

## Base of the Pyramid Marketing and Customer Satisfaction: A Survey of Small and Medium Enterprises in Delta State Nigeria

<sup>1</sup>Omodafe, U. Philomena & <sup>2</sup>Stanley Akpevwe Onobrakpeya

<sup>1</sup>Department of Marketing, School of Business Studies

Delta State Polytechnic, Ogwashi-Uku, Delta State

<sup>2</sup>Department of Marketing, Faculty of Business Administration,  
University of Nigeria, Enugu Campus

Article DOI: 10.48028/iiprds/ijarsssest.v7.i2.04

### Abstract

The study examined the effect of base of the pyramid (BoP) marketing on customer satisfaction with particular reference to small and medium enterprise (SMEs) in Delta State, Nigeria. The cross-sectional survey research design technique was adopted for the study. The sample used for the study consisted of 214 employees and owners of selected SMEs in Delta State. Copies of validated structured questionnaire were used for data collection. Descriptive statistics, correlation and multiple regression analysis were the statistical techniques of data analysis used for the study. The findings showed that product innovation, product affordability, product awareness, access-based services and blue oceans strategy has significant positive relationship with customer satisfaction. The study concluded that base of the pyramid marketing has positive effect on customer satisfaction. The study recommended that companies willing to consider the opportunities at the base of the pyramid can search for innovative products and business models that can offer goods and services at competitive costs as potential solutions.

**Keywords:** *BoP, Marketing, Product Innovation, Product Awareness, Product Affordability, Access-based services, Blue Oceans Strategy*

*Corresponding Author:* Omodafe, U. Philomena

### **Background to the Study**

The adage that the impoverished don't provide an appealing market because they don't have sufficient purchasing power has gained currency. This assertion, however, disregards the size of the market. Businesses who figure out how to produce and sell inexpensive goods to consumers at the base of the economic pyramid can be highly prosperous. Businesses need to start thinking of the poor as value-conscious consumers in order to fully realize the bottom of the pyramid's potential value. This idea gives small and medium-sized businesses new business opportunities if they're willing to investigate the potential of an untapped market. Small and medium-sized businesses have a significant impact on economic growth and development in developing countries like Nigeria.

Muritala, Awolaja, and Bako (2012) posited that the significance of SMEs on the growth and development of an economy can be seen in the increased use of local raw materials, support and guidance of rural development, employment creation, development of entrepreneurship, links with larger industries, mobilization of local savings, provision of regional balance by spreading investments more equitably, provision of route for self-employment and availability of opportunity for training semi-skilled workforce. Small and medium-sized businesses have so been viewed as a growth engine (Eze and Okpala, 2015). They also asserted that the growth of SMEs should be viewed as effort to attain a larger economic and socio-economic goal, along with the reduction of poverty. For all organizations whether big, medium or small, the successful marketing of their goods has been their priority over the years. Customers who are willing to purchase, who can conveniently acquire the products and who react to conventional integrated marketing channels have always been their core target market (Chikweche and Fletcher, 2012). Nevertheless, because the traditional marketplaces of today are gradually becoming congested, increasing a sales volume requires significant effort and occasionally the payoff does not outweigh the efforts. Prahalad (2012) opined that the bottom of the pyramid represents an unexplored market with significant commercial potential for all multinational corporations that are struggling with the slow increase of demand in industrialized nations. When businesses recognize that the poor should have an equal opportunity to enjoy the goods that the rich also enjoy, this untapped market becomes a worry for the industry (Leow et. al., 2014 as cited in Chee, Wing and Shukor, 2015).

The act of creating, pricing, promoting and delivery of specialized goods and services to the underprivileged to meet their needs while simultaneously preserving organizational goals is known as base of the pyramid marketing (Karamchandani, Kubzansky and Lalwani, 2011). Kistruck, Webb, Sutter, and Ireland (2011) asserted that there is a cultural divide between consumers in base-of-the-pyramid markets and those in developed countries. This makes it difficult for salespeople to appeal to these consumers because they have different standards for what constitutes a good purchase. Gupta and Pirsch (2014) opined that buyer at the base of the pyramid market have a high percentage of illiteracy and little exposure to various corporate product brands. Another problem for marketers is that it will be difficult to convince customers to utilize their products since they are wary and ill-informed about the brand.

