
Consumer Behaviour of the Base of the Pyramid Market in Brazil

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The base of the pyramid (BoP) market has become of increasing importance in recent years. The objective of this paper is not only to identify and describe the distinctive characteristics of Brazilian low-income shopping and consumer behaviour, but also to explain the determinants of such behaviour, combining Brazilian low-income values with widely known marketing concepts, such as the ‘halo effect’, ‘relationship marketing’, ‘brand loyalty’ and ‘value proposition’. This study is based on empirical, qualitative research, comprising in-depth interviews and focus groups with low-income consumers. Our findings indicated the following consumer behaviour characteristics among the Brazilian BoP which seem to be different from their better-off countrymen: a different configuration of the perception of value not solely determined by lower prices, a stronger need to compensate for a dignity deficit and low self-esteem, a stronger preference for personalised relationships, a high aspiration to feel socially included in society, and a preference for stores with a crowded and overstocked atmosphere.

- Base of the pyramid (BoP)
- Consumer behaviour
- Relationship marketing
- Brazil
- Value proposition

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THE BRAZILIAN BASE OF THE PYRAMID (BoP) market has been of increasing importance in recent years. Low-income classes represent almost 70% of the Brazilian population and in some segments, such as food, medicine and electronics, they are responsible for more than half of the market. Understanding the distinctive characteristics of this consumer is essential for any mass consumer product company that aims at reaching a significant share of the Brazilian market.

With a population over 190 million people and a 2008 gross domestic product (GDP) of US\$1.6 trillion,¹ Brazil ranks ninth in world GDP measured by purchasing power parity (PPP 2007).² Considered one of the main emerging markets (Brazil is the 'B' in BRICs, a term coined to refer to the four most relevant emerging markets: Brazil, Russia, India and China), the Brazilian market is attracting growing attention from investors and also from the academic community. The objective of this paper is to identify, describe and explain some characteristics, values and consumer/shopping behaviour of BoP in Brazil and their impact on the marketing strategies of global and local companies. Despite the growing interest in BoP worldwide, there is still a lack of deeper studies that analyse the consumption behaviour differences of BoP consumers. Therefore, we aim to offer a contribution to shed more light on this subject.

This study is based on secondary data and on qualitative research conducted by the authors. The conclusions of this study are that, as in any other market, BoP consumers want to be well served, with good-quality products. Even with their low income, often these consumers are willing to pay more to purchase a premium product from a leader brand or to have a differentiated service. However, analysing BoP consumer behaviour, new dimensions arise. For instance, these are consumers with lower self-esteem, who are brand-loyal (despite their limited budget) and for whom a positive and personal relationship determines the selection of consumption alternatives.

Earlier studies (Prahalad 2005) have identified the 3 As—access, affordability and availability—as essential components for successful strategies to reach BoP. Awareness—that is, the consciousness of consumers about the existence of products and services of a company (Anderson and Markides 2007)—has also been added to the As ingredients of success. Our research has also identified that 'relevance' is an additional ingredient, as BoP consumers seem to expect companies to offer them dignity and to be embedded in BoP communities.

We organise this article as follows. We begin by discussing the existing knowledge about the BoP market. Afterwards, we describe the methodology, sample and data collection procedure. Then, we present the empirical findings, offer explanations for low-income consumers' behaviour and, finally, explore the study limitations and opportunities for future research.

Knowledge review

The term 'BoP' has not been precisely defined. Different authors use distinct definitions. Some authors define it as people who live on less than US\$2 per day, considering purchasing power parity (PPP) (Prahalad and Hart 2002; Prahalad 2005). However, most of the research and case studies at BoP consider a broader definition that includes people living on less than US\$8 a day (UNDP 2008). Using this last definition, we will consider for this study that Brazilian BoP encompasses classes C1, C2, D and E. This

1 IBGE (Brazilian Institute of Geography and Statistics), www.ibge.gov.br; accessed October 2009.

2 World Bank; web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/BRAZILEXTN/0,,menuPK:322351^pagePK:141132^piPK:141107^theSitePK:322341,00.html, accessed 20 October 2009.

classification is in accordance with other studies (Prahalad 2005; Parente *et al.* 2008). Table 1 presents the socioeconomic classes division according to ABEP (Brazilian Association of Research Companies). With a GDP per capita of US\$8,300,³ Brazil still displays an extremely unequal income distribution and presents the highest Gini index (which indicates the degree of inequality of income or wealth in a determined country) among the BRIC countries.

