Praise for

*Breakout Strategies for Emerging Markets*

“If every global marketing company applied the principles in this new and important book, I have no doubt that millions of consumers in emerging countries will achieve a higher standard of living and the global marketing companies will all achieve increased sales and profitability.”

**Philip Kotler**, S. C. Johnson & Son Distinguished Professor of Marketing, Kellogg School of Management, Northwestern University

“Sheth, Sinha, and Shah have developed a highly practical and comprehensive guide to navigating the complex challenges and achieving growth in emerging markets. Their book is a must read for anybody who is working in or wanting to enter emerging markets.”

**Cynthia Kantor**, Senior Executive, Global Product Line Leader, GE Power Services

“This is an essential compass for navigating the enormous possibilities and the many pitfalls of emerging markets. This is a well-researched and thoughtful guide-book to the challenges of converting nonusers to users at scale. The authors emphasize an outside-in approach that puts the reader in the shoes, boots, and sandals of the potential consumers before taking action.”

**George Day**, Geoffrey T. Boisi Professor Emeritus, Wharton School of Business, University of Pennsylvania

“Having had the extensive experience of leading a global division operating in over 100 countries, I know first-hand the challenges companies face when they enter emerging markets. The authors have uniquely developed an approach that will prove to be beneficial for those seeking success in emerging markets.”

**Javier C. Goizueta**, Retired Vice President, The Coca Cola Company and President of the Global McDonald’s Division

“Despite the volatility in markets, which is greater for emerging markets, the fact is that every multinational company has to master the nuances of working in the different emerging markets. The variance between emerging markets is greater than that observed between different developed markets. As a result, adaptation across the emerging markets becomes important for success. The book provides an excellent approach for doing so.”

**Nirmalya Kumar**, Member—Group Executive Council at Tata Sons, Visiting Professor of Marketing at London Business School and Distinguished Fellow Emerging Markets Institute, INSEAD at Singapore
“Jagdish Sheth, one of the world’s leading experts on emerging markets, has done it again! In Breakout Strategies, he and his colleagues offer a practical road map for how to gain traction and achieve rapid growth in emerging economies. The book puts flesh on the bones of the 4 A’s model that Sheth pioneered some years back. It is a treasure trove of practical strategies and tactics illustrated with numerous real-world examples. It fills a void and is destined to become a classic on the topic.”

Ravi Ramamurti, D’Amore-McKim Distinguished Professor of International Business, and Director, Center for Emerging Markets, Northeastern University

“This book is a refreshing combination of strategic thought and practical application for operating in emerging markets, applied comprehensively and made robust with examples from Africa, Asia, and Latin America. Having lived and worked in each of these geographies, I see great value in the frameworks the authors have created to identify and commercialize opportunities in a responsible manner.”

Vinita Bali, Global Business Leader, formerly with Cadbury Schweppes, The Coca-Cola Company, and Britannia Industries Ltd.

“Jagdish Sheth, Mona Sinha, and Reshuna Shah have created an all-encompassing step-by-step model for engaging relevant stakeholders in emerging markets such as leaders, communities, employees, suppliers, and, of course, customers in their book, Breakout Strategies for Emerging Markets. Such a treatment of emerging markets takes this book from the common way of doing business—sourcing from emerging markets or selling commoditized products in emerging markets—to a level of engagement that benefits both emerging markets and those who engage with them. This is a sustainable and long-term viable way of strategizing about emerging markets.”

Tomas Hult, Professor and Byington Endowed Chair in International Business, Broad College of Business, Michigan State University, and Executive Director, Academy of International Business

“A must-read book for companies that are searching for growth opportunities. This book very succinctly articulates how to tap into market opportunities in developing/emerging markets. Concepts like Breakout Strategies and 4 A’s marketing are simple yet very powerful and pragmatic concepts that companies can benefit from. This book is a brilliant blend of simple frameworks and well-articulated examples that brings the story to life very effectively and another marketing blockbuster on the anvil from Dr. Sheth.”

Stan Sthanunathan, Executive Vice President, Consumer and Market Insights, Unilever
“Despite the recent economic slowdown in China and some other emerging markets (EM), it is indisputable that companies everywhere still need to sell much more to these EM consumers if they wish to grow. The framework and examples in this book should be of great help. Not only is it chock full of terrific insights and examples—it weaves these together into a new and very useful conceptual framework that has great managerial relevance. It brings together many new and useful points about how to sell to low (bottom of the pyramid) and middle income consumers, and the crucial youth market, in a multitude of geographical locales—not just China and India but also Latin America and Africa. Marketers everywhere need to read this book.”

Rajeev Batra, Sebastian S. Kresge Professor of Marketing, Ross School of Business, University of Michigan

“A ‘must read’ book for managers seeking growth in emerging markets! Breakout strategies are new, large-scale ways to convert nonusers to users. The 4 A’s provide a powerful framework that starts from what a market offers: culture, values, systems, and needs. Companies grow by leveraging what the market lacks: technologies, processes, products, and brands. The authors’ offer compelling stories about how companies have overcome challenges to succeed in Africa, Asia, the Middle East, Europe, and South America.”

Dr. Ruth N. Bolton, Professor of Marketing, W.P. Carey School of Business, Arizona State University

“Never have I seen the underlying drivers of success in emerging markets uncovered and communicated more effectively. The consumer and environmental factors discussed are the most often overlooked when setting strategy in emerging markets. The strategies advanced are real-world applicable and capture critical learning for success in emerging markets.”

Mike Shattuck, Former President Focus Brands International and Owner, Global Franchising and Brand Building
Breakout Strategies for Emerging Markets
This page intentionally left blank
Breakout Strategies for Emerging Markets

Business and Marketing Tactics for Achieving Growth

Jagdish N. Sheth
Mona Sinha
Reshma Shah
To my grandchildren (Rehna, Maya, Anya, and Arya) whose love keeps me going.
—Jagdish Sheth

To my three special people, Nuri, Sridhar, and Papa for celebrating your milestone birthdays this year.
—Mona Sinha

To my parents, Jagdish and Madhuri Sheth, for showing me the world and enabling me to appreciate all its diverse aspects.
—Reshma Shah
This page intentionally left blank
## Contents

Acknowledgments ........................................... xiv

**Chapter 1** Converting Nonusers to Users ..................... 1
  References .............................................. 14

**Chapter 2** Creating Functional Fusion ....................... 17
  Adapting to Climate ..................................... 18
  Considering Genetic Differences ........................... 21
  Overcoming Infrastructural Limitations ..................... 23
  Incorporating Local Essence ................................ 24
  Aligning to Regulatory Requirements ....................... 28
  Capital Markets and Banking in Emerging Markets ........ 29
  References .............................................. 31

**Chapter 3** Designing Cultural Fusion ......................... 37
  Incorporating Traditions ................................... 39
  Using Local Languages ................................... 43
  Considering Social Norms .................................. 45
  Respecting Faith ......................................... 47
  Understanding Sensory Preferences ......................... 49
  References .............................................. 52

**Chapter 4** Democratizing the Offer ........................... 57
  Reducing Economic Barriers to Purchase ..................... 59
  Overcoming Noneconomic Obstacles to Purchase ............. 65
  Achieving Reverse Innovation .............................. 68
  Extending Product Value ................................... 70
  Developing Creative Financing .............................. 72
  References .............................................. 75
Chapter 5  Upscaling the Offer ................................................. 81
    Adding or Changing Packaging .................................. 82
    Positioning ............................................................ 84
    Enhancing Services and Benefits ................................. 86
    Reversing the Brand Lifecycle ..................................... 89
    Leveraging the Country of Origin ................................. 92
    References ..................................................................... 94

