

THE FORTUNE AT THE BOTTOM OF THE PYRAMID

PRODUCTS AND SERVICES FOR THE BOP

[HTTP://WWW.AMAZON.COM/FORTUNE-BOTTOM-PYRAMID-ERADICATING-POVERTY/DP/0131467506](http://www.amazon.com/FORTUNE-BOTTOM-PYRAMID-ERADICATING-POVERTY/DP/0131467506)

Learning Expectations:

I expect to learn the differences of products and services for the BOP from the traditional markets.

Quote:

“It might appear that the new philosophy of innovation for the BOP market requires too many changes to the existing approach to innovation for developed markets. It does require significant adaptation, but all elements of innovation for the BOP described here might not apply to all businesses. Managers need to pick and choose and prioritize. Although effective participation requires changes to the philosophy of innovation, I argue that the pain of change is worth the rewards that will be reaped from the BOP as well as from traditional markets.”

Book Review:

With reference to the previous chapter, we have dissected the focus to the BOP market, that is, the people struck with poverty. The writer said that it requires a new and adjusted understanding on price-performance relationships. It does not necessarily mean that prices have to be lowered; rather, it is to alter or adjust the price-performance relationships. For example, here in the Philippines, the price of a single SMS 10 years ago is now very different. Back then, it is a single peso for every text, but now,

other promos were introduced like unlimited texting. For a globe user, it would only take 25php to register for an unlimited texting for 1 day. If one is an avid texter from 10 years ago, it would take 100php for 100 SMS, whereas compared to just 25php for 100 SMS or more. Here, the performance or the quality of text messaging remained the same, but the price was adjusted drastically to meet the demands of the BOP.

Educating Customers plays a major role in the BOP market. A significant portion of the BOP is illiterate, meaning; it is possible that the target market cannot perceive the proper use of the product. According to C.K. Prahalad, the best way to educate customers is by cooperating with the NGO's, and other authorities like the WHO (World Health Organization). Here in the Philippines, one of the secrets in educating the customers is by creating catchy commercial jingles. The message of the product is easily remembered with this.

What I have learned:

I have taken into consideration C.K. Prahalad's 12 principles that constitute the building blocks of a philosophy of innovation for BOP markets.

Integrity Questions:

1. Which of the 12 principles discussed is the most hardest to adapt? Why?
2. What companies here in the Philippines practice these principles?