MASTER

The buying and selling process at the top and bottom of the pyramid in the Brazilian smartphone market

Morales Vallecilla, K.V.

Award date:
2015
The buying and selling process at the top and bottom of the pyramid in the Brazilian smartphone market

By K. V. (Kelly) Morales Vallecilla

BSc. Industrial Design – Universidad del Valle 2013
BA. Visual Arts – Universidad del Valle 2013
Student identity number 0871840

In partial fulfilment of the requirements for the degree of

Master of Science
in Innovation Management

Supervisors:
dr. ir. W. M. van der Borgh, TU/e, ITEM
dr. ir. J.L.L. Schepers, TU/e, ITEM
MSc. L. Grimme, The Next Organization
Ir. S. Renes, The Next Organization
Subject headings: Buying process, selling process, bottom of the pyramid, top of the pyramid, social class, emerging economies, personal selling, Brazilian consumer market.
The buying and selling process at the top and bottom of the pyramid in the Brazilian smartphone market

By K. V. (Kelly) Morales Vallecilla

BSc. Industrial Design – Universidad del Valle 2013
BA. Visual Arts – Universidad del Valle 2013

Supervisors:
dr. ir. W. M. van der Borgh, TU/e, ITEM
dr. ir. J.L.L. Schepers, TU/e, ITEM
MSc. L. Grimme, The Next Organization
Ir. S. Renes, The Next Organization

Final Version

Eindhoven, August 2015
Acknowledgement

Reaching my dreams and achieving my goals cannot be done without the help of kind and supporting people, like those I got the chance to meet in the past two years.

Each day I thank God for the multiple blessings He brings to my life. He has given me health, intellectual capacity, character, imagination, He brought me to the Netherlands and surrounded me with good people, and He has been my companion in my loneliest days. Therefore, He is the first person I want to thank.

Secondly, I would like to thank dr. ir. Michel van der Borgh, my first supervisor, for guiding me throughout this journey. For challenging my approach and guiding me in those moments when everything seemed so blurry. I really appreciated his constructive feedback, and his suggestions helped me to find the right track of the project. I would also like to thank my second supervisor, dr. ir Jeroen Schepers, whose advice contributed to the improvement of the final document.

Special thanks to my supervisors at The Next Organization Lisanne Grimme and Steije Renes, who always supported the project and gave me the opportunity to be part of the team. I am very grateful to them for believing in the research, guiding me, and taking the time to help me when I needed it. And to the rest of the colleagues who have made me feel welcome since the first day.

Also, I am very thankful to my group of friends in Eindhoven (Colombians, Dutch, and Internationals). They have made the past two years even more special. I am very happy I was able to meet such wonderful people, who taught me that friendship is a universal language, despite the cultural differences. I am sure these two years are only the beginning of a friendship that will last forever. Of course, the old friends in Colombia and around the world, those who regardless the distance have kept our friendship intact, who supported my decision of pursuing this dream, and who believed I was going to make it.

Last but not least, I would like to thank my family, who from the distance supported me in so many different ways. They believed in me at moments when I found it hard to believe in myself. The values and principles my parents taught me at home have kept me focused during my life abroad and I hope I can keep them in my heart and actions every day. To my best friend and sister who was there for me unconditionally, from the dream to the reality. To my mother, who from the distance was my shoulder to cry on and the source of advice to better guide my life and decisions. Marleny, Delia, Valentin, and Austin, I am very grateful to God that I have you in my life and I am very happy we can celebrate this achievement together.

Thank you all!

Kelly Veronica Morales

Eindhoven, August 2015
Executive Summary

• Introduction

Identifying customer needs and adapting selling processes to meet the requirements of different customer types have become key elements for organisations to assure sales and build relationships (Homburg, et al., 2011). Thus, it is important to gain information regarding the most important aspects affecting the consumer buying decision. According to marketing research, consumer’s social background is the basic influencer of buying behaviour (Mihić & Čulina, 2006). Consumers from different social classes exhibit distinctive psychological and behavioural patterns due to variations in their education level, values, and communication styles (Williams, 2002). These differences are expected to be even greater in contexts with great social gaps, such as in developing countries (Gothan & Erasmus, 2008; Webb, et al., 2010). This is because poverty lines in these regions are not only set by the consumer’s income level, but also by the multiple and interconnected shortages they go through and that are not present in developed regions (Nakata & Weidner, 2012).

In the recent years, different retailers have started to explore growth opportunities in emerging economies. The economic growth of the so-called BRIC countries (i.e. Brazil, Russia, India, and China) makes these territories even more attractive. Normally, local and global retailers focus on the top (TOP) and high-income consumers of these regions because they are more able to pay their set prices (Schrader, et al., 2012). However, they have recently discovered that there is also market potential at the bottom of the pyramid (BOP) layer. Although the purchasing power of these consumers is still low, the BOP’s market potential comes from its large size; its fast economic growth; and its increasing demand for consumer goods (Meyer & Tran, 2006). Nevertheless, these firms may not be completely familiar with the characteristics of the BOP consumer. Thus, it is not yet clear whether a traditional “one-size-fits-all” sales approach is suitable when targeting consumers from different social layers.

Therefore, the purpose of this study is to understand if the differences between BOP and TOP consumers’ buying process affect their interaction with the retailer. And whether it is plausible for organisations to differentiate between these consumer types when designing their strategic and operational selling processes. This is achieved by mapping the buying process of consumers from different social backgrounds and analyse whether the current selling processes of smartphone retailers are in line with the needs and expectations of both TOP and BOP consumers.

• Literature review

Consumers buy for different reasons, but aiming to achieve a goal, which include amusement, leisure, intellectual stimulation, etc. (Puccinelli, et al., 2009). Mapping the stages of the consumer’s buying process helps to understand the needs and behaviours of different types of consumers when acquiring a particular product (Hansen, 2005). Engel, Blackwell, and Miniard (1995) developed a model that describes the consumer decision-making process (CDP). This five-step model (i.e. need recognition, information search, evaluation, purchase, and post-purchase) does not aim to predict customer behaviour. Instead, it serves as a frame of reference to make an in-depth analysis of the aspects that influence the consumer’s purchase decision (See Figure A)
them and to meet customer requirements (Homburg, et al., 2011). The selling process is constituted by different stages, which are not necessarily sequential, rigid, or mandatory (Moncrief & Marshall, 2005). The traditional steps of selling by Dubinsky (1981) help to analyse the buyer / seller interaction in the store (i.e. operational selling process), because they are common in situations where the salesperson directly interacts with the customer (Dwyer, et al., 2000). The evolved steps of selling by Moncrief and Marshall (2005) provide a modern and contextualized approach to the strategic selling process as a whole.

Figure B - Steps in the selling process

• Research methodology

Using the buying and selling process as conceptual framework, this research conducted semi-structured interviews to map: 1) the buying process of ten consumers from the BOP and ten from the TOP, 2) the strategic selling process of two smartphone organisations (i.e. brands), and 3) the operational selling process of fifteen smartphone salespersons in the Brazilian retail market, specifically in the urban area of São Paulo City.

• Results

Consumers from the BOP and the TOP in the Brazilian smartphone market showed different buying behaviours, needs, and expectations. These characteristics were clearly shown in three main contrasts: 1) BOP favoured personal and informal relationships, while the TOP preferred a transactional and formal approach. 2) BOP consumers relied on the salesperson, while TOP was a more independent decision-maker. And 3) The BOP was interested in low-price technology, while the TOP searched for top of the line innovations. Figure C summarizes some of these differences.

Figure C - Difference between BOP and TOP consumers buying process

The two participating companies have different strategies and focus on different segments, but do not really consider their social background as an aspect to base on their marketing and sales strategies. Their target segments are located in the middle and top of the pyramid. Thus, their selling processes are more aligned with the needs and expectations of TOP consumers. For instance, both had a transactional selling approach, both trained their salesperson mainly on the device’s technology features and little on customer treatment, and both
focused their communications on the high-end product line. This implies that these organisations may be missing opportunities to better serve their BOP consumers, who are increasingly acquiring smartphones devices (Instituto Data Favela, 2013).

The salesperson's operational selling process was characterised by having an adaptive selling behaviour. The retailers' salespersons had noticed that BOP and TOP consumers required a different approach during their in-store interactions. According to the respondents, little adaptations in aspects such as language and tone of voice helped them to serve both consumer groups better, to facilitate the interaction with them, and to close the sale. Therefore, the sales representatives recognised that these consumers require a different sales approach

• Discussion and implications

Based on the assumption that adapting organisation's sales approach to meet customer requirements helps to increase sales performance and to build buyer/seller relationships (Homburg, et al., 2011), this study suggests that consumers from different social backgrounds do require differentiated marketing and sales strategies. Therefore, adapting the sales approach to these consumers should not only be operationally, but also strategically.

Differentiating between BOP and TOP consumers does not necessarily mean creating different product lines meant for different social classes or providing low vs. high quality services. Instead, organizations can adapt their strategic selling process in order to address three main stages of the consumers' buying process. Namely, need recognition, evaluation, and post-purchase:

• In the need recognition stage BOP and TOP consumers have different product expectations. This implies that there are different unique selling points to address with each group. For TOP it could be in terms of brand and technology. And for the BOP, the company could focus on the daily life benefits of a good quality device that fits their budgets and that has flexible payment options.

• During the evaluation stage, both BOP and TOP consumers like to go the physical store, but prefer different approaches. Although both consumer groups emphasise on the importance of a good treatment, TOP consumers are independent decision-makers that are sceptical to aggressive selling behaviours, while the BOP relies on the salesperson to reassure his decision. Thus, managers should support the salesperson's adaptive selling behaviour with more training in consultative selling and customer treatment, not only on technical features (as it is currently).

• During the post-purchase stage, BOP and TOP consumers have different ways to keep in touch. BOP consumers build close relationships with their local retailers, while TOP consumers normally keep in contact with their operators. Neither group has experienced a post-purchase relationship with the brand yet. In this case, smartphone companies could stay close and build a relationship with both consumes by strengthening their current partnerships with operators (for TOP) and retailers (for BOP).

• Conclusions

The present study reveals that the buying process of low- and high-income consumers in the Brazilian smartphone market tends to be opposite from each other. The two participating smartphone companies have different market approaches and their (operational and strategic) selling processes are able to match some of the (BOP and TOP) consumers’ needs and expectations. However, there are also different suboptimal situations between them, which can be seen as opportunities to increase sales, customer satisfaction, and consumer loyalty with both consumer groups. For that, recommendations and managerial implications are provided.