Chapter 6  Managing Reach ..................................................... 99
    Adapting to Traditional Channels ................................. 100
    Navigating Indigenous Channels ................................. 102
    Developing Channel Partnerships ................................. 105
    Building for Access .................................................... 110
    Managing Channel Ownership ....................................... 114
    References ..................................................................... 118

Chapter 7  Reinventing Reach ................................................ 125
    Modernizing Retailing .................................................. 126
    Setting Up E-Commerce .............................................. 129
    Accessing Self-Service Technologies ............................. 132
    Enabling Payments ...................................................... 133
    Providing Financing ..................................................... 138
    References ..................................................................... 140

Chapter 8  Building Brand Identity ........................................ 149
    Establishing Product Knowledge .................................... 150
    Identifying Sources of Communication .......................... 153
    Developing Appropriate Messaging ............................... 157
    Using Traditional Channels of Communication .................. 165
    Leveraging New and Unconventional Media ..................... 167
    References ..................................................................... 169

Chapter 9  Engaging Stakeholders ......................................... 175
    Educating Consumers and Markets .............................. 176
    Involving Communities and Leaders ............................. 179
    Engaging Employees ..................................................... 181
    Co-opting Suppliers ...................................................... 184
    Developing Partnerships with Public, Private, and Nonprofit Companies ..................................... 187
    References ..................................................................... 191
Chapter 10  Connecting the Dots ................................. 197
  Overcoming Emerging Market Challenges .......... 204
  The Way Forward ........................................... 209
  References: ................................................. 215

About the Authors ............................................. 217
About the Contributors ....................................... 219
Index ............................................................. 225
Acknowledgments

This book has been inspired by the dozens of companies in emerging markets all over the world whose stories we have had the privilege of sharing. There were many more stories that we wish we could have shared. We gratefully acknowledge our many contributors whose profiles are at the back of this book. We also thank our student assistants, Alaina D’Anzi, Ebenezer Osunlalu, and Innocent Djiofack for their help with the in-depth research this book required. In addition, our thanks to Aarya Budhiraja (BBA research assistant at Emory University) and Anthony Koschmann (PhD candidate at Emory University) for assisting in our research. Special thanks to Isha Edwards for editing and organizing the citations for each chapter. We are also grateful to Nicole Smith, Jagdish Sheth’s personal assistant, for providing administrative support for the book. Finally, we are deeply appreciative of the support and guidance from the team at Pearson including Jeanne Levine and Kim Boedigheimer, and the team at Happenstance Type-O-Rama including Maureen Forys, Kate Kaminski, Rebecca Rider, and Nancy Peterson.
Breakout Strategies for Emerging Markets
This page intentionally left blank
Converting Nonusers to Users

Emerging markets offer the biggest growth opportunity in the history of capitalism. Unfazed by the ups and downs of the global economy, many former developing nations have transformed into lucrative markets with potential annual consumption estimated at 30 trillion USD (U.S. dollars) by 2025 (Atsmon et al. 2012). Eyeing nearly 10 trillion USD of annual revenue from just India and China, businesses have been spending billions of dollars to understand and market to consumers in these emerging economies (Silverstein et al. 2012). Emerging economies are not only transforming marketing, but they are also transforming markets all over the world by attracting multinationals, shoring up domestic firms, and launching local brands onto the global stage.

The case for entering and competing in emerging markets is certainly a strong one. As The Coca-Cola Company’s CEO Muhtar Kent concisely explained, “About 3.5 percent to 4 percent of the population of the world lives in the U.S., and we’re a consumer goods company. So we sell where the people are. It’s just math” (Nisen 2012). Further, as affluent nations aged, consumption levels and patterns changed, and consequently companies began to look for growth in emerging markets that were getting liberalized. No longer were they just ex-colonies with predominantly rural, agrarian, bottom-of-the-pyramid (BoP) consumers, but they also comprised a burgeoning middle class and a growing affluent class that was becoming increasingly brand conscious and driving growth in consumption (Sheth 2011).

Multinationals were not prepared for heterogeneity when they first entered these new markets in the early ‘80s. With almost 50 percent of consumers at the BoP and a fragmented market of largely unbranded domestic products from a large number of small enterprises, many
emerging markets were similar to preindustrialization-era farming economies. Vast swathes of the population were illiterate and traditional means of communication were ineffective in reaching them, which meant that marketers often needed to rethink their marketing mix. Many parts of these markets lacked or had poor quality of even basic infrastructure, such as electricity, clean drinking water, banking, telecommunication, transportation, and communications. Resources were chronically in shortage. Branded goods and services were relatively new entrants in emerging markets, which even now tend to be largely dominated by unbranded regional or local commodities. Governance in these markets is influenced predominantly by sociopolitical institutions based on religion, government, local community, business groups, or nongovernmental organizations, leaving new entrants struggling to navigate complex and unfamiliar regulatory structures (Sheth 2011). Further, even though consumers have accepted many aspects of global brands, they also show strong preferences for their traditions and cultures. Multinationals need to be attuned to sociocultural–driven heterogeneities that frustrate unquestioned acceptance of global brands (Strizhakova, Coulter, and Price 2012).

The conceptual foundations as well as the practice of marketing are predominantly based on the study of branded goods and services from the developed parts of the Western world. However, in emerging markets, an estimated 65 percent of consumption is unbranded and much remains unknown about how these consumers and markets are different from or similar to developed ones (Sheth 2011). Douglas Daft, who preceded Muhtar Kent as CEO of Coca-Cola from 2000 to 2004, noted that Coca-Cola’s standardization strategy had run its course, “The world had changed, and we had not. The world was demanding greater flexibility, responsiveness, and local sensitivity, while we were further consolidating decision-making and standardizing our practices” (Ball 2003). Companies like Unilever had successfully taken a long-term position in emerging markets, even when they were not yet in a growth surge. Eventually these companies became so ingrained in the fabric of local society that they were perceived more as local rather than global companies. However, for most companies, their foray into emerging markets remains a hit-or-miss experience with as many failures as successes. Thus, the next big evolutionary step of “going global” is not just “going local”
but seamlessly blending elements from the developing and developed world.

Despite the realization that entering emerging markets is a competitive imperative and requires a fair amount of rethinking, multinationals, as well as local companies, foraying into branded competition falter because they lack an explanatory framework and practical guidelines. Given that the size and unique consumption needs of emerging markets require investments running into billions of U.S. dollars, the failure to understand the key to succeeding in these markets is a critical and significant knowledge gap in business strategy. While recently much attention has focused on what is wrong with developing or emerging nations and the unreliability of these nations as investment destinations, we focus instead on what is right—the opportunities that exist, and those that can be created despite or perhaps even because of the challenges in these markets. We examine not just how brands overcome challenges, but also why those actions help them succeed. We propose breaking out of traditional marketing thought, which is normally centered on differentiation, segmentation, positioning, and the marketing mix to compete against other branded goods and services, to propose new ways of marketing aimed at converting the large numbers of non users in emerging markets to users.

The first step in this process is to acknowledge that as standards of living rise across the world, emerging market consumers are increasingly exposed to products previously used in developed nations or restricted to higher socio-economic groups. The obvious examples include cell phones and flat screen televisions, as well as basic products, such as shampoo and detergent. But, simply bringing in Western products, or even adapting them to emerging markets, is not sufficient because getting consumers to use products that they have not previously considered requires more than just making the products available. In fact, most products sold in emerging markets are typically unpackaged and unbranded so there is great opportunity in branding and organizing them.

