Bottom of the Pyramid Market's Consumer Behavior with Regards to Branded Personal Care Products in Karachi: A Quantitative Study

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Abstract

This study explores the consumer behavior of the bottom of the pyramid market with respect to branded personal care products via shopping and brand preference, personalized relationship and word of mouth. The main hypothesis are based on BOP consumer's shopping behavior, brand selection and personalized affiliation, which conjectures BOP consumers to be aspiring, positively responsive to word of mouth and personal selling. Conversely, the statistical tests and results contradict the global viewpoint on BOP consumers and show a high level of unacceptability to purchase branded personal care products through personal selling or positive word of mouth. However, they prove their aspirational trait by actually buying the branded personal care products which they prefer to buy. The research also contains insinuation of the key findings and recommendations for further research.

Keywords: Personal care product, personal care brand, bottom of the pyramid market, consumer behavior

Definitions

Personal care product:A non-medicinal consumable product which is consumed with the intention for topical care and grooming of the body and hair and which may be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to a body, for cleansing, beautifying, promoting attractiveness, or altering the appearance without having any affect on the structure of the body nor its functions. (Section 3 - Definitions)

Personal Care Brand: A brand is a name and/or mark intended to identify and differentiate the product of one seller or a group of sellers (Michael J. Etzel, 2007). Personal Care Brand is a name and/or mark which differentiate a personal care product from the personal care product of different manufacturers and sellers.

Consumer behavior: The decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services (Filipe, 2011)

Bottom of the pyramid market: The concept was based on a simple premise and its concept was originally introduced to draw attention to the 4-5 billion poor, earning less than $2 a day, who are unserved or underserved by the large organized private sector, including multinational firms. (Introduction to The Fortune at the Bottom of the Pyramid, Revised and Updated 5th Anniversary Edition)

Introduction

As the urban markets are brimming with unwanted products and getting more and more saturated resulting into a low growth for companies serving those markets, many of the firms are now turning towards the opportunities waiting to be exploited in the bottom of the pyramid market (BOP) (Hammond, Serving the World's Poor,Profitably, 2002).

"The future lies with those companies who see the poor as their customers"-Late Dr. C.K. Prahalad(Kumar, 2008)

C.K Prahalad, an economist and consultant at the University of Michigan, asserts that the bottom of the pyramid could create a surplus of $13million in annual sales globally (Marketing: Selling to The Poor, 2005).

BOP consumers which earn less than $2 a day, constitute to 75% of the world population, making it a market which has a phenomenal potential for exponential growth in sales (Prahalad, 2005). It is a market which is characterized by low purchasing power, the belief that all innovations come from the west and no or slow appreciation of high tech products.

According to the research conducted by Unilever Pakistan, approximately 70% of Pakistan's consumer market falls within the category of bottom of the pyramid market. A question rightly framed by Mr. Amir Paracha, VP Marketing Unilever Pakistan; those BOP consumers who spend more than 60% of their household income on food, will they be willing to spend the rest of their income on branded products? This remains a huge question mark for many firms operating within Pakistan which are developing both capability and strategy to penetrate into a market which has never been catered by top end brands before.

Occupation of chief earner	Education of chief earner						
	Illiterate	Less than Primary	School 5-9 years	Matric	Intermediate	Graduate	Post Graduate
Unskilled worker	E-2	E-2	E-1	E-1	D	D	C
Petty traders	E-2	E-2	E-1	E-1	D	C	C
Skilled workers	E-2	E-2	E-1	D	D	C	C
Non-executive staff	E-2	E-2	D	D	D	C	C
Supervisory level	D	D	C	C	B	B	B
Small shopkeeper/Businessmen	D	D	C	C	B	B	A-2
Lower/Middle: Executive, Officer	D	C	C	C	B	B	A-2
Self employed/Employed/Professionals	B	B	A-2	A-2	A-2	A-1	A-1
Medium Businessmen	B	A-2	A-2	A-2	A-2	A-1	A-1
Senior Executive/ Officer	B	A-2	A-2	A-2	A-1	A-1	A-1
Large Businessmen/Factory owner	A-2	A-2	A-2	A-1	A-1	A-1	A-1

Source: Based on Survey conducted by ACNielsen Pakistan for PAS 1998

One such type of brand caters to the personal care of the consumers. Personal care products can be broadly categorized into soap, shampoo, face wash, toothpaste, fairness cream and perfume (Personal care brands, 2012). C.K Prahalad titled the consumers of the BOP market as "Aspirational Poor" (Marketing: Selling to The Poor, 2005). These consumers aspire to have the same level of personal care by using the same type of personal care products which are used by top of the pyramid (TOP) market consumers. Manufacturers of top end brands saw this trait of aspiration as an exclusive opportunity to develop products which caters to the wants of the BOP market.

However, the rationale behind using personal care products in such a market was way more extensive than merely copying the purchasing behavior of TOP consumers (Parente, 2010). Therefore it is imperative to study the consumption behavior of the branded personal care products of the bottom of the pyramid market.

The plan is to conduct this research in one of the most populous city of Pakistan, which is Karachi. It isa city with a heterogeneous population; 12th largest and 6th most populated city in the world with an approximate population of more than 18 million ('Karachi's population to reach 25 million by 2020', 2011). In order to conduct a research of this nature, it is important to divide the city's household according to the socio-economic classification (SEC).

