

## AN EXAMINATION OF U.K. BUSINESS ACTIVITIES AT THE “BOTTOM OF THE PYRAMID”

Ravinder Panesar, Loughborough University Business School MBA Alumni, U.K.  
Mary Conway Dato-on, Rollins College Crummer Graduate School of Business, U.S.A.

### ABSTRACT

The purpose of this research is to explore the current theories, models and strategies relating to the “Bottom of the Pyramid” (BOP), to investigate if and how U.K. businesses are active at the BOP, and to outline recommendations for further research and analysis of U.K. business activity at the BOP. The basic BOP theory argues that business could profitably serve the four billion people living in poverty throughout the developing world by treating the poor as consumers, which would in turn become the catalyst for sustainable global development. Previous literature provides little evidence of how U.K. businesses are realising the opportunities at the BOP. As such the intention of this research is to initially survey the theories and models relating to the BOP and explore if and how U.K. businesses are active at the BOP. To accomplish this, we divide the paper into three sections. First we review the relevant literature on corporate social responsibility and globalisation in emerging markets as these themes relate to business activity in the BOP. Second we outline examples of case studies, social enterprises and organisations active at the BOP. Finally, we delineate recommendations for further research and analysis of U.K. business activity at the BOP.

The primary methodology employed in the research is the Qualitative Content Analysis of 32 Corporate Responsibility (CR) reports, predominantly sampled from the Business in the Community (BITC) Corporate Responsibility Index. The CR reports provide an ‘extended text,’ which is considered an unreduced form of display that is difficult to analyse because it is both extensive and poorly ordered. To facilitate ordering of information, qualitative content analysis (i.e., textual analysis) is used to examine trends and patterns in documents and provide a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding and categories. As the data collection proceeds, pre-determined template of data categories is revised in an inductive approach until all the data collected is categorised and analysed. The sample for research mainly comes from the 2007 BITC CR index which lists the top 102 companies by performance bands: platinum, gold, silver, and bronze based on a company’s overall index score and included five of the companies used for the testing of the initial deductive terms, keywords and categories. We selected 30 out of the 102 companies and included another two companies not in the BITC index to test the initial deductive terms, keywords and categories.

As a result of data analysis, 54 categories of terms and keywords from the literature review and inductive analysis of the CR reports are identified, followed by the outlining of, (1) the definitions and explanations of the terms, keywords and categories (2) the search method used for the data analysis and (3) the changes made to the pre-determined template of categories during the inductive approach of the data analysis. Critically evaluating the theories, models and strategies in the literature review and converting this into a deductive list of categories for the data analysis has achieved the objective of initially exploring the theories and models relating to the BOP. The final objective to explore if and how U.K. businesses are active at the BOP is achieved by content analysis of the CR reports of the sampled 32 U.K. globally active companies. The main focus of the content analysis is to find reporting evidence of U.K. business activity at the BOP. The suggestion remains that any BOP strategies and models reported by U.K. businesses in their CR reports would indicate clear evidence of activity at the BOP. Our analysis and findings in the categories of Localised Value Creation, Affordability, Accessibility and Availability, Innovation and Hybrid Solutions, Unconventional Partnerships, Scalability, Social Entrepreneurship / Philanthropy, and Responsible Supply Chain Behaviour have detailed a mixed picture of reporting evidence of BOP strategies used by U.K. businesses at the BOP.

In conclusion, analysis of the literature indicates many international case studies and organisations active at the BOP but only a few examples of U.K. business activity. In general, the research indicates a lack of a holistic or integrated approach regarding BOP strategies for U.K. businesses. Furthermore, much of the reporting evidence indicates activities for social return and improving stakeholder value as opposed to financial returns and improving shareholder value. We realize there are some limitations in our research which include the reliability and validity of the reports being reviewed, the coding and content analysis being performed. Some suggestions and recommendations for further research are therefore provided.