Breakout marketing is the way companies can use what a given market offers (e.g., culture, values, systems, and needs) and introduce what it lacks (e.g., technologies, methods/processes, products, and brands), thereby transforming both themselves as well as the market. Notably, although brands usually begin their journey in
emerging markets by converting light users into heavy users, the great market expansion that marketers aspire to really comes from large-scale conversion of nonusers to users. Nonusers include those who do not consider the product category itself and also those who may be accustomed to the category but have previously used unbranded or noncommercial options. Consumption of unbranded products in emerging markets offers a huge, untapped potential to marketers, which can be leveraged if companies succeed in providing access, creating acceptability and building awareness at affordable price points.

Our in-depth observations of companies in emerging markets across the world led us to develop the eight key breakout strategies that we recommend in this book. These strategies are based on four key criteria, coined the 4 A’s of Marketing and developed into a framework by Jagdish Sheth and Rajendra Sisodia (2012) after they spent years watching and learning how companies succeed. The 4 A’s framework, comprising acceptability, affordability, accessibility, and awareness, combines a theoretical approach with the actual practice of marketing. More importantly, it is an outside-in customer-centric approach that begins with customer benefits instead of the inside-out product-centric approach that starts with firms’ actions, objectives, and the traditional marketing mix. Marketers can use this framework to align their actions with the four essential values that customers seek. These values can be summarized as follows:

1. **Acceptability.** The extent to which the firms’ total product offering meets and exceeds customer expectations. Acceptability has two key dimensions—functional acceptability and psychological acceptability.

2. **Affordability.** The extent to which customers in the target market are able and willing to pay the product’s price. Affordability can also be characterized by two dimensions—economic affordability or the ability to pay, and psychological affordability or the willingness to pay.

3. **Accessibility.** The extent to which customers are able to readily acquire and use the product. Again, there are two dimensions to accessibility—the availability of goods and services, and their convenience.
4. **Awareness.** The extent to which customers are informed regarding product characteristics, persuaded to try a new product or service, and, if applicable, reminded to repurchase it. Awareness includes both brand awareness and product knowledge.

The 4 A’s framework helps to eliminate much of the guesswork that goes into marketing, because it lets managers work with a set of objectives that are focused on the consumer versus the marketer. This framework derives from a customer-value perspective based on the four distinct roles that customers play in the market: seekers, selectors, payers, and users. For a marketing program to succeed, it must achieve high marks for all four A’s, using a blend of marketing and nonmarketing resources. The 4 A’s framework helps companies create value for customers by identifying what they want and need, as well as by uncovering new wants and needs. For example, none of us knew we needed an iPad until Apple created it.

We traversed a creative path between this theoretical framework and the practice of marketing in an emerging-market context in order to develop our eight strategies. Our strategies will help companies build awareness among consumers as well as other stakeholders and gain acceptability for products and services by pricing them affordably and making them convenient to access. This book represents our combined years of experience in marketing, including in emerging markets. We use insights from global primary and secondary research; our work in academia, corporate practice, consulting, and case-writing; as well as our numerous presentations to industry audiences all over the world. Our brand stories range from Africa to Asia, passing through the Middle East to reach western Asia. We also step briefly into Europe and stretch down into South America with our examples. By using a story-telling approach to illustrate the success of these eight strategies, we provide real-world evidence for creative and contextual marketing in emerging markets. We hope that by bringing you the voices of numerous organizations and managers, we show you a way to grasp an unparalleled opportunity offered in the history of the world—the ability to transform the practice of marketing by including scores of new consumers from across the world, and thereby the ability to write new rules to drive strategic thought in marketing. According to the organizing framework developed at
the end of this chapter in Figure 1, this book is laid out so that each chapter describes a breakout strategy that operates within the context of the 4 A’s framework. We offer two strategies for each A of marketing, and each strategy provides paths by which companies can convert nonusers to users.

The strategies in Chapters 2 and 3 discuss ways of creating acceptability by being mindful of special functionality needs and adherence to cultural norms. Chapters 4 and 5 offer strategies for affordable solutions, both at the base and at the top of the pyramid. Chapters 6 and 7 are focused on providing accessibility by leveraging existing distribution set ups and introducing new ones. Finally, Chapters 8 and 9 focus on creating awareness by building brand identity and then going beyond a customer focus to serve the needs of various stakeholders, such as supply chain members, communities, and government and nongovernment agencies. All these strategies are primarily aimed at expanding the market by converting nonusers to users. Here’s a snapshot of what the chapters ahead have in store.

Chapter 2, titled “Creating Functional Fusion,” speaks to the highly heterogeneous needs and expectations across different emerging markets; these are based on factors like local climate and the genetic makeup of local people that necessitate functional adaptation to make products acceptable (Sheth 2007). For example, the hot and dusty climate of northern India required Panasonic to rethink its air conditioning systems. Variations in skin types and hair texture compel product adaptations in several markets in Asia. Similarly, genetic and health predispositions also require product reformulation. For example, over 90 percent of Chinese consumers are lactose intolerant, so Cadbury Schweppes PLC had to reformulate its chocolates with less milk and, as a result, they also had to use less cocoa to avoid a bitter taste.

The lack of critical infrastructure, such as water and electricity, in many emerging markets also calls for out-of-the-box thinking for product modifications or innovations. For example, Whirlpool Corporation’s washing machines for such regions are fully automatic, top-loading machines that restart the washing cycle from the point that a power outage occurred instead of restarting from the beginning of the cycle. They also conserve by reusing water. Companies incorporate local ingredients/components for cost efficiencies. This is especially
the case for food companies since ingredients are prone to spoilage if the supply chain is too long. Often companies retain/employ local talent for better leveraging on-the-ground knowledge. The ability to negotiate regulatory requirements of a country may also compel product and process modifications. IKEA’s current domestic sourcing in China and future sourcing as it contemplates entry into India are based on government regulations.

In Chapter 3, “Designing Cultural Fusion,” we turn our attention to making products culturally acceptable. If products or services do not take the totality of the customers’ lived experience into account, then despite superior functional performance, they may fail due to lack of psychological acceptability. In other words, cultural fusion involves closing the gap between the marketing practices of advanced and emerging markets to improve their psychological acceptance. Cultural fusion includes a holistic view of consumers’ local traditions, the history of their consumption experiences, and their aspirations to be contemporary.

Food and beverage companies have been at the forefront of cultural fusion by adapting their menus to local palates. Kentucky Fried Chicken’s (KFC’s) strategy in China reflects their focus on psychological acceptance. Their menu includes items specifically created for the unique tastes and preferences of Chinese consumers. Extensive market research led to the inclusion of lo mein and other noodle dishes that would not typically be found at KFCs in other countries, but several items incorporated Western elements as well, creating fusion cuisine. Disney’s feng shui–influenced theme park design for Hong Kong is also an example of fusion because they leveraged aspects of local culture to make their brand more relevant to the local culture while they also retained Western design elements. Integrating new product categories into the local consumption culture often involves community-level assimilation to minimize the social risk of new product adoption. An example of this is Sula Vineyard’s marketing efforts in India where they built the wine market from scratch by creating a wine culture and lifestyle that was a whole new concept for the Indian market. Adapting products to accommodate religion- or faith-based considerations is an important element of psychological acceptance. The rise of Islamic banking, which reflects an ingenuous combination of Western banking and
the religious considerations of Islam, reflects the power of cultural fusion.

In Chapter 4, we move on to affordability considerations. Titled “Democratizing the Offer,” this chapter delves into ways to innovate to achieve low-priced, affordable solutions. Marketers have long acknowledged that, despite a rise in per capita income, consumers in emerging markets have far lower disposable incomes than consumers in developed economies, even after accounting for purchasing power parity. However, determining creative ways of making purchases financially feasible for the BoP can be profitable for companies while also drawing millions into the consumption fold (Prahalad 2006). These large and attractive markets can be targeted by addressing both economic affordability, that is, the ability to pay, and psychological ability, that is, the willingness to pay (Sheth and Sisodia 2012).

