

BOP: A Global Opportunity

Quote:

“The more interesting lesson for MNCs from operating in the BOP market is about costs-for innovation, distribution, manufacturing, and general ‘costs of organization’. Because the BOP forces an extraordinary emphasis on price performance, firms must focus on all elements of costs. Shortage and the cost of capital force firms in BOP markets to be very focused on the efficiency of capital use. MNCs tend to impose their management systems and practices on BOP markets and find that it is hard to make a profit. The choices are simple: Change the management systems to cut costs or lose significant amounts of money.”

I expect to learn the concepts behind why the author considers the BOP as a global opportunity.

Review:

This chapter discusses possible global marketing opportunities at the bottom of the pyramid. As stated by C.K. Prahalad the bottom of the pyramid is a sector full of marketing potential, creating a new innovative market that meets the requirements of those in the BOP can a business the success he long desires. The BOP market consists of a very large target market of people from all around. A single business man that could offer a product that would meets the requirements set by those who belong at the BOP could potentially attract a very large market leading vast amounts of profit. There are already several products that are out in the market that caters to those who belong at the BOP. This chapter gave an example, the salt that is sprayed with iodine coated with chemical that could prevent spoilage on transportation of the salt and distribution of them. This greatly helped food distribution in places located in parts of Africa where food aid are very important. We hope that in the next few year there will be more products that would cater to the needs and demands of those in the BOP.

Lessons learned:

I have learned local growth opportunity, capital intensity and also possible marketing ideas at the BOP

Integrative questions:

- 1) What is the concept behind capital intensity?
- 2) What is sustainable development?
- 3) How can it be achieved?
- 4) What can be a good local growth opportunity?
- 5) What can be a good BOP marketing strategy?