Development – Contribution to marketing practice

Dembek et al. (2019), and Kolk et al. (2014) in their review of the extant literature on the BOP approach, suggests there is a lack of clear understanding of the outcomes of MNCs’ marketing practice on BOP poverty alleviation. Specifically, Dembek et al.’s (2019) review of BOP literature notes that only six per cent of 217 publications reviewed, focused exclusively on issues of BOP well-being. Instead, most research focused on how to improve business performance at the BOP (along with some focus on poverty or policy implications). In contrast, from a development perspective, this research focuses on the extent of MNC marketing’s well-being impact, seen through BOP consumers’ engagement with FMCG products to meet
their basic needs instead of a business focus aimed at profits. In doing so, this research extends the research of marketing that examines development outcomes at the BOP in a developing country context.

This research contributes insights to MNC marketing practice that examines how MNCs connect the basic needs of the BOP to demands, by recognising constraints in the BOP market like low income, and product penetration which MNCs then chose to address to make some products available, accessible, and affordable. Specifically, this research contributes to understanding how Prahalad's (2006, 2012) marketing strategy of 4A's – availability, accessibility, affordability, and awareness create a capacity to consume at the BOP. This research has shown how MNCs' marketing objectives to access the BOP market for profit, lends to them making products available in low priced packs, demonstrating how marketing practice connects the basic needs of the BOP to demand as BOP consumers adopted some incrementally innovative products available at affordable prices.

This research has shown how BOP informants used their capital to negotiate a shift from non-branded to branded products based on brand attributes and benefits that shaped their habitus in consumption practice. Particularly, in the absence of a clear framework to explain and understand the concept of marketing and adoption of inclusive innovations to the BOP, this research showed how MNC marketing practice shaped BOP consumer behaviour as they adopt some innovative products. Specifically, this research developed the adoption of innovation concept for BOP marketing, by exploring innovative product characteristics and what information consumers need to adopt products (George et al. 2012; Rogers, 1995). This research demonstrated BOP informants welcomed the availability of 'better'
branded products, by establishing the advantage of some branded and innovative products, over the local products used. Compatibility of branded products was ascertained mainly on practical, utilitarian reasons and key product attributes and benefits, such as price, quality, and previous experience. Although the influence of brands on the BOP consumers and brand loyalty did not necessarily lead to prioritising spends on branded products over non-branded products. Yet, this research demonstrated BOP informants established the significance of some branded products in the context of their lives, especially as they try the products in affordable small packs, which they then adopted. Whilst this research recognises the significance of non-branded basic need products for BOP consumers, a significant implication for marketers of branded basic need products is to align more products with innovative characteristics that offer relative advantage over the current products used by the BOP and are compatible with their basic needs, low incomes, and context of lives at the BOP.

By examining informants' engagement with the market and MNC branded products, this research has shown how low levels of BOP literacy and market awareness, reduced observability of innovative branded products attributes and benefits. In doing so, this research offers a means to understanding how low consumer literacy increased complexity in adopting even basic need products, by failing to establish the characteristics of the innovative product, which may lead to its adoption. This finding challenges Prahalad's (2012) argument of MNCs’ innovations and their marketing, creating awareness of products to satisfy unmet BOP needs. Prahalad's (ibid) argument lies in the assumption that MNCs’ profitable business activities at the BOP are accompanied by their development objectives that creates a win-win for both BOP consumers and MNCs through product innovations and their
marketing strategy of 4A's that creates awareness. This was not evident in the findings, which demonstrated the BOP consumers did not have knowledge of the innovative products and their characteristics. This research demonstrated whilst the objective of MNCs’ marketing practice is to access the BOP market, yet they failed to create brand awareness and product knowledge amongst the BOP. In doing so, this research offered a means to understand what shapes MNCs’ marketing practice at the BOP is their need for profit, without specifically investing either for innovating products for the BOP (Chapter Eight, section 10.3.2) nor creating awareness as propositioned by Prahalad (2012). This finding challenges Achrol and Kotler, (2012) and Sridharan et al.’s (2017) argument of the increasing marketing shift to innovation and proactive corporate strategies for the BOP market that evidence influence of policies for 'regulated capitalism' that prioritise benefit for BOP consumers as MNCs make profit (cited in Achrol and Kotler, 2012, p.36). The findings do not support Sridharan et al.’s (2017) suggestion that MNCs shift to development and marketing moves their focus from addressing constraints like access and availability of products at the BOP, towards one of opportunity expansion thereby addressing BOP consumer vulnerability and well-being issues. Instead, this research demonstrated the limitations of MNC marketing objective and market inclusion of the BOP consumers based only on profits. Even though MNCs’ address some constraints in the BOP market to provide access of products to BOP through notions of inclusion and choice, MNCs’ marketing objective to the BOP is aimed at advancing their position of power in the market field.

This research also contributes to our understanding of BOP consumers’ vulnerability in the market exchange when engaging with brands, attributable to MNCs’ failure to create product knowledge. Specifically, this research challenges Prahalad and
Hart's (2002) argument that market exchange between BOP consumers and MNCs’ products empowers BOP consumers by offering differing product choices to meet their needs, thereby leading to inclusive development and growth. This argument lies in the assumption that BOP consumers’ make rational and informed choices in the market based on product knowledge. Whilst the informant’s demonstrated some examples of consumer rationality, such as spending a little more to consume safe and hygienic branded products, they had almost no knowledge of important product characteristics, like ingredients, nutritional value, or expiry date. Instead, the informant’s consumed branded products with no nutritional benefits without knowing about the content (sugar) of the products, such as sugary beverages. This finding challenges Prahalad and Hart's (2002) assumption of BOP rationality in consumer choice, as the BOP are vulnerable and just as entitled to make consumption decisions that are not always beneficial. By taking this perspective, this research challenges Prahalad (2006) and Sridharan et al.’s (2017) argument that economic growth and the expansion of the market incorporating the BOP will meet BOP needs and fulfil their aspirations. This was not evident in the findings that show the BOP consumers’ inability to read product labels and understand product characteristics, even as they establish brand loyalty by leveraging their low capital to consume some branded products. Instead, large information gaps evidenced through lack of product knowledge and brand awareness made the informant’s vulnerable in meeting their needs.

This research also provides insights into how MNCs’ marketing practice disturbs BOP consumers’ capital and consumption practice. Not only do BOP consumers’ spend their limited incomes on products they do not adequately understand, but MNC marketing influences the broader socio-cultural context of their participation in
the market field, mirroring the research on MNC marketing’s influence on BOP (Jaiswal and Gupta, 2015; Karnani, 2007b, 2009). Specifically, this research extends Choudhary et al. (2019) and Vishwanathan et al.’s (2009) argument that the BOP consumer relies on social capital – local shopkeepers, because of low consumer literacy. Their argument assumes that local shopkeepers provide product information to facilitate market exchanges based on trust and social capital established. Whilst the informants showed some reliance upon local shopkeepers, they also demonstrated a breakdown in traditional consumption practices and reliance on shopkeepers, when buying branded products labelled in English. The findings suggest informants weakened trust and relations with the shopkeepers, who were motivated by profits, often led shopkeepers to sell to the BOP fake, or expired products, which the informants had no way of knowing. The findings also contribute to understanding how BOP consumers’ vulnerable position/vulnerabilities did not allow them to question the power inequalities in the social structure. Instead, the power inequalities in the market allowed local shopkeepers to accommodate a neoliberal agenda and breakdown traditional consumption practices by selling brands for profitable ventures of MNCs instead of providing good quality local products that informants could trust. What we then see is not only the BOP consumer placing trust on brands they cannot adequately understand. Instead, informants were also expected to embrace the rational, utility-maximising behaviour of market exchange, for which they lack adequate social, cultural, and economic capital as their position in the market exchange weakened and their vulnerability increased.