Product development in emerging markets is often spurred by the needs of low-income consumers. For example, in Argentina, Sistema Ser/CEGIN transformed healthcare at the BoP by offering a subscription model. Similarly, GlaxoSmithKline came up with vaccines at multiple price levels for a range of middle- to low-income Latin American countries. Going beyond price, Capitec Bank began offering unsecured credit in South Africa, thereby drawing in non-users by helping them overcome noneconomic barriers to purchase. Such products often find markets for similar low-income consumers or those with reduced needs in the developed world; this concept is called reverse innovation, and was made famous by General Electric (GE). Levi Strauss & Co. created low-priced Denizen jeans for China, which were eventually launched in the United States, and the brand is now doing very well across segments. Such innovation opportunities are a way for companies to develop critical new skills that are applicable in affluent countries as well.

Managing products throughout their lifecycle is another way of offering affordable solutions. This includes options such as facilitating the sale of used goods, whether in an indigenous street market for, say, home appliances or clothes, or at a higher end, like Manheim’s auction-based market for used cars. Creative financing solutions are another way of democratizing the offer, such as by offering small business financing or even by offering the core product for free and earning revenue with add-on services or advertising.
In Chapter 5, we present an idea contrary to popular perceptions that emerging market consumers only want low-priced products. In “Upscaling the Offer,” we draw attention to the changing shape of the income pyramid in emerging markets as the ranks of the middle class swell and turn the triangle into a diamond. The neo-rich segments in these countries are expanding and creating an opportunity for luxury players to make an impact as well. The Asia-Pacific region is estimated to have more high-net-worth people than North America, though the total value of wealth held in the United States may be higher (Lorenzetti 2015). Thus, emerging markets present huge financial opportunities for companies that can serve upper echelon consumers.

Moreover, affordability means something is within one’s financial means, so the large and growing segments of middle class consumers in emerging markets imply that brands can also be “upscaled” to match the increasing paying capacity of their customers. It is worth noting that many products and brands that are nonluxury in the West are considered luxury products in emerging markets. So as consumers upgrade their consumption, introducing new products and brands to them opens up exciting new prospects for many companies. Since most consumption in emerging markets is of unpackaged, unbranded goods, simply adding packaging, as in the case of Moroccan dates, can transform a commodity into a well-recognized brand that can display/position its country of origin positively. In addition to the inclusion of packaging, accurately positioning, as well as adding services and benefits, adds to the value proposition. Brands like Sundrop in India or Rapoo in China have been able to leverage their success in low-price segments to eventually enter high-priced, value-added segments, effectively reversing their brand lifecycle. Higher prices can become attractive to an affluent audience in emerging markets by emphasizing the brand’s country of origin, which creates a halo effect if it is from the developed world. Several foreign luxury brands have discovered this phenomenon and feature their products on websites like Alibaba’s Tmall in China.

In Chapter 6, we present marketers with a strategy we title “Managing Reach” where we suggest ways of leveraging traditionally available distribution methods to increase access. Accessibility refers to the extent to which customers are able to easily acquire and use the product. Not only does this include ensuring the right amount
of product availability (it is neither under- nor overproduced), but it must also be convenient to access the product so the time and effort required to get the product is reduced (Sheth and Sisodia 2012). Distribution is an important challenge for companies to overcome in providing accessibility, given that most emerging markets often lack basic infrastructure, have multiple middle men, and face regulatory as well as scalability hurdles that hamper the physical movement of products to end consumers, especially at the BoP.

Chapter 6 also notes the many existing distribution systems in emerging markets that companies need to adapt to in order to create access. Often companies find that their traditional conceptualization of retailing must change because typical neighborhood stores can just be homes that double as stores with living areas at the back and store counters up front. There are also indigenous channels like street markets, pushcart vendors, and traditional bazaars. Some of these channels such as the Gold Souk in Dubai are fairly organized and increasingly famous international jewelers are setting up shop there. Another way of expanding reach is by collaborating with a variety of partners. Setting up or improving distribution systems in these countries often require partnerships similar to the way Sberbank of Russia partnered with its employees to transform its service quality and delivery. Similarly, SANY in China partnered with its distributors to shoulder some of the risks involved in marketing a relatively new brand. When making channel ownership decisions, businesses must consider the source and level of control they desire, like the way Grupo Los Grobo in Argentina rethought land ownership in order to transform the agro-supply chain.

In Chapter 7, titled “Reinventing Reach,” we propose using technology and other innovative ways for reaching out to consumers. Modern retail formats, like China Resources Vanguard Co. in China, and co-exists with “old” (for the developed world) technologies like vending machines and mobile vans are being used in interesting ways and for unusual products. For example, the South African Revenue Service (SARS) used mobile vans that are being used to fan out to rural areas for increasing citizens’ compliance with tax filing norms. Likewise, ATMs in Africa or India are like multipurpose kiosks dispensing phone recharges as well as agriculture and weather information.
E-commerce websites like Alibaba are huge online marketplaces in the business-to-consumer (B2C) as well as the business-to-business (B2B) space, whereas OLX, which offers free classifieds, has first-mover advantage over Craigslist in emerging markets. Online payment systems such as M-Pesa in Kenya are also revolutionizing ways of providing access to consumers in other emerging markets like India. Indeed, emerging markets are leapfrogging landlines and desktops to using mobile platforms for mobile commerce (m-commerce). Microfinance, another way of increasing reach for financial products, is also discussed in Chapter 7.

Chapter 8, “Building Brand Identity,” addresses the complexities of communicating with consumers in emerging markets. Although multinationals are well-versed in creating brand awareness, they often find themselves floundering when their traditional ways of brand communication do not find favor in emerging markets, such as when content clashes with the local culture, beliefs, and sentiment. Low literacy rates and limited or no access to media further complicate communication. This chapter examines ways in which companies have successfully created awareness about their product categories and increased knowledge about their brands in order to build a strong brand identity. Specifically, we focus on leveraging the source of communication, customizing the messaging, and evaluating the use of either traditional or new channels. Unbranded products can be infused with value by modernizing the packaging as Haldiram’s did in India, successfully branding traditional snacks and sweets that had previously been largely sold as commodities. Using celebrities to build credibility is also a way to leverage the power of communication.

Emerging markets have large youth segments, which companies target using multiple touch points. For example, Micromax, a mobile phone handset manufacturer, positioned itself on innovation and speed, and used music, movies, and cricket, which resonate well with young Indians. Companies can tap many consumers’ aspirations, such as for luxury or status (e.g., Buick in China) and beauty (e.g., L’Oréal in India). Media choice is also critical. For example, rural audiences may be best reached by indigenous media, such as wall paintings or street theater, but for young, urban populations, new media, such as WeChat in China, is appropriate.
Chapter 9 is appropriately titled “Engaging Stakeholders.” Although creating brand awareness increases consumers’ knowledge about the brand itself, an equally, if not more important criteria for success in emerging markets is for the brand to become part of the social, economic, and environmental successes of those countries by demonstrating concern for all stakeholders. Paying attention to the triple bottom line (i.e., people, planet, and profit) is an important way of managing varied stakeholder needs, and it helps companies become a causal part of the success stories of these countries rather than outsiders that merely benefit from opportunities that emerging markets offer.

Education is an important way of managing stakeholder relationships. While companies may need to educate consumers about how or why to use a product/brand, they may also need to educate them about modern sanitary habits, health-conscious consumption, and the environmental impact of consumption. This paves the way for increased brand awareness and also for a more vibrant and sustainable community. Such efforts are typically more successful when community members and leaders are also involved. Many pharmaceutical companies like GlaxoSmithKline in Africa and Latin America, and DuPont in India are engaging such stakeholders.