In a similarly, Chikweche and Fletcher (2012) discovered that the language barrier and varied interpretations of signs and symbols in advertising also create a communication barrier with the customer at the base of the pyramid market. Garette and Karnani (2010) asserted that there aren't many instances of prosperous firms that also contribute to the general welfare, but there are plenty of instances of profitable corporations that systematically exploit the poor. Bottom of the pyramid marketing is a relatively new area in research; hence, to obtain a deeper knowledge, it is necessary to have a multidisciplinary approach to it. As a result, the study's goal is to investigate how base-of-the-pyramid marketing affects customer satisfaction in small and medium-sized businesses operating in Delta State.

### **Statement of the Problem**

Due to the low levels of their individual salaries, the majority of businesses have historically not thought of the individuals at the bottom of the economic pyramid as possible customers. Some businesses believe that it is not worthwhile to promote to them since they cannot make big profit when they use bottom of the pyramid marketing. The truth is that while they have a small individual purchasing power, as a whole community they have a big aggregate purchasing power. Luxury products are not purchased by the impoverished. Since buying a home is out of the question for them, they are more inclined to spend money on things they can have right now to improve their quality of life. This suggests that they are prepared to put in more effort to improve their existing situation. Products near the bottom of the pyramid frequently have to sell for a cheap price since the profit margin is insufficient to offset the cost. Customers at the bottom of the pyramid actually spend far more than middle class consumers do for the majority of goods. They purchase their goods from neighborhood shops. The market at the bottom of the pyramid is broad and widely dispersed geographically. It is not practical to deal with all bottom of the pyramid markets using just one method. Sometimes, there is no infrastructure in the bottom of the pyramid market, which makes it more difficult to distribute items there.

### **Objectives of the Study**

The aim of the study is to examine the effect of base of the pyramid marketing on customer satisfaction. The specific objectives are to:

- i. Determine the influence of product innovation on customer satisfaction
- ii. Ascertain the effect of product awareness on customer satisfaction
- iii. Evaluate the influence of product affordability on customer satisfaction
- iv. Ascertain the effect of access-based services on customer satisfaction
- v. Determine how established blue oceans strategy affect customer satisfaction

### **Significance of the Study**

- i. The study will help enterprises to design a strategy that will aid them to adapt to the dynamic situation of the bottom of the pyramid markets.
- ii. The study will assist marketers currently operating in the SME sector in having an in-depth understanding of the requirements needed in marketing for the BoP. Thus, plain and unambiguous message are used in order to be understood in contrast to developed country markets where marketers frequently employ symbolism and emotional appeal.

- iii. The study will help SMEs to improve on their distribution of products in order to make them available to the reach of customers at the bottom of the pyramid.

## **Theoretical Background and Hypotheses Development**

### **Base of the Pyramid (BoP) Marketing**

The base or bottom of the pyramid represents the market made up of the world's poorest people, who mostly reside in Africa, Latin America, East Europe, and Asia and live on less than \$2 a day. In their study "the future at the Base of the Pyramid" published in 2002, Stuart and Prahalad first established the idea of base of the pyramid marketing. The theory behind base of the pyramid marketing contends that a profit-driven, market-based strategy is the most effective way to address the needs of the underprivileged. If businesses chose to target the highly underserved, less-competitive markets at the base of the pyramid, there are notable advantages. While this is happening, the poor stand to gain significantly from it in terms of reduced poverty, higher productivity, and empowerment. Businesses trying to capitalize on the prospects at the base of the pyramid are currently searching for innovative products and business models that can produce goods and services at competitive costs.

Furthermore, due to their cost-saving opportunities, quick growth, enormous scale, opportunities for innovation and less competitive environment, the base of the pyramid markets constitute a significant commercial opportunity for small businesses. Contrary to the widespread belief that those at the bottom of the pyramid are burdens, they should be seen for what they are—value-oriented customers. This customer group's capacity to purchase goods and services will be improved by using the appropriate marketing mix to target them. This is the secret to Nigeria's and small and medium-sized businesses' possibilities. Base of the pyramid is a metaphor for the world's greatest socioeconomic segment, which is also its poorest (Rabino, 2015). This category includes more than four billion people worldwide, and the majority of them earn only \$2 per day on average (Prahalad, 2012). Gupta and Pirsch (2014) posited that the poor are found in both rural and urban areas, each with its own unique environment and features. The breadth of base-of-the-pyramid marketing frequently takes into account social, economic, ethical, political, physical and technological concerns (Dadzie, Winston and Blankson, 2013). The buyer community in bottom of the pyramid markets is crucial because the community's structure has an impact on how people live especially in a today's buyer-empowered markets.