Finally, this research has implications for the overall economic growth argument of aligning profitable business activities and innovative products contributing to BOP
development and well-being. Such an argument on which Prahalad's (2006) BOP approach is founded on, assumes consumers are rational buyers who understand their needs and are aware of the products that meet them. Equally, it assumes MNCs have an intent to address issues of BOP poverty and well-being through the marketing of their products. Yet, as this research demonstrated, such an approach ignores BOP consumer vulnerability and imperfect market conditions of inadequate awareness and product knowledge, nor how MNCs need for profits can be reconciled with development objectives. Instead, the findings showed an imbalanced market exchange between low BOP capital and MNCs' power within the market field. Whilst the findings showed some examples of innovative staple food products adapted to meet basic needs, they also demonstrated the limitations of the economic growth argument with MNCs desire for profit, and lack of investing and innovating not benefitting the BOP. For example, while meeting BOP needs through the marketing of small packs at lower prices supports Warnholz's (2007) and Prahalad's (2006) argument, that capturing market share at the BOP offers a choice of better quality, lower-priced products that arguably give BOP consumers extra purchasing power to meet their needs. This research highlights MNCs current trajectory of incremental innovations appear to lack any development objective and are aligned to their profit motives evidenced through MNCs failure to communicate with the BOP nor address their basic needs. Instead, what the findings show is, within the context of globalisation and a neoliberal growth agenda, the MNCs increasing role in development leads to MNCs mediating and affecting the social structure and function of the market to increase their power in the market field.

Yet, as MNC marketing and product innovations seem to lack any well-being intent at the BOP, this has implications for marketing practitioners to re-align their
marketing objectives with clear intentions to address development objectives. As BOP consumers engage with branded products, MNCs need to contextually understand BOP basic needs and specifically innovate products that meet them. Such innovations and investments require a long-term awareness campaign targeting the BOP that comprehensively establishes product knowledge and innovative attributes. Informant concerns about satisfying their nutrition and hygiene needs with their limited resources could be met by MNCs’ marketing, addressing awareness and empowering consumers with innovative product choices that could encourage more informed choices and better product uptake. Equally, educating consumers of the possible harms from consuming non-healthy branded products, like fried snacks, may positively influence BOP need fulfilment.

As BOP consumers shop mainly from local shops in the slums, the MNCs need to inform local shopkeepers of branded products attributes. Marketers could help educate BOP consumers by encouraging the uptake of local shopkeepers as brand ambassadors in ways that should benefit BOP consumers. Similarly, marketers need to safeguard BOP consumers from expired and fake products, through better enforcement of legal controls arising from fake products being sold, such as trademark infringement.

On a macro-level, marketers could play a responsible role by understanding how BOP consumers relied on their low capital and struggle to meet many unmet needs. Against their backdrop of poverty and vulnerability in the market exchange, marketers should understand how economic factors like globalisation, availability and demand for many products that bear links to global consumer culture, influences the lifestyle of the BOP consumers without benefitting them. Marketers could show
constraint in marketing their non-essential and possibly harmful branded products in small, single-serve packs, e.g. skin fairness creams, and foods with saturated fats and high salt content, to the BOP.

10.5 Policy implications - Neoliberalism the way forward?

This research raises implications for development policies encouraging the private sector engagement in achieving inclusive growth (DFID, 2011, 2015; U.N. SDG, 2015/2019). BOP informants demonstrated a need to be included in the market and position themselves as consumers amidst the failure of the local informal market and state provisioning of products that met their needs. However, the findings demonstrated the significance of traditional knowledge and local products in meeting BOP needs. Despite MNCs’ marketing some better, safer, and incrementally innovative products that have uptake amongst BOP informants, development policy and debate should be sensitive to BOP consumers’ capital. For example, BOP consumers’ capital appears well suited to engage with local products and informal markets to meet their needs, which is seen through the role of their traditional knowledge guiding the purchase of low priced, yet, good quality local products. The state’s role and policy should then focus on strengthening the informal market and ensure better enforcement of laws, for example, for food safety and standards, that could offer more choice of good quality and affordably priced local products to meet BOP informants’ needs.

Equally, the findings demonstrated the unequal market exchange between MNCs, and BOP consumers, undermining BOP consumers’ confidence when engaging with brands they did not understand. The policy then needs to ensure that MNCs
increasing penetration of brands in the BOP market is accompanied by complete and comprehensible product information. Such a policy would possibly reduce some of the power imbalance in the BOP market, essential for BOP consumers to make informed decisions, as well as reducing the negative outcomes from MNC marketing to the BOP.

The findings demonstrated MNCs’ capability to incrementally innovate and profitably scale their operations through financially sustainable and scalable marketing practice at the BOP. This was reiterated by the Cargill, GSK and HUL executives, on the MNCs’ profitable ‘business model' targeted at the BOP market. However, MNCs’ failure to invest specifically in innovating for BOP consumers’ unmet needs differs from development policies seeking to make private sector investments and innovations central to the development agenda for inclusive growth (DFID, 2011, 2015; Mehrotra and Delmonica, 2005; UN, 2015a, 2015b, 2015c). This points to the need for government and policy to create a balance in the MNCs need for profit and development objectives by ensuring investment and innovations that specifically meet BOP basic needs.

Against the backdrop of the constraints of MNCs in meeting BOP basic needs, this research suggests the current development policy and debate understands and acknowledges the limitations of reconciling MNCs’ profit and BOP well-being objectives. As the current policy appears to enhance MNCs’ power in the market without determining their responsibility in contributing to development, this research proposes policy should ensure MNCs’ business activities overall relevance when engaging with the BOP. For example, the Indian government’s recent policy of food fortification, including FMCG products marketed by MNCs like HUL, Cargill, and
Mother Dairy suggests the power of MNC capital in the market field led to the government co-opting the neoliberal agenda as such a policy appears to contract state provisioning and instead partners with MNCs. Whilst this policy is aimed at BOP consumers market inclusion through innovative nutritious food products, this approach raises certain issues. First, the government fails to address the issue of better access and availability of safe, and good quality traditional and local products through informal markets. Second, the Indian government policy fails to recognise the BOP consumers’ vulnerability when engaging with brands evidenced in the BOPs’ awareness gap - comprehensible product knowledge which the government should have addressed, by ensuring product labelling and awareness that inform the BOP consumers. Instead, the government partnering with MNCs to market FMCG products compounded BOP consumer vulnerability, using English even in fortified product labelling and the food fortification logo at FSSAI, a government department for food safety and standards.