The study suggests that consumers from different social backgrounds require a differentiated sales approach. Nevertheless, in order to increase generalizability and validity of the results, further quantitative research is required.
# Table of Contents

1.1 **Introduction**

1.1.1 Company introduction .......................................................... 2
1.2 Justification ............................................................................. 3
1.3 Problem statement and research question................................. 3
1.4 Research methods ..................................................................... 6
1.5 Theoretical and social relevance ............................................. 6
1.6 Thesis structure ....................................................................... 7

2. **Literature Review** ................................................................ 8

2.1 The buying process ................................................................. 8
2.1.1 Mapping the buying process ................................................. 9
2.1.2 Relevance of the buying process ....................................... 10
2.1.3 BOP and TOP consumers’ difference in buying behaviours ....... 10
2.2 The selling process ................................................................. 11
2.2.1 Mapping the selling process ............................................... 11
2.2.2 Relevance of the selling process ....................................... 13
2.2.3 Matching the selling process to the social context .......... 14

3. **Methodology** ................................................................. 17

3.1 Research strategy ................................................................. 17
3.1.1 Research setting: Brazilian consumer market .................. 17
3.1.2 Industry: consumer electronics ....................................... 19
3.2 Data collection ......................................................................... 20
3.3 Data analysis ........................................................................ 21
3.3.1 Data validity and reliability ......................................... 22
Conclusion .................................................................................. 23

4. **Results and Analysis** ....................................................... 24

4.1 Consumers buying process .................................................. 25
4.1.1 Within group analysis ....................................................... 25
4.1.1.1 BOP ........................................................................ 25
4.1.1.2 TOP ...................................................................... 26
4.1.2 Cross group analysis: BOP vs. TOP buying process ........ 29
4.1.2.1 BOP vs. TOP similarities .......................................... 29
4.1.2.2 BOP vs. TOP differences ........................................ 29
4.2 Strategic selling process ....................................................... 32
4.2.1 Within group analysis ....................................................... 32
4.2.1.1 Niche player: Company A ....................................... 32
4.2.1.2 Market leader: Company B ..................................... 35
4.2.2 Cross group analysis: Strategic selling process vs. consumers’ buying process ........................................ 38
4.2.2.1 BOP Consumers & Company A ................................ 39
List of figures

Figure 1.1 - Explored buyer / seller relationships.................................................................................................................... 5
Figure 2.1 - Consumer decision-making process.......................................................................................................................... 9
Figure 2.2 - Steps in the selling process ......................................................................................................................................... 12
Figure 3.1 - Model of thematic analysis ........................................................................................................................................ 21
Figure 4.1 - Research scope ........................................................................................................................................................... 24
Figure 4.2 - BOP consumers buying process .................................................................................................................................. 27
Figure 4.3 - TOP consumers buying process .................................................................................................................................... 28
Figure 4.4 - Comparison between BOP and TOP buying process .................................................................................................... 31
Figure 4.5 - Company A strategic selling process .......................................................................................................................... 34
Figure 4.6 - Company B strategic selling process .......................................................................................................................... 37
Figure 4.7 - Cross group analysis between BOP consumers and companies .......................................................................................... 40
Figure 4.8 - Cross group analysis between TOP consumers and companies ........................................................................................ 42
Figure 4.9 - Salesperson’s operational selling process ........................................................................................................................ 44
Figure 4.10 - Cross group analysis between BOP consumers and salesperson .................................................................................. 45
Figure 4.11 - Cross group analysis between TOP consumers and salesperson ................................................................................. 46

List of tables

Table 3.1 - Social tiers classification in Brazil .................................................................................................................................. 18
Understanding and anticipating on what influences consumer decision-making shows the path to sustainable competitive advantage (Puccinelli, et al., 2009). Nowadays, identifying customer needs and adapting selling processes to meet customer requirements have become key elements for assuring sales and building relationships with customers (Homburg, Müller, & Klarmann, 2011). This is why research on consumer behaviour and needs is extremely important for manufacturers and retailers (Puccinelli, et al., 2009; Hansen, 2005). However, it is often complicated as consumer’s buying decision involves many constructs, ranging from personal motivations (e.g. needs, values, cultural background, etc.) to social influences (e.g. friends, family, society, etc.) (Hansen, 2005).

Consumers buy for different reasons, these may include amusement, leisure, intellectual stimulation, etc. (Puccinelli, et al., 2009). The buying process can be mapped for different customers and product types in order to understand what influences their choice. This is done via an in-depth analysis of the stages of the consumer decision-making process (Hansen, 2005). However, not all consumers behave the same and there are different aspects affecting their journey towards achieving their goals (Nenonen, et al., 2008). According to marketing academics, consumer’s social background is the basic influencer of consumption behaviour (Mihić & Ćulina, 2006). Consumers from different social contexts exhibit distinctive psychological and behavioural patterns due to variations in their education level, values, and communication styles (Williams, 2002). These patterns influence the customer’s perception of price and quality, and the chance of doing repurchases (Frank & Enkawa, 2009). For example, high-income consumers tend to be more independent and trained in their consumption behaviour (Williams, 2002). Instead, low-income consumers “rely more on salespeople, have lower quality expectations and are more tolerant of ineffective services” (Gothan & Erasmus, 2008, p. 640).

The differences between low- and high-income consumers’ buying behaviours are expected to be even more evident in contexts with great social gaps, such as in developing countries (Gothan & Erasmus, 2008; Webb, et al., 2010). This is because poverty lines in these regions are not only determined and affected by the consumer’s income level. Poverty in these contexts also means limited access to basic needs such as running water, sanitation, healthcare, and education (Weidner, Rosa, & Viswanathan, 2010). Despite the context-related barriers to overcome in developing countries (e.g. cash flow uncertainty and poor infrastructure), an increasing number of companies are noticing the untapped market potential of these regions, including that of its lowest social tiers. For instance, Hewlett-Packard, Vodafone, and Unilever are already investing in making products and services more approachable for Bottom of the Pyramid consumers (or BOP) (Viswanathan, Rosa, & Ruth, 2010).

The name BOP responds to the fact that the distribution of wealth can be seen in the form of a pyramid (Prahalad, 2006). At the top of the pyramid (TOP) are the wealthy, those households with the opportunity to
generate high levels of income. On the other hand, the BOP consists of people who live on less than US$5 per day and are usually part of developing regions (Rangan, Chu, & Petkoski, 2011). They constitute almost 70% of the world’s population (Webb, et al., 2010) and are characterized by being large in number and small in status, power, and resources (Nakata & Weidner, 2012).

As western and developed markets become saturated, retailers are exploring emerging economies as the next step for profit growth (Webb, et al., 2010). The market potential of these regions comes from their large size; their desire for innovative products that can serve their well-established needs; and the fact that they are currently underserved by domestic and international firms (Nakata & Weidner, 2012). Given their economic rise, it is expected for these regions to have more participation in the global economy. In fact, it is projected that one billion new consumers from these regions will enter the global market before 2020, increasing this market’s attractiveness for multinational companies (Sheth, 2011). Retailers’ recent interest in developing countries makes these contexts interesting to explore, especially in terms of consumers’ characteristics and the way to target them (Panagopoulos, et al., 2011).

Although many retailers acknowledge that BOP consumers are among their target audiences, companies tend to design their sales processes from a TOP perspective (Sheth, 2011). This focus on the higher class is common even in contexts where the low-income segment is the biggest part of the addressable market. However, a “canned sales approach”, in which a unidirectional sales message is expected to create positive associations across different target groups (Plank & William, 1980), may not be suitable for both BOP and TOP consumers. In fact, Mihić and Ćulina (2006, p. 89) suggest that “consumers of different social classes and income groups require separate marketing programs and strategies”. In some cases, the limited literacy of BOP consumers has led them to resist communication and product promotions that are typical in developed markets (Weidner, Rosa, & Viswanathan, 2010). For example, Weidner and colleagues (2010) found that coupons and discounts could confuse BOP customers and keep them from buying the product. The question then arises whether a “one-size fits all” sales process, which is mainly focused on the TOP, is suitable for targeting consumers from different social tiers. Especially because BOP and TOP consumers tend to have different and distinctive needs, cultural values, living standards, etc. (Williams, 2002). Therefore, the purpose of this study is to understand if the differences between BOP and TOP consumers’ buying process affect these consumers’ interaction with the retailer. And, consequently, whether organisations should differentiate between BOP and TOP consumers when designing their selling processes.

1.1 COMPANY
Introduction

This Master thesis is endorsed by The Next Organization (TNXTO), an internationally operating consultancy firm that provides advice and supports companies in optimising their organisational processes. With its client, TNXTO explores and takes the customer perspective in the design of marketing and sales strategies that align the company’s sales approach with the customer’s needs and behaviours.

TNXTO has studied the Customer Journey (See Chapter 2: Literature Review) as a method to understand consumers’ buying process. This is done so organisations can anticipate and design their selling process as to improve customer experience across channels. This in turn helps to achieve commercial success. Insights into the Customer Journey and consumers’ buying process in different contexts extend TNXTO’s knowledge about the retail market across countries.

TNXTO has recognised the market potential of emerging economies as a result of working in different projects abroad and having international clients (e.g. Ghana, Brazil, Argentina). In the future, the company aims to expand its business to Brazil and to help both local and global organisations to innovate their selling processes within this context. The findings of this research contribute to the quality of TNXTO’s consultancy activities, especially in the Brazilian retail market. For that, this research provides insights into Brazilian consumers’ behaviour (according to social background); it describes current marketing and sales strategies in Brazil; and it offers
strategic recommendations that help to tap into the BOP and TOP’s market potential in this country.

This research is also expected to be the first of a series of retail research in emerging economies that contributes to TNXTO’s international business development. Other countries to which TNXTO expects to further this research include Taiwan, Argentina, and Ghana. Moreover, their goal is also to further this study to other retail industries such as fashion, cosmetics, and automotive.

## 1.2 Justification

Despite the increasing number of companies conducting business in emerging markets, managers, companies, and scholars alike are unfamiliar with these contexts and the way to target their consumers (Schuster & Holtbrügge, 2012). Current literature regarding developing markets is scarce and conducted mainly from a marketing and strategy standpoint (Panagopoulos, et al., 2011). These studies emphasize on balancing value proposition and costs in order to attract customers (Hart & Christensen, 2002; London & Hart, 2004; Prahalad & Mashelkar, 2010). In turn, they have ignored other managerial perspectives that can have a direct impact on the way organisations address the BOP. One of the neglected areas is Sales.

To the best of our knowledge, current sales and salesperson research is not focused on BOP markets (Panagopoulos, et al., 2011). Instead, it is focused on western and developed regions. However, marketing studies show that salespeople are of great importance in these contexts and customers rely on them when making buying decisions (Gothan & Erasmus, 2008). The salesperson at the BOP wears many hats, including those of distributor, informant, and entrepreneur (Nakata & Weidner, 2012). Because of their close contact and relationship with the customer, managing the sales role can provide meaningful insights into consumers’ behaviours and characteristics.

Moreover, members from different social classes and income levels differ in their psychological characteristics and responses (Williams, 2002). It is the organisation’s responsibility to tap into their needs and expectations (Williams, 2002). Understanding the BOP and TOP customers’ buying process helps companies to design their sales approaches to provide these consumers the most appropriate and enjoyable buying experience (Wallace, Giese, & Johnson, 2004). This in turn will be translated into different organisational objectives, such as increasing sales and market share, or gaining company acceptance and customer satisfaction.

## 1.3 Problem Statement and research question

There are many context-related barriers to overcome when doing business at the BOP. Given the uncertain cash flow of low-income customers, companies think that profits are difficult to catch (Karamchandani, Kubzansky, & Lalwani, 2011). Therefore retailers choose to back out, and do not introduce their products, some of which may have a positive impact in these people’s quality of life and economical participation (Prahalad, 2006). Thus, BOP literature is still limited in providing empirical evidence that shows how to approach the low-income consumer in order to increase sales.

Furthermore, previous sales research has explored consumers’ decision-making process (Hansen, 2005; Swait & Adamowicz, 2001) and the influence of social class in buying decisions (Williams, 2002). However, there is still little knowledge regarding the extent to which the buying processes of consumers from low- and high-income resemble or differ from each other. This is particularly important for retail organisations conducting businesses in developing countries (e.g. cosmetics, fashion, and consumer electronics) because they are in constant interaction with both consumer groups. Insights into consumers’ behaviour along their journey help retailers to anticipate on the consumers’ buying process in order to be at the right place, at the right time, and with the right message (Lemke, Clark, & Wilson, 2011). This in turn increases competitive advantage because organisations are able to engage the consumer at different contact moments and across different touch points.
Buying and selling processes at the Top and Bottom of the Pyramid

(Daniel, Wilson, & McDonald, 2003; Tax, McCutcheon, & Wilkinson, 2013). On the contrary, a mismatch between organisation’s selling and consumers’ buying process may reduce customer commitment, retention, and sustained financial success (Lemke, Clark, & Wilson, 2011). Therefore, this research provides an in-depth study of the differences between BOP and TOP consumers by focusing on their entire buying process. This extends the understanding of the BOP and TOP consumer market, which can serve as input for the development of marketing and sales strategies tailored to the needs and expectations of these consumers.