The bottom of the pyramid consumers is extremely picky and distrustful when it comes to items, therefore those must fit their lifestyles or perform as intended. Jun, Lee, and Park (2013) asserted that the ethical aspect of marketing at the bottom of the pyramid is crucial since unethical business practices will cause businesses to deteriorate. Additionally, Carroll and Buchholtz (2014) noted that because the bottom of the pyramid market is a long-term process, businesses should not focus on quick returns but rather on expanding alongside it. Businesses that defraud consumers with little education by taking advantage of the weak legal system on the bottom of the pyramid market will fail to remain in operation. More so, technology is evolving more quickly and more quickly in bottom of the pyramid markets, which improves the marketing of goods and services (Berger, Choi, and Kim, 2011). To

execute their strategies that are adjusting to changes in the environment and in technology, marketers must create new marketing tools and facilities.

### **Benefits at the Base of the Pyramid Market**

**Vast Market Size:** There are at least four billion people with combined purchasing power in the base of the pyramid markets. On the other hand, because so few businesses have so far paid attention to the market, there are currently a greater number of products that are unavailable. Even while businesses must plan for low profit margins, the sheer volume of potential customers might result in exceptionally large unit sales. High margins drive earnings as a result.

**A Less Competitive Environment:** The highest tiers of the economic pyramid represent the target market for the vast majority of businesses. The intense competition has, however, saturated these markets, making it less likely that they will experience rapid growth and profit in the future. In contrast, the Base of the Pyramid market is vastly underserved and offers a Blue Ocean of business opportunities in a setting where there is little supply competition.

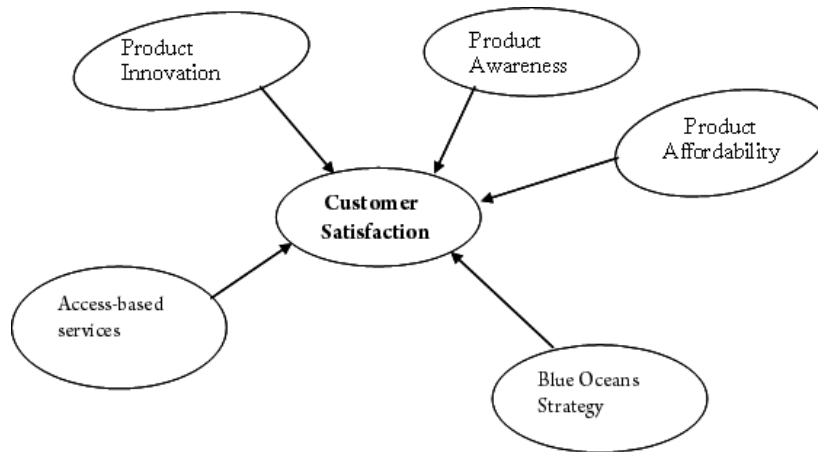
**Cost-saving Opportunity:** Since the cost structure is often lower in developing economies, the market at the base of the pyramid offers potential for cost savings. Local manufacture with local suppliers and distributors can significantly reduce production costs.

**Opportunities for Innovation and Spill-over:** It takes innovative solutions to satisfy the requirements and demands of consumers at the bottom of the pyramid. Innovation is required to meet the need for goods that are specifically made for bottom-of-the-pyramid markets (e.g., small unit packages and low pricing). Markets at the bottom of the pyramid offer enormous opportunity for businesses to innovate and create new products, which may serve as an incubator for new technologies and goods in developed markets.

### **Customer Satisfaction**

The obvious reason for any organization's existence is the customer; hence the key goal of any business plan and objective is to satisfy customers. To expand and endure, businesses need to comprehend this idea. Customer satisfaction is an organizational tenet highlighting the duty and capacity to satisfy customers' requirements, manage and anticipate their expectations, and emphasize the necessity of providing value to them (Lager, 2008 as cited in Nobar and Rostamzadeh, 2018). Customers' perceptions of happiness or dissatisfaction are based on how closely a product performs to their expectations (Mendoza, Marius, Pérez, and Grimán 2007 as cited in Nobar and Rostamzadeh, 2018). Tsai and Hsu (2014) mentioned that the comparison of customers' pre-expectations of goods or services based on prior purchasing experiences with the current purchasing experience led to customer satisfaction. Marketers are implementing retention techniques (proactive and preemptive) as they are becoming more conscious that it is more cost-effective to prevent customers from leaving for competitors in the first place (Diaw and Asare, 2018).

