

# Leading Thoughts

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Leading Thoughts are a series of articles designed to highlight hot FMCG industry topics, written and researched by our international team of experts at TNS Consumer. For more information about TNS Consumer visit our new website: [www.tnsglobal.com/consumer](http://www.tnsglobal.com/consumer)

## Consumption or exploitation?

### Successful brands respect the Bottom of the Pyramid

ARNAUD FRADE is a Regional Director with TNS, based in Singapore, helping companies resolve marketing issues in developing markets and grow their knowledge of consumer research across a wide spectrum of markets.

Arnaud Fraude, is a Regional Director with TNS, based in Singapore



4 billion people living on less than \$2 a day. Impossible numbers for the developed world's major companies, surely? Are these people worth regarding as a market? These tough, seemingly harsh questions are now being asked and answered in boardrooms across the world.

The realisation has finally hit that billions of individuals are collectively worth as much as the more well off and relatively fewer consumers in the product-saturated, choice-burdened developed world. Potentially at least, if the targeting and marketing is done appropriately with people who at last have a place as consumers in the world. It's a matter of respect for the Bottom of the Pyramid.\*

**Every person on Earth is a consumer**

Let's be sure of one thing.



The billions of people at the Bottom of the Pyramid (BoP) are consumers. They do buy products, but in a completely different kind of way.

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They are poor, but, as consumers, they are underserved by products and services. In many cases, they have suffered the impact of globalisation, rather than its benefits, largely due to the fact that private enterprise has not actively engaged them. The dominant logic of the last 50 years has locked a range of institutions from government to NGOs and private and public sector concerns into various unproductive assumptions: they cannot buy what we have, so we will not make anything available and some people say we shouldn't anyway. It's time to dispense with such thinking.

### TNS and BoP

If you're a company dealing with the BoP, you'll need help to create affordability, access and availability. TNS currently sits in the space between you and your market, providing the necessary insights that can help you take action. We're talking about a new kind of research for a new kind of market.

After all, the task of converting the poor into consumers is only one side of the coin. The other side is transforming developed private sector organisations into businesses that can provide these consumers with the relevant access to readily available products and services. Only the companies that produce the goods can create the capacity to consume among people who have always wanted to but never could.

Whether providing research insights or acting upon them, when we're dealing with the BoP, we all have to set aside what we already know. There is no such thing as online research at the bottom of the pyramid – to develop efficient research solutions, we are aligning ourselves with these consumers and delivering to their expectations in terms of how we interact and engage with them. Turning up and expecting to have engaged respondents does not work – neither does assuming that all are literate. We know that the trick is to design a research programme that provides actionable research.

### Making actionable research work

Once you have actionable research, there's one thing that cannot be understated: the necessity to build trust

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with communities while you create the capacity for people to consume. It's all about respect, meeting the needs of consumers as they are. As well as looking at how to engage people differently at the BoP, we may need to help clients understand the need for longer-term return on investment. That way, you're more likely to make products that are better quality and more affordable. That way, you will be able to bring your products together with consumers who want to spend and are entitled to.

### 'Little is the new large' and other micro-insights

TNS can provide insights into the innovations that enable people to buy products they

could never have afforded. In Bangladesh, micro-finance pioneer, The Grameen Bank, understands this insight. Its interest rates for the poor are neither exploitative nor low. The payment default rate is certainly very low. Suppliers such as P&G, Unilever and Nestlé have also come to understand that the poor cannot afford jumbo packs of shampoo or detergent. BoP consumers expect them to microsize it.



Providing small sachets of 9 or 10g, with a special deal on 11g is exactly what the market ordered.

People at the Bottom of the Pyramid respect the right approach that encourages them to be consumers on the world stage. What else can you do to meet them in the way they want to be met? At TNS, we're developing new ways of research and insight that actively help – in today's world, there are no more consumers... just people with different means to engage with your brands – a fantastic opportunity for all.

\* The 'Bottom of the Pyramid' is a term of reference championed by C K Prahalad of Michigan University, among others, particularly in his book 'The Fortune at the Bottom of the Pyramid' (2004).

To learn more about research in the BoP sphere, please contact Arnaud Frade ([arnaud.frade@tns-global.com](mailto:arnaud.frade@tns-global.com)).