It is already a common practice among retailers to consider different consumer demographic characteristics (e.g. age, gender, geographic location) when doing a market segmentation or setting up a sales strategy. However, when it comes to social class, many retail organisations develop a general sales approach, which is applied across several consumer groups and social tiers (Meyer & Tran, 2006). Some multinational retail companies even extrapolate marketing and sales activities across the countries where they operate (Weidner, Rosa, & Viswanathan, 2010). This may not be entirely advisable. Recent studies have stressed that business development differs across countries and have provided evidence that selling strategies work differently across cultures (Cuddihy & Weibaker, 2001). Therefore, this study investigates how matching the BOP and TOP consumer’s buying process helps organisations to shape their sales approaches to better serve their consumers (Tax, McCutcheon, & Wilkinson, 2013).

This research posits that understanding the differences between BOP and TOP consumers can increase sales effectiveness. This understanding helps organisations to anticipate on consumer needs and behaviours when setting up their strategic and operational selling processes.

Finally, this study proposes that there is an untapped market potential at the BOP, which can be unveiled through the development of dedicated and innovative sales approaches, tailored to the realities of emerging markets (Prahalad & Hart, 2002). Therefore, this master thesis aims to contribute to the development of theory regarding BOP and TOP consumers buying processes and the way organisations can address them. The research objectives are as follows:

- To add a sales approach to the analysis of the low- and high-income consumer market in emerging economies, particularly in the Brazilian market.
- To provide evidence regarding consumer buying behaviours and market potential in developing regions.
- To provide practical recommendations, so companies can shape their sales approaches according to the characteristics of emerging markets and their consumers.

Swait and Adamowicz (2001) found that buying decisions are different from one consumer to another because of the different approaches that they may use during their buying process. Thus, a “one-size-fits-all” selling process may be suboptimal for products that are sold across customer groups that have a very different decision-making approach. Moreover, marketing literature has found that consumers’ socioeconomic background directly influences consumers’ buying behaviours, because it is linked to common values, beliefs, and lifestyles (Mihić & Ćulina, 2006). Because adapting organisation’s sales approach to meet customer requirements helps to increase sales performance and to build buyer/seller relationships (Homburg, Müller, & Klarmann, 2011), it would be important to study the extent to which buying processes between consumers from different social classes differ. Large differences would imply that a differentiated selling process between these consumer groups would achieve more positive sales results.

Drawing from the previously mentioned assumptions and following the research objectives, the research problem can be stated as: it is not yet known whether the buying process of BOP and TOP consumers differ and, consequently, if it is advisable for companies to match their (strategic and operational) selling process with these consumers buying processes. The research question this master thesis aims to answer is as follows:

Do BOP and TOP consumers require a differentiated sales approach?
Buying and selling processes at the Top and Bottom of the Pyramid

In finding an answer to this question and to guide the research, the following sub-questions are proposed:

1. What does the buying process of BOP and TOP consumer look like?
2. In which way do they resemble or differ from each other?
3. How are the current strategic and operational selling processes of companies that address both high-and low-income consumers?
4. To what extent are the (strategic and operational) selling process and the (BOP and TOP) consumer buying process aligned?

This breakdown helps to guide the thesis literature search and data collection procedures. The answer to the first question implies an in-depth description of BOP and TOP consumer buying process. The second question aims to understand the similarities and differences between BOP and TOP consumers. This includes customer needs, channel preferences, product expectations, etc. The third question explores the current retail selling process in developing regions. It gives an overview of strategic and operational sales practices of companies that commercialize products in areas with a large social gap. The fourth question shows to what extent the buying and selling process are aligned and if there is any mismatch between them. Finally, analysing the extent of alignment between buying and selling processes shows whether a “one-size-fits-all” sales approach is appropriate when addressing both consumer groups. Following this order provides an answer to the general research question. Figure 1.1 graphically represents the explored buyers / sellers relationships and the data sources of the research (i.e. retail sales managers, salespeople, and BOP and TOP consumers)

Figure 1.1 - Explored buyer / seller relationships
1.4 RESEARCH methods

Qualitative research methods were chosen for this research. Scholars suggest that the unfamiliarity with the BOP call for qualitative research methods to approach them (Weidner, Rosa, & Viswanathan, 2010). Qualitative research is considered relevant because they provide an "opportunity to learn how people behave in their natural settings" (Comer, et al., 1996, p. 57). That is why observations of the sales practices and interviews with customers, salespeople and managers are part of the research methodology.

The data was collected in Brazil. This market was chosen because of the clear poverty line that divides its citizens (Barki & Parente, 2006). Brazilian’s BOP segment is large in size and is not being fully approached by organisations yet. Moreover, Brazil is going through an economical growth that has created first-time buyers and an emerging middle class (OECD, 2013). This recent economical growth makes Brazil an attractive market for local and multinational companies because the country’s economic development is increasing BOP consumers’ buying power and facilitating their access to products (Barki & Parente, 2006). Given that so far BOP studies have focused on the Chinese and Indian market, conducting a research focused on Brazil will expand the knowledge about this emerging country.

Finally, the research focuses on one specific product category, namely smartphones. This product was chosen for three main reasons: 1) it is at the top of the market trend when it comes to consumer innovations, 2) they are increasing its market penetration in Brazil for consumers from different social tiers, and 3) while market growth for these products is becoming saturated in highly competitive markets such as Japan, U.S., and Western Europe that is not the case for emerging economies (International Data Corporation, 2014). Brazil is currently the fourth largest smartphone market in the world and it may also be the next strategic step for smartphone selling companies.

1.5 THEORETICAL AND social relevance

This research aims to contribute to the BOP-literature as well as to the sales literature. First, this study extends the understanding of the BOP consumer market, which can serve as input for the development of marketing and sales approaches tailored to this context.

Second, this research contributes to the sales literature by exploring the ways retail companies can address both low- and high-income consumers, in order to create benefits for both the firm (e.g. profits) and the consumer (e.g. improvement of quality of life or needs satisfaction).

Third, there is a lack of sales force knowledge focused on developing countries. To the best of our knowledge, this study is the first one to take a sales perspective to study the BOP consumer market. Thus, it broadens the current international sales literature by focusing on emerging economies.

Finally, the research provides managerial implications and recommendations, so companies can shape their (strategic and operational) sales approach according to these customers’ buying process in order to have a positive social impact and be profitable. Moreover, because of the close and direct interaction between retailer’s sales force and consumers, managers can support their operational selling processes based on this study’s practical insights regarding consumer / salesperson interaction.
1.6 **THESIS structure**

In order to answer the stated research questions, this master thesis presents the theoretical framework of the study and the results of the fieldwork. The introduction chapter presented the topic of study and the main research question, based on the research problem. Chapter 2 presents the more relevant findings of current literature surrounding the topic of study. Chapter 3 provides an in-depth description of the research methods used and describes the context in which the study takes place. Within Chapter 4, the document presents the findings of the qualitative analysis along with a discussion. Although the study’s sub-questions are answered along Chapter 4, Chapter 5 answers the main research in the form of a discussion. Following the key consumer insights provided by the research, Chapter 5 also presents a set of recommendations regarding sales opportunities to address BOP and TOP consumers in Brazil, which is the context in which this research takes place. These recommendations are expected to positively impact customer satisfaction and profitability in the Brazilian smartphone market. Finally, the report presents the conclusions, implications, and provides fields that are open for further research.
According to Van Aken (2005), it is important that academic research is relevant for practitioners; but it is also crucial that it is grounded in theoretical frameworks consistent with the discipline in which it takes place (Shrivastava, 1987). This chapter examines literature related to theories and concepts that address the topic of the study.

This literature study focuses on the importance of aligning organisations’ selling process (both strategically and operationally) with consumers’ buying process as a way to improve sales. This chapter also explores the role of consumers’ social class in this alignment. For that, the literature review explains what the buying process is, its relevance in the firm sales strategy, and whether social class may be a differentiation factor when mapping a consumer buying process. The literature study also presents what the selling process means in a company strategy and the importance of aligning selling and buying processes, taking into account consumers’ social background.

2.1 THE BUYING process

The buying process is concerned with the steps that affect the customer decision-making (Verville & Halingten, 2003). Consumers buy for different reasons, but aiming to achieve a goal, such as amusement, leisure, intellectual stimulation, etc. (Puccinelli, et al., 2009). The product’s attributes and performance act as a mean to achieve such goals during use situations (Woodruff, 1997). However, many companies acknowledge that product quality, features, and innovation may not guarantee competitive advantage (Woodruff, 1997). Instead, independent influencers that are not related to the product are important for assuring sales success (Dwyer, Hill, & Martin, 2000).

The buying experience across channels plays an important role in consumer decision-making (Verhoef, et al., 2009). Each touch point represents an opportunity for the organisation to close the sale or further the relationship with the consumer (Ernst, et al., 2011). The set of interactions the customer has with the product, the company, and the salesperson involves him in different levels (e.g. rational, emotional, sensorial, etc.) (Verhoef, et al., 2009) and contributes to his satisfaction (Gentile, Spiller, & Noci, 2007). For example, Haas and Kenning (2014) found that consumers who consult and interact with the salesperson spend more money on the store. Therefore, in-store salespeople play a decisive role in the consumers’ buying experience and, consequently, in
the company’s retail strategy.

Sales research has long focused on one side of the buyer/seller interaction during the sales encounter. This is why there is a great amount of research regarding the salesperson’s attributes that further sales effectiveness (Mayer & Greenberg, 2006; Churchill Jr, Ford, & Hartley, 1985). This in turn relegates the customer to a passive position in this interaction. However, the customer is by no means a passive unit to wait upon (Kleemann, Voß, & Rieder, 2008). Consumers are becoming more active in organisations process, from new product development (e.g. lead-user involvement) to distribution (e.g. peer-to-peer interactions) (Kleemann, Voß, & Rieder, 2008).

2.1.1 Mapping the buying process.

Engel, Blackwell, and Miniard (1995) developed a model that describes the consumer decision-making process (CDP). In this model, the authors see the customer buying process as a “problem-solving task” that can be summarized in five steps, namely: need recognition, information search, evaluation, purchase, and post-purchase.

The buying process starts with need recognition from which the buyer seeks different sources of information to guide his purchase decision (Williams, 2002). This process varies according to the customer, product, or other situations. For instance, circumstances such as first-time, infrequent or high-involvement purchases leads customers to “develop a set of evaluative criteria that are applied in processing information and judging purchase alternatives” (Williams, 2002, p. 249). Some authors argue that this model is limited because it is not able to “describe situations in which consumers react emotionally or situations in which behaviour can be regarded as a response to cues in the purchase situation” (Hansen, 2005, p. 422). However, this five-step model does not aim to predict customer behaviour. Instead, it serves as a frame of reference to understand consumer decision-making. Figure 2.1 illustrates the steps of the consumer decision-making process.