Co-opting employees and suppliers can help create new ways of creating awareness and preference. This is especially true when traditional media may not have the desired reach in large parts of the country. Establishing manufacturing and supply-chain partners is also an important part of stakeholder management. For example, Nestlé trained farmers, built schools, provided clean drinking water, and even partnered with the government and other organizations to tackle the problem of child labor. Stakeholders also include policy makers and community leaders who can be valuable partners. For example, Microsoft’s Partnerships for Technology Access (PTA) initiative is developing a model for creating strategic technology alliances among different public and private stakeholders. In Chile, PTA has created a public-private partnership called Mipyme Avanza (translation: my small business grows) to enable small businesses to buy their first computers. Internet and business software is provided by partners such as Microsoft, Intel, and Olidata. Similarly, for-profit
and nonprofit companies often collaborate. Thus, this chapter focuses on the various ways that companies can do well by doing good.

Finally, in Chapter 10, “Connecting the Dots,” we combine our learning from global cases and conceptual framework to summarize how you can use our eight strategies built around the 4 A’s framework. In particular, this chapter details how these strategies help address the inherent challenges that companies face in emerging markets. These are summarized in Table 1 in Chapter 10. We also take this opportunity to encourage you to promote mindful consumption as you implement your business strategy. This book plugs the knowledge gap in our understanding and practice of marketing with how to compete in emerging markets by offering a strategic marketing toolkit that managers can deploy in complex, heterogeneous markets.

Figure 1: Breakout Strategies for Emerging Markets
Globalization was once about the dominance of Western culture and concepts and glocalization was about making adaptations for local sensibilities. Breakout strategies transcends its predecessors because it adapts to the new world view by acknowledging the impact of free trade and technology, and social networks that are increasingly weaving the world together. This new world view combines modernization with old-world culture and urges creative adaptation to resource constraints faced by large parts of the developing world (Sheth 2011). Not only does this entail leveraging what exists, that is, thinking in the box, but it also introduces what does not exist, that is, thinking out of the box. Hence, this book is aptly titled Breakout Strategies for Emerging Markets: Business Tactics for Achieving Market Growth. We endeavor to help you think differently in order to market differently.

References


Index

**Numbers**
2.4 GHz chip, 91–92
4 A’s of Marketing
   benefits, 5
   and breakout strategies, 6
   elements of, 4–5
   strategies related to, 13
4 P’s (product, pricing, place, promotion), 156, 197
27 MHz chip, 91

**A**
acceptability
   breakout strategies, 200–201
   creating, 6, 199
   cultural and psychological factors, 7
   in diagram, 13
   explained, 4, 18
access
   building for, 110–114, 205
   increasing, 9–10
accessibility
   breakout strategies, 202–203
   in diagram, 13
   explained, 4, 9–10
   providing, 6, 100
Acquired Immune Deficiency Syndrome (AIDS), 63, 155
adidas Group, 184
affluent class, 9, 63
affordability
   achieving, 8, 60–61, 70
   breakout strategies, 200–201
   and democratizing offers, 57–58
   in diagram, 13
   explained, 4
   significance of, 9
   strategies for, 6
Africa
   automatic teller machines (ATMs), 10, 133
   GlaxoSmithKline, 12, 179
   Mo Ibrahim, 73
   Proctor & Gamble (P&G), 190
   second-hand markets, 70
   Unilever, 189
agribusiness in Argentina, 117–118
agricultural products, 183
Agro Tech Foods Ltd (ATFL), 90–91
air conditioning, 19
Airlicium, 21
Airlines from the Middle East, 87–88
Albala, Alberto, 41
Alchemist, 155
alcohol consumption, 45
Alibaba in China, 9, 11, 93, 130–131, 205
Always brand, 190
Anacin analgesic, 41
Anderson, Paul, 85
apartheid, 66
Arab world, consumption of gold jewelry, 103
Argentina, 8
  Grupo Los Grobo, 10, 117–118
  healthcare options, 61
  Microsoft partnership, 188
Arvind Limited, 166
Arzel, Pieree-Yves, 163
Asia, skin types and hair texture, 6
Asian Infrastructure Development
  Bank (AIIB), 138
Asia-Pacific region, 9
aspirations of consumers, tapping
  into, 11
Association of Microfinance
  Institutions of Uganda (AMFIU),
  152–153
ATMs in Africa and India, 10, 133,
  136, 205
automobiles, 60
Avon, 113, 182
awareness. See also brand awareness
  breakout strategies, 202–203
  creating, 6, 11–12
  in diagram, 13
  explained, 5, 149
Ayurvedic formulations, 42

B
B2B (business-to-business), 11
B2C (business-to-consumer), 11, 72
Bachchan, Aishwarya Rai, 163
Backstreet Boys, 75
BaNCS technology, 66
Bangladesh
  pyramidal banking structure,
  138–139
  village phones in, 72–73
banking and capital markets, 29–31.
  See also Capitec Bank in South
  Africa; Islamic banking; kitty parties;
  Sberbank of Russia
Bayer, 41
bazaars, 10
beauty, aspirations for, 11, 21, 162
Bend It Like Beckham, 44
benefits, adding, 9
benefits and services, enhancing, 207
BHP Billiton, 25
Bitature, Patrick, 151
Boey, Aaron, 69
Boland Bank, 66
Bollywood and Hollywood,
  blending, 44
Bonga Points programs, 86
BoP (bottom-of-the-pyramid), 1–2,
  8, 57
Boston Consulting Group (BCG)
  study, 93
brand awareness, building via word of
  mouth, 166. See also awareness
brand identity, building, 149–150,
  202–203, 205
brand lifecycle, reversing, 9,
  89–92, 207
brand stories. See also story-telling
  approach
  Airlines from the Middle East, 87–88
  Alibaba in China, 130–131
  Automatic Teller Machines in
  Africa, 133
  Blending Hollywood and
  Bollywood, 44
  Buick in China, 160–161
  Capital Markets and Banking in
  Emerging Markets, 29–30
  Capitec Bank in South Africa, 65–67
  Celebrity Advertising for Lux,
  154–155
  Chit Funds in India, 73–74
  Coca Cola in China, 176–177
  The Coca-Cola Company in India,
  104–105
  CR Vanguard in China, 127–129
  Disneyland and Starbucks in China,
  39–40
  Door-to-Door Selling in Brazil, 182
  Dow Chemical Company in Ghana,
  183–184
  DuPont’s Solae in India, 180
E Health Point in India, 109–110
Esquel in China, 185
Financial Education Program in Uganda, 151–153
Ford Motor Company in the Middle East, 85
Foreign Brands in China, 93–94
Gillette in India, 59–60
GlaxoSmithKline in Africa and Latin America, 179
GlaxoSmithKline in Latin America, 64
Gold Souk in Dubai, 103–104
Grupo Los Grobo in Argentina, 117–118
Habitat for Humanity in Thailand, 19–20
Halal Foods, 112–113
Haldiram in India, 156–157
IKEA in China, 161–162
Islamic Banking in Emerging Markets, 48–49
KFC (Kentucky Fried Chicken) in China, 50–51
Levi Strauss’s Denizen Jeans from China, 69–70
LINE’s M-Commerce in Thailand, 134–135
Living Goods in Uganda, 114
L’Oréal in China, 163
L’Oréal’s Multicultural Teams, 25–26
Luxury Brands in Emerging Markets, 115–117
Manheim in China, 71–72
Maver in Chile, 40–42
Microfinance in Emerging Markets, 139–140
Micromax in India, 158–159
Microsoft in Latin America, 187–188
Mobile Payments in India, 135–137
Neighborhood Stores in Latin America, 101–102
Nestlé in Ghana and Ivory Coast, 186–187
OLX Classfieds in Emerging Markets, 131–132
Overcoming Infrastructural Deficiencies in India, 23–24
Packaging of Moroccan Dates, 83–84
Proctor & Gamble (P&G) in Africa, 190
range of, 5
Rapoo in China, 91–92
Rural Advertising in India, 165–166
Safaricom in Kenya, 86–87
SANY Heavy Industry Co., Ltd., 106–107
Sberbank of Russia, 107–108
Shark Design Studio, 110–111
Sistema Ser/CEGIN, 61–63
South African Revenue Service, 137–138
Sula Wines in India, 45–47
Sundrop in India, 89–91
Unilever in Africa, 189
WeChat in China, 74–75, 168–169