Furthermore, as the findings suggest, other bigger issues constrain the informant’s lives at the BOP requiring policy attention, like lack of infrastructure and facilities, e.g. drinking water. This finding demonstrates how existing economic growth fails to address BOP needs and, influences how their basic needs are determined and met, for example, consuming cold branded beverages instead of water. Whilst this finding extends Srinivas’s (2012) work that argues BOP consumers are unable to convert their needs into demands because they lack income hence the market does not innovate for the BOP because of commercial unviability, by suggesting other bigger issues prevent BOP from converting needs to demands. It points to the inadequacy of existing BOP approach, literature, and policy debate that focus on BOP market characteristics like inadequate market infrastructure and purchasing power in the...
context of MNCs' BOP market access for profits while ignoring bigger issues that require policy attention.

10.6 Limitations and future research

Although this research has offered significant insights into BOP consumers’ experiences of basic need fulfilment, and MNCs’ marketing to the BOP, there are some research limitations and future research topics which should be considered.

The research has shown that the contextualised understanding of the BOP informant’s basic needs demonstrated the dynamic and changing nature of these needs and the products that meet them. In contrast, existing BOP literature focusing on basic needs tends to use a lens of motivation to determine how BOP lower-order survival needs for foods are determined. Subsequently, motivation for higher-order social needs like family ties are determined (as discussed in section 3.7.2). Notwithstanding the contributions that this research has offered, it is recognised that a motivation lens may offer additional insights that could extend the findings of this research on why BOP consumers spend on what appear as non-essential needs whilst they have many unmet basic needs.

As discussed in the methodology Chapter Five, the research sample comprised of BOP informants. While the findings of this study on basic need fulfilment of food, nutrition and health and hygiene reflect the composition of the research sample, it is acknowledged a more diverse sample of men and children could extend the study’s findings, offering further contributions into existing research. While the ethnographic fieldwork approach, using multiple methods like in-depth interviews
and observations generated rich data, offered benefits to this research, it is also recognised that a longitudinal study over several years may offer more insights into BOP consumer practice, including greater engagement of men and children as consumers in the market for basic need products.

This research has identified the role and importance of BOP informants' market awareness and product knowledge. Further research in this field may demonstrate the scope of product knowledge in empowering BOP consumers in market exchange. Such research will help us to understand the extent to which BOP informants consider MNCs’ products relevant in meeting their basic needs. Furthermore, to better understand the significance of the MNCs in development, future research might benefit from understanding BOP consumption practice and experience of traditional and local non-branded products. The findings suggested BOP basic need fulfilment is much more comprehensive and includes local non-branded products to meet the informants' needs. Although this research included an evaluation of local non-branded products, the focus of the study was MNCs branded, innovative products. Future research examining the BOP consumers' experiences and engagement with local products may illuminate how non-branded products might comprehensively meet BOP basic needs. Furthermore, future research can focus on providing standardised and safe non-branded products that can reduce complexity of BOP need fulfilment and may demonstrate further the significance of the BOPs’ traditional knowledge in meeting basic needs.

For future research, this research recognises its relevance to a Transformative Consumer Research (TCR) perspective that examines the problems and opportunities associated with consumption to improve consumer well-being (Mick,
2006; Ozanne et al. 2011). In particular, future research taking a TCR perspective can help understand the effect of marketing on BOP consumer behaviour, to advance the research aims and make them more socially and commercially relevant (Davis and Pecham, 2013; Ozanne et al. 2011; Scott et al. 2011, cited in Jaiswal and Gupta, 2015). This research acknowledges TCR aims can help this research evolve how marketing can transform BOP lives from a development perspective by encouraging opportunities for change by further interdisciplinary work (Figueiredo et al. 2015; Tadajewski et al. 2014).

Finally, although this research foregrounds how BOP consumers meet their basic food, health and hygiene needs, future research should consider their education, shelter, and water needs. Whilst in the current policy context of India such a focus is of less relevance to the private sector and the role of the market, this study's findings suggest the need for more research emphasising the role of state policy in addressing bigger BOP, issues like infrastructure, amenities, and education at the BOP.
Bibliography


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Appendix A Overview of the World Population Distribution by Income Levels.

Table Global population distribution by income, 2011

<table>
<thead>
<tr>
<th>Income level</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>15%</td>
</tr>
<tr>
<td>Low income</td>
<td>56%</td>
</tr>
<tr>
<td>Middle income</td>
<td>13%</td>
</tr>
<tr>
<td>Upper-middle income</td>
<td>9%</td>
</tr>
<tr>
<td>High income</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Pew Research Centre, 2019

Here, income levels are defined as follows: the poor living on $2 or less daily, low income on $2.01-10, middle income on $10.01-20, upper-middle income on $20.01-50, and high income on more than $50. The figures are expressed in 2011 purchasing power parities in 2011 prices (Pew Research Centre, 2019).
### Appendix B: Key Features of India's Reforms Post 1991

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Reducing and subsequently removing state control in some sectors: for example, industrial licensing allowing for expansion of production capacity, product diversification and private investments.</td>
</tr>
<tr>
<td>2.</td>
<td>Trade reforms and exchange rate control: for example, removing import licensing, reducing tariffs and export subsidies and subsequent shift to flexible exchange rates.</td>
</tr>
<tr>
<td>3.</td>
<td>Foreign direct investments (FDI): for technology transfers and equity investments.</td>
</tr>
<tr>
<td>4.</td>
<td>Public sector enterprises: reforms to make them efficient yet, not privatising them outright.</td>
</tr>
<tr>
<td>5.</td>
<td>Tax reforms: both direct and indirect tax regimes reformed to lower rates with a broader base and gradual reduction in custom duties to expose Indian industry to competition from the world.</td>
</tr>
</tbody>
</table>

**Source:** Bhagwati, 2011; Ahluwalia, 2019
Appendix C International Institutions and Framing of Basic Needs

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>What Now - Another Development? (1975), a report issued on the initiative of the Dag Hammarskjold Foundation, Columbia argued that political, psychological and physical needs are important in development.</td>
</tr>
<tr>
<td>3.</td>
<td>Catastrophe or New Society? A Latin American World Model (1976), prepared under the Bariloche Foundation in Argentina argued that the obstacles to development are socio-political.</td>
</tr>
<tr>
<td>4.</td>
<td>Reshaping the International Order (1976), a report commissioned by the Club of Rome which supported the theme of Basic Needs.</td>
</tr>
</tbody>
</table>