In 1998 at the request of Pakistan Advertisers Society (PAS), Nielsen conducted the research which led to the development of the Urban SEC of Pakistan. This has since become a popular tool for marketers and researchers as a common currency to define urban Pakistan. Urban households are classified into SEC categories based on the education and occupation of the chief wage earner. The chief wage earner is the person who contributes the most money to the household budget. (Access to Finance Survey January 2009, 2009).

The table below shows the SEC categories of the household individual who contributes the most in the overall income of the household.

However researches may have been conducted after 1998 in order to update this data but they have not been made public since such data is expensive to collect and are only made available to those organizations which are willing to pay a good amount for them.

Some of the personal care industry giants including Unilever Pakistan, Proctor and Gamble Pakistan and ZIL Limited posted high growth in FY11 and prior years; where by most of these companies launched several new health and personal care products in these years.

Unilever Pakistan HPC Sales & Profit Graph

Unilever Pakistan's health and personal care (HPC) product sales grew by more than 18% in FY11. Moreover FY11 was a happening year for the company since they launched 6 new brands amid tough competition from other titans of this industry. The graph above clearly shows that HPC unit of Unilever Pakistan experienced cumulative growth of 74% since the last three years. Some of its major personal brands including Fair & Lovely, Ponds, Lux, Lifebouy (skin care) Lifebouy (Shampoo) and Surf Excel posted double digit growth(Unilever Pakistan, 2011).

ZIL Limited, the manufacturer of Capri Soap (one of Pakistan's most used beauty soap) is another local company which caters to the personal care needs of the customers. ZIL Limited reinvigorated and revamped the entire Capri brand in 2011 in order to better satisfy the personal care needs of their customer and increased their portfolios by launching Capri Hand Wash and Capri Face Wash (ZIL Limited, 2011). All these endeavors of launching new products by the companies within the personal care industries is a clear sign to take advantage of this growing industry and to penetrate the untapped emerging new bottom of the pyramid customers.

A research conducted by Samsung Economic Research Institute in 2011 on the consumptions habit of 10,000 Korean households over the data of the past 20 years by devising its own metric for understanding trends in household income and consumer demographics were able to predict seven trends in household consumption in 2020 (Jung-Ho, 2012). The most popular trend in 2020 would be growth in the consumption of cosmetics and healthcare to resist aging.

Keeping in mind the two limitations of this example which are a) Korea cannot be used as a country to generalize about all the countries of the world b) Korea has a higher proportion of aging population than Pakistan; however the example clearly indicates the importance to resist aging in the behavior of the consumers in the future. This behavior is now setting into more and more within the younger generation as well. When the top end brands will penetrate into the bottom of the pyramid market, personal care products will certainly have a high demand since the aspirational attitude of the BOP consumers will make them more aware and conscious about their personal care with the passage of time.

With the above information regarding the meaning, nature and position of the bottom of the pyramid market as defined and analyzed by C.K Prahalad, socio-economic classification of the household in Pakistan, the existing status of the personal care industry within Pakistan and an estimation of the future consumption trend of personal and health care products, readers by now should have a decent idea about the key areas of the research and the important subjects taken into consideration into this research.

Literature Review

Different researchers use different definitions of 'BOP' in their respective researches. However the term 'bottom of the pyramid' was first developed by the management guru CK Prahalad, (Bottom of the pyramid market stands at $1.2 trillion, 2007) who defines BOP in his book "The Fortune at the Bottom of the Pyramid" as people who live on far less than $2 a day (Prahalad, 2005). Prahalad in his book draws the economic pyramid (Figure 1) which clearly shows that more than 4 billion of the world population lives at the BOP on less than $2 a day (Prahalad, 2005).

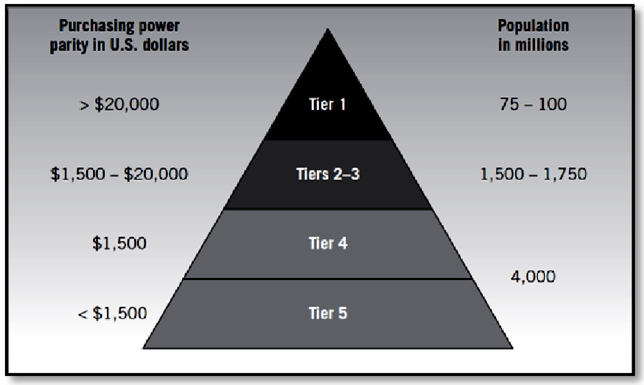


Figure 1: The Economic Pyramid. Source: (Prahalad, 2005)

In his research Prahalad stated that the 4 billion people living under the $2 a day criteria represents $5 trillion worth of purchasing power (Ashish Karamchandani, 2011). This section of the pyramid was not even considered by the market as a potential source of revenue during the 1960s and the early 1970s. During the year 1980, talks about the poor as consumers were conducted but were inadequate (Andreasen, Unethical Seller Practices: A Neglected Issue in Consumer Satisfaction and Dissatisfaction, 1993). However it was in 1990s that the market started taking interest in the low income earners but was still confined to the poor's of Northern America (Parente, 2010). The early 1990s marked new interests in the problems of low-income consumers which were expected to increase under the Democratic president and Congress, with a swing of the pendulum back from the laissez-faire regulatory environment of the Reagan-Bush years (Andreasen, Revisiting the Disadvantaged: Old Lessons and New Problems, 1993).