One of the limitations of the CDP has to do with the fact that the buying process is not necessarily linear. In fact, some stages can be conducted in parallel, iteratively, and recursively (Verville & Halingten, 2003). Customers approach different channels, stores, and in several occasions depending on their needs and expectations (Wallace, Giese, & Johnson, 2004). Some marketers use the metaphor of the customer journey to track and describe the different touch points the customer can reach in order to achieve his goals or satisfy his needs (Lemke, Clark, & Wilson, 2011). This journey includes both the organisation and external parties.

Tax, McCutcheon, and Wilkinson (2013) propose some of the implications of using the customer jour-
ney as a way to map these experiences. First, it places the customer in a central role, where he is in charge of the process to solve his need. Second, this process may be unique to each customer, because the needs and expectation vary between people. Third, the customer builds relationships with different actors (e.g. other customers, sales representatives, etc.) in order to support his journey throughout different encounters and interactions. These relationships act as networks in which customer experience is co-created and integrated across channels, actors, and moments (Lemke, Clark, & Wilson, 2011).

In sum, the customer journey is a method to investigate the user experience by adopting the customer’s perspective in order to make a comprehensive description of his buying process and interaction with the firm (Nenonen, et al., 2008). This is an integral process that includes the “customer’s cognitive, affective, emotional, social and physical responses” (Verhoef, et al., 2009, p. 32). The way the firm responds to the buying process of its target customer would have its consequences on customer satisfaction and loyalty, which in turn means value for the organisation (Wallace, Giese, & Johnson, 2004).

2.1.2 Relevance of the buying process

Customers assess their buying experience holistically, thus their judgments are not only based on the elements controlled by the retailer (e.g. store facilities, product price, service quality), but also those outside of the retailer’s scope (e.g. customer need, word of mouth) (Verhoef, et al., 2009). Customer perceived quality is then based on the judgments he makes about his experiences across encounters with the company (Lemke, Clark, & Wilson, 2011). This includes the buying process, but also friend recommendations and product usage.

Organisations can benefit from understanding the customer buying process by anticipating on customer needs and channel usage in order to provide the best experience to them (Lemke, Clark, & Wilson, 2011). However, this is not an easy task and some of the challenges organisations face include coordinating activities and network members (Lemke, Clark, & Wilson, 2011); identifying the most relevant needs of their customers as to build target groups based on these needs; understanding the way customer use the different channels during their buying process; bringing these channels in line with their needs; and creating an enduring experience, especially during the moments when the consumer involves actors outside of the company’s scope (e.g. friends and family).

2.1.3 BOP and TOP consumers’ difference in buying behaviours

Research shows that people with different income levels exhibit different psychological and behavioural patterns (Williams, 2002). In fact, marketing researchers found that social class characteristics directly influence consumers buying behaviours (Mihic & Culina, 2006). This is related to variations in their education level, values, and communication styles, which in turn affect their decision processes and consumption (Williams, 2002). For example, income level affects the consumer’s perception of price, the possibility to buy better and more expensive products, and the likelihood of doing repurchases (Frank & Enkawa, 2009).

TOP and BOP consumers’ behaviours are usually opposite to each other. TOP consumers tend to be more independent and trained in their consumption behaviour (Williams, 2002). They see product and service reliability and quality in terms of “consistency, dependability, and accuracy”, while BOP consumers “rely more on salespeople, have lower quality expectations, and more tolerant of ineffective services” (Gothan & Erasmus, 2008, p. 640). TOP consumers put more effort on information search and tend to evaluate products in terms of their objective, concrete, and functional aspects (Williams, 2002). Thus, it is plausible to think that consumers from different social backgrounds also have different buying processes. Consequently, depending on the type of consumer and context, different selling approaches and methods would be more effective.

Nevertheless, the consumer market has historically been addressed through impersonal and one-way mass-market campaigns that do not necessarily differentiate in terms of customer characteristics. These campaigns apply a “canned sales approach” in which different product benefits are aimed to create positive associations across all prospects, without considering the different needs and behaviours among them (Plank & William, 1980). However, people not always respond the same way to these stimuli. For example, Weidner et
al. (2010) argue that these marketing and sales strategies may not have the same effectiveness at the BOP as they have at the TOP. That is, factors such as little access to media channels and poor literacy make low-income consumers resist product promotions that are typical in developed markets or with TOP consumers.

Despite their limited budget, low-income consumers are also willing to pay high prices for premium products from known brands (Barki & Parente, 2006). This may be because BOP consumers use products as an asset to improve its social status perception (Jin, Li, & Wu, 2011). For example, Brazilian BOP consumers tend to see brand and state-of-the-art products (e.g. smartphones, sound systems, and televisions) as symbols of status and integration in society (Barki & Parente, 2006). Given that they are relatively expensive, acquiring these products is perceived as a way to differentiate themselves from the extreme poor who cannot afford them (Barki & Parente, 2006). However, many brands and retailers in the Brazilian market do not address these BOP consumer needs and expectations in their sales approach (Barki & Parente, 2006).

### 2.2 THE SELLING process

The other side of the buying process is viewed from the organisation perspective: the selling process. The selling process is concerned with the steps and touch points through which buyers and sellers interact, in order to buy and sell a particular product or service (Shannahan, et al., 2013). Many authors agree that the key to sales success lies in the effective management of this interaction as to develop a buyer/seller relationship (Spiro, Perreault, & Reynolds, 1976; Moncrief & Marshall, 2005; Daniel, Wilson, & McDonald, 2003).

#### 2.2.1 Mapping the selling process

It is already a long time ago since Spiro, Perreault, and Reynolds (1976) conceptualized the salesperson-customer interaction into sequential steps. Their work was the first to see selling as a behavioural and interactional process. Before them, sales research was mainly focused on the salesperson and the necessary personality traits that lead to increase sales performance (Spiro, Perreault, & Reynolds, 1976). They proposed that salesperson-customer interactions increase when there is a match between the parties. This match can occur because the similarity between the seller and the buyer reduces customer’s uncertainty (Mullins, et al., 2014).

However, their approach was still a narrow way to see the buyer-seller relationship, and did not take into account the different environmental and social influencers that also play a role in the way the actors interact (Borg & Young, 2014). These influencers have to do with the constant behavioural, technological, and managerial changes associated to the selling activity. Some of them include the rising of customer expectations, the use of technology, the increased power of big retailers, and market globalization (Anderson, 1996).

Nowadays the selling process is not only focused on closing the sale, but also on building a sustainable relationship in which both customer satisfaction and loyalty are assured (Moncrief & Marshall, 2005). Moreover, sales and marketing scholars have found that the selling process is no longer consecutive, but a flexible development in which different activities and actors interact (Borg & Young, 2014).

Based on the Spiro, Perreault, and Reynolds’ (1976) contribution, following sales scholars went more in-depth into the customer-seller interaction and the stages involved. Dubinsky (1981) went on to propose one of the most widely accepted sales paradigms: “the seven steps of selling”. For more than 30 years the seven steps of selling has been the most used conceptualization of the sales process. It has also served as input for different sales books and trainings (Tanner, Honeycutt, & Erffmeyer, 2009). The seven steps of selling focus on how the salesperson should approach the sales interaction as to convince the customer to make the purchase. This implies that the selling process depends mainly on the salesperson (Shannahan, et al., 2013).

The selling process is constituted by different stages, which are not necessarily sequential, rigid, or mandatory (Moncrief & Marshall, 2005). During these interconnected steps and activities the customer and buyer go from being unfamiliar with each other to having exchange activities (Spiro, Perreault, & Reynolds, 1976), and
Buying and selling processes at the Top and Bottom of the Pyramid

The evolution of the seven steps of selling as presented by Moncrief and Marshall (2005) takes input from the work by Dubinsky (1981) but contextualizes it to modern settings and technologies. Nowadays the customer is not a passive unit waiting to be persuaded by a salesperson (Sawhney, Verona, & Prandelli, 2005) or a lethargic recipient who buys and uses products, and that is all (Kleemann, Voß, & Rieder, 2008). Instead, customers have an active role and organisations involve them in their processes (e.g. product development or service optimization). The seller’s offer is then developed in combination with the customer (Daniel, Wilson, & McDonald, 2003).

Therefore, for describing today’s selling process Moncrief and Marshall (2005) take into account the different transformative factors that have impacted selling interactions in the recent years. For example, use of technology, online selling, and the fact that there is more information available for both the seller and the customer regarding competitors and options (Long, Tellefsen, & Lichtenthal, 2007). Figure 2.2 illustrates both the traditional and evolved selling process.

The stages of the selling process are recast as follows:

1. Prospecting is the first step where the salesperson searches and determines leads or prospects. Traditionally, and in a personal selling context, it was the salesperson’s job to look for potential customers using methods such as referrals, networking, or cold canvassing. Today, this job is mainly conducted by other organisations. Salespersons are an expensive asset, thus companies prefer to use them on assisting current customers or calling other important prospects (Moncrief & Marshall, 2005).

2. Following, potential customers are classified as leads (i.e. those who need the product, can afford it, and can be contacted by the salesperson). In the pre-approach stage the seller prepares the sales presentation that can help persuading these leads to make the purchase. Today’s technology allows for the use of databases that help the salesperson to know the customer needs and anticipate on what can be of value for the customer in the future (Moncrief & Marshall, 2005). This information helps the salesperson to tailor his
offering to match the customer’s need (Daniel, Wilson, & McDonald, 2003).

3. The approach stage consists of the first meeting between seller and buyer. The salesperson’s objective is to capture the buyer’s attention and open a dialogue with him. In the evolved steps of selling, the salesperson should also think in terms of a long-term customer relationship and the ways to nurture it. Not only focusing on short-term sales goals (Franke & Park, 2006).

4. During the presentation stage, the salesperson introduces the product to the customer. The goals and procedures of the presentation are also tailored to the customer needs. For example, first-time buyers may need more information to get to know the product’s benefits. Additionally, there is a two-way interaction during the presentation, where the seller is listening to the customer more than talking (Moncrief & Marshall, 2005).

5. This buyer/seller interaction may lead the seller to modify his offer to better meet the requirements presented by the customer (Daniel, Wilson, & McDonald, 2003). This is done during the overcoming objections step. Here, the salesperson listens and ask questions in order to “identify problems, determine needs, and propose and implement effective solutions” (Moncrief & Marshall, 2005, p. 20). This in turn has a two-fold objective. First, to be able to close the sale. And second, to continue strengthening the relationship as to achieve win-win situations.

6. The seller is able to close the sale when the customer buys the product or service. However, as stated previously, the focus of this step is not only the short-term sales closure, but also the successful completion of mutual goals. When the customer needs are satisfied in a successful way, he is more likely to buy again from the selling company (Moncrief & Marshall, 2005).

7. The final stage has to do with maintaining the relationship with the customer. This implies continual service, product assistance and nurturing the relationship through an on-going communication.

2.2.2 Relevance of the selling process

Spiro, Perreault, and Reynolds (1976) suggested that purchase would take place when there is compatibility between the buyer and the seller. This compatibility is built along the selling process and when the customer needs and expectations are matched and reflected in the seller’s strategy. Otherwise, the seller and the buyer will stop interacting (Spiro, Perreault, & Reynolds, 1976).

Companies act upon the consumers’ buying process to know the way their marketing and sales departments and processes can contribute to their decision-making (Kotler, Rackham, & Krishnaswamy, 2006). The “buying funnel” proposed by Kotler, Rackham, and Krishnaswamy (2006) proposes that marketing addresses the “information search” stage by creating awareness and consideration among customers. On the other hand, sales is concerned with the execution and follow-up stages. An integrative approach to the buying process brings the marketers and salesperson's customer knowledge into the firm, which in turn helps to serve those customers better (Kotler, Rackham, & Krishnaswamy, 2006).

