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Author(s)	Noora Laurila	Student number	
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Title	Characteristics and behavior of the poor consumers in the emerging markets		
Supervisor(s)	Lic.Sc. (Econ.) Martti Salo and M.Sc. (Econ.) Taina Paju		

Abstract

The saturation of developed markets has lead multinational companies to search for new growth opportunities in the emerging markets. Until recently the emerging market strategies have almost exclusively targeted the wealthy or the middle-class consumers in these markets, while the majority of the consumer base has been neglected by considering them to be too poor to form a viable consumer segment. However, lately it has become an increasing interest for companies and international business scholars to study the poor as a possible new consumer segment. In this vein, this Master's thesis seeks to study the characteristics and behavior of the poor consumers in the emerging markets. The purpose of the study is divided into four sub-objectives: (1.) To analyze who can be defined as poor in the emerging markets. (2.) To analyze the volume, nature and geographical distribution of the poor market. (3.) To describe the influence of internal and external factors on consumer behavior in the emerging markets. (4.) To describe the income generation, saving and consumption patterns of the poor consumers.

The thesis is conducted as a desk research with a conceptual approach, which means that it is theoretical and descriptive in nature. Research material used for the thesis is collected from literate sources, and it includes both quantitative and qualitative material. As the thesis is conducted with a conceptual approach, the aim is to provide new perspectives on the subject area by collecting and re-organizing existing information, and placing them within larger theoretical frameworks.

The main findings of the thesis can be divided into four categories, according to the sub-objectives of the study. In terms of defining the poor in the emerging markets, the measurement of poverty is chosen to be based on income, and following the most recent research within BOP literature, the poverty line is established to approximately \$8 a day. Evaluating the market volume among the poor segment reveals that although the poor represent a wide majority of the population in the emerging markets, the market opportunity among the poor consumer segment is smaller than some of the earlier, widely quoted sources have suggested. Research findings on the spending patterns of the poor suggest that while a majority of the poor consumers' spending is allocated to satisfying basic needs, the poor do make consumption decisions that do not reflect the traditional view of economic rationality. It is also found that the poor have distinct patterns of behavior concerning their methods of income generation, saving and purchasing patterns.

Key words	Poverty, Emerging markets, BOP, Consumer behavior
Further information	