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Marketing to the Poor: A Justice Inspired Approach

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Marketing to the Poor:

A Justice-Inspired Approach

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Business engagement with impoverished consumers as a distinct strategy option was rarely considered until recently, as the impoverished market segment was typically evaluated as having little to contribute to the exchange process. Thought of in classic "definition of a market" terms, the poor may have the *desire* to purchase but they lack sufficient *ability* to buy. This financial hurdle was overcome by multiple analyses demonstrating that there was now an emerging profit potential in low-income markets.[1] With saturation experienced in servicing many high and middle income markets, as well as excess production capacity, seeking out growth opportunities in developing markets such as India, Brazil and Indonesia is a logical strategy from a business perspective.[2] Accordingly, a number of multinational corporations (MNCs) have in recent years shown an increased interest in the low-income segment.[3] Major global corporations that have ventured into the low-income market include Cemex, Kodak, Nestlé, Proctor and Gamble, and Unilever.[4] This trend of the corporate sector into the low-income market is reflected in the curriculum change in business schools. A report released by the Aspen Institute in 2007 indicates that the number of business schools that included material focused on low-income markets, also characterized as the bottom or base of the pyramid (BoP), grew phenomenally in 2007 compared to 2005.[5] According to the report, the inclusion of BoP-related material is taking place across a wide range of disciplines in the MBA curriculum as well as in business schools across the globe. There have also been a number of academic conferences in recent years that have focused exclusively on the BoP market.[6]

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The involvement of MNCs in the BoP market puts a focus on including groups that were earlier kept at the periphery or margins of economic development. As Prahalad (2005) points out, "when the poor are converted into consumers, they get more than access to products and services. They acquire the dignity of attention and choices from the private sector that were previously reserved for the middle-class and rich."[7] While the interest of multinational corporations in the low-income market segment is a recent phenomenon, there has been periodic business involvement with low-income consumers for many years. Along with this, there has been concern raised about a plethora of unethical practices accompanying marketplace transactions with low-income consumers. In what could perhaps be deemed as the first comprehensive presentation of some of these unethical practices, sociologist David Caplovitz (1967) shows how "the marketing system that has evolved in low-income areas is in many respects a deviant one in which exploitation and fraud are the norm rather than the exception."[8] Examples of exploitative practices in the low-income segment include predatory lending, inflated prices to wire funds internationally, unconscionable labor practices, and exorbitant rent-to-own transactions.[9] While such tactics take advantage of the vulnerabilities of the impoverished segment due to lack of financial resources, education level[10] and even access to land,[11] they are also driven by the powerful desire of these consumers for better quality products and an improved quality of life.[12]

While the involvement of multinational corporations in the low-income market affords the opportunity of a more inclusive capitalism, the evidence of unfair business practices involving impoverished consumers presents the threat of a greater exploitation of these consumers. In keeping with the "preferential option for the poor" doctrine espoused by both the Social Teaching of the Catholic Church and the last few General Congregations of the Society of Jesus, Jesuit business schools ought to feel compelled to encourage the development and dissemination of managerial frameworks that enable business corporations to engage impoverished consumers in a manner that is "fair" and "just" to both parties (i.e., the business unit and the consumer). This is particularly important in an impersonal economic marketplace that too often exploits the poor due to an "imbalance" of resources, information or financial leverage on the part of the less advantaged member, typically the buyer.

With the task in mind of enhancing justice when marketing to the poor, we have developed a normative framework which we label as the Integrative Justice Model (IJM) for impoverished markets. The IJM is a work-in-progress resulting from a series of conference presentations, published papers and working papers.[13] There are a number of reasons that augur for the significance of the IJM in Jesuit, and more broadly, Catholic business education. For one, the IJM responds to the need for Catholic business education to capitalize on the call for "a rich tradition on the discourses of faith and reason" in how we teach our students, especially concerning issues of social justice.[14] Furthermore, the IJM also speaks directly to the demand that an integrated business education in the Catholic tradition would be focused, in part, on the needs of the poor.[15] Lastly, the IJM is consistent with Porth et al.'s (2009) suggestions about how the mission statements of Catholic Universities, at least ideally, should drive Catholic business school pedagogy to inform our students about the fundamental dignity of the human person.[16] This dimension, of course, is a central concern of the IJM perspective. We begin with briefly presenting the fundamental elements of the IJM and show how these are connected to the principles of Catholic Social Teaching. We then highlight some of the implications of the IJM for business education in Jesuit business schools. Finally, we identify a few areas of further research.