Understanding and managing the customer buying process has positive effects on customer satisfaction and loyalty, as well as on the firm’s profitability (Tax, McCutcheon, & Wilkinson, 2013). This is not an easy task, because it demands for the firm to develop new capabilities regarding multiple channel management and building relationships with different partners (Wallace, Giese, & Johnson, 2004). However, it provides valuable insights into the different touch points the customer has with the company during his buying process and the way the networks within this process operate. After that, success depends on the way the company acts upon such consumer information to deliver a “more efficient and enjoyable customer journey” (Tax, McCutcheon, & Wilkinson, 2013, p. 468).
2.2.3 Matching the selling process to the social context

There are a wide number of models and theories regarding how to successfully sell a product or a service, such as AIDA, Simple-stimulus response, Spin Selling®, Consultative Selling, etc. (See Appendix A). These theories are relevant because they posit selling as a sequential process. However, an important drawback of these models is that they do not show how the different components in the buying / selling relationship are related to each other and tend to give the customer a passive role in the buyer / seller interaction. This neglects the fact that today’s buyers are very aware of their decisions and turn to different channels before making the purchase (Verhoef, et al., 2009).

An interesting way to understand the way both buyers and sellers relate to each other is by mapping the stages of the selling and buying processes. The importance of these maps lies in the interaction between the two parties. Here, the salesperson is not the only one making efforts that result on positive sales results (Shannanan, et al., 2013). On the contrary, selling is based on a constant communication that adds to the learning process of both buying and selling actors (Shannahan, et al., 2013). Actors engage in this communication when there is a similarity between them (Spiro, Perreault, & Reynolds, 1976). The likeliness of this engagement and perceptions of similarity is greatly influenced by the consumer’s social background (Gaur, Herjanto, & Bathula, 2012).

In-depth insights regarding the interaction between retailers and consumers of different social classes are still limited. However, according to the social context, different selling processes and strategies are expected to be more successful. For instance, personal selling strategies have been effectively applied in BOP contexts (Nakata & Weidner, 2012). Such has been the case of cosmetic giant Avon Products, who has used person-to-person sales strategies in Brazil to sell their products across a wide variety of customers. Because their salespersons are already part of these communities they are able to spread to wider audiences and reach more customers in places where regular media channels do not enter (Hammond & Prahalad, 2004). Avon’s representatives travel by canoes to serve isolated communities in the Brazilian Amazon (Nakata & Weidner, 2012). This kind of sales strategies have made Avon the second largest direct selling enterprise in the world and has employed over six million women worldwide as entrepreneurs (Hammond & Prahalad, 2004). This suggests that adopting a differentiated sales approach (e.g. personal selling) and being part of the community helps to increase sales at the BOP and to achieve positive market results (Barki & Parente, 2006).

Personal selling is able to match the Brazilian BOP buying process because it considers the BOP’s preference for informal relationships (Rivera-Santos & Rufin, 2010) and takes into account the societal impact of these activities in the communities (London & Hart, 2004). Furthermore, it emphasizes on the personal interaction between the salesperson and the customer to enable the sales of new products (Nakata & Weidner, 2012). Building a close relationship between the seller and the buyer plays an important role when approaching low-income consumers, because they prefer to buy products in the local shops that they already know (Chikweche & Fletcher, 2010). Also, low-income consumers rely on personal promotions because they tend to be more credible, or come from people who truly understand their needs, such as family, friends, or members of their social networks (Chikweche & Fletcher, 2010). Therefore, given the proximity and the strong communal ties of BOP residents, companies need the locals to attract consumers and innovate with them (Rivera-Santos & Rufin, 2010). At the BOP, the locals take the form of inhabitants, NGO, community leaders, and religious institutions (Rangan, Chu, & Petkoski, 2011). Partnering with these socio-political and faith-based organisations may be the key to gaining consumer acceptance (Sheth, 2011).

Building a close relationship with the salesperson and having a customer-orientation in the sales approach have proven to be key issues when selling to low-income consumers in Brazil (Barki & Parente, 2006). These two aspects address the BOP consumer’s inferiority complex and reinforce their feelings of membership and participation. Because many Brazilian low-income consumers perceive themselves as “second-class” citizens, firms that can tap into their psychological needs of membership and recognition are able to gain more customers than those who only focus on providing low prices (Barki & Parente, 2006). This then creates positive associations, which are also very influential in their decision-making process. Moreover, they facilitate the access of BOP consumers to product and services, and therefore their participation in the global economy (Prahalad, C.
During the last decade management researchers have started to investigate the market potential of serving developing countries. These contexts are now seen as the new sources of revenue and growth. However, some scholars have recognized that BOP contexts and consumers are very different to the areas in which they are used to doing business, namely the TOP. Research shows that BOP and TOP consumers’ behaviours are usually opposed, in terms of communication styles, selling preferences, independence of decision-making, among others (Williams, 2002). Retail companies operating in regions with a great social gap would benefit from designing their sales strategies to match the buying behaviours and needs of their different targeted consumers, without neglecting sustainable profit growth (Meyer, Estrin, Bhaumik, & Peng, 2009). This would help them to meet customer expectations and, in turn, to increase sales performance (Homburg, Müller, & Klarmann, 2011). Otherwise, by applying incompatible sales methods they would be missing substantial opportunities or not achieving sales goals, because the approach was not the right one in the first place (London & Hart, 2004).

CONCLUSION

In today’s highly competitive markets a lot of companies are able to offer high-quality products with clear advantages for the customer. Therefore, product’s characteristic may not be the only driver of consumer purchase decisions (Dwyer, Hill, & Martin, 2000). Literature shows that consumers are also influenced by different elements along their buying process (e.g. needs, values, cultural background, etc.) During this process the customer experiences various emotions that engage him in different ways and that make up for his buying experience as a whole (Verhoef, et al., 2009). Although the buying process can be mapped in multiple stages, it is by no means a linear process. The customer’s journey towards achieving his goal is iterative and involves multiple actors. Organisations can map the customer’s buying process in order to understand its behaviour and needs. This in turn would help companies to anticipate on the way to serve them better by adapting their selling process accordingly. Consumer social background plays a relevant role in the buying process. This is because people from different social classes and income levels differ in their psychological characteristics and responses. Thus, using their social background as a starting point to map their selling process can help to better understand their behaviour.

In sum, this chapter presented current literature regarding topics that are relevant for this research. It introduced different authors that have studied the buying process of consumers and the scholars that have explored the selling process of organisations. It also showed initial insights into the differences between BOP and TOP consumers and the relevance of taking these differences into account when setting up a sales process. Based on these literature findings, the research fieldwork and data collection instruments were designed. That is, the interview questionnaires used as guideline and conceptual frameworks the “consumer decision-making process” developed by Engel, Blackwell, and Miniard (1995), and the “traditional and evolved seven steps of selling” presented by Dubinsky (1981) and Moncrief and Marshall (2005), respectively.
The research’s methodology refers to the selection of relevant methods that can be applied within a research in order to answer the research question. Qualitative, longitudinal, and exploratory research methods were chosen for this research. Swan, et al. (1996) state that qualitative methods are useful for exploring sales processes that change over time and allow learning about people’s subjective experiences. That is why the research data is collected through semi-structured interviews with sales managers, sales force, and consumers.

3.1 RESEARCH 
strategy

The research strategy of this Master thesis gathered data regarding: 1) the BOP and TOP consumer buying behaviour and decision-making process and 2) the strategic and operational sales approach of two smartphone companies that address both low- and high-income consumers in Brazil. There are three data sources: consumers (from BOP and TOP), sales managers from two brands, and salespeople from five retailers. These sources allowed the analysis of the buying process, the strategic selling process, and the operational selling process, respectively. These three actors are linked together on a product level. That is, manufacturers (or brands) sell the devices to the retailers and consumers buy their devices either from retailers or directly from the manufacturers’ stores.

On the customer side the research included interviews with both BOP and TOP consumers about their buying processes. Essentially, ten consumers from each group were asked to describe their buying experience, the channels they use, and their expectations of their buying process (See 3.2 Data collection). The BOP and TOP consumers’ buying processes were compared to each other to determine how similar they were.

On the organisational side, the research strategy had two levels: the strategic and the operational one. The strategic level focused on whether firms see the BOP as a context that can have an impact in their profit growth. Here, sales managers of two retail companies were interviewed about the way their organisations use their different channels to attract consumers from different social backgrounds. The strategic level provided information regarding current strategic sales approaches to the low-income consumer and its difference with the sales approach to the TOP (See 3.2 Data collection). The strategic selling process was compared to the buying process of (BOP and TOP) consumers, to see whether the sales activities from these two organisations responded to (BOP and TOP) consumers’ needs and expectations.

The operational level discussed the way the salesperson (or in-store promoter) interacts with the consumer. In this case, fifteen salespeople of five different organisations (i.e. three per company) were interviewed...
about their selling approaches and behaviours when talking to consumers from different economical and social backgrounds. The operational selling process was compared to the buying process of (BOP and TOP) consumers, to see whether salespersons’ selling behaviours during the in-store interaction were in line with (BOP or/ and TOP) consumers’ expectations.

Moreover, observation sessions were conducted to analyse the interaction between the salesperson and the consumer during their encounter in the store. During these sessions the researcher focused on the way salespeople approached the consumer and the consumer’s response to such approach. This was in terms of both sellers and buyers’ ton of voice, body language, posture, smile, etc. The researcher visited multiple stores in low-, mid-, and high-income areas of São Paulo City (including manufacturers, operators, and retail shops). The observation sessions lasted approximately 10 minutes per store and the researcher kept a journal (i.e. fieldwork diary) of each visit. The results of the observation sessions helped to validate and complement the interview data.

It is important to clarify that this research does not explore the B2B side of selling smartphones in Brazil. That is the relationship between the manufacturers / brands and the retailers, operators, and distributors. Although some aspects of such relationship are mentioned (e.g. manufacturers provide training to their salespeople), the research scope is mainly focused on the direct relationship that the salespeople and the two participating companies have with the consumer. The researcher acknowledges that not having this data means not having a complete picture of the selling process, because it does not include important players in the value chain. However, because the brands also sell their products directly to the consumer and have their own retail structure, it is also possible to study the market approach from their own retail perspective. Moreover, taking into consideration all the actors that operate in this industry would yield a very large scope and, therefore, would require a larger scale research. Appendix B summarizes the research conceptual framework and setup.

3.1.1 Research setting: Brazilian consumer market

Williams (2002) studied the influence of social class in consumer’s buying decision. He suggested that further marketing and sales studies focused on social class should be extended to other geographical regions. This suggestion makes sense because poverty can be to some extent relative. BOP consumers are different from low-income consumers in a developed country, because of the multiple and interconnected shortages they go through and that are not present in developed regions (Nakata & Weidner, 2012). Some of these deficiencies include basic needs such as running water, sanitation, healthcare, and access to education.

The research is contextualized in Brazil, more specifically in the urban area of São Paulo. This context was chosen because of reasons including its high market potential, its recently emerging middle class, and the great economical gap between its consumers (Silva, 2015). Although not everybody in Brazil is poor, there is still a great social gap in this country (Barki & Parente, 2006). Thus, it is important to consider what poverty means in this context, and to distinguish the socioeconomic pyramid in Brazil.