Table 1 DISTRIBUTION OF ECONOMIC AND SOCIAL CLASSES IN BRAZIL, 2008

Source: ABEP (Brazilian Association of Research Companies)

| Social classes | Monthly family income (R\$) | Monthly family income (US\$)* | Distribution of Brazilian population (%) |
|----------------|-----------------------------|-------------------------------|--|
| A1 | 14,366 | 8,256 | 0.6 |
| A2 | 8,099 | 4,655 | 4.4 |
| B1 | 4,558 | 2,620 | 9.1 |
| B2 | 2,327 | 1,337 | 18.0 |
| C1 | 1,391 | 799 | 24.5 |
| C2 | 933 | 536 | 23.9 |
| D | 618 | 355 | 17.9 |
| E | 403 | 232 | 1.6 |

* US\$1 = R\$1.74 (exchange rate 1 January 2010)

The notion that those on a low-income also form an important market and that the poor could be seen as consumers is not new. Since the 1960s, several authors have devoted attention to the fact that poor people pay more for the same products than rich people (Caplovitz 1963; Goodman 1968; Alcala and Klevorick 1971; Kunreuzher 1973). The main reason identified in those articles for the poor paying more is that they usually shop at small, independent stores, which charge higher prices, owing to their inefficiencies and higher operational costs (Berry 1972).

Interest in the subject during the 1960s and early 1970s seems like a wave that passed. During the 1980s, discussion about the poor as consumers was scarce (Andreasen 1993; Alwitt 1995). It was only in the early 1990s that interest in low-income consumers emerged again, but still with the focus on the North American poor. Mayer *et al.* (1993) reintroduced the discussion that the poor pay more for the same products.

Alwitt and Donley (1997) broadened that discussion, showing that poor neighbourhoods not only had fewer large chains in the grocery and banking industries—which were the main market segments studied until that point—but also fewer of other types of retail establishment, such as drugstores, apparel, restaurants and discount stores. They also agreed that poor markets were underserved by retailers.

It was only from 1998 that BoP started to be considered as an important market that could be targeted with profit by companies. Since that year, the discussion evolved to the strategies that best fit emerging markets (Arnold and Quelch 1998; Dawar and Chattopadhyay 2002; Hammond and Prahalad 2004; Khanna and Palepu 2006); the differences between emerging poor markets and developed markets (De Soto 2000;

³ World Bank; web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/BRAZILEXTN/0,,menuPK:322351~pagePK:141132~piPK:141107~theSitePK:322341,00.html, accessed 20 October 2009.

Khana *et al.* 2005); sustainability, poverty alleviation and clean technology (Hart 2005; Kandachar and Halme 2008; London 2008); criticisms and ethics (Karnani 2007; Hudon 2009); and new business models (Wilson and Wilson 2006; Brugmann and Prahalad 2007; Seelos and Mair 2007; Yunus 2007; Simanis and Hart 2009).

However, few authors discussed BoP consumer behaviour (van Kempen 2004; D'Andrea and Lunardini 2005). Most of the studies discussed the impacts of consumer behaviour on marketing strategies. For instance, brand is considered an important asset of the companies and van Kempen (2004: 221) found out in a field experiment that 'a substantial proportion of the urban poor in developing countries is willing to pay for a designer label as a symbol'. He claimed that there are apparently two main reasons for this:

- ▶ Designer labels are a symbol of status and integration in society. As they buy a branded product, poor people feel as if they belong to the society and are not excluded
- ▶ It is a kind of differentiation from extremely poor people, who cannot afford these products

Besides, poor people tend to be more loyal to branded products because they cannot make mistakes. If a product does not deliver the expected value, BoP consumers will not be able to buy another new product. They will have to use the product until the end. The financial risk is too high. So buying branded products is a rational purchase, since it assures the expected deliver (Prahalad 2005). This pattern of behaviour is now a widely known phenomenon among Brazilian marketers, and it has been extensively confirmed through findings from many studies of marketing research companies in Brazil.