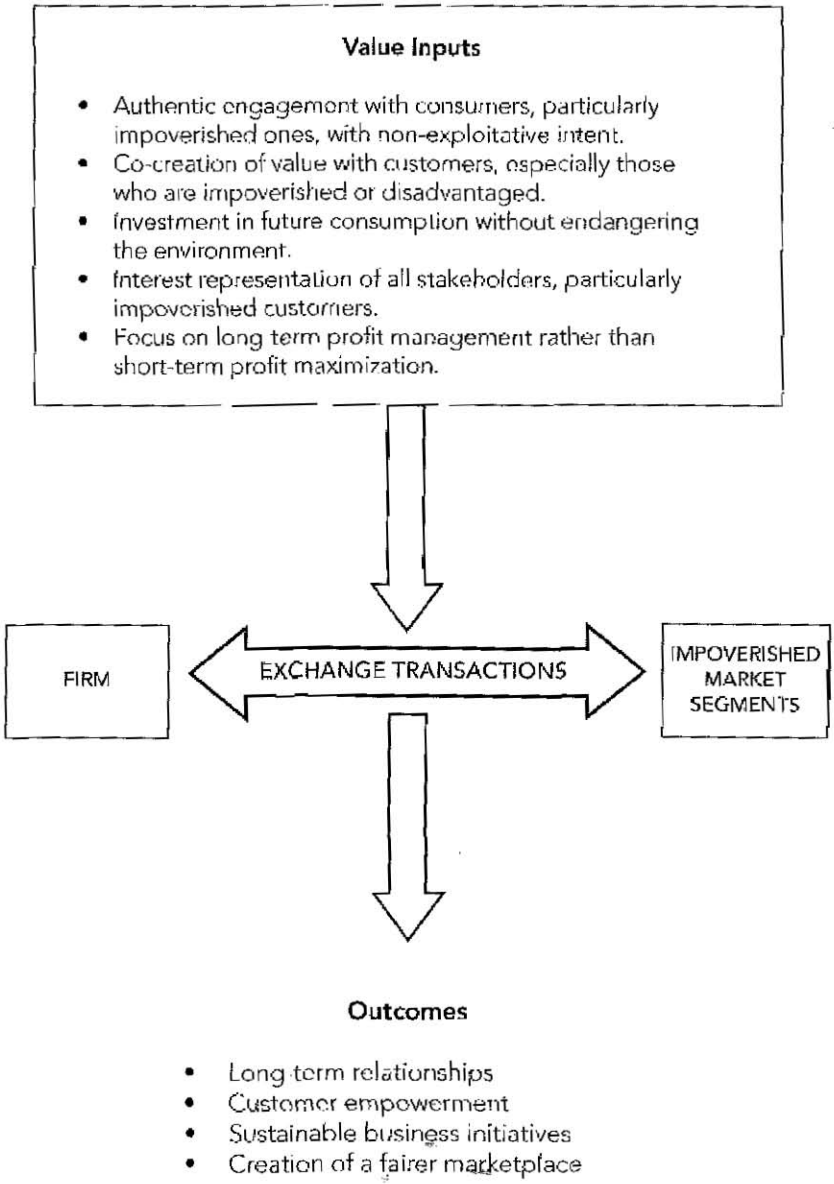
The Integrative Justice Model (IJM)

The IJM is constructed using a normative theory building process in philosophy proposed by the philosopher John Bishop[17] and is comprised of ethical elements that *ought* to be present when marketing to the poor.[18] The IJM does *not* blend different theories or types of justice (e.g. legal justice, procedural justice, etc.). Instead, it integrates the notion of "fairness" or "equity" in marketing transactions as developed from different strands of thought in moral philosophy and management theory.[19] Based on these pertinent streams of thought we identified and developed five characteristics of "just" market situations. These characteristics which form the value inputs of the model (see figure-1) are:

1. An authentic engagement with consumers, particularly impoverished ones, with non-exploitative intent;
2. Co-creation of value with customers, especially those who are impoverished or disadvantaged;
3. Investment in future consumption without endangering the environment
4. Interest representation of all stakeholders, particularly impoverished customers;
5. Focus on long-term profit management rather than short-term profit maximization.