The sun rose for the BOP consumers during the late 1990s with a change of perception within the market, as it started viewing these consumers as a new avenue for profits. There onwards several discussions have been conducted in this area as when the term emerging market started to replace the phrase "less developed country", companies across the globe especially the MNCs started to reorganize their marketing models for such markets (Quelch, 1998). Books were written to distinguish between the developed markets and emerging markets (Soto, 2000).

Research proves that the BOP consumers are willing to pay a higher price to get a top end brand. An empirical study in Bolivia proved that consumers within developing countries categorized as poor are prepared to pay a premium for items which entails a popular label irrespective of the quality, just for the sake of symbolic reasons (Kempen, 2004). Moreover the lack of resources makes them more risk averse. When it comes to risk aversion, more and more of the branded products are preferred over unbranded product resulting into a higher loyalty towards the former. Therefore consumption of branded product is rational since it guarantees what it promises (Prahalad, 2005). Researches have also been conducted in order to develop strategies and capabilities to convey and position a brand to the BOP consumers which are tainted by illiteracy. Strong dependency on pictorial information to convey the benefits of the product to the functionally illiterate consumers has been seen over the time (Madhubalan Viswanathan, 2005).

When it comes to penetration into the bottom of the pyramid market and empowerment in the form of employment to the BOP consumers; no firm has better served this purpose better than Unilever. Some cases defines Unilever Shakti Program is a novel idea to reach out to the consumers of the far flung areas which are generally inaccessible by the conventional distribution system (V. Kasturi Rangan R. R., 2005).

Some researches have also been conducted to develop efficient and effective distribution channels of resources to reach out the urban poor and to provide them access to the open market (Smith, 2008).

It is very much clear from the above literature that majority of the researches have been conducted on the impact of the marketing strategy due to the consumption behavior of the BOP consumers. However there is lack of researches when it comes to going in-depth to comprehend the consumption behavior of these consumers (Kempen, 2004).

Articles have been written relating to the creation of value at the bottom of the pyramid emphasized on providing affordable and appropriate products and services directly to the consumers, enrolling small businesses for effective reach and exposure, initiating programs to empower the community (Project Shakti By HUL) and forming alliances with government and NGOs (V. Kasturi Rangan M. C., 2011)

However there are some noticeable examples which raise questions relating to the lack of protection of the BOP market against the exploitation by corporations. The poor are susceptible by virtue of lack of education (as most of the BOP consumers are illiterate) or lack of information, or social, cultural, and economic deprivations (Karnani, 2010). A large fraction of their income is being allocated to tobacco and other socially undesirable products.

Aspirations; a distinguishing trait of the BOP market is being characterized as non-static as it evolves to the next level when an individual is able to accomplish the desired status and move their focus to a new reference group (L.Chang, 2002). This clearly proves that extrinsic aspiration and conspicuous consumption behavior shares similar characteristics.

Hypotheses

Shopping Preference

Findings of some researches show that poor consumers usually shop at a small, self-determining stores and ultimately tends to pay higher prices due to the inefficiency, resulting in higher operational cost (Berry, 1972). Moreover finding of a research in Brazil showed that housewives within the BOP market segment, despite shopping from hard discount stores showed a very high preference for conventional and high-priced supermarkets (Parente, 2010). However, the behaviors of the BOP consumers of Karachi are a bit different than those of the Brazilian BOP consumers. They tend to shop from small shops which lie within the proximity of their house and will prefer to shop from the same shop. Hypothesis is made to test whether BOP consumers tend to shop branded personal care products from the same shop which they prefer and due to the same reason:

1. H_o: Majority of the BOP consumers do not actually shop branded personal care products from where they will prefer to shop branded personal care products
H_a: Majority of the BOP consumers actually shop branded personal care products from where they will prefer to shop branded personal care products

2. H_o: BOP consumers do not shop branded personal care products from where he/she will prefer to shop branded personal care products due to the same reason
H_a: BOP consumers shop branded personal care products from where he/she will prefer to shop branded personal care products due to the same reason

Brand Purchase Preference

In 2008, statistics from Kantar World panel, confirmed that 31% of the low income earners' purchase basket of 65 categories comprised of premium brands which were priced more than 10% higher than the average of the category (Kantar Worldpanel, 2012). One such reason for such a composition was brand loyalty. Inspite of higher prices, the premium brands offer higher value and better quality translating into high brand loyalty. In order to check whether the BOP consumers of Karachi are brand preference, the following hypothesis is developed:

3. H_o: BOP consumers do not actually buy the branded personal care products which he/she prefers to buy
H_a: BOP consumers actually buy the branded personal care products which he/she prefers to buy