No one doubts the importance of price for a consumer with a limited budget. Nevertheless, besides the many studies discussed above, which show that, due to social costs, mobility limitations and distribution inefficiencies, the poor usually pay more for the same products, new studies demonstrate that sometimes price is not the main driver for store patronage and that there are segments of the low-income population who are not driven by prices (D'Andrea and Lunardini 2005).

Few studies have explored the differences in communication that should be developed for low-income populations (Viswanathan *et al.* 2005; Subrahmanyam and Gomez-Arias 2008). Most of the studies that discuss this topic are more focused on the low literacy levels, the lack of formal education and about the need for education of this population. According to Aguiar *et al.* (2008), one major difference in communicating to BoP is in the method of dealing with aspiration levels: while the products and services messages directed to the upper classes stress the idea of 'exclusivity' and differentiation from the 'middle class masses', the messages to the low-income classes highlight the idea of 'inclusivity': that is, suggesting an access to a 'middle class' standard of living. Another finding is that low-income working housewives, rather than 'watch' TV actually 'listen' to TV; after their journey from jobs outside the home, they often continue to labour at their domestic chores such as cooking, cleaning, laundry and ironing. During these moments, TV is set at a higher volume. Recognising this behaviour pattern, commercials directed at these targets often rely on repetitious (and simpler, because of their lower educational level) voice messages, so that ideas could be conveyed without watching the images. These patterns differ from the middle- and upper-class working housewives who still enjoy the help of low-paid maids.

With regard to distribution, some case studies illustrate the importance of door-to-door sales, as for instance in the Unilever Shakti programme in India (Rangan and Rajan 2007). It has also been argued that small-scale, decentralised initiatives may make more sense in low-income markets than the developed world mantras of centralisation of

control and economies of scale (Christensen *et al.* 2001; London and Hart 2004). A few authors discuss distribution strategies for BoP. Vachani and Smith (2008) identified some alternatives to overcome the difficulties in distributing products and services in rural areas in India. Griffith *et al.* (2005) also analysed channels of distribution in India; however, their focus was on operations of United States MNCs (multinational corporations) in the country.

Methodology

Despite growing interest, BoP research is still in its infancy. Research and studies are still recent and the great majority are based on qualitative data, mainly using case studies. Qualitative research, rather than quantitative, is more appropriate for examining new relationships, exploring new conceptual frameworks and describing new phenomena. 'Qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them' (Denzin and Lincoln 2000: 3).

In order to accomplish the objectives of this paper, we divided the research into two steps:

1. Qualitative research conducted by the authors which analysed supermarket patronage in a typical low-income neighbourhood (Sapopemba) in the city of São Paulo, including 14 in-depth interviews with low-income housewives responsible for the household purchase, and two focus groups with a total of 16 housewives from Class D, who also lived in Sapopemba
2. Twenty-six interviews with executives of MNCs (such as Unilever, P&G, Coca-Cola and Danone); large Brazilian companies (such as Natura, Bauduco and Yoki), small manufacturers, retailers and market specialists. Owing to their intense relationship with the BoP market, these executives have accumulated a very perceptive understanding about the behaviour of low-income consumers. Altogether, the research generated over 40 hours of personal interviews. All this material was recorded, transcribed, read line by line and codified

Major findings

Our research shed light on many aspects of BoP consumer behaviour in Brazil. Some of those perspectives are in accordance with the literature review and several new ideas also appeared.

Importance of dignity

Our findings indicated that those in the BoP group demonstrate a high concern about maintaining their self-respect and being treated with dignity. Although these are expectations from any social class, there are subtleties among the low-income population that differ from the upper-class Brazilians.

Owing to the very low quality of services experienced by the low-income population, such as housing, public transportation and the public health system, they perceive themselves as 'second-class citizens'. The disguised, but intense racial and skin colour

prejudice (most low-income Brazilians have darker skin: a multiracial blend derived from intermarriage among native Indians, African slaves and Portuguese settlers, and their descendants) aggravates the poor self-image of the Brazilian poor.