The outcomes for business firms that adhere to the above characteristics are: long-term relationships, customer empowerment, sustainable business initiatives, and the creation of a fairer marketplace. The aim of the IJM is to enhance fairness

Figure 1: An Integrative Justice Model for Impoverished Markets



and equity in economic transactions involving impoverished consumers while the vision is to lay the foundation for prototype markets that empower the poor while creating "win-win" situations for buyers and sellers.

The IJM in the light of Catholic Social Teaching[20]

Catholic social teaching (CST) is comprised of the tradition of Papal, Church Council, and Episcopal documents that deal with the Church's response and commitment to the social demands of the gospel in the context of the world. At the heart of the CST corpus are four principles that are referred to as the permanent principles of the Church's social doctrine.[21] These are: the dignity of the human person; the common good; subsidiarity; and solidarity. A fundamental economic assumption made in the classical theory of exchange is that both parties to the exchange are on an equal footing, which is very often not the case.[22] In fact, it is precisely because of the *inequalities* that exist in the exchange process, that we see an ever-increasing amount of injustice in the current market system. Therefore, a major challenge in the construction of "just" markets is of creating economic "win-win" situations for all participants. The principles of CST offer a framework for creating such "win-win" situations. In what follows we show how the fundamental elements of the IJM (characteristics of "just" market situations) are closely connected to the principles of CST.

IJM ideal #1: Authentic engagement with consumers

If all human persons, as CST points out, have an inviolable dignity, then treating any person as merely an object or means to the profitability of the company is a violation of the principle of human dignity. Consistent with philosopher Immanuel Kant's second formulation of his categorical imperative, Laczniak (1999) points out that "members of the human community, particularly those most subject to exploitation, should never be used as an expedient means to a financial end."[23] An example of companies taking advantage of the vulnerabilities of consumers is that of the prepaid phone card industry.[24] For many immigrants, particularly those from Latin America, prepaid phone cards are their main connection to their families back home. Unfortunately, as press reports indicate, many providers of prepaid phone services engage in deceptive marketing and even fraud.[25] These providers routinely manipulate the minutes that consumers can use and also charge a wide array of service fees which are sometimes part of the fine print but cannot be easily deciphered by a largely illiterate population.

In contrast to examples of companies that exploit the vulnerabilities of consumers, there are several commendable cases of organizations that genuinely seek to address the disadvantages that consumers face. One such instance is that of the Grameen Bank in Bangladesh which was awarded the Nobel Prize for Peace in 2006. Grameen Bank started as an initiative in 1976 to provide small loans to entrepreneurs who could not qualify for loans from traditional banks.[26] In 1983 it was set up as a formal bank. Since its inception, Grameen Bank has disbursed about $10.12 billion in loans. As of December 2010, its total number of borrowers total 8.34 million of which 97% are women. An innovative approach of Grameen Bank is that the borrowers of the bank own 95 percent of the equity of the bank with the remaining equity being held by the government. Grameen Bank does not require any collateral from its borrowers nor does it require its borrowers to sign any legal document as it does not wish to take borrowers to court for non-repayment. Despite this, the repayment rate is about 98 percent which is much higher than the repayment rate of most traditional banks. Among several notable aspects of the Grameen Bank example is the idea that [impoverished] customers of the bank have been not only made partners in an economic exchange process but that the outcome of the transaction has allowed them to be a stronger future participant in the marketplace.

The difference between companies that exploit the vulnerabilities of consumers and those that seek to reduce the vulnerabilities or disadvantages that consumers face is that the latter are able to view their businesses as serving a greater social purpose than simply the relentless pursuit of profit maximization. In viewing customers, particularly impoverished ones, not as objects to be taken advantage of but rather as subjects who have legitimate needs, these companies adhere to CST's principles of the dignity of the human person, of the common good, and of solidarity (i.e. the brotherhood and sisterhood of all humanity).