According to the World Bank (2013), Brazil has a population of over 200 million people, a gross domestic product of US$2.2 trillion, and ranks seventh in the world GDP (even above developed economies like Australia and Switzerland). The Organisation for Economic Cooperation and Development (OECD, 2013) has shown the recent decrease of poverty among Brazilians and the new rising middle class. This explains why Brazil constitutes the “B” in BRIC, the term adopted to refer to the world’s largest emerging economies, which also include Russia, India, and China (Reinartz, et al, 2011). The Brazilian Association of Research Companies (ABEP for its initials in Portuguese) uses the “Brazil Economic Classification Criterion” (CCEB) to segment the country’s social tiers (Novaes & da Silva, 2011). These are divided in 5 groups according to their consumption profiles and purchasing power (Class A, B, C, D, and E). These groups constitute the Brazilian socioeconomic pyramid. Table 3.1 summarizes some of the characteristics of these groups.
Brazil’s recent economical growth is also increasing consumers’ demand for existing innovations, which naturally draws the attention of investors (Nakata & Weidner, 2012). For instance, Novaes and da Silva (2011) found that the Brazilian BOP is asking for sophisticated and high-technological products, instead of lower level and cheap products with out-dated technology. Despite this flourishing and economical growth, multinational corporations and domestic companies may not being effectively addressing the Brazilian consumer (SadreGhazizadeh & Duysters, 2009). For example, millions of Brazilian citizens do not have a bank account yet, or are getting poor banking services in their regions (Comini, et al., 2012).

Moreover, Brazil’s recent wealth may not be evenly shared among its citizens. The Brazilian BOP represents near 60% of the population, and is responsible for more than half of the market in industries such as food, pharmaceutics, and electronics (Barki & Parente, 2006). The minimum wage in Brazil is US$ 280 per month and according to the Brazilian Institute of Geography (IBGE) more than 60% of the population live with less than that (IBGE, 2010). Additionally, there is a lack of studies that go deeper into these consumers’ characteristics. So far BOP studies have mainly addressed the Chinese and Indian market. Therefore, focusing on Brazil will expand the knowledge about this important emerging economy.

Although “small samples can be sufficient in providing complete and accurate information within a particular cultural context” (Guest, et al., 2006, p. 74), it is still hard to determine how generalizable the results of this qualitative study are. However, the findings of this research can be extended to settings that are presumed to be similar to Brazil. In this case, they can be extended to other countries and regions in Latin America, mainly because they are closely related to each other in terms of geography, culture, and socioeconomic conditions (Gupta, Hanges, & Dorfman, 2002). Although local traditions and cultures are expected in a region with approximately 600 million inhabitants such as Latin America, anthropologists have recognised “cultural common denominators” in Latin America, which include institutions, values, and behaviours (Wagley & Harris, 1955). This can be related to the similar colonist history that these countries share and that resulted in an ethnical and cultural mix that makes this region unique (Wagley & Harris, 1955). Moreover, the large social gap among citizens is also an important inheritance from the colonialist past of the region. The socioeconomic difference between the “upper class” and the “urban proletariat” is an aspect that all Latin American countries and metropolis have in common (Wagley & Harris, 1955). Therefore, it is plausible to think that if this study were performed in a similar culture with similar economical conditions, the results would be alike. However, the extent to which the thesis results are generalizable with the BOP and TOP regions of other Latin American countries still needs to be determined through further studies.
3.1.2 Industry: consumer electronics

According to Williams (2002) further studies regarding social class and consumer buying behaviour should focus on individual products. This would help to determine whether social class as market segmentation criteria changes according to specific products. In this case, the research focused on the consumer electronic industry.

Smartphones were the chosen product to describe and understand the buying process of both BOP and TOP consumers. This is due to different reasons. To start, mobile usage has proliferated in the recent years and is having a steep increase in emerging economies (Osman, et al., 2011). The wide range of brands, product features, prices, etc. is creating a new wave of smartphone consumers from different social layers as well. Although researchers such as Osman and colleagues (2011) explored the consumer preferences on smartphone and their device usage, there is still no research on their process to acquire them and the way such a process differs when consumers come from different social backgrounds.

Secondly, according to the market insights specialist Experian (2014), smartphones were the most wanted product among Brazilians in the end of 2014. These products are currently at the top of the market trend when it comes to consumer electronic innovations and are becoming the main Internet portal for consumers in developing economies (Ballve, 2013). Moreover, given that they are not exactly cheap for BOP consumers, they can be regarded as “aspirational” products (Karamchandani, et al., 2011). That is, these products can be used as an asset through which an individual tries to improve its social status perception (Jin, Li, & Wu, 2011). This is in line with Tauber (1972) who stated that personal and social needs also influence the consumer’s buying decision, not only the simple desire to acquire a product. This implies that the buying process for these products involves the consumer at multiple levels (e.g. rational, emotional, sensorial, etc.) (Gentile, Spiller, & Noci, 2007).

Market surveys showed that Brazilians spent an average of USD$1,080 on consumer electronics in 2013, more than American, British, and German citizens (Accenture, 2013). While market for these products is showing signs of exhaustion in Japan, U.S., and Europe that is not the case for emerging economies. According to the International Data Corporation (IDC) (2014), 17.9 million smartphones were sold in Brazil 2013, a 147% increased compared with 2012. As smartphone prices drop and local mobile networks expand, more consumers want to acquire these products, even those from the lowest social layers. In fact, according to market studies, 20% of Brazilian slums (or favelas) inhabitants owned a smartphone in 2013 and that number is expected to increase in the coming years (Instituto Data Favela, 2013). Moreover, more than half of this population is already connected to the Internet in a daily basis and an 82% has a Facebook profile (Instituto Data Favela, 2013). Thus, the Brazilian market is an attractive context to seek profit growth for smartphone manufacturers and retailers.

Additionally, this is not a strange territory for these companies. Both the consumer electronics and the communication industry have long been conducting businesses in developing regions. For instance, the English telephone provider Vodafone develops and distributes communication technology with financial services in the BOP areas of Afghanistan, Kenya, and Tanzania (Schuster & Holtbrügge, 2012). They have learned through experience how BOP and TOP contexts differ in terms of market conditions, consumer needs, and product usage (Schuster & Holtbrügge, 2012). Another example is the Swedish company Ericsson, which developed a small cellular phone called the MiniGSM especially for the BOP. The cost of this product was lower than any other conventional device, and it was packed for easy shipment and deployment. If local entrepreneurs operate these phones, the costs could be as low as US$4 per user (Prahalad & Hammond, 2002).

Learning from these organisations’ experience serves to develop knowledge regarding customer needs and market conditions at the BOP, which is quite different to those at the TOP (Schuster & Holtbrügge, 2012). This in turn helps to optimise businesses in BOP regions and serves as input for further market-entry decisions. Moreover, these companies have also learned innovative ways to deal with the different political, social, and infrastructural challenges of addressing these consumers. The knowledge gained from their experience can be incorporated in potential businesses at the TOP or in developed markets (Prahalad & Hammond, 2002).
The participating companies were two smartphone manufacturers (i.e. brands) with different market approach and performance, one is the market leader and the other one is a niche player. These companies are part of a market composed by approximately twelve more smartphone brands. These two companies were included in the research because they commercialize smartphones in Brazil and their sales representatives personally interact with both TOP and BOP consumers. These organisations provided first-hand information regarding their selling processes and their insights into consumer behaviour.

These companies were contacted through a letter by The Next Organization and were asked to take part on a thesis project, with academic purposes. On the strategic side, marketing specialists and sales managers from both companies were interviewed. They were also asked about their salesperson’s training, reward systems, and company structure. On the operational side, three salespeople from five different retailers (including the participating brands) were interviewed during their shift and were asked to describe their sales encounter with BOP and TOP consumers.

Consumers were interviewed based on two facts: 1) they belonged to either the BOP or TOP and 2) they had acquired a smartphone or were in the process of buying one. For classifying them as TOP or BOP, the research used the modified Index of Social Position (ISP) presented by Mihić and Čulina (2006). According to the ISP, the social background is determined based on consumer’s income level, educational level, and profession (Mihić & Čulina, 2006). This information provides a more integrative characterization of BOP and TOP consumers, because poverty level is not only based on income level but also considers other contextual characteristics (Weidner, Rosa, & Viswanathan, 2010). For TOP consumers, the research focused on people from class A and B, while for BOP consumers it was focused on classes D and E of the Brazilian social tiers (See Table 1 above).

During the fieldwork, 10 consumers belonging to the BOP and 10 consumers from the TOP were interviewed. This was the final sample size after the interviews reached “saturation”, the “point at which no new information or themes are observed in the data” (Guest, et al., 2006, p. 59). This number was also considered a good approximation to the recommended sample size of twelve respondents given by Guest et al. (2006). This is because the goal of the study was to compare how groups differ along a given dimension and because the groups contained relatively homogeneous individuals (i.e. similar social background) (Guest, et al., 2006, p. 59).

Consumers were interviewed in different situations. These situations included: before and after their entrance to stores located in “neutral” areas in Brazil (i.e. shopping malls frequented by both types of consumers) and in their work place. This was done in order to assure that both BOP and TOP consumers were interviewed. From the 10 BOP consumers 80% were male and 20% female, and for the TOP group 60% female and 40% male. The average age of BOP participants was 32.7 years old and 31.6 for TOP participants. Appendix C summarizes the participants’ demographic characteristics. The fieldwork took place from the 25th of April until the 8th of May 2015 in São Paulo City, Brazil. Interviews were conducted in Portuguese. All interviews were recorded, and literal responses to each question were transcribed and translated by the researcher.

The three types of questionnaires were based on concepts found in literature regarding buying and selling processes (See Chapter 2: Literature Review). More specifically, this study used as conceptual framework the customer decision-making process according to Engel, Blackwell, and Miniard (1995), and the traditional and evolved steps of selling according to Dubinsky (1981) and Moncrief and Marshall (2005), respectively. The traditional steps of selling were used as a framework for the operational selling process. This is because these steps are common in situations where the salesperson directly interacts with the customer, for example in the store (Dwyer, Hill, & Martin, 2000). The evolved steps were used to map the strategic selling process of the two participating companies. This is because this framework considers situation beyond the buyer / seller interaction, such as the use of technology, marketing activities, and customer relationship maintenance (Moncrief & Marshall, 2005).
The list of questions asked to the interviewees includes general questions (e.g. for consumers: Would you buy again from your current retailer? Why?), and questions focused on the stages of the buying and selling process according to literature (e.g. for consumers: how did you orientate yourself in the process of acquiring this product?). The interview questionnaires can be found in Appendix D.

### 3.3 DATA analysis

The interviews and observations performed during the fieldwork provided a great amount of information. Thematic analysis was the method chosen to organize the data and to analyse its content in order to describe its most significant aspects. In thematic analysis the researcher must identify a limited number of themes that can sufficiently reflect the textual data acquired from the fieldwork (Howitt & Cramer, 2011). Familiarization with the data is extremely important in thematic analysis, as it is for qualitative research in general. In order to increase the familiarization with the data, the researcher was inserted in the research context and performed the interviews, observations, and transcriptions (Howitt & Cramer, 2011).

The analysis of the data followed the Braun and Clarke (2006) process for doing thematic analysis and studying qualitative data. This process is intended to make the data analysis process more systematic and to achieve the best possible analysis. The process is depicted in Figure 3.1. Moreover, it is important to acknowledge that the refinement and clarification of the concepts makes the process more iterative.

![Figure 3.1 - Model of thematic analysis (Braun & Clarke, 2006)](image)

Following was the coding, which was made based on two to four lines of the interviews’ text. These initial codes helped to identify the themes that best describe their content. The coding categories and the data analysis in general, was performed using NVivo 10, a computer assisted qualitative data analysis software. Examples of each theme were also identified in the analysis in order to illustrate its findings, including quotes pulled from the data as examples of the theme (Guest, et al., 2006) (See Appendix E: BOP vs. TOP comparison).