**Figure 1:** Conceptual Model



**Source:** Conceptual model of study variables (2022)

### **Product Innovation (PI)**

Product innovation is the process of developing and launching a brand-new or improved version of an existing good or service in order to meet consumer demand. A product is a concoction of one or more of the following elements: ingredients; performance; business model; usage experience; qualities; benefits; advantages; features; functionality; consuming experience. Product innovation refers to innovations that appear in products as defined (Nagasimha, 2015). To deal with competitive challenges, shifting consumer tastes and preferences, short product life cycles, technical advancement (or, conversely, technological obsolescence), changeable demand patterns, and niche client needs, businesses need to innovate their products (Nagasimha, 2015).

Customers should have access to, accept, and readily afford the products at the base or bottom of the pyramid, and they must be aware of the characteristics of the products. The next step is to really reach consumers after creating a product and a manufacturing method to satisfy market demands. Customers must have access to the products. The difficulty in providing the consumer with the goods or services is their availability. Issues with distribution networks and numerous different delivery methods are all included in availability. Rural BOP markets are dispersed or occasionally nonexistent, geographically inaccessible, remote, secluded, etc. As a result, marketers need to consider new delivery methods.

Three channels to the Base of the Pyramid Consumers:

- i. Direct sales
- ii. Sales to humanitarian organizations and governments
- iii. Sales to corporate clients

In direct sales, the entire value chain from product manufacture to consumer distribution at the bottom of the pyramid is designed and managed, typically with the aid of agents and

distributors. Although this is the most difficult sales channel, it is also the one through which the greatest number of potential clients can be attracted. Sales to governmental and humanitarian organizations are commonly described by the selling of huge volumes. Then, those considered eligible receive merchandise from these organizations. Sales to corporate clients involve making purchases from businesses in developing nations who subsequently provide the products to or sell them to their workforce.

The good or service should be appropriate for the intended use, the customer's needs, and their cultural beliefs. Marketers must comprehend how consumers actually use items and what their true needs are. Customers will simply ignore these products if this doesn't happen. Marketers would be wise to draw on regional preferences, tastes, ingredients, and strategies in order to improve acceptance (Nezakati, Liana and Toh, 2011).

The need to get beyond buyers' aversion to unique products is one of the sub-challenges under acceptance. Marketers need to be aware that because the majority of the poor cannot read, any change is perceived as a challenge by them. Acceptability also includes the requirement to comprehend how consumers who live off the land see foreign brands. Buyers may reject a product, no matter how excellent it may be for them, if the brand carries a negative connotation or if a foreign brand threatens a domestic brand that they value. A company must adjust to the methods used by local retailers. For example, if a local retailer does not want to sell products on credit or in small packages, the company must either change its products to be acceptable to the retailer or try to educate the retailer about the benefits of the new practice. We therefore state that:

H1<sub>a</sub>: Product innovation has significant positive relationship with customer satisfaction.

### **Product Affordability (PA)**

The difficulty of offering a good or service at a reasonable price is referred to as product affordability. Product affordability refers to a company's capacity to establish a price for its goods that doesn't exclude the poorest customers. Marketers need to set prices that don't exclude the most vulnerable customers. This price must take into account the features of subsistence customers, who typically do not have a steady source of income, get payments daily rather than on a monthly basis, prioritize meeting their most basic requirements above all else, and refuse to compromise on quality. The business needs to come up with new ideas for how to keep its products affordable. It can rely on a technological advancement that would significantly lower production costs, which would then lower prices. When a breakthrough in technology is not achievable, the corporation can shrink the size of the product to lower the quantity and, consequently, the cost. For instance, it was a brilliant idea to package soap in sachets to fulfill demand. In fact, subsistence shoppers cannot afford to plan their purchases more than two weeks in advance, so they choose products that they will quickly consume.

Offering a variety of payment options is another alternative strategy the product can use to accommodate the needs of the customer. A poor individual frequently experiences more difficult times when they lack any source of income. So, he or she is unable to purchase

anything. The only option left to him or her is to barter for some goods or purchase them on credit. Due to a mutually trusted relationship, such solutions are frequently found between subsistence consumers and their neighborhood retailers. Of course, a business cannot rely only on barter, but marketers can come up with a workaround in which intermediaries (such as neighborhood shops) manage the trade and provide the business genuine money in exchange. To assist the purchasing power of consumers living on a subsistence level, several businesses enter into agreements with local associations, institutions, or other organizations. By providing loans to the impoverished, microcredit organizations frequently fill this role.

The two extremes of the spectrum that traditional pricing strategies frequently follow are low margin and high volume and high margin and low volume. To differentiate themselves on the market, businesses can use a variety of pricing techniques between those points (Thompson, 2012). Prahalad (2010) opined those businesses must alter their current pricing strategies if they want to succeed in the base of the pyramid market. They must ensure that the goods and services they offer to their target market are reasonable. The cause is that certain businesses typically base their sales prices on their production costs without taking into account the high margins anticipated. The bottom of the pyramid customer's ability or willingness to pay for a particular product is not taken into account by this methodology.