**Source:** ODI, 1978
**Appendix D Elements of Rogers' Diffusion of Innovation Theory**

<table>
<thead>
<tr>
<th>THEORY ELEMENTS</th>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>Characteristics of innovation- Relative Advantage, Compatibility, Complexity, Trialibility, Observability.</td>
</tr>
<tr>
<td>Communication</td>
<td><strong>Social Process:</strong> Innovation➔User➔Un-exposed➔</td>
</tr>
<tr>
<td></td>
<td><strong>Via Communication Channel:</strong> Mass Media or Interpersonal</td>
</tr>
<tr>
<td>Time</td>
<td><strong>Individual Innovation-Decision Process:</strong> Knowledge, Persuasion, Decision, Implementation, Confirmation</td>
</tr>
<tr>
<td></td>
<td><strong>Individual Adopter Categories:</strong> Innovators, Early Adopters, Early Majority, Late Majority, Laggards</td>
</tr>
<tr>
<td></td>
<td><strong>Rate of Adoption:</strong> S-shaped curve</td>
</tr>
<tr>
<td></td>
<td><strong>Organization Innovation-Decision Stages:</strong> Initiation = Agenda-setting and Matching, Implementation = Redefining/re-structuring, Clarifying, and Routinizing</td>
</tr>
<tr>
<td>Social System</td>
<td><strong>Social Structure:</strong> Social relationships, Network of communication, Norms</td>
</tr>
<tr>
<td></td>
<td><strong>People as Influencers:</strong> Opinion leaders and Champions (internal to system)</td>
</tr>
<tr>
<td></td>
<td><strong>Consequences:</strong> Desirable vs. Undesirable, Direct vs. Indirect, Anticipated vs. Unanticipated</td>
</tr>
<tr>
<td></td>
<td><strong>Types of Innovation Decisions Within Organizations:</strong> Optional, Collective, Authority, Contingent</td>
</tr>
<tr>
<td></td>
<td><strong>Organizational Structure and Characteristics:</strong> Centralization, Organizational complexity, Formality, Interconnectivity, Organizational slack, Size, Leadership, System openness</td>
</tr>
</tbody>
</table>

**Source:** Lundbald, 2003
INTERVIEW GUIDE AND PROTOCOL FOR BOP CONSUMERS

INTERVIEW GUIDE

Prepare yourself
1. Ready your introduction
2. Ready an introduction for the research
3. Although familiar with the literature position yourself relatively unfamiliar with the phenomena so that the informant explains more carefully
4. Be prepared with a recorder, notebook, pens, batteries
5. Be an active listener and be quick to transcribe
6. Be casual yet professional
7. Do not ask ‘why’ questions rather ask what, where, when, whom
8. Do not ask yes/no questions
9. Use probes to elicit elaborations without interrupting flow of answers
10. Circle to earlier topics where greater depth is needed, or something appears to be missing
11. Explore tangents relevant to the phenomena and be flexible to the participant bringing up issues of interest. But judgement needs to be used to not wander off.

Prepare the participant
1. Introduce the research
2. Take their consent
3. Let them know there is no right or wrong answer
4. Let them know they you are interested in their personal views
5. They can ask questions, stop the interview, take a break, etc.
6. Let them know how long it will take
7. Let them know where it will be conducted
INTERVIEW PROTOCOL – BOP CONSUMERS

1. Introductions
   1.1. Participant profile –
       1.1.1. Name
       1.1.2. Age
       1.1.3. Village
       1.1.4. Income
       1.1.5. Occupation
       1.1.6. Household members
       1.1.7. Household income

2. Describe the topic
3. Funnel questions from general to specific
   3.1. Needs
       3.1.1. Basic needs
       3.1.2. Food and nutrition needs
           3.1.2.1. Essential need for staples- 1) Nutritious 2) Value: hunger, taste, habit
           3.1.2.2. Non-essential need for non-staples – 1) Nutritious 2) Aspirational 3) Harmful
       3.1.3. Health and hygiene needs
           3.1.3.1. Personal grooming – 1) Hygiene 2) Cosmetic
           3.1.3.2. Household – 1) Hygiene 2)
   3.2. Product/Innovation
       3.2.1. Product attributes
           3.2.1.1. Technical specification
           3.2.1.2. Price
           3.2.1.3. Packaging
           3.2.1.4. Quality
           3.2.1.5. Others view of the product
       3.2.2. Product benefits
           3.2.2.1. Functional benefits- intrinsic advantage e.g. nutrition
           3.2.2.2. Experiential benefits- what it feels like to use the products
           3.2.2.3. Symbolic benefits- social approval of using or not using products/brands
   3.3. Inclusive Innovation
       3.3.1. Identified the marginalised BOP – do the BOP view the product designed for them with a view of meeting any of their specific unmet basic need
       3.3.2. Inclusion of intent- with the idea of catering to their specific unmet needs does the product display specific attributes
       3.3.3. Identify benefits to users- do the BOP benefit from the products
       3.3.4. Inclusion of consumption- is the product adopted by the BOP and used by them

3.4. Adoption of Innovation
3.4.1. Relative advantage- perceived improvement of innovated product over what currently used or not. Advantage of what is being used currently in case of non-adoption. Or if nothing is being used?

3.4.2. Compatibility- how the product aligns with their:

3.4.2.1. need
3.4.2.2. experience
3.4.2.3. context

3.4.3. Complexity- ease of understanding or using the product

3.4.4. Trialability- possibility to try and test the product before deciding to buy it

3.4.5. Observability- is the product visible to them
INTERVIEW GUIDE AND PROTOCOL FOR MNC EXECUTIVES

INTERVIEW GUIDE

Prepare your self
1. Ready your introduction
2. Ready an introduction for the research
3. Although familiar with the literature position yourself relatively unfamiliar with the phenomena so that the informant explains more carefully
4. Be prepared with a recorder, notebook, pens batteries
5. Be an active listener and be quick to transcribe
6. Be casual yet professional
7. Do not ask ‘why’ questions rather ask what, where, when, whom
8. Do not ask yes/no questions
9. Use probes to elicit elaborations without interrupting flow of answers
10. Circle to earlier topics where greater depth is needed, or something appears to be missing
11. Explore tangents relevant to the phenomena and be flexible to the participant bringing up issues of interest. But judgement needs to be used to not wander off.

Prepare the participant
1. Introduce the research
2. Take their consent
3. Let them know there is no right or wrong answer
4. Let them know they you are interested in their personal views
5. They can ask questions, stop the interview, take a break, etc.
6. Let them know how long it will take
7. Let them know where it will be conducted
INTERVIEW PROTOCOL – MNC EXECUTIVES

1. Introductions
   1.1. Participant profile
      1.1.1. Name
      1.1.2. Occupation
      1.1.3. Company
      1.1.4. FMCG experience

2. Describe the topic

3. Funnel questions from general to specific
   3.1. Product Innovation
      3.1.1. Product attributes/ Characteristics of innovation
         3.1.1.1. Technical specification
         3.1.1.2. Packaging
         3.1.1.3. Quality
         3.1.1.4. Price
      3.1.2. Product benefits
         3.1.2.1. Functional benefits- intrinsic advantage e.g. nutrition
         3.1.2.2. Experiential benefits- what experience the products use lends
      3.1.2.3. Symbolic benefits- of using or not using products/brands

   3.2. Inclusive Innovation
      3.2.1. Identifying the marginalised/BOP – why and how does the company identify the marginalised/BOP?
      3.2.2. Determine the need – how does the company establish a view of meeting BOP consumers specific unmet basic need?
      3.2.3. Determine the product – how does the company determine the product for the BOP?
      3.2.4. Inclusion of intent – with the idea of catering to their specific unmet needs does the product display specific attributes.
      3.2.5. Identify benefits to users - do the BOP benefit from the products?
      3.2.6. Inclusion of consumption- What does it involve for the product to be adopted by the BOP and used by them?