IJM ideal #2: Co-creation of value

In their path-breaking work involving the services-dominant logic (S-D logic) of marketing, Vargo and Lusch (2004) argue that Marketing is transforming to a new evolutionary logic, "one in which service provision rather than goods is fundamental to economic exchange."[27] According to Vargo and Lusch, "a service-centered dominant logic implies that value is defined by and co-created *with the consumer* [emphasis added] rather than embedded in output."[28] In the S-D logic, customers are treated as operant resources (producers of effects) rather than operand resources (something to be acted upon). Such a shift is in keeping with CST's emphasis on the inherent worth of each individual person. Thus, for instance, while the impoverished customers might have limited purchasing power, they also have a wealth of knowledge, skills, and ideas that can be potentially beneficial to business enterprises.[29] Consider for example, the approach of Proctor and Gamble (P&G). P&G

sent its market researchers to spend time in rural villages in developing countries, observing the everyday behavior of poor consumers.[30] This approach enabled P&G to develop products that the customers needed rather than what P&G thought they needed. P&G was able to leverage the knowledge it gained from a first-hand experience of the situation of its impoverished consumers to create value for its impoverished consumers as well as for itself. Another example is that of Ogilvy & Mather (O&M) which uses traditional folk performances to appeal to rural customers.[31] O&M's approach uses the skills of the folk performer to create brand value among customers for whom these traditional art forms have tremendous meaning and significance.

IJM ideal #3: Investment in future consumption

The U.S. Catholic Bishops, in their pastoral letter *Economic Justice for All,* assert that an economic system should be judged "by what it does *for* and *to* people and by how it permits all to *participate* in it."[32] An authentic engagement with consumers and co-creating value with them undoubtedly enhances their participation in the economic system. However, the participation of particularly impoverished consumers is restricted by their lack of access to capital and other resources. Making capital and other resources available to impoverished consumers increases the potential of these consumers to participate in the market economy. We see evidence of this in the example of Grameen Bank. Further, as Marwaha et al. point out, "any attempt to grow the poor's capacity to consume must focus on increasing their income."[33] One result of business engagement with the impoverished market segment is the increase of employment opportunities. This can be either directly, by way of employment with the business firm or indirectly, as suppliers, distributors, and retailers. In part, the emerging popularity of "Fair Trade" products (e.g., coffee, cocoa, tea) with consumers embodies this trend. While the "fair trade" movement has often been a *consumer driven* social phenomenon, allowing buyers to "feel good" that they have not purchased products produced under "exploitive" conditions, the net effect has been to institutionalize a living wage and improved working conditions for partners in the supply chain. These conditions, typically at short-term cost to the most powerful channel members, have often allowed weaker channel members to continue as partners in a future cycle of economic exchange.

IJM ideal #4: Interest representation of all stakeholders

In the last few decades, multinational corporations have been involved in developmental projects in developing countries. While many of these projects were meant to help the ultimate beneficiaries, the poor, it was realized that instead they ended up with the poor being even worse off than before.[34] For example, Caufield (1996) cites the example of the Narmada Dam Project in western India.[35] An objective of building this mega dam was to help irrigation, particularly in the drought-hit areas of states such as Gujarat and Maharashtra. It was argued that by enabling irrigation, the productivity of the land would be improved, and the economic conditions of these areas would improve. However, the dam resulted in the displacement of hundreds of thousands of tribal people who resided on the banks of the Narmada River. The resettlement plan was very poor and the affected people were given arid land in exchange for the fertile land they previously held. The Narmada Dam Project, thus, unwittingly pushed a large number of people into poverty instead of providing citizens in the area an opportunity for jobs and the monetary rewards to engage better in the consumption process.

In Rangan and McCaffrey's (2004 and 2006) opinion, a major reason that projects such as this resulted in the poor being worse off than before was that the interests of the poor end client were not sufficiently represented or taken into account.[36] Together with the interests of the shareholders, it is important for the business organization to consider the interests of other stakeholders particularly those that do not have much voice in the economic negotiation process. For example, the Brazilian retailer Casas Bahia, which sells products to low-income consumers on an installment basis, has a consumer education process in which salespeople teach consumers to buy according to their budget.[37] At times, this process might result in the consumer selecting a cheaper product, which could be considered a loss for Casas Bahia. However, this loss is compensated by the relationship and trust that is built with the low-income consumers. Considering the interest of the often voiceless impoverished consumer is in accordance with the CST principles of the common good and subsidiarity.

IJM ideal #5: Long-term profit management

CST recognizes the legitimate role of profits in the functioning of the business enterprise and for economic development.[38] However, a preoccupation with profitability, ironically, can act against the long-term interests of the business organization.[39] Such a preoccupation is largely the outcome of a short-term mentality that is driven by quarterly profit increments or even annual ROI targets. The pressure for short-term profit maximization can lead to various forms of unethical business behavior as evidenced by the corporate scandals and financial meltdowns that characterized the first decade of the twenty-first Century. Instead, the market development of impoverished segments is inherently a longer process than one that is dictated by the length of fiscal reporting periods and/or annualized share performance scores.