There is a very intense need among people on a low income to affirm their honesty. This might be a response to the action of Brazilian police officials who seem to exercise a clear prejudice against low-income pedestrians as they are stopped more frequently than those from the upper classes to check their identity and whether they are carrying drugs or arms. Honesty is highly regarded, and there is a strong resentment when stores show any kind of conspicuous indication of surveillance to prevent pilferage. Even standard procedures, such as asking for ID at checkouts if paying on credit and checking whether the ID picture matches with the consumer's features, normally accepted among the Brazilian middle class, may be perceived as offensive among low-income consumers. In response to this sensitive issue, for instance, the sales staff at the stores of 'Casas Bahia'—the largest appliance chain store in Brazil, which enjoys an exceptional positive image among low-income consumers—are specially instructed, during a credit transaction, not to conspicuously check whether the ID picture matches with the ID presenter.

Common expressions among those on a low income such as 'I am poor but I am clean' or 'I am poor but I am honest', indicate a clear demonstration of poor Brazilians' attempts to counterbalance their 'inferiority complex'. Brands can be used for that purpose because they reflect an image that consumers want to incorporate. For instance, consumers declared, 'I buy Omo (leading powdered soap brand in Brazil, from Unilever); I take good care of my family.' Although brands are important to create an image for any consumer, communication and positioning for BoP markets still lack a more inclusive approach that allows the feeling of good self-image and belonging to flourish.

In our research with housewives, we investigated the preferences, attitudes and store patronage towards three supermarkets located within a radius of less than 400 m, at Sappemba, a low-income district in the city of São Paulo. Price comparison with a sample of about 150 products showed a difference of about 7–8% in favour of the two hard discount formats (a smaller four-checkout store and a larger 16-checkout store, both from different large, multinational companies) against the third store, a conventional middle-size (ten checkouts) supermarket format. The findings presented a paradox: all housewives stressed the importance of low prices as the major attribute in selecting supermarkets, but showed a very significant preference for shopping at the conventional and higher-priced supermarket. Many housewives have even indicated that the conventional supermarket was the cheaper one. This intriguing result prompted us to probe into the reasons why the value proposition of the more expensive store was perceived in a more favourable way.

These results can be partially explained by the well-known 'halo effect' construct. Developed by psychologists (Nisbett and Wilson 1977) to highlight the impact of unconscious judgements, the 'halo effect' has found wide application in marketing as it posits that positive perceptions of some attributes of a brand influence a more favourable perception of other brand attributes. On the other hand the 'reverse halo effect' can also happen where a brand's unfavourable attributes will be contagious to the overall perception of a brand. The conventional supermarket was evaluated very highly in many attributes, such as courtesy and friendliness of service, merchandising, visual merchandising, facilities, store atmosphere, price promotions; all these positive evaluations have exercised a contagious effect on its price image. On the other hand, a 'reverse halo effect', caused by negative objective and symbolic evaluation of attributes such as poor facilities, store atmosphere, impersonal service and conspicuous surveillance, have minimised the positive perception of low prices of the hard discount stores.

The use of projective techniques during the focus group helped to unlock unconscious feelings and to shed further light on how the customers' low self-image and inferiority complex were affected by symbolic meanings derived from the housewives' perceptions about the three stores' marketing mix. There was a perception that the 'spartan' and no-frills facilities of the two hard discount stores, aggravated by these stores' impersonal touch, reflected a disregard and lack of respect for their dignity, as some of these quotes indicated.

I feel ashamed, because this supermarket is dirty (smaller hard discount store).

I'd be embarrassed to show this store (smaller hard discount store) to a friend who comes to visit us. What would she think about our neighbourhood?

This supermarket (larger hard discount store) was made for poor people. The floor is too rustic.