Personalized Relationship

Personalized Relationship is one key ingredient that a marketer cannot afford to overlook if he wants to make his business successful (Hunt, 1994). Companies which tend to create a strong link with their consumers are able to achieve better results (Mair, 2007). Therefore it is very important to check whether the BOP consumers within Karachi prefer to buy personal care brands if sold to them through personal selling, either through the retailer or sales agent of the respective brand category:

4. H_o: Majority of the BOP consumers prefer to buy the branded personal care products if sold to him/her through personal selling either by retailer or a sales agent
   H_a: Majority of the BOP consumers do not prefer to buy the branded personal care products if sold to him/her through personal selling either by retailer or a sales agent

Word of Mouth

It is a general belief that the BOP consumers due to distrust of corporations and deficiency of formal education make them highly dependent on the retailers advice or word of mouth from their close relatives (Parente, 2010). To evaluate whether BOP consumers in Karachi prefer to buy the branded personal care products through a positive word of mouth:

5. H_o: BOP consumers prefer to buy the branded personal care products through a positive word of mouth
   H_a: BOP consumers do not prefer to buy the branded personal care products through a positive word of mouth

Methodology

There has been a rising trend of building strategy and capability by MNCs within Pakistan and other local firms to tap this unexploited bottom of the pyramid market. However there have been very few researches conducted in order to better understand the dynamic of such a market. Some good quality researches have been conducted by other countries including India (Ashish Karamchandani, 2011) (Bharti, 2009) and Brazil (Parente, 2010) which are making commendable efforts to comprehend the functioning and cater to the demands of the BOP consumers. In Pakistan researches have been conducted by the MNCs through professional research agencies on a limited scale and are not made public.

Consideration: This article is used to comprehend the bottom of the pyramid market's consumer behavior of the branded personal care products. The personal care products include, washing soap, bathing soap,detergent,shampoo, toothpaste, hairoil, fairness cream etc. However in order to generalize the personal care products, this research take only for 4 different categories namely Soap (for body and face), shampoo, toothpaste and fairness cream.

Moreover it is very much important to define the BOP consumers taken into consideration in this article. Different researches uses diverse definitions which best suit the positions of their socio-economic classes. Although the most basic definitions limits the BOP market to people who earns less than US$2 a day (Prahalad, 2005), a more comprehensive definition (as used by most researchers) are individuals who earn less than US$8 a day (Parente, 2010). Keeping in mind that Pakistan is a developing country and is currently facing with annual double digit inflation (UN survey points out economic difficulties, 2012) the definition considers individuals earning less than US$7 a day.

Sample: This research is classified as an exploratory-cum-descriptive in nature research and solely depends on the primary data as its source of information, which was collected via a planned questionnaire (see appendix). The questionnaire was distributed on a random sample basis in the six divisions of Karachi namely South, East, Central, West, Malir and Cantonments. A total of 36 questionnaires were administered of which all 36 were considered to be competent for examination.

Statistics used: The article uses both descriptive and inferential statistics to draw conclusions about the population from the sample. The statistical method used to test the hypothesis is t test. Furthermore chi-square is also used to study the relationship between response of consumers due to a relatively rise in price and the four personal care product categories mention above. Also descriptive statistics are used to explain the data's mean and mode.

Measures

Independent Variables: The independent variables in the research were city's divisions, respondent's gender and time.

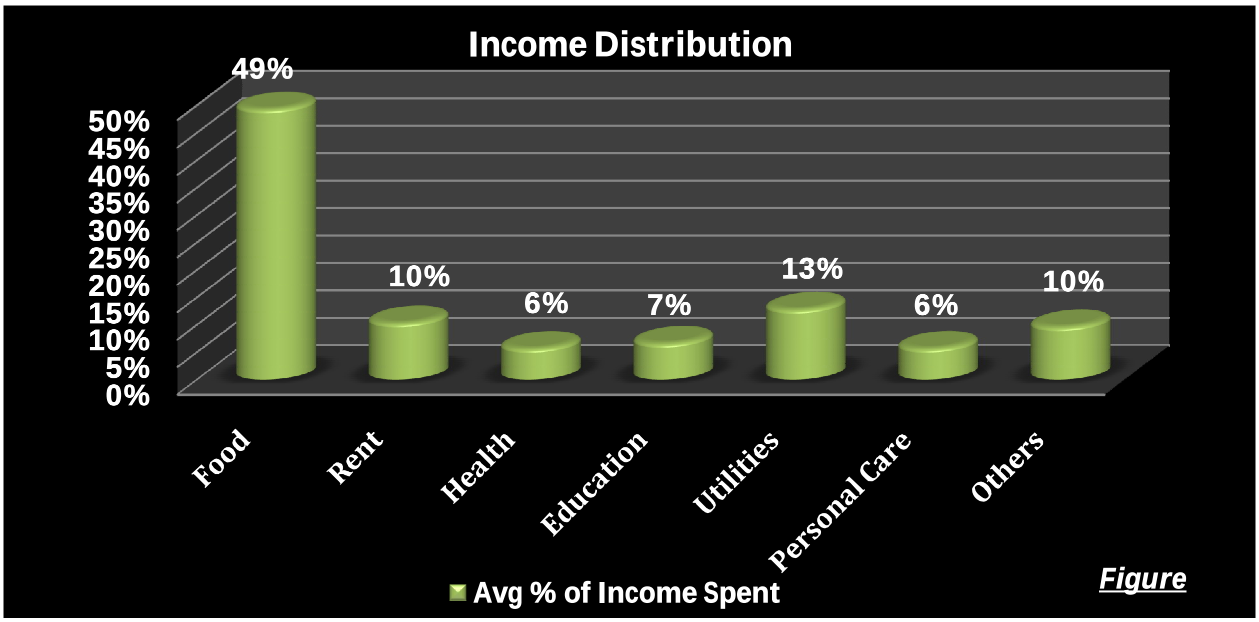
Controlled Variables: The controlled variables were age of the respondent and household income