An example of a company that has a long-term perspective is the Aga Khan Fund for Economic Development, a for-profit company based in Geneva. The Aga Khan, who is the spiritual leader of the Ismaili Muslim sect and the chairman of the company, maintains that he is more focused on long-term outcomes rather than being preoccupied with short-term profits.[40] One of the investments of the Aga Khan Fund is a fish net factory in Uganda. A project initiated by Karen Veverica, an aquaculture expert with Auburn University, and financed by the United States Agency for International Development is jump-starting a fish-farming industry in Uganda. However, this project requires special types of nets. Presently, there is no demand for these nets but, without them, the fish-farming industry cannot take off. Mahmood Ahmed, the Aga Khan Fund's representative in Uganda, points out that investments such as these require thinking long-term. While the fund will not enter a business without the promise of profit, there are more considerations than simply profit.[41] According to CST, the individual profit of a business enterprise should never become the sole objective of a company. Rather, it should be considered together with another equally fundamental objective, namely, social usefulness. A company is more likely to consider its social usefulness when it has a long-term rather than a short-term perspective.

Implications of the IJM for Jesuit Business Education

At the International Association of Jesuit Business Schools' 7th International World Forum in Mexico in 2000, the then president of the World Union of Jesuit Alumni/ae, Fabio Tobón Londono, in his video presentation said: "Business decisions in today's marketplace should not be merely what the numbers add up to or what best serves a company's bottom line. We have a moral obligation towards the needy of our nations."[42] More recently, Fr. Nicolás, the Superior General of the Society of Jesus, reminded delegates at the *Networking Jesuit Higher Education* conference in Mexico City of a point made during the 35th General Congregation, namely, that we "bear a common responsibility for the welfare of the entire world and its development in a sustainable and life-giving way."[43] In the context of Jesuit Business Education, this "moral obligation towards the needy" or "responsibility for the welfare of the entire world" does not have to be limited to corporate philanthropy or even to enhancing the economic efficiency of organizations charged with dealing or helping the poor. Instead, Jesuit business schools ought to also consider motivating their students to examine the factors that contribute to "unfair" marketplace transactions, particularly when engaging impoverished market segments, and the organizational mechanisms that exist for making them more ethical. Pope John Paul II in *Ex Corde Ecclesiae* lists "the promotion of justice for all" and "a more just sharing in the world's resources" among the serious contemporary problems of our time.[44] Thus, a most obvious utilization of the IJM in Jesuit business schools would be to inject discussion of the value inputs or "justice" dimensions of the IJM into the wide variety of classes, already taught in business school curricula, which touch on impoverished markets in some fashion. Courses that come to mind are business ethics, corporate social responsibility (CSR), social entrepreneurship, international management policy, and assorted special units that offer "MBA consultancy teams" to social service organizations.

In addition to its applicability at the micro-level of business disciplines or even courses within those disciplines, the IJM provides a framework that is likely to be useful for business education at Jesuit business schools at a macro-level. Business scholars have recently called on academics to renew their engagement with the connection of business activity to broader social issues and systemic effects.[45] The IJM succinctly encapsulates the core principles of Catholic Social Teaching as well as macromarketing concepts such as distributive justice, stakeholder theory, corporate social responsibility, sustainability, and the triple bottom line.[46] We find it significant that the Vatican Office of Penitentiary recently suggested that Globalization gives rise to emerging and troubling social sins such as "polluting the environment" and "causing social inequities".[47] In postulating these normative ideals, the IJM implicitly informs the issue of the distinctiveness of Jesuit business education. Entirely consistent with the IJM, what ought distinguish business education at Jesuit business schools—among other things—is that it strives towards: (1) developing a moral and spiritual character in Jesuit school graduates; (2) nurturing skills that will help managers utilize their economic knowledge with an orientation to serve others; (3) fostering in Jesuit business school graduates a special concern for the welfare of employees they manage; (4) highlighting the societal ramifications of business decisions that are made, and (5) exhibiting a special empathy for the poor and marginalized who are frequently at a distinct disadvantage in the economic process.[48] The IJM elements of authentic engagement with impoverished consumers, co-creation of value with customers, investment in future consumption without endangering the environment, interest representation of all stakeholders, and a focus on long-term profit management rather than short-term profit maximization, are each directly contributory to these primary goals of Jesuit business education.