These two hard discount formats were not able to fulfil the social mobility and 'inclusivity' aspiration needs of low-income housewives. Adopting an opposite approach, the third grocery store (a local supermarket company) managed to fulfil these symbolic aspirations by offering good services, variety of products, upper-scale store facilities and pleasant visual merchandising. The courtesy of this store's employees raised the feeling of customers' belongingness and recognition. As a consumer declared, 'It is good to be recognised as a person' (equal to others from the upper class).

Table 1, showing income distribution, portrays the sharp contrast between 'rich' and 'poor' in Brazil, which has aggravated the sense of embarrassment for being poor. At the focus group a woman expressed a situation, which all the others seem to agree was very embarrassing, which illustrates this point:

I feel ashamed when at the checkout stand I find out that I don't have sufficient cash to pay for all goods I have put in the cart, and have to select which items I will have to withdraw. I feel as if am very tiny.

The above situation is not pleasant for anyone, regardless of income; however, the deeply sad reaction from those on a low income reflects their embarrassment about being poor. BoP consumers are used to being offered low-quality public services. They don't have any possibility of choice over these services, which reinforces their low self-esteem. Therefore, whenever they are able to choose, their aspirations expand greatly, and the last thing they want is a product/service or a shopping experience that reminds them of their poverty status.

Based on the findings of our research, it became clear that the choice of the preferred supermarket was not a rational decision based on pricing (as would be expected from the limited budget of the consumer), but on a compromise of satisfying economic, social and psychological needs, in which the perception of being respected and recognised plays a major role. This point suggests that hard discounters, when confronted with more service-oriented competitors who efficiently satisfy the aspiration needs of socially deprived low-income customers, may not be the best store format for Brazilian BoP.

Although shopping can be viewed as a social process in any economic class, it is striking to find that the self-realisation feeling of an upper-class woman's shopping experience in an elegant shopping centre may find its equivalent with a low-income woman's shopping experience in a supermarket. This feeling can also be perceived when consumers describe their experience when buying in the local supermarket:

I feel like Gisele Bündchen [a Brazilian supermodel]: wonderful, gorgeous, with power and happy for being able to keep my family happy (low-income consumer).

I am able to buy the needed things for my family with the money I have; my mission is accomplished (low-income consumer).

Personalised relationship

The importance of relationship has been highlighted as a major marketing ingredient of success for any business enterprise (Morgan and Hunt 1994; Day 2000). Compared with those on larger incomes, Brazilian low-income people tend to create a stronger sense of community and social network, based on mutual help. From bargain tips to mutual cooperation (for example, to build a house), a more informal and friendlier relationship in BoP markets compared with high-income markets is noticeable. As BoP consumers have to survive in a hostile environment, they have learned to help themselves. Despite the fact that relationships are important for any consumer, our research identified different dimensions in the Brazilian BoP market that should be taken into account when defining an approach to this segment. Three main points that draw our attention are: personal service, mistrust of large corporations and face-to-face contact, as discussed further below.

Personal service

Compared with high-income consumers, BoP consumers want a more personal service. In their jobs, low income people are used to serving, and when they go shopping or play a role as buyers they want to be served. One experience in Brazil from a large retailer attempting to develop a self-service gas station was very unsuccessful among low-income consumers. While high-income consumers could understand that this operation could reduce prices, the BoP population had the feeling that value was taken away from them.

Mistrust of large corporations

Large companies are often seen as exploiters. In our focus group research, a projective exercise of personifying supermarket companies, low-income consumers described one of the MNC retailers as a 'distant executive' that 'is just interested in his business profits'. They did not perceive that the new, no-frills format was the way the company could achieve lower costs to offer lower prices. Instead, the perception was that the no-frills format was created to save investment as the poor neighbourhood did not deserve an upper-scale facility, and as such the company could maximise its profits. The same idea can be perceived with banks, which are seen as companies that 'swallow their money' (because of the interest rates and service charges) and are just for rich people. It can be perceived that those large companies are seen as distant, and not interested in the reality of the BoP. There is a lack of relevance, proximity, relationship and trust between those companies and low-income consumers.