As a result, using this customary method fails to provide consumers at the base of the food chain with affordable goods. Products in this situation are typically much more expensive than what consumers at the bottom of the pyramid can afford (Pralhad, 2010). Garrette and Karnani (2010) opined that consumer at the bottom of the pyramid appear to choose cheap, subpar goods. They are unable to purchase goods of the same caliber as the wealthy, which is the cause of this. However, some research indicates that consumers at the bottom of the pyramid are concerned with quality in addition to price (Barki and Parente, 2010). Prahalad (2010) asserted that businesses should put more of an emphasis on affordability rather than maintaining a traditional perspective about pricing tactics. The key idea behind affordability is not to discover a specific set price but rather to be able to provide a product that the bottom of the pyramid can purchase. It is about finding financial solutions and adjusting to their asymmetrical income distribution. Low price is important, but it is insufficient to satisfy the bottom of the pyramid's restricted financial needs because affordability extends beyond the price tag (Pralhad, 2010).

Thus, we stated that:

H2<sub>a</sub>. Product affordability has significant positive relationship with customer satisfaction

### **Product Awareness (PA)**

The goal of awareness is to make consumers aware of a product (or service), but there are many other components that go into getting there. The majority of illiterate poor people do not own televisions, and some even reside in places with little access to the media. Marketers in this case should adjust their communication to the targets' infrastructures. Word-of-mouth advertising is an essential component of awareness. The majority of specialists at the bottom of the pyramid concur that word-of-mouth is important. Employing local sellers, utilizing



their networks and the trust that people place in them, educating change agents and key opinion leaders who will spread the use of the product, and first selling the product to the company's local employees can all help marketers capitalize on this word-of-mouth marketing.

Again, awareness implies additional factors. Marketers should be aware, before attempting to sell a product, that consumers need to be informed not just about how to use a product, but also about the benefits of purchasing a specific product. To be aware is to establish the ideal environment for a product's full appreciation. In order to reach potential customers, bottom of the pyramid market researchers emphasize the need for creative and cost-effective promotion strategies. In addition to raising potential customers' awareness of a company's goods, the use of social networks, such as groups of women (Chikweche and Fletcher, 2012), for direct marketing also provided a means of soliciting their input.

Prahalad (2010), makes the case that the focus should shift from promotion to awareness. According to him, consumers must be informed of new goods and services being provided to them. The traditional channels, such as TV and radio, are not applicable in the bottom of the pyramid markets due to issues with coverage, infrastructure, and the one-way communication it represents. As a result, businesses should find new ways to communicate with customers there.

In order to raise awareness in this market, Chikweche and Fletcher (2012) and Barki and Parente (2010) addressed the significance of low-cost, unconventional channels including word-of-mouth (WOM) and social networks. BoP market researchers emphasize the need for creative and cost-effective promotion strategies to reach out to potential customers. The use of social networks for direct marketing, such as showcasing a company's goods to support a route for receiving consumer feedback as well as raising awareness among potential customers (Chikweche and Fletcher, 2012). The benefit of using social networks to reach out to these customers is that they rely on them for product knowledge and are likely to believe what they hear from other users because of the established, trustworthy relationships that these bottom-of-the-pyramid customers have with one another (Chikweche and Fletcher, 2012).

Thus, we stated that:

H3<sub>a</sub>. Product awareness has significant positive relationship with customer satisfaction

### **Access-Based Services (ABS)**

Access-based services are becoming more popular as an alternate consumption strategy (e.g., Bardhi and Eckhardt 2012; Schaefer, Lawson and Kukar-Kinney, 2016). Typical examples include automobile and bike sharing as well as the short-term rental of clothing (e.g., Steal or Bag Borrow). These services provide numerous people with short-term access to a product in exchange for a cost that is far less than the purchase price. Access has only been highlighted in conceptual reviews and subjective proof for the BOP context, where access-based services may have a transformative impact (Blocker, Srinivas-Sridharan, Beckwith, Ahmet, Goudie-

Hutton, Jose, Bige, Debabrata, Trujillo and Varman, 2013). Tobias, Roger, and Gopalakrishnan (2018) claimed that access-based services are the process of granting consumers the right to use a good for a period of time in exchange for an access payment, thus offering a specific amount of freedom in using this product while legal ownership remains with the service provider (Schaefer et al. 2016; Wittkowski, Moeller, and Wirtz 2013). For BOP clients, two key distinctions between ownership and access are crucial.