The *authentic engagement with non-exploitative intent* element calls for a change in approach from the "business as usual" mentality of pure economic utilitarianism where greed, corruption, and exploitation are too often the prevailing norm. The *co-creation of value* element emphasizes that even though impoverished customers might have a lack of income, wealth, and access to capital, they do have skills, knowledge, and a desire for economic improvement that can contribute to the mutual value added in the exchange process. In short, the dignity of impoverished consumers merits not only respect but the opportunity of partnership. The *investment in future consumption* element calls for an enlarged mindset, from viewing market segments merely in terms of present ability to purchase to one that considers business engagement in impoverished markets as a long-term investment that is aimed at creating sustainable markets that all can actively participate in and benefit from over the long run. The *interest representation of all stakeholders* element subscribes to a stakeholder orientation but upholds that impoverished customers should be treated as primary stakeholders. The *focus on long-term profit management* element, while recognizing the legitimacy of financial returns, calls for a perspective that considers not merely financial rewards in the short run but also overall benefits to the organization and the broader community. The IJM's ultimate payoff in being blended into business school teaching involves helping students establish a set of principles that can be drawn on when dealing with vulnerable market segments, especially the poor.[49] In order to help Jesuit business school students and faculty better incorporate the IJM ideals in their coursework, we offer some tentative but detailed principles flowing from each of the IJM elements (see Table 1 for details).[50]

A Comment Concerning Further Research

All of the distinguishing characteristics of the IJM are subject to further commentary, research and hypothesis testing. Here's one example. While *interest representation of all stakeholders* is a normative ideal, at the practical level, it involves developing metrics to evaluate whether interest representation of stakeholders has indeed taken place via some sort of advocacy protocol—i.e. has the voice of each stakeholder group been represented to the organization when it needed to be? Such research might need to draw insights from varied fields such as cultural anthropology, sociology, psychology and theology and could be of a cross-cultural or longitudinal nature. As is often the case, the challenge lies in the details of application—that is, the setting forth of actionable guidelines for specific situations as Jesuit business school faculty experiment with and explore the IJM model. We welcome our colleagues in Jesuit business education to help us to continue to refine the fullness of the IJM, while recognizing that the enhancement of economic efficiency, because it is a normative model, is *not* the IJM's primary test. Instead, the richness of the IJM approach will be found in its consistency with Jesuit educational ideals while also allowing business firms to remain sensitive to profitability as they discharge their economic missions.

Table 1
IJM Guidelines

IJM Element	Guiding principles
Authentic engagement without exploitative intent	• Develop trust with all stakeholders, particularly impoverished customers • Build competitive advantage through a process of collaboration rather than by eliminating competition • Adhere to a long-term perspective that aims at improving the quality of society and the environment • Refrain from taking undue advantage of the relative weaknesses of disadvantaged stakeholders • Build a trustworthy reputation for fair dealing, dependability, and continuous care • Support formalization of consumer rights that guarantee safety, redress, sufficient information and other basic requirements of exchange fairness • Foster social sustainability while ensuring profitability in the long run
Co-creation of value	• Involve consumers in the value-creation process • Use resources to offer what is of best economic value especially to impoverished customers • Foster sustained partnerships and develop mutual trust with impoverished customers that extends beyond the consumption of the product or service • Leverage local innovativeness • Seek input from impoverished customers either directly or through observation and incorporate this feedback into the decision-making process • Consider ways in which impoverished customers can be given an ownership stake in the company • Collaborate with local communities so as to tap into the social network they constitute
Investment in future consumption	• Invest in research and development aimed at developing innovations for impoverished markets that are both socially beneficial and environmentally friendly • Increase capabilities of impoverished segments so as to ensure that these can better participate in the market economy • Pay employees a living wage so as to ensure that they can contribute to the overall economy • Minimize ecological footprint in the conception, production, and delivery of goods and services • Afford access to products and services (e.g. leasing or sharing) rather than focusing on ownership