Major Findings

The article shed light on some of the key BOP consumer behavior when it comes to branded personal care products. Some of the findings are in line with the literature review, whereas some are completely new.

Income Distribution and Shopping Behavior

In the case of distribution of income, as per the theory, majority of the income of the BOP consumers is spent to buy the most basic necessity which is food. Under this category come all the edible items, including flour, edible oil, vegetables, sugar, etc. Through the questionnaire it has been found that the BOP consumers spend approximately on an average 50% of their income, which means half of its income,is spent on eatable items. This can be clearly seen in Figure 1.1, which gives a graphical representation of monthly income distribution of the BOP consumers.



Figure

One such justification for majority of the income to be spent on food is because of the number of family members in the family. The sample data given below clearly shows that 75% of the respondents had more than or equal to 5 (>=5) family members. More members mean more mouth to feed.

Family Members	Freq.	Percent	Cum.
2	2	5.56	5.56
3	3	8.33	13.89
4	4	11.11	25.00
>= 5	27	75.00	100.00
Total	36	100.00	

On an average 10% of the respondent's monthly income is devoted towards rent. It is astounding to know that the respondents pay a greater portion of their income towards utilities (gas and electricity bills) i.e. 13%, then they allocate towards education i.e. 7%. Health and Other Miscellaneous expenses stand at 6% and 10% respectively.

However the figure which is important for us to note here is the percentage of income which is spent towards personal care products. On an average, 6% of the respondent's household income is devoted towards personal care product. It should be kept in mind that 6% of the household income is only devoted towards soap, shampoo, fairness cream and toothpaste.

Purchase Cycle	Freq.	Percent	Cum.
Bi-Monthly	1	2.78	2.78
Daily	11	30.56	33.33
Monthly	14	38.89	72.22
Weekly	10	27.78	100.00
Total	36	100.00	

Research also shows that BOP households shop once a month when they receive their salaries. The graph on the left shows a tabular form of the buying habits of the BOP households. Around 39%shops once a month where as 30% does it on a daily basis. Rest of them does it on a weekly i.e. approximately 28% and bi-monthly i.e. almost 3%.

Shopping Preference

The consumption pattern of a particular product or a brand is very much influenced by the consumer behavior ("New Frugality" May Be an Enduring Feature of Post-Recession Economy, 2010). Therefore it is very much important at first to understand the consumer behavior of the BOP market and then look for the consumption behavior of the personal care brands.

Result of Hypothesis 1:T test is done to check the first null and alternative hypothesis. The result of the T Test is given below

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One-sample t test

Variable  |   Obs      Mean    Std. Err.   Std. Dev.   [95% Conf. Interval]
shopma~h  |    36   .5833333   .0833333          .5    .4141577     .752509

    mean = mean(shopmatch)                                    t =   2.2000
Ho: mean = 0.4                               degrees of freedom =       35

   Ha: mean < 0.4              Ha: mean != 0.4               Ha: mean > 0.4
 Pr(T < t) = 0.9827        Pr(|T| > |t|) = 0.0345         Pr(T > t) = 0.0173
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Statistically the t (35)= 2.2, p< 0.05, which makes our null hypothesis statistically significant and therefore were approve the alternative hypothesis. The results clearly indicate that the null hypothesis is rejected and the alternate hypothesis tends to hold true as majority of the BOP consumers actually shop branded personal care products from where they will prefer to shop branded personal care products. They usually shop and prefer to shop from the small stores called "Kiryana Stores" near their houses. One significant reason stated by most of respondents is the good understanding from the retailer which helps them get the credit facility. In cases when the respondent runs short of cash they can always avail the credit facility and pay them later. This is the reason why respondent, when even given the option to shop from supermarket or any other modern stores, will prefer to shop branded personal care products from the same Kiryana Store near their homes.

Result of Hypothesis 2:

One-sample t test

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
reason~h	36	.6388889	.0811894	.4871361	.4740657	.803712

mean = mean(reasonmatch) t = 1.7107
Ho: mean = 0.5 degrees of freedom = 35

Ha: mean < 0.5 Pr(T < t) = 0.9520
Ha: mean != 0.5 Pr(|T| > |t|) = 0.0960
Ha: mean > 0.5 Pr(T > t) = 0.0480

Statistically t(35)= 1.7107, p<0.05. The result clearly rejects the null hypothesis and accepts alternative hypothesis i.e. BOP consumers shop branded personal care products from where he/she will prefer to shop branded personal care products due to the same reason. Furthermore the result shows that the majority of the BOP consumers of Karachi follow this behavior. The two tables given below sheds further light on the alternative hypothesis.