The analysis of the consumer and salesperson data consisted on finding the most stated answers by the respondents and the number of people who gave the same answer. The recurrence of topics mentioned by the participants was also taken into account for understanding the relevance of a theme. This was also because different individuals expressing the same idea is also a good indicator of the relevance of themes (Guest, et al., 2006). These themes helped to build an integrative BOP and TOP buying process and to the description of organisational and operational selling processes in Brazil.

The results of the BOP and TOP analysis were compared to each other in order to track the similarities and difference between these consumers. Besides this comparison, the description of the stages of their buying process showed variables that are important in their decision, which may also vary between BOP and TOP (e.g. brand, price, word-of-mouth, and salesperson influence). These variables and the extent to which they differed...
between consumers was also analysed to determine which aspects were also important in their decision.

It is hard to analyse whether sales activities match customer needs using data extracted qualitatively. However, the analysis across groups was straightforward. The consumers’ results (i.e. needs, expectations, and behaviours) were compared to the results from the companies and salespeople, by matching each stage of the buying process with stage of the selling process. The most repeated answers and keywords by the consumers were matched with the activities in the strategic selling process and the behaviours in the operational selling process. The researcher used graphic descriptions of the buying and selling processes to analyse their correspondence. Every action or fact about the company’s selling process that was positively related to the findings of BOP and TOP consumers buying process received a “plus” sign (+). Activities that did not correspond with the consumers’ buying process or that were affecting the direct relationship between the consumer and the company received a “minus” sign (−) and were considered a suboptimal match. These “matches” were also double-checked by marketing and sales experts in cross-channel management from The Next Organization who reviewed the cross-group analysis and look for both “sub-optimal” situations and sales opportunities.

The presentation of the results followed the guidance of Pratt (2009) for qualitative analysis. Some of the suggestions presented by the author that are applied in this research include: 1) focusing on an inductive data analysis, 2) adding the interview questions and relevant data that support the research findings (see Appendix D and E), and 3) using figures to organize and visually represent the findings of each category.

The research implications can be dealt with in several ways. Therefore, some concept recommendations are formulated that can help the participating organisations to address any suboptimal match or sales opportunity with their consumers. However, the implementation of such recommendations depends on the company’s objectives and strategy, which does not fall within the scope of this study.

3.3.1. Data validity and reliability

Validity is difficult to assess in qualitative research (Howitt & Cramer, 2011). Validity refers to the extent to how well a measure represents the concept of study (Hair, et al., 2006). However, measuring something is not the objective of this research. Validity assessment in qualitative studies emphasize on how well the analysis fits the data (Howitt & Cramer, 2011). Following Potter’s (1996) recommendation, the validity of this research was increased by the use of different instruments and the triangulation of research methods. To assure validity, this research took the following considerations:

- *Explication of the process of analysis.* The report includes a detailed description of the data analysis process. This disclosure allows the reader to judge both the appropriateness of the data and the pertinence of the findings.

- *Respondent validation.* The congruence of the interpretations with those of the participants was checked so the findings of the research correspond to the meaning of the people being studied (Howitt & Cramer, 2011). One of the advantages of the research was the researcher’s social immersion. Participating in the buyer/seller interactions provides an insiders perspective that can be very meaningful for the results.

- *Triangulation.* It occurs when different data collection methods are able to reach the same results (Howitt & Cramer, 2011). The data used for this study included interviews to organisations and consumers, observations of buying/selling interactions, and input from experts. However, the main triangulation came from the data sources itself. The organisations’ market knowledge, the salesperson experience, and the consumer insights provided different perspectives regarding the way the actors see each other’s buying and selling process.

On the other hand, reliability refers to the consistency of the measure over time and across different circumstances (Hair, et al., 2006). A second coder was used to increase the reliability of the findings. The second coder independently analysed the data and his results were compared with the ones from the researcher. This was done in order to assess the inter-rater reliability using a third-person’s independent perspective (Armstrong
et al., 1997). The second coded analysed 40% of randomly chosen research interviews (from each data source category) and his results helped to assess the extent to which coding categories and themes overlapped across coders. To determine the extent to which the coders’ interpretations overlapped, each coder did a graphical representation of its findings per topic (i.e. buying process, strategic selling process, and operational selling process). This visual comparison of the results determined that the coders coincided in approximately 90% of the codes. The visual help also guided the discussion between coders, from which new codes were added based on the discrepancies and observations of both coders. The conclusions of such discussions were subsequently added into the research results (Guest, et al., 2006).

**CONCLUSION**

This chapter presented the methodology used to perform a reliable and rigorous qualitative study. It explained the way the research data was collected and analysed in order to increase the results’ validity and reliability. This section also elaborated on the context of this study, which is the Brazilian smartphone market. This context was chosen for many reasons, such as the increasing purchase of these devices across the studied consumer groups, the direct interaction between retailers’ salespersons and consumers in this market, and Brazil’s relevance and market potential for this industry. The research fieldwork took place in São Paulo, Brazil’s economic capital, and counted with the participation of 10 BOP and 10 TOP consumers, 2 smartphone brands (1 sales manager per company), and 15 sales representatives (3 per retail company).

The results of the fieldwork include a within group analysis describing the buying process of BOP and TOP consumers, the strategic selling process of two smartphone companies, and the operational selling process of sales representatives from different retail organisations. Moreover, these processes were compared in a cross group analysis to explore to which extent they coincide or differ with each other (See Chapter 4).
The following section presents the results from analysing the three data sources (i.e. consumers, companies, and salespeople). The results for each category are divided into a “within segment analysis” in which the buying / selling process is described, and a “cross segment analysis” in which the processes are compared with each other.

First, the research describes the BOP and TOP consumers’ buying processes (1). Second, the results show the selling process of the studied organisations. Because the research has a focus on the B2C aspect of the smartphone industry, the findings address the organisations’ selling process directly to the end consumer (2a). As stated in the Methodology chapter, the B2B aspect does not fall within the scope of this research, thus the selling process between companies and their partners (2b) is illustrated through a general overview. Finally, the results describe the selling process and in-store interaction of the salespeople from different retailers addressing the BOP and TOP (3). Figure 4.1 graphically summarizes such analysis.
4.1 CONSUMERS
buying process

4.1.1 Within group analysis

This section aims to answer the first sub-question presented in the introduction: “what does the buying process of BOP and TOP consumer look like?” This is achieved via a description of the buying process of 10 BOP and 10 TOP consumers in Brazil. This description followed the model of consumer decision-making process developed by Engel, Blackwell, and Miniard (1995). As indicated in the Methodology chapter, the within group analysis of the consumer data consisted on finding the most stated answers by the respondents and the number of people who gave the same answer.

• 4.1.1.1 BOP

BOP consumers buying and decision-making process starts with the recognition of a particular need. As many other smartphones users, Brazilian BOP consumers want to catch up with the technological changes and want to be connected with their friends using the multiple advantages of these products. Seven interviewees stated that. Moreover, five BOP consumers interviewed were first-time buyers of these devices and were learning to use them. BOP consumers regularly stated that they wanted to have the latest communication technologies, but they normally chose for low-range / low-price devices or looked for other ways of acquiring the product, such as second-hand. That was the answer of six participants. Edson, a BOP respondent, stated: “[I look for] the technology of the product, not so much for the brand”. Six BOP consumers associated smartphones with status, regardless of the brand. Thus, they were not so brand oriented when it comes to smartphones. However, the flexible payment options offered by operators and retailers gave the BOP wider options of brands and products to choose from. The most recognized brands among them were Samsung, LG, and Motorola. Figure 4.2 summarizes the BOP consumers buying process along with the main channels they use in each stage.

Seven of the interviewed BOP consumers were not very active in their orientation stage. They normally went to retail stores within their neighbourhood for product information and rely heavily on the salesperson to explain the product to them and to reassure their decision. The main channels they used for orientation were the Internet, the physical store, and friends’ experience. In fact, the impact of word-of-mouth was large in this group, and a great influencer in their buying decision. 90% of the respondents stated that they have bought their device because someone close to them recommended it, like friends or family.

Furthermore, the purchase and experience stage was characterised by the BOP consumer learning the advantages of the device. For this, three of the participants search for tutorials on YouTube, especially regarding the features they use in their daily lives, which are mainly social media, text messages, camera, and calls. These consumers also enjoyed sharing their experience with their community and consequently were a potential influence on others.

After purchase, six of the BOP consumers did not keep in touch with the company (i.e. brand). They contact the company only in case they need technical support. However, seven were loyal to their retailer. BOP consumers build a close relationship with the store and salesperson that sometimes contacts them in case of new products or offers. The most common reason why they establish such a relationship has to do with the quality of their treatment that goes beyond the sales transaction; this was stated by six of the participants. Seven of the respondents mentioned that they have been buying different electronic devices in these stores for years and they trusted the opinions of their salespersons. When asked about whether he would buy again from the same retailer, Fernando mentioned: “They always have the best products. Everything you look for, they have it”.

Seven Brazilian BOP consumers also mentioned they wanted to continue buying in the physical store because they found the Internet a more difficult and distrustful purchase channel. Daniel stated: “I like to go to the store. I am not used to using the Internet. I do not have the patience for it. I do not trust buying through the
Internet”. In the store, eight of the interviewed BOP consumers looked for friendly, personal, and informal relationships. The personal relationship with the retailers is a driver of loyalty in the BOP. These consumers prefer retailers such as Casas Bahia and Ponto Frio because of the closeness and regular contact they have developed throughout the years. Thus, in line with Barki and Parente (2006), this research shows that price is not the only factor motivating BOP consumers’ buying decision.

Secondly, the salesperson acts not only as a source of information but also as support in the consumer decision. Six respondents said that they go to the store without knowing what specific device they want to buy and make their decision after talking to the salesperson, sometimes after multiple visits. Consumers expected the salesperson to teach them how to use the product and to guide them towards the device that best matches their requirements. Thus, they valued an honest salesperson that is able to understand their needs.

- **4.1.1.2 TOP**

Nine of the interviewed TOP consumers in Brazil were technology oriented. Their needs were mainly related to updating their technology and following market trends. Six of them prefer premium brands and design. The main channels through which they became aware of new smartphones were the Internet (7) and by talking to friends and family (3).

Seven of the Brazilian TOP consumers were very active during their information search and went through different channels for information. These channels also included the Internet for product features and technological characteristics, and friends for product reference and to have a first experience with the device. For example, Vivian mentioned: “For me the main factors are my friends, I can learn from their experience and I am able to see and use the product myself”. Moreover, six of them also went to the physical store for seeing and using the product themselves. During this stage they compare the different products, design, brands, and technical advantages; and have a thorough assessment of the cost/benefit of each one of them.

During the purchase stage six of the TOP consumers went to the store already knowing what they wanted and their decision was not influenced by the salesperson. This decision was one of the results of their active research through different orientation channels. At this moment, seven out of the ten TOP consumers expected a quick service in the store. Six respondents said that they only go to the store for product demonstration and to negotiate the final price. The latter aspect is very important, because that is one of the reasons why they prefer to buy in the store rather than online. Although buying online is easier and more convenient for them, being able to negotiate the price and paying cash is more important. When asked about her expectations in the store, Claudia mentioned: “Quick service, good explanation of product and payment options”.

The product plays a very relevant role in TOP consumers’ daily life. Nine of them used their smartphones for both work and personal-related activities, thus they expected a multifunctional device (e.g. a large storage capacity, many applications, fast internet, and easy e-mail access). For that they look for latest models of premium brands. Cadu, a TOP respondent stated: “[the smartphone] makes my life easier. Because I can do many things with it: talk to people, check e-mails. I use it a lot for work. Thus it has become a priority in my life”.