Brands. See also Foreign Brands in China; products; unbranded products
beginning in emerging markets, 3–4
customer loyalty, 163
Marico in India, 22–23
positioning based on emotions, 159
“upscaleing,” 9
Brazil
Avon in, 182
door-to-door selling, 182
L’Oréal in, 21
Microsoft partnership, 188
neighborhood stores, 101–102
breakout marketing, explained, 3–4
breakout strategies, 6, 210–211. See also emerging markets
and 4 A’s of Marketing, 6
basis of, 4
diagram, 13
Table 1, 200–203
Buick in China, 160–161
building for access, 110–114
business-to-business (B2B), 130
business-to-consumer (B2C), 130

C
Cadbury Schweppes PLC, 6, 21
Cameroon, microfinance model, 139
cancer of the cervix, 61
capital markets and banking, 29–31, 178
Capitec Bank in South Africa, 8,
65–67. See also banking and capital markets
Carrefour, 127
celebrities, impact on credibility, 11
Celebrity Advertising for Lux,
154–155
celebrity endorsements, 75
cell phones, 135, 158. See also mobile commerce
Celtel telecom company, 73
cervical cancer, 61
Chang, Yaping, 106
change, resistance to, 38, 210
channel ownership, managing, 10,
114–118, 208
channel partnerships, developing,
105–110, 206. See also partnerships
channels of communication,
164–165, 205. See also communication sources
child labor, 186–187
Chile
as Established RGM, 30–31
Maver in, 40–42
Mipyme Avanza, 188
pharmaceutical drugs in, 40–41
China
Alibaba, 130–131, 205
Alibaba’s Tmall, 9, 11
annual revenue from, 1
Buick in, 160–161
Coca Cola, 176–177
CR Vanguard, 127–129
Denizen jeans, 8, 69–70
diabetes, 22
Disneyland and Starbucks, 39–40
Esquel, 185
foreign brands, 93–94
high-net-worth individuals, 178
IKEA, 161–162
KFC (Kentucky Fried Chicken), 7,
27–28, 50–51
L’Oréal, 163
luxury brands, 94
Manheim, 71–72
Microsoft’s Partnerships for Technology Access (PTA), 12
Rapoo brand, 9, 91–92
retail market, 127
SANY Heavy Industry Co., Ltd., 10,
106–107
Tencent, 168
used-car market, 71–72
WeChat, 11, 74–75, 168–169
China Resources Vanguard Co., 10
Chinese people, lactose intolerance,
6, 21
Chit Funds in India, 73–74
chocolates, reformulation of, 6, 21
cholases, 61–63
Cholayil personal care, 166
Chopra, Priyanka, 154
Clark, Tim, 88
classifieds, 131–132
climate, adapting to, 18–20
The Coca-Cola Company
association with positive emotions,
167–168
in China, 176–177
in India, 104–105
cocoa
adjusting amount of, 6, 21
farmers, 186
collaborating with partners, 10
collaborative marketing, 190–191
College of Agriculture and Consumer Sciences (CACS), 183
Colombia as Transitional RGM, 30
color preferences, 51–52
Colossal Kajal, 26, 163
communication channels, using, 164–166
communication sources. See also channels of communication
    identifying, 153–157
    leveraging, 11, 205
communities
    educating, 208
    engaging, 206
    and leaders, 12, 179–181
compound annual growth rate (CAGR), 45
consumers. See also mindful consumption
    educating, 176–178, 205–206
    in emerging markets, 17, 208
consumer-to-consumer (C2C), 130
coolers in India, 19
coopting process, 184–187, 207
corporate social responsibility (CSR), 175, 177
corruption, 211–212
country of origin, leveraging, 92–94, 207–208
CR Vanguard in China, 127–129
Craigslist versus OLX, 11, 131
creative financing, developing, 72–75, 208. See also financing solutions
Cube air conditioner, 19
cultural acceptance of products, 7
cultural fusion, 206
    designing, 37–38, 200–201, 204
    examples of, 7
    explained, 37–38
Cusack, John, 75
customer loyalty, 163

D
Dabur, 42–43
Damas, 104
dandelion technology, 92
Danone (Dannon), 21
Daqui minivan, 160–161
democratizing the offer, 8, 57–58, 200–201, 204, 208
demographic dividend, 153
denim cloth manufacturing, 166
Denizen jeans, 8, 69–70
Dhamani jewelers, 104
diabetes
    in Chinese people, 22
    in Indian people, 22–23
diabetes in India, 22–23
Dior Cosmetic boutique, 116
Disneyland and Starbucks in China, 39–40
Disney’s theme park in Hong Kong, 7
disposable income, 8
distribution methods, leveraging, 9–10
Dobrev, Nina, 75
Dolipen deodorant, 41
Door-to-Door Selling in Brazil, 182
Dow Chemical Company in Ghana, 183–184
Dropbox, 74
Dubai
    airport, 87
    gold souk, 10, 103–104
DuPont’s Solae in India, 12, 180

e
E
E Health Point in India, 109–110
East Dawning, 51
e-commerce, 205
    Alibaba, 11
    setting up, 129–132
economic affordability, 8
economic barriers, reducing, 208
education
    of consumers and markets, 176–178, 205–206, 208
    and stakeholder relationships, 12
Egypt as Transitional RGM, 30
eHealthPoint clinics (eHPs), 109
Ek Tha Tiger, 44
eKOCool pushcart, 105
emerging market multinationals (EMMs), 213
emerging markets. See also breakout strategies
characterizing, 17
consumers in, 17
entering, 3
growth opportunity, 1
inadequate infrastructure, 209
market heterogeneity, 199, 204–206
overcoming challenges, 198
shortage of resources, 208–209
sociopolitical governance, 206
unbranded competition, 207–208
varying needs of, 6
employees
co-opting with suppliers, 12
educating, 208
engaging, 181–184, 209
Eno antacid, 41
Esquel in China, 185
Established RGMs, 30
Etihad Airways, 87–88, 204
Eto, Samuel, 155
EY (Ernst & Young), 30

F
Facebook, 74–75, 168
faith, respecting, 47–49, 206
feng shui, 7
Fiat, 60
Fiesta and Focus, 85
Financial Education Program in Uganda, 151–153
financing solutions, creating, 8, 138–140, 209. See also creative financing
Firms of Endearment, 175
flu, treatment in Chile, 41–42
food
additives, 28
companies, 6–7
Ford Motor Company
and Fiat, 60
in the Middle East, 85, 204
Foreign Brands in China, 93–94. See also brands
franchises, 114–115
Frontier RGMs, 30
Fruit Tree Productivity Project, 83
functional fusion, creating, 17–18, 37, 199–201, 206, 209