Reason for Preference to Shop	Freq.	Percent	Cum.
AO (P2H)	2	5.56	5.56
BT	9	25.00	30.56
GUR	9	25.00	55.56
O2CY	4	11.11	66.67
RBD	12	33.33	100.00
Total	36	100.00	

Out of the above reasons namely RBD (Relatively Better Discount), GUR (Good Understanding from Retailer), BT (Better Treatment including Self Respect and Dignity), AO (P2H) (Any other reason meaning Proximity to Home), AO (CF) (Any other reason meaning Credit Facility) and O2CY (Option to Choose Themselves) majority of the respondents stated Relatively Better Discount as their strongest reason to actually shop branded personal care products and preferred to shop branded personal care products from the same shop due to the same reason. The other similar reason is good understanding from the retailer. Researches state that BOP markets tend to develop a strong community type relationship among themselves in order to protect themselves against any fraud and distrust (Parente, 2010).

Reason to Shop from Current Store	Freq.	Percent	Cum.
AO (CF)	1	2.78	2.78
AO (P2H)	3	8.33	11.11
BT	4	11.11	22.22
GUR	13	36.11	58.33
RBD	15	41.67	100.00
Total	36	100.00	

Brand Purchase Preference

The findings of Kantar Worldpanel completely hold true in the case of the BOP consumers in Karachi. They assert that they are satisfied with the personal care brand that they buy and get a good value for money. This results in brand loyalty. The table given below is the responses of the respondents when asked with the question: Did the brand really worked for you as you expected? The responses tabularized on the leftproves that majority of the respondents are satisfied in the four categories of the personal care products.

Personal Care Products Category	Satisfaction Response N/A	No	Yes	Total
F. Cream	15	4	17	36
Shampoo	6	6	24	36
Soap	0	3	33	36
Toothpaste	3	5	28	36
Total	24	18	102	144

What does this mean? It simply means that when the cash strapped BOP consumers finds products which give them good value for money, they generally tend to prefer that product and buy it eventually. In such scenario, branded personal care products tend to give them the highest satisfaction and therefore they prefer to and then ultimately buy good branded personal care product

Result of Hypothesis 3: To prove the third hypothesis, a T test was done

One-sample t test

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
brandm~h	36	.25	.0731925	.439155	.1014113	.3985887

mean = mean(brandmatch) t = 2.0494
Ho: mean = 0.1 degrees of freedom = 35

Ha: mean < 0.1	Ha: mean != 0.1	Ha: mean > 0.1
Pr(T < t) = 0.9760	Pr(|T| > |t|) = 0.0480	Pr(T > t) = 0.0240

Statistically $t(35)= 2.0494$, $p< 0.05$. It is clear from the ttest that BOP consumers actually buy the branded personal care products which he/she prefers to buy i.e. the null hypothesis is rejected.

Reason to use B.P.C.P	Freq.	Percent	Cum.
AMS	17	47.22	47.22
CO	7	19.44	66.67
LSYB	9	25.00	91.67
USC	3	8.33	100.00
Total	36	100.00	

When asked as to why they use branded personal care products their answers are tabulated below:

Out of all the reasons namely USC (Uplifts in Social Circle), LSYB (To Look Younger Smarter and Beautiful), CO (To Copy Others) and AMS (To Achieve Mental Satisfaction), approximately 47% of the respondents used branded personal care product for personal satisfaction and then to look smarter younger and beautiful. Some also use it to copy people from upper SECs.

The relative price sensitivity of the BOP consumers of Karachi with respect to the brand of any of the four categories of personal care products was asked and their responses were tabulated below:

Brand Category	Response AO (WNB)	M2LEB	M2SSKU	N/A	SWSSKU	Total
F. Cream	3	4	8	13	8	36
Shampoo	2	9	9	6	10	36
Soap	0	13	11	0	12	36
Toothpaste	0	15	8	3	10	36
Total	5	41	36	22	40	144

Pearson chi2(12) = 30.6782 Pr = 0.002

The responses ranged from AO (WNB) (Another other denoting will not buy), M2LEB (Move to less expensive brand), M2SSKU (Move to smaller shelf keeping unit), N/A (Not Applicable) and SWSSKU (Stick with the same brand's shelf keeping unit). When it comes to soap, a relative rise in price will lead to a mix response by the BOP consumers of Karachi. They would either stick with the same brand's shelf keeping unit or move to smaller shelf keeping unit or move to less expensive brand. There seemed to be a difference of opinions when it comes to soap. In the case of Shampoos majority of them claimed that they will stick with the same brand's shelf keeping unit. In toothpaste, they seemed to be much price sensitive and asserted that they will shift to the less expensive brand. Since most of the household did not use fairness cream, the question wasn't applicable on them. But majority of the households who do use them confirmed that they would either stick to the same or to a smaller shelf keeping unit. A chi-square test was done to find the relationship between the brand category and responses.