Face-to-face contact

Low-income consumers highly value face-to-face contact. The mistrust of institutions and the lack of formal education make these consumers more suspicious. Owing to their limited ability to read and to understand printed store product signs and product features, or to extract information from existing sources such as the Internet, low-income consumers need to rely on vendors' advice or word of mouth as sources of information. This is especially true when buying more complex products such as appliances. Trust between people is much stronger than trust towards institutions, or in contracts. Despite the existence of well-established consumer protection legislation, lower-income consumers often are not able to enjoy this protection, when needed. The combined influence of the above-mentioned factors justifies the stronger need for face-to-face

relationships among low-income consumers compared with upper-income, well-educated Brazilians. They prefer, everywhere they shop, to have face-to-face contact in order to know from whom they are buying and to better understand what they are buying. As one low-income consumer stated:

In the checkout of the supermarket [the larger MNC store], for instance, everyday there are different persons. It doesn't create a relationship, and I like to have the contact, to know people, because we live in this neighbourhood we like to feel that everyone is known.

The importance given to personalised relationships is being recognised by businesses, which are attempting to respond to this trend. For instance, communication efforts that enhance word-of-mouth and prioritise face-to-face contact, such as personal sales and sales promoters, have a higher success propensity. For this reason, door-to-door salespeople or even small retailers might have a source of competitive advantage because of their closer relationship with their consumers. Even though they have a limited budget, low-income consumers are sometimes willing to pay a higher price because of this relationship. Besides the market inefficiencies, the poor may pay more because of social networks. That could be confirmed in the following statement: 'Consumers buy door-to-door because of the friendship with salesperson. She [consumer] knows it is more expensive, but buys with the salesperson because she trusts the products and the salesperson' (distributor who sells door-to-door).

Relationships are basic to create a closer link with the consumer and, as discussed in previous research, 'in an embedded logic of exchange, trust acts as the primary governance structure' (Uzzi 1997: 61). Some worldwide cases also demonstrate that companies that are more embedded in the communities with a strong link with the population achieve good results (Seelos and Mair 2007; Yunus 2007). In our research this same aspect appeared, showing again the relevance of relationship. The next statement shows the experience of one executive who was able to build a strong relationship with one community:

Some works that I conducted myself in Latin America with the real involvement of the community demonstrated a positive effect. The emotional link created between the community and the brand is in a dimension never seen before by any brand (MNC executive).

Value proposition configuration

There is a widespread understanding in marketing that consumers' buying decisions, in all social economic segments, are based on the selection of the alternative that maximises value or, in other words, the relationship between benefits and costs. Working along the value concept, Baker *et al.* (2002) have adjusted this relationship to recognise that the consumer's subjective perceptions, and not the rational reality, are the determinants of behaviour and, as such, the value proposition became the relation between the perception of benefits over the perception of cost.

What differs among low-income and upper-income consumers is the way they perceive the value proposition of brands, products or stores: that is, the relation between how benefits and costs are perceived. Many of these differences have been mentioned above, such as the fact that the reinforcement of dignity and personalised relationships seemed to be perceived as more important among lower-income than among upper-income Brazilians. We have also argued that, while the promise of inclusiveness adds to the value proposition directed to the low-income consumers, the proposition of exclusiveness is what expands the perception of the product benefits among upper-income consumers.

Owing to their limited budget, there is still a misconception that BoP consumers just want/buy cheaper and lower-quality products. Actually, according to data from Kantar Worldpanel, in 2008, 31% of low-income consumers' purchase basket of 65 categories was based on leading and premium brands with prices more than 10% higher than the average of the category.⁴ There are some reasons for this:

- ▶ Leading brands of mass consumer goods (such as detergents and soft drinks) satisfy the aspirations of those on low incomes and act as the counterpart of prestige brands for those on higher incomes
- ▶ Brand loyalty. Despite higher prices, leading brands often offer better value, through more worthwhile benefits, such as better quality or higher yield

The meaning of abundance

Apparently owing to economic deprivation, low-income consumers have a very positive perception of abundance. Whereas those on high incomes usually prefer clean visuals, low-income consumers are more used to crowded (space and people) environments with an abundance of stimuli. As a matter of fact, the liking for abundance can be observed in different contexts: in the household, it can be seen in the abundance of food, for instance when receiving relatives and friends; while, in the stores, the higher volume of products exposed indicates that the store is generous, well managed, well stocked and has low prices.