3.3. Adoption of Innovation
      3.3.1. Relative advantage- what is the improvement of innovated product over earlier products?
      3.3.2. Compatibility- how does the product align with BOP consumers:
         3.3.2.1. need
         3.3.2.2. awareness knowledge and literacy levels
         3.3.2.3. experience
         3.3.2.4. context
      3.3.3. Complexity- ease of understanding or using the product
      3.3.4. Trialability- what possibilities are created to try and test the product before deciding to buy it?
      3.3.5. Observability- how best is the made product visible to them?
## Products for the BOP market that could be referred by the consumers:

### Health and Hygiene-

1. Personal Care
   - Oral Care
   - Hair Care
   - Skin Care
   - Personal Wash/Soaps

2. Household Care
   - Toilet Cleaners
   - Dish/Utensil Cleaners
   - Floor Cleaners
   - Mosquito/insect Repellent
   - Fabric Wash

### Food and Nutrition-

3. Food and Beverages
   - Bakery Products
   - Dairy Products
   - Beverages
   - Confectionaries
   - Staples
   - Oils
   - Spices and condiments
Appendix G MNC Synopsis

GlaxoSmithKline-

- GSK Consumer Healthcare Ltd is an associate of GlaxoSmithKline plc of U.K, one of world’s largest consumer healthcare companies with a heritage that goes back over 160 years. GSK Consumer Healthcare globally owns healthcare brands, in over 100 countries. In India the company is category leader in the health food drinks industry. Their flagship product Horlicks leads the market, while Boost is among the top three health food drink brands in India. GSK also markets and distributes a range of everyday health products such as Eno, Crocin, Iodex and Sensodyne (GSK, 2017a).

PepsiCo India-

- PepsiCo entered India in 1989 and is one of the largest MNC food and beverage businesses in the country. PepsiCo claims to have been consistently investing in India, in the areas of product innovation, increasing manufacturing capacity, ramping up market infrastructure, strengthening supply chain and expanding company’s agriculture programme. The company has built an expansive beverage and snack food business supported by 62 plants across the country. In two decades, the company has grown eight brands, each of which generate INR 1000 crores or more in estimated annual retail sale. Brands such as Pepsi, Mirinda, Mountain Dew, 7UP, Uncle Chipps, Lays and Kurkure (PepsiCo India, 2017).

Dabur-

- Dabur was set up by Dr. S. K. Burman, a physician, to provide ‘effective and affordable cure for ordinary people’ by preparing natural cures for killer diseases of those days, like cholera, malaria and plague in remote Indian villages (https://www.dabur.com/in/en-us/about/leadership/our-founder). Dabur India Ltd today is one of India’s leading FMCG Companies with Revenues of over INR 7,680 Crore & Market Capitalisation of over INR 48,800 Crore. Building on a legacy of quality and experience of over 133 years, Dabur is today India’s most trusted name and the world’s largest Ayurvedic and Natural Health Care Company. Dabur’s products also have huge presence in the overseas markets and are today available in over 120 countries across the globe. Its brands are highly popular in the Middle East, SAARC countries, Africa, US, Europe and Russia. Dabur’s overseas revenue today accounts for over 30% of its turnover (Dabur, 2017a).
Hindustan Unilever-

- Hindustan Unilever: Hindustan Unilever Limited (HUL) is India’s largest Fast-Moving Consumer Goods company with a heritage of over 80 years in India. With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. Its portfolio includes leading household brands such as Lux, Lifebuoy, Surf Excel, Rin, Wheel, Fair & Lovely, Pond’s, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall’s and Pureit. The Company has about 18,000 employees and has a sales of INR 34619 crores (financial year 2017-18). HUL is a subsidiary of Unilever, one of the world’s leading suppliers of Food, Home Care, Personal Care and Refreshment products with sales in over 190 countries and an annual sales turnover of €53.7 billion in 2017. Unilever has over 67% shareholding in HUL (HUL, 2017a).

Mother Dairy-

- Mother Dairy was commissioned in 1974 as a wholly owned subsidiary of the National Dairy Development Board (NDDB). Today, Mother Dairy manufactures markets & sells milk and milk products including cultured products, ice creams, paneer and ghee under the Mother Dairy brand. The Company also has a diversified portfolio with products in edible oils, fruits & vegetables, frozen vegetables, pulses, processed food like fruit juices, jams, etc. to meet the daily requirements of every household. Brand Mother Dairy focus on quality of milk is of paramount importance for the company which has invested extensively in installing hi tech automated machines to ensure high product quality/reliability and safety. Mother Dairy is also present into edible oils segment under the brand name Dhara. Safal, Food & Vegetable arm of Mother Dairy was the first Company to organize the fruits and vegetables business in India. Safal also has a state-of-the-art plant in Bangalore which produces and sells around 23000 MT of aseptic fruit pulp & concentrate annually and supplies to noteworthy companies in food processing space like Coca Cola, Pepsi, Unilever, Nestle etc. Safal also has a prominent presence across 40 countries viz., USA, Europe, Russia, Middle East, Asia and Africa and exports Fresh Fruits & Vegetables (Grapes, Banana, Gherkin, Onion, etc.), Fruit Pulp & Concentrate, Frozen Fruits & Vegetables, etc (Mother Dairy, 2017a).

Cargill-

- In India, Cargill’s operations started in 1987. It businesses include refined oils, food ingredients, grain and oilseeds. Cargill markets leading consumer brands of edible oils such as Nature Fresh, Gemini, Sweekar, Leonardo Olive Oil, Rath and Sunflower brand of hydrogenated fats. It also markets wheat flour under the Nature Fresh brand name (Cargill, 2017).
Appendix H Ethics Approval

The Open University

Memorandum

From Dr Louise Westmarland
Chair, The Open University Human Research Ethics Committee
Email louise.westmarland@open.ac.uk
Extension 01908 652462
To Gauri Misra FBL
Subject Exploring the Role of Private Sector in Development – Multi-national Corporations and Product Innovations for the Bottom of the Pyramid Consumers

HREC Ref HREC 2017 2445 Misra
AMS ref
Submitted 19/01/17
Decision date 10/02/17

This memorandum is to confirm that the research protocol for the above-named research project, as submitted for ethics review, has been given favourable opinion by the Open University Human Research Ethics Committee (HREC).

Please note the following:

1. You are responsible for notifying the HREC immediately of any information received by you, or of which you become aware which would cast doubt on, or alter, any information contained in the original application, or a later amendment which would raise questions about the safety and/or continued conduct of the research.

2. It is essential that any proposed amendments to the research are sent to the HREC for review, so they can be recorded and a favourable opinion given prior to the any changes being implemented (except only in cases of emergency when the welfare of the participant or researcher is may be effected).