First off, the cost of exercising ownership is rather little compared to the access fee. Access-based services only demand a cost per usage unit in comparison to ownership (e.g., per hour or day). Access is fairer than ownership even though the entire cost of an access-based service can eventually exceed the cost of purchase (Durgee and O'Connor 1995). This is because user payments are smaller (Blocker et al. 2013). The second distinction relates to the dangers and obligations present. The choice to own entails financial risks, and ownership also entails the cost of repairs and upkeep (Kaplan, Szybillo, and Jacoby 1974). Access-based services allow for the avoidance of this cost of ownership, which are fundamentally associated with detrimental financial influence (Moeller and Wittkowski 2010; Schaefer, et al. 2016).

Although there are certain access costs as well (Haze'e, Delcourt, and Van Vaerenbergh 2017), the majority of these difficulties are non-financial, such as the possibility of product contamination from previous consumers. The two qualities of access—affordable prices and avoiding the responsibilities of ownership—suggest that it may be a crucial consumption method for BOP clients given their resource limitations (Tobias, et al. 2018).

Thus, we stated that:

H4<sub>a</sub>: Access-based services has significant positive relationship with customer satisfaction

### **Blue Oceans Strategy (BOS)**

Low and Ang (2012) asserted that BOS is all about increasing demand, separating from the competition, maintaining an open mind in business, and pursuing all possibilities to create uncontested market space, rendering the rivalry irrelevant. The BOS strategy reframes the strategic challenge away from engaging in competition in order to render competition obsolete and offers a number of options that maximize opportunity and minimize risk (Leavy, 2005). The sea of untapped talent and energy in businesses can be released via a new strategy called blue ocean leadership. In Yang's (2012) description of BOS features, value perceptions, the creation of new market segments, innovative added-value offers, branding and rebranding, the creation of a distinctive ambiance, the formation of strategic alliances, and the modification of distribution methods are included. It stands in for the untapped market, which includes all currently undeveloped industries. When there is no competition, businesses have a great chance to create demand rather than compete for it. Blue ocean strategies concentrate on creating new technologically advanced goods and services that create clear opportunities for both profitable and quick expansion.

Businesses must defeat rivals by scouting for untapped markets with unmet demand and expansion potential in order to assure future growth and profitability. By avoiding

competitors and generating new demand, such strategic actions can add value for the business and its customers. If businesses are successful at thinking outside the box by creating innovative products that are tailored for the unique needs and demands of Bottom of the Pyramid customers and by using innovative strategies for production, distribution, marketing, and sales, they will not have any evident competitive advantages in the blue oceans at the bottom of the pyramid.

Thus, we stated that:

H5<sub>a</sub>: Blue oceans strategy has significant positive relationship with customer satisfaction.

### **Theoretical Review**

The study is anchored on two theories. They are:

#### **Maslow's Hierarchy of Needs Theory**

Abraham Maslow propounded the theory of individual needs which is generally known as Maslow's hierarchy of needs in human environment in the society. Maslow first introduced his concept of a hierarchy of needs in his 1943 paper "A Theory of Human Motivation" and his successive book *motivation and personality*. This hierarchy suggests that humans are motivated to fulfill basic needs before moving on to other, more advanced needs. Abraham Maslow hierarchy of needs theory is very informative and has aggravated quite and had stir researchers among management scholars. Maslow in his work theorized that human wants exist in ordered hierarchy and that man being a want animal must satisfy certain lower order needs before higher order needs. He posited that as soon as one need is satisfied it ceases to motivate the individual and another need comes to fore- this too, the individual now contends to satisfy. Maslow's hierarchy of needs theory offers a pyramid of psychological, safety, social, esteem and self-actualization needs.

- i. Psychological needs: Need for food, shelter, clothing, sex etc.
- ii. Security/ safety needs: Need for protection from both physical and psychological harm.
- iii. Social needs: Need to be loved, need for affiliation and belonging.
- iv. Ego/ esteem need: Need for respect and recognition from friends, peers and superiors.
- v. Self-actualization need: Need for accomplishment and one's ambition.

Good as Maslow's needs theory it seems it has some short comings: There is a tendency for higher order needs to increase in importance over lower order needs as individuals move up the ladder. And also needs varies according to a person's career stage and even geographical location at the bottom of the pyramid.