There is evidence that allows us to identify the differences of aesthetic among low-income consumers, such as:

- ▶ Low-income consumers are used to a crowded atmosphere, such as commercial streets full of pedestrians. Spatial and people crowding is considered a manifestation of liveliness and attractiveness. Therefore, retail stores in low-income neighbourhoods present an environment where there is an abundance of products and people. When a store is too clean and without many colours, low-income consumers don't feel attracted to the store. Comparatively, stores in high-income neighbourhoods are cleaner, whiter and with fewer products exposed
- ▶ Popular events, such as carnival and regional parties are characterised by a mixture and abundance of luxuriant tropical colours and vivid visual elements. Brazilian popular culture can be perceived as a manifestation of this overwhelming and extravagant abundance of stimuli that might be a way to counterbalance the scarcity of resources among the poor

The local conventional and successful supermarket of our consumer research reflected the visual merchandising characteristics and aesthetics that appeal to lower-income consumers. These features comprise the following apparently conflicting but compromising elements:

- ▶ Abundance and volume of products displayed. It conveys an image of a well-stocked store with competitive and low prices
- ▶ A large amount of promotional products and large and colourful price offers—again to satisfy the rational consumer's needs and search for low prices
- ▶ Comfortably crowded aisles—again as a sign of an overstocked and busy store

⁴ www.kantarworldpanel.com, accessed 27 April 2010.

- ▶ High-end facilities (such as marble floors) to satisfy aspirations
- ▶ Courteous and personalised staff to provide service and information when needed

Conclusions

Our research findings shed some light on low-income consumers' behaviour. Even though this is just an exploratory investigation, the results present some specific aspects about BoP consumers' behaviour that deserve further investigation. Our findings indicated the following consumer behaviour characteristics among Brazilian BoP which seem to be different from those of their better-off countrymen: a different configuration of the perception of value not solely determined by lower prices; a stronger need to compensate for a dignity deficit and low self-esteem; a stronger preference for personalised relationships; a high level of aspiration to feel socially included in society; and a preference for abundance.

The identification and explanation of such specific behaviour patterns were derived from the authors' analysis and interpretation of the collected empirical data, combining their familiarity of their native Brazilian culture with widely known marketing concepts, such as the 'halo effect', 'relationship marketing', 'brand loyalty' and 'value proposition'. This article was based on exploratory qualitative research derived from a limited sample of low-income consumers and business executives of consumer companies serving Brazilian low-income markets. Despite the richness of this kind of methodology, its findings are restricted to the population analysed. Therefore, more extensive research is recommended in order to explore more deeply the particular characteristics of lower-income consumer behaviour and to explicitly compare them with the other social classes in Brazil.

As competition increases in all market segments, successful companies must go far beyond fulfilling consumers' objective needs. In order to establish a higher-level relationship with consumers, companies will need to understand the social and psychological needs of self-realisation, and try to satisfy their consumers' symbolic needs. The local store in our research shows an example of a small company that is closer to consumers and has a competitive advantage on these issues because it was able to create relevance and to establish a more fluent dialogue with its customers. For large companies or any others that want to operate at BoP, it will be necessary to go beyond just listening and researching the market. Owing to the deprivation experienced by those on low incomes, companies serving these markets could gain more relevance if they could find, beyond selling products and services, new alternatives to help improve communities and to help people in their day-to-day life.

New studies could be developed to compare lower- and upper-income populations in other emerging countries. Such research could help to clarify which findings of our research are specific to the Brazilian market and which could be generalised to other lower-income markets. Future research could also be developed through case studies, in order to better identify and explore how innovative companies are developing their strategies to deal with and to satisfy the different and complex needs of low-income consumers, as well as to determine how they are coping in overcoming the difficulties and obstacles to implementing such strategies. Hopefully these case studies could identify innovative companies combining, in a synergistic approach, the satisfaction of the myriad of BoP needs, simultaneously achieving a socially and environmentally sustainable business model.

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