Personalized Relationship

Now the question arises that even though many of the respondents shop from a particular shop due to good understanding from the retailer and will prefer to shop even if given the opportunity to shop at a relatively modern store, will he/she (respondent) prefer to buy a brand of any of the four category (soap, shampoo, fairness cream and shampoo) through personal selling either by a retailer or a sales agent? Again to test the fourth hypothesis a T Test is done

Result of Hypothesis 4:

One-sample t test

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
score	36	1.416667	.2402875	1.441725	.9288571	1.904476

mean = mean(score) t = 1.7340
Ho: mean = 1 degrees of freedom = 35

Ha: mean < 1 Ha: mean != 1 Ha: mean > 1
Pr(T < t) = 0.9541 Pr(|T| > |t|) = 0.0917 Pr(T > t) = 0.0459

Statistically $t(35)= 1.7340$, $p<0.05$ which means that we reject our null hypothesis i.e.majority of the BOP consumers prefer to buy the branded personal care products if sold to him/her through personal selling either by retailer or a sales agent. We accept out alternative hypothesis and this is generally true. BOP consumers are highly satisfied with the branded personal care products which they are currently using and have been using since a very long time. Therefore despite having a good relationship with the retailers (as mentioned above) they tend to stick to their existing brands and show a high level of distrust towards the sales agent. One such reason for this behavior is the huge amounts of counterfeit/kick-offs available in the market, hence making BOP consumers of Karachi more and more risk averse.

Word of Mouth

If the BOP consumers are not willing to buy a brand of any of the four category (soap, shampoo, fairness cream and shampoo) through personal selling either by a retailer or a sales agent; are they willing to make a purchase/ not make a purchase on the positive/negative word of mouth of their friends and family. A ttest is done to test the hypothesis

Result of Hypothesis 5:

One-sample t test

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
v56	36	2.25	.299139	1.794834	1.642716	2.857284

mean = mean(v56) t = -2.5072
Ho: mean = 3 degrees of freedom = 35

Ha: mean < 3	Ha: mean != 3	Ha: mean > 3
Pr(T < t) = 0.0085	Pr(|T| > |t|) = 0.0170	Pr(T > t) = 0.9915

Statistically $t(35)= -2.5072$, $p<0.05$, which means that our null hypothesis is rejected and alternative hypothesis is approved i.e. BOP consumers do not prefer to buy the branded personal care products through a positive word of mouth of their friends or family.

Managerial Implication and Areas for Further Research

Through study we can find the true consumption behavior of BOP consumers of branded consumer care products which will help marketers to design such marketing strategies and capabilities which will eventually lead to more growth in market share and higher sales. As consumers will tend to buy products which they truly aspire of, it will play a great role in improving our understanding of overall consumer buying decision process.

A lot of foreign researches states that BOP market consumers are immune to mainstream global marketing and the only way left to market a particular product is through healthy relationship with the retailer (who has a major role in influencing the purchase decision of the BOP consumers) and positive word of mouth. However through this research it was revealed that BOP consumers made relationship with the retailers as far as they are in dire need to obtain credit facility. Otherwise when it comes to decision process, they make their own decision. This discovery might help the marketers to think of other marketing activities other than word of mouth and personalized relationship to market their product.

The dialogue between consumers and marketers has always been the main focus of marketing communications. There has not been considerable research on consumer consumption behavior of the branded personal care product by the BOP market. Consumption behavior cannot be analyzed by simply sitting in the marketing department or manager’s office but is partly determined by the ideologies, intentions, aspirations and attitudes of the consumer’s. There is possibility as well as capacity for promoting the dialogue between consumers and firm if this research is managerially implied.

Other insights such as price sensitivity analysis, shop match analysis, brand preference analysis, can help both MNCs and local firms to develop products which best suits the demand of the BOP market and price them in a manner which will optimize the value to the target market. Also it can help to improve the distribution strategies as the companies can now determine which shops to target specifically.

Students and researchers interested in the consumer behavior of BOP market might consider a few possible extensions of this research. One possible continuation is to expand the research area i.e. find out the consumer behavior of the BOP market with respect to personal care brand in another city (Lahore, Sialkot, Quetta etc) or Pakistan as a whole. A correlative study between two cities can also done compare the behavior of two cities (probably BOP behavior of Karachi Vs that of Lahore). Furthermore, research can be done by further lowering the income bracket (families with household income less than 10,000) to know about the lowest socio-economic classes of the country.

Research can also be done too understand the underlying fundamentals as to why BOP consumers of Karachi are not willing to buy on positive word of mouth or through personal selling by retailers or sales agent.Price sensitivity is another area which can be worked on, as researchers can conduct research as to why BOP consumers have a different opinion when it comes to a relative rise in price of soap or shampoo and having a fixed approach when it comes to a relative rise in price of toothpaste. To conclude, research can be done to study the BOP consumer behavior of home care or food brands and other categories.