#### **Theory of Reasoned Action**

The theory of reasoned action (TRA) seeks to clarify how attitudes and behaviors relate to one another in human activity. It is mostly employed to make behavioral predictions about people based on their current attitudes and behavioral intentions (Fishbein, and Ajzen, 1980). The results that an individual anticipates will result from engaging in a certain conduct

are what drive their decision to do so. According to the notion, attitudes and behaviors are related (the A-B relationship). Nevertheless, critics said that attitude theories were not working as reliable predictors of conduct in people. To resolve any conflicts in the A-B relationship with the theory of planned behavior (TPB) and reasoned action approach, the two theorists later refined and expanded the TRA (RAA). The theory is also employed as a theory of understanding in communication discourse (Rogers, et al 2002).

The main goal of the TRA is to comprehend a person's voluntary behavior by investigating the underlying fundamental motivation to take a certain action (Doswell, et al 2011). According to TRA, a person's desire to engage in a behavior is the primary indicator of whether they do so in fact (Glanz, et al 2015). In fact, whether or not the person will likely engage in the activity depends on the normative factor (i.e., societal norms regarding the act). As per the theory, preparation for a particular conduct occurs before it is carried out (Ajzen, and Madden, 1986). The assumption that engaging in the behavior will produce a particular consequence gives rise to this intention, which is referred to as behavioral intention. The idea emphasizes behavioral intention because these intentions "are influenced by attitudes toward behaviors and subjective standards" (Colman, 2015). Stronger intentions, according to TRA, result in greater effort to carry out the behavior, which raises the possibility that it will be carried out.

### **Methodology**

The cross-sectional survey research design approach, which is concerned with acquiring information from respondents at a certain point in time, was utilized for the study. Because surveys are the best type of data collection for scientific research investigations, this approach was chosen. The survey research design method also results in a high level of representativeness because it is consistently simpler to find statistically significant results than with other data collection techniques.

The population here in this research refers to all cadres of employees and owners of Small and Medium Enterprises in Delta State. The population is limited to some selected SMEs in Asaba and Ugheli metropolis. The population of the study consists of 480 persons to whom the study was generalized. The sample size was determined by using Krejcie and Morgan (1970) sample size determination table. To make up this subset, the approximate number was 214. A structured questionnaire with responses on a five-point Likert scale served as the study's research instrument. By reviewing and rating the instrument for the usefulness and representativeness of each item, a panel of marketing specialists who were involved in this study ensured the content validity. A test-retest technique was used to determine the instrument's dependability. The consistency of the questionnaire item was examined for this study using the Cronbach alpha reliability method.

**Table 1:** Reliability Test Result

S/N	Measures	I	N	Cronbach's alpha
1	Product innovation (PI)	4	206	0.723
2	Product awareness (PA)	4	206	0.721
3	Product affordability (PA)	4	206	0.744
4	Access-based services (ABS)	4	206	0.734
5	Blue ocean strategy (BOS)	4	206	0.713
6	Customer satisfaction (CS)	4	206	0.724

**Source:** SPSS output 2020 (Authors)

Table 1 showed that all of the items had favorable consistent scores because all of the values were above the typical Cronbach Alpha value recommended by Malhotra (2004), which allows for the measurement of model reliability to be accepted. Data analysis methods included multiple regression and descriptive statistics. In order to assess the strength of the relationships between variables, identify the degree to which the independent variable explained changes in the dependent variable, and assess the statistical significance of the relationships between the variables, multiple regression was performed.

### Results of Data Analyses

**Table 2:** Descriptive statistics and correlation analysis for computed variables.

S/N	Computed variables	Mean	Std. Deviation	PI	PA	PA	ABS	BOM
1	Product innovation	19.4	0.78	-.015				
2	Product awareness	19.1	1.06	.294**	.402**			
3	Product affordability	19.1	1.04	.235**	.265**	.462**		
4	Access-based services	19.1	0.95	.198**	.255**	.430**	.513**	
5	Blue ocean strategy	19.0	1.07	.393**	.342**	.620**	.501**	.522**
6	Customer satisfaction	19.1	1.05					

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source:** SPSS output 2022 (Authors)

**Table 3** Multiple regression analysis of the dimensions of Base of the Pyramid Marketing

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.513	1.669		-1.506	.134
	Product innovation	.286	.070	.213	4.098	.000
	Product awareness	.108	.054	.109	2.014	.045
	Product affordability	.351	.062	.349	5.699	.000
	Access-based services	.159	.066	.144	2.398	.017
	Blue ocean strategy	.224	.057	.228	3.888	.000

a. Dependent Variable: customer satisfaction

**Source:** SPSS output 2022 (Authors)

**Table 4:** Analyses of Variance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	119.516	5	23.903	44.820	.000 <sup>b</sup>
	Residual	106.664	200	.533		
	Total	226.180	205			

a. Dependent Variable: customer satisfaction

b. Predictors: (Constant), product innovation , product awareness , product affordability, access-based services , blue ocean strategy