3. You are authorised to present this memorandum to outside bodies such as NHS Research Ethics Committees in support of any application for future research clearance. Also, where there is an external ethics review, a copy of the application and outcome should be sent to the HREC.

4. OU research ethics review procedures are fully compliant with the majority of grant awarding bodies and their frameworks for research ethics.

5. At the conclusion of your project, by the date stated in your application, you are required to provide the Committee with a final report to reflect how the project has progressed, and importantly whether any ethics issues arose and how they were dealt with. A copy of the final report template can be found on the research ethics website - http://www.open.ac.uk/research/ethics/human-research/human-research-ethics-full-review-process-and-proforma#final report.

Kind regards,
Dr Louise Westmarland
Chair OU HREC http://www.open.ac.uk/research/ethics/

The Open University is incorporated by Royal Charter (number RC 000091), an exempt charity in England & Wales and a charity registered in Scotland (number SC 038302)
Appendix I 1 BOP Information Leaflet

Our responsibilities to you:

- **We ensure your safety**: all our researchers carry photographic identification.
- **We guard your privacy**: your participation will be treated in strict confidence in accordance with the Data Protection Act. Your contribution will be used for research purposes only. Nobody will be individually identified in the final report. The data will be fully anonymized.
- **We respect your wishes**: participation in the study is voluntary and you are not obliged to answer any questions you do not wish to.
- **We answer your questions**: we will be happy to answer any questions you may have about the research.

Exploring the Role of Private Sector in Development – Multi-national Corporations and Product Innovations for Basic need fulfilment

Research study: customers’ experiences of product innovations for basic need fulfilment

What is the aim of this research?

I am asking for your help with important research about customers’ experiences of product innovations to meet basic needs.

The researcher, Gaurl Mira and this project aims to explore the product innovations for the consumers and their basic need fulfilment in an international development context.

What is involved?

I am interested in finding out your experiences of using product innovations aimed at meeting your basic needs as consumers. Your views will help us to improve the way Multinational Corporations meet your needs as consumers.

Interviews

Interviews will involve a researcher that is me talking to you for about one hour. The interviewer will be recorded so that I can be sure that I correctly remember everything that you tell me. I will arrange a venue and time convenient to you for this interview.

Focus Groups Interviews

Interviews will be conducted in groups of around 5 women in each group. The interviews will be video recorded so that I can correctly capture the group conversation. I will arrange a venue and time convenient for all the participants.

What will I be asked?

We will ask you to talk about the following broad topics:

- Your individual circumstances and experiences of engaging with branded products;
- Your experiences of using Multinational Corporations Fast Moving Consumer Goods which demonstrate product innovations for basic need fulfilment; for example, Leshar Iron Chusti and Tiger biscuits.
- Whether product innovations and their marketing have helped you or not.

Do I have to take part?

No. We are relying on your voluntary cooperation. No one is taking part in this study who does not want to. Even if you say yes to begin with, you are free to withdraw at any time up to a specified date.

I will be conducting this research from February 2017 till July 2017.

Is it confidential?

Yes. Everything that you tell the interviewer will be in confidence. No personal information will be passed to anyone outside the research team. I will write a report of the study, but no individual will be identifiable from the published results of the research.

What happens now?

I will ask for your consent to take part in the research. In the meantime, if you have any queries at all about the study, please contact me on the number given in this leaflet.

What if I have other questions?

If you have any questions, we would be happy to answer them. Please contact:

Name of researcher: Gaurl Mira
Mobile number: 091 9910587774
Appendix I 2 MNC Information Leaflet

The Open University is the leading expert in flexible higher education underpinned by world-leading research.

The Researcher:
Gauti Misra
PhD Researcher
Department of Strategy and Marketing
Faculty of Business and Law

The Open University
Walton Hall
Milton Keynes, MK7 6AA.
United Kingdom
http://www.open.ac.uk/home/html/gauti.misra@open.ac.uk

Our responsibilities to you:

- We ensure your safety: all our researchers carry photographic identification.
- We guard your privacy: your participation will be treated in strict confidence in accordance with the Data Protection Act. Your contribution will be used for research purposes only. Nobody will be individually identified in the final report. The data will be fully anonymised.
- We respect your wishes: participation in the study is voluntary and you are not obliged to answer any questions you do not wish to.
- We answer your questions: we will be happy to answer any questions you may have about the research.

What is the aim of this research?
I am asking for your help with important research about customers’ experiences of product innovations to meet basic needs.

The researcher, Gauti Misra and this project aims to explore the product innovations for the consumers and their basic need fulfillment in an international development context.

What is involved?
I am interested in finding out your experiences of product innovations which include fortified and nutritious foods and health and hygiene products aimed at meeting basic needs of BOP consumers. Your views will help us to improve the understanding of how Multinational Corporations meet needs of consumers.

Interview
Interview will involve a researcher that is no talking to you for about one hour. The interview will be recorded so that I can be sure that I correctly remember everything that you tell me. I will arrange a venue and time convenient to you for this interview.

What will I be asked?
I will ask you to talk about the following broad topics:

- Your individual experiences of engaging with marketing-branded products;
- Your experiences of marketing Multinational Corporations Fast Moving Consumer Packaged Goods which demonstrate product innovations for basic need fulfillment;
- Whether product innovations and their marketing have helped meet basic needs of the poor.

Do I have to take part?
No. We are relying on your voluntary cooperation. No one is taking part in this study who does not want to.

Even if you say yes to begin with, you are free to withdraw at any time up to a specified date.

I will be conducting this research from July 2017 till September 2017.

Research Title:
Exploring the Role of Private Sector in Development – Multi-national Corporations and Product Innovations for basic need fulfillment

Research study: customers’ experiences of product innovations for basic need fulfillment

Is it confidential?
Yes. Everything that you tell the interviewer will be in confidence. No personal information will be passed to anyone outside the research team. I will write a report of the study, but no individual will be identifiable from the published results of the research.

What happens now?
I will ask for your consent to take part in the research. In the meantime, if you have any queries at all about the study, please contact me on the number given in this leaflet.

What if I have other questions?
If you have any other questions, we would be happy to answer them.

Please contact:
Gauti Misra +91 9916049774
Appendix J1 BOP Informants Consent Form

Consent Form
The consent form will be verbally translated into Hindi. It will be read out aloud to the participants.

Department of Strategy and Marketing
Faculty of Business and Law

Exploring the Role of Private Sector in Development – Multi-national Corporations and Product Innovations for basic need fulfilment

Name of participant:
Name of principal investigator(s): Gauri Misra

Description of the research project:
This interview is part of the Open University funded PhD research by Gauri Misra. The purpose of the interview is to understand how you relate to and if at all purchase products of Multi-National Corporations like Unilever, Dabur, Nestle and Proctor and Gamble. In particular, what benefits do you think the products sold by the MNCs offer you? Do some of their specific products cater to certain basic needs by way of their attributes and do you view these as innovations that are beneficial to you? By understanding this information, we will be able to study how your needs are being met, if at all, and support you in having a more comfortable life.

