

Preface

Extreme poverty continues to afflict the world, and it requires urgent action. Along with governments, public institutions, and not-for-profit organizations, currently, companies are playing an important role in facing the world's unsolved social problems.

Social innovation can be the driving force to spark change and to find common ground for shared value creation, specifically when it is directed at low-income markets.

Leading companies have recently developed innovative forms of social innovation by combining three elements—the concept of shared value creation, the theory of the fortune at the bottom of the pyramid, and a corporate social entrepreneurship approach—through which they enter low-income markets by helping to solve global challenges while simultaneously generating profits.

The ultimate objective of this book is to identify the various forms of social innovation with which to target the low-income sector and to describe alternative business models. Moreover, this book aims to identify the main critical success factors for social product innovation.

The first chapter presents an initial overview of the creating shared value approach and the evolution of the bottom of the pyramid theory to identify how companies can generate shared value in low-income markets. The main features of social innovation are identified through an analysis of the recent literature. Finally, the three main levels where social innovation can be performed are identified: alternative business models, new social products, and social communication strategies.

The second chapter analyzes social innovation at the level of the business model. The study clarifies the main characteristics and differences among alternative models of business to target the low-income sector. Starting with the literature on social entrepreneurship and business models, a new theoretical framework “The Social Business Model Framework” is developed. The framework is used to identify the main characteristics of social business models and to emphasize the main area where social innovation can be applied.

In the third chapter—through a literature review of the new product development process and innovation for low-income markets—a new theoretical framework that

describes the development process of social products is proposed. By using this social product development framework and a multiple case studies analysis on best practices in social product innovation, this book presents factors that are critical to successfully developing social products for low-income markets. Finally, principles for the communication of social products are proposed.

The last chapter presents a description of four case studies on the social product innovation process: PuR, developed by Procter and Gamble, is a product able to purify water at the household level that is useful for reducing illness in children; Plumpy'nut, developed by Nutriset, is a ready-to-use product for the treatment of severely acute malnutrition; Shokti Doi, developed by Grameen Danone, is a yogurt fortified with calcium, proteins, and micronutrients, which are essential elements for children's growth; Interceptor, developed by BASF, is an insecticide-treated mosquito net that aims to reduce insect-borne diseases, such as malaria.

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