**Table 5:** Model Summary

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.727 <sup>a</sup>	.528	.517	.7303

a. Predictors: (Constant), product innovation, product awareness, product affordability, access-based services, blue ocean strategy

**Source:** SPSS output 2022 (Authors).

### Discussion of Results

Out of the 214 copies of questionnaire administered to the selected enterprises, a total of 209 copies of questionnaire were retrieved, out of which 3 copies were not suitable because of incompleteness. Only 206 copies of questionnaire were used as the final sample representing 96% response rate which is regarded as very good.

Table 2 showed that all the correlation coefficients between the components in this study displayed a moderate to high positive correlation. The Pearson correlation between product innovation and customer satisfaction is 0.393<sup>\*\*</sup> this showed a moderate positive relationship. The correlation between product awareness and customer satisfaction is 0.342<sup>\*\*</sup>, there is a strong positive correlation (.620<sup>\*\*</sup>) between product affordability and customer satisfaction. The correlation coefficient between access-based services and customer satisfaction is 0.501<sup>\*\*</sup>. The Pearson correlation between blue ocean strategy and customer satisfaction is 0.522<sup>\*\*</sup>, indicating a strong positive relationship between these constructs.

Results from the regression analysis in table 3 showed that product innovation exhibited positive effect on customer satisfaction ( $\beta = 0.213, P < 0.01$ ). The result showed that product awareness showed positive effect on customer satisfaction ( $\beta = 0.109, P < 0.01$ ). The result indicated that product affordability showed the highest positive effect on customer satisfaction ( $\beta = 0.349, 0.01$ ). The result showed that access-based services exhibited positive effect on customer satisfaction ( $\beta = 0.144, 0.01$ ). The result indicated that blue ocean strategy has positive effect on customer satisfaction ( $\beta = 0.228, 0.01$ ).

The formulated statistical model indicates as follows:

$$CS = -2.513 + (0.286 \times PI) + (0.108 \times PA) + (0.351 \times PA) + (0.159 \times ABS) + (0.224 \times BOS)$$

Table 4 showed that the variables of base of the pyramid marketing statistically significantly predicted customer satisfaction,  $F(5, 200) = 44.820, p < .05$ . This implies that the regression model is a good fit of the data.

Table 5 showed that 52% of the change in customer satisfaction was brought about by the dimensions of base of the pyramid marketing.

The test of hypotheses in table 3 confirmed that:

Product innovation has significant positive relationship with customer satisfaction ( $0.000 < 0.05$ ). Product affordability has significant positive relationship with customer satisfaction ( $0.045 < 0.05$ ). Product awareness has significant positive relationship with customer satisfaction ( $0.000 < 0.05$ ). Access-based services has significant positive relationship with customer satisfaction ( $0.017 < 0.05$ ). Blue oceans strategy has significant positive relationship with customer satisfaction ( $0.000 < 0.05$ ).

The implication of this finding is that product innovation, product affordability, product awareness, access-based services and blue oceans strategy have significant positive effect on customer satisfaction. This indicated that they are appropriate dimensions of base of the pyramid marketing. The finding is in agreement with Karamchandani, et al (2011) assertion that base of the pyramid marketing is the method of creating, pricing, marketing, and distributing basic goods and services to the underprivileged in order to meet their need while still archiving business goals.

## Conclusion

The empirically examined the effect of base of the pyramid marketing on customer satisfaction of small and medium enterprise in Delta State, Nigeria. Based on the study findings it was concluded that base of the pyramid marketing has positive effect customer satisfaction. Product innovation, product affordability, product awareness affects customer satisfaction access-based services and blue oceans strategy has significant positive relationship with customer satisfaction. Among the five variables product affordability showed the highest positive effect on customer satisfaction. Product awareness has the least positive effect on customer satisfaction.

## Recommendations

Based on the study findings, we recommend as follows:

- i. Companies looking to capitalize on opportunities at the base of the pyramid can seek out innovative products and business models that may offer goods and services at competitive pricing as potential answers.
- ii. Marketers need to be aware of the actual requirements of buyers and the best way to distribute products.
- iii. Businesses need to shift their traditional perspectives on pricing methods and put an emphasis on affordability.
- iv. In order to increase product awareness, businesses need to develop fresh channels of communication with customers at the base of the pyramid.

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