IJM Element	Guiding principles
Interest representation of all stakeholders	• Consider what matters to the stakeholders and what is to their advantage • Demonstrate through business policies and ethical audits that all stakeholders interests are being considered • Treat impoverished customers as primary stake holders • Encourage employees to have a first-hand experience of the real world of low-income consumers • Ensure that decisions, actions, procedures, that are promulgated do not further disadvantage impoverished customers • Engage in dialogue with impoverished customers to better ensure that their interests are being taken into account • Expand capabilities of impoverished customers to enable a richer firm-consumer relationship • Include consumer education and counseling as part of the marketing strategy so as to enable customers to make better informed choices • Make products and services affordable, accessible and available • Ensure that information about products and services is easily understood by impoverished customers
Long-term profit management rather than short-term profit maximization	• Aim at creating sustainable value in the long run • Consider social goals as ends in themselves rather than as means to a financial end • Increase business success with a long-term perspective based on social, environmental and financial returns • View impoverished markets as sources of opportunity, innovation and competitive advantage • Support local communities in their holistic development in terms of supporting education, health, sports, the arts etc. at a scale and focus befitting the local community and culture

Endnotes

1. See Allen Hammond, William J. Kramer, Rob Katz, Julia Tran and Courtland Walker, "The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid," Retrieved May 29, 2007 from http://www.wri.org/business/pubs_description.cfm?pid=4142; Allen Hammond and C. K. Prahalad, "Selling to the Poor," *Foreign Policy*, 142 (May/June, 2004), 30-37; Stuart L. Hart and Clayton M. Christensen, "The Great Leap: Driving Innovation from the Base of the Pyramid," *MIT Sloan Management Review*, 44 (Fall, 2002), 51-56; C. K. Prahalad, *Fortune at the Bottom of the Pyramid* (New Jersey: Wharton School Publishing, 2005); C. K. Prahalad and Allen Hammond, "Serving the World's Poor, Profitably," *Harvard Business Review*, 80 (September, 2002), 48-57; C. K. Prahalad and Stuart L. Hart, "The Fortune at the Bottom of the Pyramid," *Strategy+Business*, 26 (January, 2002), 54-67.
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4. See C. K. Prahalad, *Fortune at the Bottom of the* Pyramid, 2005; Rangan et al., *Business Solutions for the Global Poor*, 2007.
5. Aspen Institute, "A closer look at business education: Bottom of the Pyramid," June 2007. Retrieved July 19, 2007 from http://www.beyondgreypinstripes.org/pdf/BOP.pdf
6. These include the *Eradicating Poverty through Profit* conference organized by the World Resources Institute (WRI) at San Francisco, California in December 2004; the *Global Poverty: Business Solutions and Approaches* conference organized by the Harvard Business School's Social Enterprise Initiative at Cambridge, Massachusetts in December 2005; the *Business Opportunity and Innovation at the Base of the Pyramid* conference organized by the WRI in partnership with the Multilateral Investment Fund and Ashoka at Mexico and Brazil in August and September 2005; the *Business with Four Billion: Creating Mutual Value at the Base of the Pyramid* conference organized by the William Davidson Institute of the University of Michigan and the Center for Sustainable Global Enterprise of Cornell University at Ann Arbor, Michigan in September 2007; the *Sustainable Innovations at the Base of the Pyramid* conference organized by the Aalto University School of Economics at Helsinki, Finland in September 2008; the *Creating a Shared Roadmap: collaboratively Advancing the Base of the Pyramid Community* conference organized by the William Davidson Institute and the Ross School of Business of the University of Michigan at Ann Arbor, Michigan in October 2009; and the *Impact of Base of the Pyramid Ventures* conference organized by the Delft University of Technology at Delft, Netherlands in November, 2009.
7. C. K. Prahalad, *Fortune at the Bottom of the Pyramid*, 2005, p. 20.
8. David Caplovitz, *The Poor Pay More* (New York: The Free Press, 1967), p. xvii.
9. See Brian Grow and Keith Epstein, "The Poverty Business: Inside U.S. companies' audacious drive to extract more profits from the nation's working poor", *BusinessWeek* (May 21, 2007), 56-67; Ronald P. Hill, David L. Ramp and Linda Silver, "The Rent-to-Own Industry and Pricing Disclosure Tactics," *Journal of Public Policy & Marketing*, 17 (Spring, 1998), 3-10; Rhoda H. Karpatkin, "Toward a Fair and Just Marketplace for All Consumers: The Responsibilities of Marketing Professionals," *Journal of Public Policy & Marketing*, 18 (Spring, 1999), 118-122; Patrick

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