G
Garnier Fructis shampoo, 26, 163
Gaur, Sanjaya S., 111
General Electric (GE), 8
Genesis Analytics, 151–152
genetic differences, considering, 21–23, 199
Ghana
Dow Chemical Company in, 183–184
Nestlé in, 186–187
Unilever partnership, 189
Gillette in India, 59–60
Girl Child Network, 190
GlaxoSmithKline (GSK), 8, 12, 41
in Africa and Latin America, 179
vaccine in Latin America, 64
globalization and glocalization, 14 “going global,” 2–3
Gold Souk in Dubai, 10, 103–104
Gomez, Selena, 75
Goneos-Malka, Amaleya, 137
Google, 75
Grameen Bank (GB), 138–139
Grandhi, Balakrishna, 85
Grinda, Fabrice, 131
Grobocopatel, Gustavo, 117
Gronda, Jorge, 61–62
Grupo Los Grobo in Argentina, 10, 117–118
Gulf Standard, 112–113

H
Habitat for Humanity (HFH), in Thailand, 19–20
hair care market, 21
halaal-compliant products, 47, 112–113, 205
Haldiram in India, 11, 156–157
haram, 48
hawala, 135
health and wellness, 21, 163
Health Education Africa Resource Team (HEART), 190
healthcare options, 63
in Argentina, 8, 61
in Uganda, 114
HealthPoint Services India (HSI), 109–110
HERO partnership with P&G, 190
hiba, 48
high-net-worth people, 9
Hindustan Unilever Limited (HUL), 22, 105–106, 189. See also Unilever
Hinglish, 44
Hollywood and Bollywood, blending, 44
Hong Kong, Disney’s theme park, 7
horizontal retailing chains, 126
Huawei, 89

I
IKEA, 7, 28–29
in China, 161–162
and cultural fusion, 38
Inca Kola, 27
income pyramid, 8–9
India
ATMs, 10
Chit Funds, 73–74
The Coca-Cola Company, 104–105
consumption of gold jewelry, 103
cooking oil market, 90–91
coolers, 19
Cube air conditioner, 19
diabetes, 22–23
Dupont’s Solae, 12, 180
Gillette in, 59–60
Haldiram, 11, 156–157
impact of climate on, 6
Marico, 22–23, 199
Micromax, 158–159
mobile payments, 135–137
overcoming infrastructural deficiencies, 23–24
rural advertising in, 165–166
Shark Designs, 111
snack food market, 156–157
Sula Wines, 7, 45–47
Sundrop cooking oil, 9, 89–91, 163
India, annual revenue from, 1
Indian Rupees (INR), 59
indigenous channels, 10, 70, 102–105
Indonesia as Transitional RGM, 30–31
Industrie Forum (IF) Design awards, 92
infrastructural limitations, overcoming, 23–24, 199, 201, 203, 209
inside-out product-centric approach, 4
International Monetary Fund (IMF), 138
Internet population, 168
Islam, growth of, 112
Islamic banking, 7–8, 48–49. See also banking and capital markets
Italy, Piaggio, 21, 24
ITC Limited, 89–90
Ivory Coast, Nestlé in, 186–187

J
Jahazi, Okoa, 86
Jain, Vikas, 158

K
Ka, Ford, 60
Kadak Chaap tea, 166
Kaif, Katrina, 163
Kellogg’s, 22
Kent, Muhtar, 1, 104
Kenya
M-Pesa, 11
as RGM (rapid growth market), 30
Safaricom, 86–87, 136
Unilever partnership, 189
keyboard and mouse dealers, 91–92
KFC (Kentucky Fried Chicken) in China, 7, 27–28, 50–51
Kidd, Tomás Andrés, 61, 117
kiosks, 10
Kitadol, 41
kitty parties, 73–74. See also banking and capital markets
Kraft, 49–50
Kun, Chen, 75

L
La Roche-Posay skin care, 21
labeling and packaging, 28
Laboratorio Chile, 41
lactose intolerance in Chinese, 21
languages. See local languages
Latin America, 8
  GlaxoSmithKline (GSK), 12, 64, 179
  microfinance, 139
  Microsoft, 187–188
  neighborhood stores, 101–102
  online retail sales, 129–130
Lazarus, Shelly, 213
Levi Strauss & Co., 8, 69–70
Lifebuoy soap, 189
LINE’s M-Commerce in Thailand, 134–135
LinkedIn, 74
literacy rates, 11
Living Goods in Uganda, 114
local brands, preferences for, 81
local companies
  impact on, 212–213
  partnering with, 110
local context, being relevant in, 153
local essence, incorporating, 24–28, 199
local languages, using, 43–44
local norms, adjusting to, 212
local sensibilities, adapting to, 14
Logitech, 92
L’Oréal
  in Brazil, 21, 25–26
in China, 163
  multicultural teams, 25–26
Louis Vuitton, 104, 115–117
love and romance, allure of, 161
low-income consumers, needs of, 8
low-priced products, demand for, 9
Lux, celebrity advertising for, 154–155
luxury market, 9, 11, 65, 87, 94, 115–117
LVMH French luxury goods, 65, 116

M
“Made in USA” versus “Made in China” products, 93
Malaysia as Established RGM, 30
Manheim’s used cars, 8, 71–72
Mann Deshi Bank, 139
Maotai, 94
Marhaba Jewellery, 104
Marico in India, 22–23, 199
Mariwala, Harsh, 22–23
market heterogeneity, 199–200, 204–206
marketing
  eliminating guesswork from, 5
  foundations and practice, 2
  success of, 5
markets, educating, 176–178, 205–206, 208
Masan Group, 83
MasterCard Foundation, 151–152
Maver in Chile, 40–42
Maybelline, 26, 163
McDonald’s, 47, 50, 52, 159
McKinsey & Company, 108
m-commerce, 11, 134–135
media choices, 11, 167–169, 205, 207
megacities, 99
menus, adapting to local palates, 7
messages, delivering, 153–154
messaging, customizing, 11, 157–164
metric system, 28
Mexico
  as Established RGM, 30
  neighborhood stores, 101–102
Mi Tienda program, 102
microentrepreneurs, 114
Microfinance in Emerging Markets, 139–140
Microfinance Opportunities, 151–152
Micromax in India, 11, 158–159
Microsoft
  in Latin America, 187–188
  partnership with Nokia, 191
  Partnerships for Technology Access (PTA), 12
middle class, 9, 63
Middle East
  Airlines from, 87–88
  Ford Motor Company in, 85
  souks, 103–104
mindful consumption, 213–215. See also consumers
Mipyme Avanza partnership in Chile, 12, 188
mistrust, overcoming, 180–181
Mo Ibrahim in Africa, 73
mobile commerce, 11
mobile payments in India, 135–137
mobile phones, 135, 158
mobile vans, 10
MoMaths app, 191
Mombasa-Nairobi rail link, 110
money, lending, 73–74
Monsoon Wedding, 44
Moroccan dates, packaging, 9, 83–84, 204
mouse and keyboard dealers, 91–92
M-Paisa in India, 136
M-Pesa in Kenya, 11
multicultural teams, 25–26
multinational corporations (MNCs), 150, 212
Muslim population, 112–113

N
Nairobi-Mombasa rail link, 110
Namibia, health education in, 190
NANO receiver, 92
Nedbank, 66
neighborhood stores in Latin America, 101–102
Nel, Charles, 66–67
Nestlé, 12, 182, 186–187
Nigeria as RGM (rapid growth market), 30
Nike, 184
Nokia, 24, 89, 191
noneconomic obstacles, overcoming, 65–67, 208
nongovernmental organizations (NGOs), 105, 190
nonprofit companies, developing partnerships with, 187–191
nonusers, converting to users, 4, 8
Novartis Laboratories, 41

O
OLX Classifieds in Emerging Markets, 11, 131–132
online payment systems, 11
online retail sales, 129–130
opinion leaders, engaging, 206
Oreo cookies, 49–50
outside-in customer-centric approach, 4
overconsumption, 214
Oxenford, Alec, 131
Oxigen outlets, 136