The interview will be tape-recorded with your permission and the tape will be transcribed in full. The tape and resulting transcript will be fully anonymised. This means that no one will reveal your real name or identity. The data will also be kept in a locked office. Both will be destroyed after 10 years or sooner. The transcript will be analysed for the purposes of this research project and may be used in subsequent research publications. We are very happy for you to see any draft publication, if you so desire. We will not use any names in the reports.

1. I consent to participate in this project, the details of which have been explained to me, and I have been provided with a written statement in plain language to keep.

2. I understand that my participation will involve Ethnographic (social science) research methods and I agree that the researcher may use the results as described in the plain language statement.

3. I acknowledge that:
   a. the possible effects of participating in this research have been explained to my satisfaction;
   b. I have been informed that I am free to withdraw from the project without explanation or prejudice and to request the destruction of any data that have been gathered from me until it is anonymized at the point of transcription point on September 2017. After this point data will have been processed and it will not be possible to withdraw any unprocessed data I have provided;
   c. The project is for PhD research;
   d. I have been informed that the confidentiality of the information I provide will be safeguarded subject to any legal requirements;

HREC
http://www.open.ac.uk/research/ethics/human-research
Consent Form
The consent form will be verbally translated into Hindi. It will be read out aloud to the participants.

   e. I have been informed that with my consent the data generated will be stored with the primary researcher and will be destroyed after five years;

   f. If necessary, any data from me will be referred to by a pseudonym in any publications arising from the research;

   g. I have been informed that a summary copy of the research findings will be forwarded to me, should I request this.

I consent to this interview being audio-taped/video-recorded  □ yes  □ no  
(please tick)

I wish to receive a copy of the summary project report on research findings  □ yes  □ no  
(please tick)

Participant signature:  
Date:  

CONTACT DETAILS FOR PI AND RESEARCH ORGANISATION/DEPARTMENT

Gauri Misra -  
Gauri.misra@open.ac.uk  
Phone: 07947584210  
Department of Strategy and Marketing  
Faculty of Business and Law  
Business School  
Open University  
Milton Keynes  
U.K.

HREC  
http://www.open.ac.uk/research/ethics/human-research
Appendix J2 MNC Informants Consent Form

CONSENT FORM

Department of Strategy and Marketing
Faculty of Business and Law

Exploring the Role of Private Sector in Development —
Multi-National Corporations and Product Innovations for basic need fulfillment

Name of participant:
Name of principal investigator(s): Gauri Misra

Description of the research project:

This interview is part of the Open University funded PhD research by Gauri Misra. The purpose of the interview is to understand how you view products of Multi-National Corporations like Unilever, Dabur, Nestle and Proctor and Gamble. In particular what benefits do you think the products sold by the MNCs offer Bottom of the Pyramid Consumers? Do some of the specific products cater to certain basic needs by way of their attributes and do you view these as innovations that are beneficial to BOP consumers? By understanding this information, we will be able to study how MNC product innovations meet needs of the BOP consumers, if at all, and support them in having a more comfortable life.

The interview will be tape-recorded with your permission and the tape will be transcribed in full. The tape and resulting transcript will be fully anonymised. This means that no one will reveal your real name or identity. The data will also be kept in a locked office. Both will be destroyed after 10 years or sooner. The transcript will be analysed for the purposes of this research project and may be used in subsequent research publications. We are very happy for you to see any draft publication, if you so desire. We will not use any names in the reports.

1. I consent to participate in this project, the details of which have been explained to me, and I have been provided with a written statement in plain language to keep.

2. I understand that my participation will involve Ethnographic (social science) research methods and I agree that the researcher may use the results as described in the plain language statement.

3. I acknowledge that:
   a. the possible effects of participating in this research have been explained to my satisfaction;
   b. I have been informed that I am free to withdraw from the project without explanation or prejudice and to request the destruction of any data that have been gathered from me until it is anonymized at the point of transcription point on October 2017. After this point data will have been processed and it will not be possible to withdraw any unprocessed data I have provided;
   c. The project is for PhD research;
   d. I have been informed that the confidentiality of the information I provide will be safeguarded subject to any legal requirements;

HREC http://www.open.ac.uk/research/ethics/human-research
CONSENT FORM

e. I have been informed that with my consent the data generated will be stored with the primary researcher and will be destroyed after ten years;

f. If necessary, any data from me will be referred to by a pseudonym in any publications arising from the research;

g. I have been informed that a summary copy of the research findings will be forwarded to me, should I request this.

I consent to this interview being audio-taped/video-recorded  □ yes  □ no (please tick)

I wish to receive a copy of the summary project report on research findings  □ yes  □ no (please tick)

Participant signature: __________________________________________ Date: __________________________

CONTACT DETAILS FOR PI AND RESEARCH ORGANISATION/DEPARTMENT

Gauri Misra -
Gauri.misra@open.ac.uk
Phone: 07947584210
Department of Strategy and Marketing
Faculty of Business and Law
Business School
Open University
Milton Keynes
U.K.

HREC  http://www.open.ac.uk/research/ethics/human-research

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Appendix K Photographs from Field Site Nathupur and Sikandarpur Taken by Author

The images below demonstrate the unhygienic conditions and the lack of infrastructure in the slums where the BOP informants lived.

Photographs 1, 2, 3 and 4: Nathupur and Sikandarpur- dirt puddles on the road, leaking water pipes, filth, and open drain

Source: Author
The photographs below demonstrate the poor infrastructure and conditions in the Gurgaon slums, like water puddles and piles of rubbish, which lead to rats and insects that then influenced the informants’ needs.

Photographs 5, 6, 7 and 8: Images from field site Nathupur, Sikandarpur - water puddles, and piles of rubbish surrounding the homes of the informants.

Source: Author
The photographs below show informants 1C2N’s room with her bed and the mosquito net hanging by the side and a cooking stove outside the house and how many women arrange their kitchen and store food products in the limited space they had.

**Photographs 9, 10, 11 and 12:** Images from field site Nathapur slum one room house of 1C2N - with bed and mosquito net, cooking done in the open, with kitchen and storage inside room.

**Source:** Author
The photographs below show a freshly cleaned mud floor with a new layer of mud and cow dung paste applied to the floor on one of the visits to 1C2Ns house in Nathupur.

Photographs 13 and 14: Field site Nathupur slum- Mud floor inside and just outside the house.

Source: Author
The photographs below show the poor infrastructure and facilities.

Photographs 15, 16, 17 and 18: Images of a bathing area, toilets, and stored water in Nathupur top and Sikandarpur bottom.

Source: Author
### Appendix L Adapted Staple Food Products and Photographs Taken by

<table>
<thead>
<tr>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Fortune refined oil:</td>
</tr>
<tr>
<td>ii) Tata salt:</td>
</tr>
<tr>
<td>iii) Aashirvaad flour:</td>
</tr>
<tr>
<td>iii) Nestle A+ curd:</td>
</tr>
<tr>
<td>iv) Mother Dairy milk:</td>
</tr>
<tr>
<td>v) Nestle spice mix ‘Masala e Magic’:</td>
</tr>
</tbody>
</table>
The photographs below show the labels and the fortifications of the basic need products making them better to meet nutritional needs of consumers. Photograph below shows vitamin fortifications of the oil, with approximate composition of the vitamins and a ‘F+’ logo to indicate a fortified food product developed by the Government of India (discussed in section 9.4.3).