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APPENDIX

Kindly make sure:

a) The age of the respondent should be above 25
b) The respondent should be key decision maker of the house
c) The household income should lie between 10,000 to 15,000

Area of Residence of the Respondent: ______________________

Occupation of the Respondent: ______________________

Gender: ______________________

Qs1) Number of earning member in the house

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4 or more

Qs 2) No of family members in the house

- ☐ 3
- ☐ 4
- ☐ 5
- ☐ 6
- ☐ 7 or more

Qs 3) Percentage/Amount of Income is spent on the following categories:

Category	Percentage	Category	Percentage
☐ Food	____________	☐ Education	____________
☐ Rent	____________	☐ Utilities	____________
☐ Health	____________	☐ Personal Care	____________
☐ Others	____________		

Qs 4) How frequent is your purchase cycle

- ☐ Daily
- ☐ Weekly
- ☐ Bi-monthly
- ☐ Monthly
- ☐ Contractual Basis

Qs 5) Where do you do your shopping from

- ☐ Kiryana Store
- ☐ General Store
- ☐ Utility Store
- ☐ Supermarket

Qs 5 a) Why do shop from these stores

- ☐ Option to choose yourself
- ☐ Good understanding from the retailer
- ☐ Relatively better discounts
- ☐ Better treatment (self respect and dignity)

Any other:

____

Qs 6) Which shop would you like to shop from and why?

- ☐ Kiryana Store
- ☐ Utility Store
- ☐ General Store
- ☐ Supermarkek

Qs 6a) Why do shop from these stores

- ☐ Option to choose yourself
- ☐ Good understanding from the retailer
- ☐ Relatively better discounts
- ☐ Better treatment (self respect and dignity)

Any other:

____

____

Qs 7) Which brand do you use in the following category?

- ☐ Soap ____________________
- ☐ Shampoo ____________________
- ☐ Toothpaste ____________________
- ☐ Fairness Cream

Qs 8) Which brand would you like to use in the following category?

- ☐ Soap ____________________
- ☐ Shampoo ____________________
- ☐ Toothpaste ____________________
- ☐ Fairness Cream ____________________

Qs 9) Did the brand really worked for you as you expected?

Soap

- ☐ Yes
- ☐ No

Shampoo

- ☐ Yes
- ☐ No

Toothpaste

- ☐ Yes
- ☐ No

Fairness Cream

- ☐ Yes
- ☐ No

Qs 10) Will you buy any of the following brands if sold to you through personal selling? (Retailer and Sales Agent)

1. Soap ☐ Yes ☐ No
2. Shampoo ☐ Yes ☐ No
3. Toothpaste ☐ Yes ☐ No
4. Fairness Cream ☐ Yes ☐ No

Qs 11) Did you buy any of these personal care brands through a positive word of mouth?

1. Soap ☐ Yes ☐ No
2. Shampoo ☐ Yes ☐ No
3. Toothpaste ☐ Yes ☐ No
4. Fairness Cream ☐ Yes ☐ No

Qs 12) Would you buy or not buy any of these personal care categories through a positive or negative word of mouth?

1. Soap ☐ Yes ☐ No
2. Shampoo ☐ Yes ☐ No
3. Toothpaste ☐ Yes ☐ No
4. Fairness Cream ☐ Yes ☐ No

Qs 13) Why do you use branded personal care products?

☐ To look smarter, younger and beautiful ☐ To uplift yourself in social circle

☐ To copy others (someone from upper class) ☐ To achieve mental satisfaction

Any other reason:

____

____

Qs 14) In case of a rise in price of the brands which you are using currently; what will be your response?

Soap

☐ Move to a smaller SKU of the same brand ☐ Stick with the same SKU of the same brand

☐ Move to another less expensive brand ☐ Any other

Shampoo

☐ Move to a smaller SKU of the same brand ☐ Stick with the same SKU of the same brand

☐ Move to another less expensive brand ☐ Any other ____________________________.

Toothpaste

☐ Move to a smaller SKU of the same brand ☐ Stick with the same SKU of the same brand

☐ Move to another less expensive brand ☐ Any other ____________________________.

Fairness Cream

☐ Move to a smaller SKU of the same brand ☐ Stick with the same SKU of the same brand

☐ Move to another less expensive brand ☐ Any other ____________________________.

MARKET LEADERS IN KARACHI
(AS IN MAY 2012)

Soap

No.	Name	Price	Grammage
1	Safegaurd	42	115
2	lux	40	115
3	Lifebuoy	32	115
4	Dettol	43	115
5	Palmolive	40	115
6	Capri	37	115
7	Tibet	20	80
8	Skin White	50	110
9	Dove	120	100
10	sufi classic	32	120

Shampoo

No.	Name	Price	Grammage
1	Pantene	185	200
2	Head & Shoulders	170	200
3	Sunsilk	170	200
4	Lifebouy	120	200
5	Clear	160	200
6	Bioamla	40	100
7	Dove	245	250
8	Medicam	50	105
9	Samsol	75	150
10	Garnier	250	

Toothpaste

No.	Name	Price	Grammage
1	Colgate	58	75
2	Medicam	65	70
3	Closeup	30	30
4	English	25	70
5	Sparkle	40	130
6	Pepsodent	55	75
7	Sensodyne	70	
8	Forhens	27	40
9	Mr. White	40	50
10	Doctor	50	40

Fairness Cream

No.	Name	Price	Grammage
1	Fair & Lovely	120	70
2	Ponds	150	50
3	Stillmens	180	28
4	Tibet	50	30
5	Skin white	50	30
6	Fair menz	60	35
7	Bio nikhaar	60	60
8	Care	50	30
9	Brido	60	30
10	seven herbal	50	35