P
packaging
  adding or changing, 82–84
  importance of, 9
  and labeling, 28
  modernizing, 11
  Moroccan dates, 83–84, 204
  and upscaling offers, 207
Pan American Health Organization (PAHO), 64
Panadol, 41
papad, 156
partners, collaborating with, 10, 12–13, 187–191
partnerships, developing with companies, 187–191, 208. See also channel partnerships
Partnerships for Technology Access (PTA) initiative, 187–188
payment methods, 209
payments, enabling, 133–138, 205
Pels, Jacqueline, 61, 117
Pepsi, 177
pharmaceutical companies, 12, 40–41
Piaggio, 21, 24
policy makers, 12
Popularly Positioned Products (PPP), 182, 186
positioning, 9, 84–85, 207
preference, creating, 12
prices, rise in, 9
pricing, thinking creatively about, 74
private companies, developing partnerships with, 187–191
Proctor & Gamble (P&G), 22, 59–60, 126, 190
product awareness, building, 202–203, 205
product knowledge, establishing, 150–153
product value, extending, 70–72
products. See also brands; unbranded products; web-based products
adapting, 17–18
adding benefits, 9
availability, 9–10
convenience of access, 10
extending life of, 70
low prices, 9
“Made in USA,” 93
making culturally acceptable, 7
managing throughout lifecycles, 8
native conceptualizations, 49
positioning, 9
profitability, 58
upscaling, 88
profitability of products, 58
Project Shakti, 105
psychological acceptability
importance of, 7
lack of, 7
psychological acceptance, 37
psychological affordability, 8
public companies, developing partnerships with, 187–191
public-private partnership (PPP), 187–191, 206
purchase
overcoming noneconomic obstacles to, 65–67
reducing economic barriers to, 59–65
Pureit water purifiers, 189
pushback, getting from customers, 211
pushcart vendors, 10
PYXERA Global, 183–184
Q
Qatar, 87
Quaker Oats, 22
quality standards, raising, 25
Quantico, 154
R
Raghuthman, Anudeep, 85
Rapoo brand in China, 9, 91–92
razor market, 59–60
reach
managing, 99–100, 202–203, 205, 208–209
reinventing, 125–126, 202–203, 208–209
Rebiazina, Vera, 107
Red Bull, 52
regulatory requirements
aligning to, 28–31
negotiating, 7, 206
research and development (R&D)
breakthrough drugs, 63
clothing industry, 69
conducting, 18
East Dawning, 51
establishing, 52  
rethinking, 17–18  
as source of future revenue, 63–64  
resources, shortage of, 201, 203, 208–209  
retailing  
conceptualization of, 10  
modernizing, 126–129  
reverse innovation, 8, 68–70, 208  
reversing brand lifecycle, 9, 89–92, 207  
RGM (rapid growth markets), 30  
Richer, Peter, 137–138  
Rishi, Meghna, 111  
romance and love, allure of, 161  
Ruf & Tuf jeans, 166  
rural advertising in India, 165–166  
rural penetration, 113  
Russia, Sberbank, 10

S

SABMiller, 27  
Safaricom in Kenya, 86–87, 136  
Samant, Rajeev, 46–47  
Sam’s Club, 102  
Samsung, 89  
SANY Heavy Industry Co., Ltd., 10, 106–107  
Saudi Standard, 112–113  
Sberbank of Russia, 10, 107–108.  
See also banking and capital markets  
service groups (SHGs), 105  
service technologies (SSTs), 132–133, 205. See also technology  
sensory preferences, understanding, 49–52, 204  
services  
adding, 9  
and benefits, 86–88, 207  
making culturally acceptable, 7  
upscaling, 87  
Shanghai-Hong Kong Stock Connect program, 29–30  
Sharia law, 48–49, 112  
Shark Design Studio, 110–111, 205  
Sharma, Piyush, 89, 134  
Sharma, Rahul, 158  
Sina Weibo, 168  
Singh, Atul, 105  
Singh, Jyothsna Appaiah, 85  
Singh, Rahul, 158  
Sistema Ser/CEGIN, 8, 61–63  
skin care products, 21  
Slumdog Millionaire, 44, 204  
small- and medium-sized enterprises (SMEs), 37  
snacks and sweets, branding, 11, 156–157  
Snoop Dogg, 159  
social media, 168  
social norms, considering, 45–47, 206  
sociopolitical governance, 200, 206  
souks in Middle East, 103–104  
South Africa  
Capitec Bank, 65–67  
as Established RGM, 30  
unsecured credit in, 8  
South African Revenue Service (SARS), 10, 137–138, 177–178  
soy protein, 180  
stakeholders  
engaging, 175–176, 202–203, 205–206, 209  
managing relationships, 12  
standards of living, rise in, 3  
Starbucks, 39–40, 160  
statistics related to consumption, 1–2  
status, aspirations for, 11  
story-telling approach, using, 5. See also brand stories  
strategies. See breakout strategies  
street markets, 10  
subcompact automobiles, 60  
Sula Wines in India, 7, 45–47  
sunblock, 21  
Sunburn festival, 159  
Sundrop cooking oil, 9, 89–91, 163
suppliers
co-opting, 184–187, 207
co-opting with employees, 12
educating, 208
supply chain management software (SCMS), 128

T
Tampax brand, 190
Tapsin flu medication, 41–42
tariff barriers, 28
Tata Consultancy Services (TCS), 66
technology. See also self-service technologies (SSTs)
alliances, 12, 187–188
dandelion, 92
using, 10
technology-driven supply chains, 99
Tencent in China, 74–75, 168
Tesco, 127
Thailand
Habitat for Humanity (HFH) in, 19–20
m-commerce, 134–135
Tiësto, DJ, 159
Tmall Global, 93
touch points, 11
Toyota, 89
traditional channels
adapting to, 100–102, 164–166
of communication, 205
traditions, incorporating, 39–43, 204
Transitional RGMs, 30
triple bottom line, 12
Turkey as Established RGM, 30–31
Twitter, 74–75, 168

U
Uganda
financial education program, 151–153
Living Goods, 114
unbranded competition, 201, 203, 207–208
unbranded products, adding value to, 11, 81. See also brands; products
UNICEF, 155
Unilever, 2, 189. See also Hindustan
Unilever Limited (HUL)
United Arab Emirates (UAE), 87
unsecured credit, availability in South Africa, 8
upsampling
offers, 81–82, 200–201, 204
products, 88
services, 87
U.S., percentage of world population in, 1
used goods, sale of, 8
used-car market in China, 71–72
users, converting nonusers to, 4, 8

V
vaccines, 8, 64
vending machines, 10
Vespa motor scooters, 24
Vietnam
population of, 83
as RGM (rapid growth market), 30
Vodacom of the United Kingdom, 86
Vodafone, 136, 181

W
wall paintings, 166
Walmart, 102, 127
washing machines, 6
water purifiers, 159
wealthy segments, 9
web-based products, growth of, 74. See also products
WeChat in China, 11, 74–75, 168–169
Western products, exposure to, 3
Whirlpool Corporation, 6, 23–24
Williams, Sam, 154
word-of-mouth strategy, 166
World Bank, 138
Wyeth’s products, 64
<table>
<thead>
<tr>
<th>Y</th>
<th>Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yan, Jun, 50, 91</td>
<td>Zeng, Hao, 91</td>
</tr>
<tr>
<td>youth segments, 11</td>
<td>Zeta-Jones, Catherine, 155</td>
</tr>
<tr>
<td>Yunus, Muhammad, 138</td>
<td>Zolben, 41</td>
</tr>
</tbody>
</table>