

Foreword

Today, an extremely large proportion of the world population is still living in poverty. These people living at the lower end of the global wealth pyramid are the so-called "Base of the Pyramid" (BoP). As the poor are not in a position to buy currently available products and services, they represent a vast and largely untapped market from an industrial perspective.

According to C. K. Prahalad the so-called BoP market offers market entry and growth opportunities particularly to companies aiming to contribute to poverty alleviation. For this purpose products and innovations that are specifically targeted at the BoP market are indispensable. The development of these innovations requires solid, deep and detailed knowledge concerning the living conditions at the BoP and the needs of its consumers. Hence, high hopes are placed on the involvement of the BoP itself as well as their ideas and innovations into the new product development process to ensure market and need knowledge and to achieve overall product success. However, up to now there has been very little research on consumer innovation at the BoP and general knowledge on needs and solutions for subsistence markets is scarce.

The present dissertation by Mrs Praceus employs a quantitative approach to analyze the characteristics of a large sample of innovations generated at the Indian BoP. The research reveals similarities as well as differences compared to consumer innovations generated in the resource-rich world. To furthermore identify innovative consumers and drivers of consumer innovation in subsistence markets, she investigates by means of two separate yet interrelated studies the effect of innovation-relevant resources and contextual factors on the attractiveness of consumer innovations at the BoP.

The results of her work show that wealthier and poor consumers share certain stable demographic predispositions and preferences towards consumer innovation while adapting at the same time to their respective living conditions e.g. through mainly satisfaction of basic needs at the BoP versus hobby-related necessities in the wealthier world. At the BoP resources such as an innovator's technical experience and education have a positive impact on the technical quality of a solution while technical experience and cooperation exert a positive influence on its creative quality. Repeated innovation activities, however, appear detrimental to creativity. Furthermore creative solutions achieve higher success or acceptance among other BoP consumers while an innovation's technical elaboration does not relate to its market success.

I believe that the findings gained from Mrs Praceus' research are relevant and enriching for both research as well as business practice leading to differentiated and new insights into innovation at and for the BoP.

Taken altogether, I consider the present dissertation by Mrs Praceus as a successful and very readable contribution to the current state of research.

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