**Photograph 1 and 2: Images from field site Sikandarpur at 2C11Ss house**

![Image](image1)

**Source:** Author

**Photograph 3 and 4: Images from field site and shops in Sikandarpur and Nathupur selling Tata salt.**

![Image](image2)

**Source:** Author
Photograph 5, 6 and 7: Images of Mother Dairy fortified milk and Nestle fortified yoghurt from shops in Sikandarpur and Mother dairy ‘token milk booth’

Source: Author and Mother Dairy (2017)
### Appendix L1 Adapted Non-staple Basic Need Products and Photographs

*taken by Author*

| i) Nestle Maggie Masala noodles: | The product Maggie Masala noodles is fortified with iron which the company, Nestle India mentions, provided consumers 15% of their daily iron requirement. Maggie noodles popularity accounts for the companies claims ‘Presently, Maggi noodles is consumed by nine crore families, which is around 7 million serves a day’. Thus the company believes ‘with 2.5 billion portions of Maggi Masala noodles consumed annually in India’, the iron fortification ‘will have a major impact’ on the nutrition of consumers (Nestle India, 2017b). |
| ii) Britannia Marie Gold, Vita Marie Gold and Tiger biscuits: | Biscuits are ‘fortified with vitamins and minerals’, like ‘vitamin B’ and fortified with iron, calcium and vitamin’ to ‘help children grow’ (Britannia Industries, 2017a). |
| iii) Cadbury Bournvita biscuits: | The company Mondelez International claims the product Bournvita biscuit is ‘fortified’ with its ‘ProHEALTH Vitamins™’ and ‘chocolate taste’ (Mondelez International, 2017). |
| iii) Horlicks biscuits: | Horlicks biscuits contains ‘protien, calcium and vitamin D and the company GlaxoSmithkline Consumer Healthcare claims consuming 100 grams of the biscuits is equivalent to the nutritional value of consuming two cups of Horlicks (GSK, 2017c) |
| iv) Britannia Vita bread: | The company claims the vitamin enriched bread is fortified with vitamin B (Britannia Industries, 2017b). |
The images below show some of the innovative products in the participants' home and available in most of the shops in the slums.

Photograph 1, 2 and 3: Images of Maggie Masala noodles in 1C4S’s house and packets of Masala e- magic spices in a shop in Sikandarpur.

Source: Author

Photograph 4, 5, 6 and 7: Images from field site Nathupur and Sikandarpur and participants 1C1S and 1C4S’s home.

Source: Author

Photograph 8 and 9: Images of fortified biscuits in the shops in Sikandarpur

Source: Author
## Appendix L2 Other Branded Adapted Food Products and Photographs Taken by Author

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Horlicks beverage:</td>
<td>The beverage is an innovation that 'contains 9 nutrients’, namely ‘vitamin B6, B12, C, D, Copper, Folic Acid, Iron, Selenium and Zinc. The company GlaxoSmithKline claims these nutrients 'are scientifically proven to support immunity', and 'increases the density of minerals such as calcium in bones to give children bigger and stronger bones’. Horlicks also helps in the improvement of 'blood health related nutrients' like ‘vitamin A and folate’ (GSK, 2017b).</td>
</tr>
<tr>
<td>ii) Dabur Chawanprash:</td>
<td>Like most of its products the company Dabur claims their innovations ‘use of natural Ayurvedic ingredients which have been consumed safely for ages’. Ayurveda is a system of medicine with historical roots in India (Dabur, 2017b).</td>
</tr>
</tbody>
</table>

**Photograph 1, 2 and 3:** Images of Horlicks beverage and Chawanprash jam in 1C4S and 2C6Ns house.

**Source:** Author
Appendix L3 Grooming and Hygiene Adapted Products and Photographs

taken by Author

| i) Dettol soap: | The product aims to provide protection from ‘germs’ hence protecting the ‘family’ from ‘illness’ through innovation in hand hygiene (Reckitt Benckiser, 2017a). The company Reckitt Benckiser says the bar soap ‘provides 100% better protection than ordinary bar soaps’ and is available in three size options of ‘45gm, 75gm, and 125gm’. The MNC claims the product not only ‘removes germ from skin, safeguards from infections caused by cuts and scratches’ but ‘can also be used as household disinfectant on home surfaces and in laundry (Reckitt Benckiser, 2017b). |
| iii) Lifebuoy soap: | The soap claims to kill 100% more germs than any other soap, a claim similar to the Dettol brand. The company Unilever claims Lifebuoy is the ‘world’s number one selling germ protection soap (HUL, 2017b).|

The images below show the products available in the local shops.

Photograph 1, 2 and 3: Antibacterial soaps, Lifebuoy and Dettol and other soaps and creams used by the women in local shops.

Source: Author
## Appendix M Participant Codes and Date of Interviews

<table>
<thead>
<tr>
<th>BOP participant code</th>
<th>Date of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>1C1N</td>
<td>20/02/2017 and 02/07/2017</td>
</tr>
<tr>
<td>1C2N</td>
<td>21/02/2017 and 01/07/2017</td>
</tr>
<tr>
<td>1C3N</td>
<td>22/02/2017 and 14/07/2017</td>
</tr>
<tr>
<td>1C4N</td>
<td>24/02/2017</td>
</tr>
<tr>
<td>1C1S</td>
<td>27/02/2017</td>
</tr>
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<td>1C2S</td>
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</tr>
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<td>1C3S</td>
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<td>1C4S</td>
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<td>1C7S</td>
<td>17/03/2017</td>
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<td>2C8N</td>
<td>22/07/2017</td>
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<td>20/07/2017</td>
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<td>2C11S</td>
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<thead>
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<tbody>
<tr>
<td>Cargill</td>
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<tr>
<td>Dabur</td>
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<td>Glaxo Smith Kline</td>
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<tr>
<td>Hindustan Unilever</td>
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<tr>
<td>Mother Dairy</td>
<td>18/08/2017</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>01/09/2017</td>
</tr>
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</table>

Source: Author
### Appendix N List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOP</td>
<td>Bottom of Pyramid</td>
</tr>
<tr>
<td>FMCG</td>
<td>Fast Moving Consumer Good</td>
</tr>
<tr>
<td>FFRC</td>
<td>Food Fortification Resource Centre</td>
</tr>
<tr>
<td>FSSAI</td>
<td>Food Safety and Standards Authority of India</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>HUL</td>
<td>Hindustan Unilever</td>
</tr>
<tr>
<td>MNCs</td>
<td>Multinational Corporations</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>PDS</td>
<td>Public Distribution System</td>
</tr>
<tr>
<td>PPP</td>
<td>Purchasing Power Parity</td>
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