However, their product experience may be affected by the low quality service offered by the operators in Brazil. That is, although the operators are one of the main sellers of smartphones among the TOP, three consumers mentioned that they are not using their device to the fullest because of the still-developing communication and Internet infrastructure in Brazil.

After purchase, 40% of TOP consumers only have contact with the company they acquired their product from when they need technical support or maintenance. That is because they do not see the relevance of keeping in touch with the retailers or operators and only do it when necessary. Thais, TOP consumer, stated: “I do not think it is necessary [to keep in touch]. All information I need, I can easily find it on the Internet”.

Because Brazilians acquire their smartphones mainly through retailers (4) or operators (3), these seven respondents stated that they would like to interact with the brand more and they have not experienced a relationship with the brand yet. Figure 4.3 summarizes the TOP consumers buying process along with the main channels they use in each stage.
Figure 4.2 - BOP consumers buying process

- First-time buyers of smartphones.
- Wants to catch up with technology and communication innovations.
- Gets aware mainly via TV, friends and social media (e.g. YouTube).
- Word of mouth is an important channel to get aware.

**NEED RECOGNITION**
- Televisio
- Peer recommendation

**INFORMATION SEARCH**
- Internet
- Store
- Peer recommendation

**EVALUATION**
- Store
- Peer recommendation

**PURCHASE & EXPERIENCE**
- Peer recommendation

**POST-PURCHASE**
- Call
- No relationship (with brand)
TOP CONSUMERS BUYING process

- Looks for state-of-the-art technology.
- Brand follower and brand loyal.
- Prefers premium brand & design.
- Follows technology trends.
- Needs multifunctional product (apps, storage capacity, good pictures, battery life).

NEED RECOGNITION

- Active search through different channels (incl. store).
- Compares brands, prices, features, design, camera and technical advantages.
- Cost / benefit assessment.
- Values friends' recommendations and experience.

INFORMATION SEARCH

- Salesperson does not influence decision. Works as an information source.
- Expectations (in-store), quick service & demonstrations.
- Social networks influence decision.
- Buying online is a possibility, but prefers going to store to negotiate price.

EVALUATION

- Uses the product for personal and work-related activities (multiuse).
- Experience is affected by the service offered by operators.
- Shares experience personally with community and friends.
- Influencer on other consumers' decision.

PURCHASE & EXPERIENCE

- Has not experienced a relationship with brand yet.
- Contacts the company only in case of technical support.
- Willing to be contacted by company as have a relationship with brand if sees a benefit (e.g., loyalty program and discounts).
- Expects company to contact them about launches and promotions.
4.1.2 Cross group analysis: BOP vs. TOP buying process

This section addresses the study’s second sub-question: “in which way do the buying process of BOP and TOP consumers resemble and differ from each other?” Answering this question is done via a comparative analysis between the buying behaviour of these consumers.

Figure 4.4 summarizes the differences and similarities between BOP and TOP consumers along their buying process (See Appendix E for illustrative interview quotes). From this comparison, it is noticeable that BOP and TOP consumers have different needs and expectations in aspects such as: brand orientation, technology expectation, device usage, interaction with salesperson, and relationship with the retailer. Being all of them (except for word-of-mouth) different from each other. For instance, the BOP consumer expects the salesperson to reassure his buying decision, while the TOP consumer expects a quick and effective service, without much personal interaction. Moreover, a list of consumer characteristics that are noticeable in these consumers’ behaviour during their buying process (including extracts from the consumers’ interviews) can be found in Appendix E. The elements of this list arose from analysing their buying process as a whole and are also in line with the list of product-related factors affecting consumers buying decision for smartphone (e.g. price, design, brand, etc.), as presented by Osman and colleagues (2011).

- 4.1.2.1 BOP vs. TOP similarities

BOP and TOP consumers buying processes have several similarities. The main one is the fact that both groups rely heavily on peer recommendations. Consumers, both in the BOP and TOP, help each other in different stages from their decision-making process and act as influencers in other consumers’ decision. This has to do with cultural characteristics as well. According to Hofstede (2001), Brazilians live in strong and cohesive groups, where they build reliable and durable relationships. It is expected that in such a community-oriented culture, consumers take into account friends’ recommendations and product experience during their decision-making process.

Another similarity is that both TOP and BOP consumers look for “chic” and status products they can afford. However, they have a different expectation of what a “status” product means. For 70% of the Brazilian BOP consumers it is about following mass-market trends and having the devices they see advertised on TV. This way, they feel that they are not excluded from society (Barki & Parente, 2006). While TOP consumers want to differentiate from the rest with a premium and state-of-the-art device. This in turn supports the findings of Jin, Li, and Wu (2011), who concluded that consumers use their products as an asset to improve its social status perception, regardless of their social background.

The last similarity is that neither BOP nor TOP consumers keep in touch with their smartphone brand. They only do it when they require technical assistance. Their principal post-purchase contact is with the operator (TOP) and the retailer (BOP). Nowadays smartphone brands in Brazil struggle with customer retention, which also has to do with their little chance of closing the sales with the consumer and normally leave it on the hands of third parties. This in turn makes it difficult for the brands to maintain the relationship with their consumers. Because smartphone brands are very focus on the B2B side of selling to the third parties, they may not be nurturing their relationship with their end users. In order to do so, organisations may think about strengthening the relationship with these third parties that goes beyond closing the sale with the consumer and also consider strategies to keep close to them.

- 4.1.2.2 BOP vs. TOP differences

Beside the previously stated similarities, the differences between BOP and TOP consumers’ buying process are extensive and can be seen as opposed.

First, their product expectations are quite different. TOP consumers are more technology driven than BOP. TOP consumers use the product for both personal and work-related activities. Thus, they ask for high-performance devices with clear benefits in their lives. They follow brands and premium products; while BOP con-
consumers are still first-time buyers of this technology and normally prefer low-end devices. One of the main reasons why Brazilian BOP consumers use the product has to do with social media-related activities, which do not necessarily require high-end technology. For example, according to Ricardo, a retailer’s salesperson, BOP consumers ask for a good sound system so they can play their music loud.

Secondly, TOP consumers in Brazil are more active in their buying process. They go to different channels for orientation, for comparing brands, features, design, price, etc. As stated by Williams (2002), they are independent and trained in their consumption behaviour. On the contrary, BOP consumers are more passive and rely heavily on the salesperson for explanation, demonstrations, and reassurance of buying decision. This supports the findings of Weidner, Rosa, and Viswanathan (2010) who concluded that BOP consumers prefer personal selling and customized sales messages.

Thirdly, BOP consumers are more influenced by mass media campaigns and go to the store asking for the products they saw on TV. At some extent, this contradicts the findings of Weidner, Rosa, and Viswanathan (2010), who mentioned that factors such as little access to mass media channels, and poor literacy make low-income consumers resist mass media product promotions. However, TV is a common device within the household of the Brazilian BOP (Barki & Parente, 2006). Thus, it may be that they are more influenced given that they have access to these mass media channels. For high-income consumers it is the opposite, they look for differentiation and want the latest models by the premium brands.

When in the store, the differences between BOP and TOP consumers are also quite large. Although regardless their income level consumers expect to have a polite and attentive treatment, the expectations of BOP consumers are low when it comes to treatment (Gothan & Erasmus, 2008). Therefore, when they receive a good treatment by the salesperson, they feel more motivated to buy. They see personal service as a way to gain recognition (Barki & Parente, 2006).

TOP consumers in Brazil usually prefer to make their decision without the assistance from the salesperson. Normally they have gained information regarding the device beforehand and go to the store knowing which product they want. Thus, the assistance of the salesperson is limited to a few extra questions (usually regarding the device’s technology) and to closing the sale.

In sum, Brazilian BOP consumers want to have an informal and close relationship with the salesperson and feel that the salesperson understands their needs (London & Hart, 2004). This is because commercial transactions at the BOP overlap with personal relationships (Rivera-Santos & Rufín, 2010). Moreover, they also require more assistance, so the salespersons feel that he can help them in their decision. This implies talking to the customer beyond the transactional objective, and also understanding the way they use and acquire the product. Jaiane, a sales representative from one of the retailers stated: “TOP consumers already have formed an opinion about the product. They know what they want. A lot of times they know more than us and want to test [me]. BOP consumers want to get to know the product, so it is easier for me to talk to them.”
Figure 4.4 - Comparison between BOP and TOP buying process

**BUYING PROCESS TOP**
- Looks for improving technology.
- Internet is the main channel to know new products.
- Follows top brands for differentiation.
- Active orientation (through multiple channels).
- Looks for top of the line technology with unlimited benefits.
- Negotiates the final price (e.g., asks for discounts).
- Transactional oriented relationship.
- Expects quick service and (new) information from.
- Shares experience with community and friends and influences friends buying decision.
- Product used for work and personal-related activities.
- Does not usually keep in touch (some with operator), only for technical issues.
- Has not experienced a relationship with the brand yet (but willing to).

**NEED RECOGNITION**
- Technology expectation.
- Channel preference.
- Brand orientation.
- Wants to catch up with technology (first-time buyers).
- Gets aware through mass-media channels.
- Not so brand oriented or "status seeker".

**INFORMATION SEARCH**
- Behaviour during orientation.
- Search emphasis.
- Passive orientation (via salesperson).
- Looks for advanced technology for low-price.

**EVALUATION**
- Payment preference.
- Relationship orientation.
- Salesperson.
- Asks for installment payment.
- Relationship oriented.
- Expects a reassuring and customer-oriented salesperson.

**PURCHASE AND EXPERIENCE**
- Word of mouth.
- Product usage.
- Shares experience with community and friends and influences friends buying decision.
- Product used for social media.

**POST-PURCHASE**
- Keeping touch.
- Relationship preference.
- Keeps in touch and loyal to retailer.
- Builds close relationships with the store.

**BUYING PROCESS BOP**
4.2 STRATEGIC
selling process

4.2.1 Within group analysis

This section addresses the first part of the third sub-question of the research, namely "how is the current strategic selling process of companies that address both high- and low-income consumers?" For answering this question, the research studied the selling process of two main smartphone selling companies in the Brazilian market. These organisations were chosen because both are known brands in Brazil; their products create positive associations among consumers; and because of their different market positions (one is a niche player while the other is a market leader).

The niche player is referred to as Company A. The description of the niche player is based on the interview with its Trade Marketing Manager for the retail channel in São Paulo. The market leader is referred to as Company B. The Marketing Intelligence Manager of Company B was interviewed to gain insights into their selling process. Following is the description of these organisations' selling process according to the Moncrief and Marshall's (2005) evolved seven steps of selling.

• 4.2.1.1 Niche player: Company A

Company A is a multinational organisation that manufactures mobile technology since 2001. It is a subsidiary of a large and diverse firm that develops innovative electronic solutions. They are a small player in the Brazilian market when it comes to mobile devices with a 2% market share. Their goal is to increase such position and reach the third place in the market. The company is proud of its premium portfolio, which is aligned with its market approach. The Brazilian BOP is not a targeted market for Company A. Although they are aware of the increasing number of BOP consumers owning and using smartphones, they prefer to focus on TOP consumers because of their ability to pay premium prices. Its Trade Marketing Manager, mentioned: "our portfolio is completely adjusted to TOP and we have some devices that go for BOP, but not completely Brazilian BOP”.

The customer segmentation of Company A consists of three layers, which is based on consumer’s technical knowledge and price sensitivity. These segments are defined as follows:

1. Innovators and early adopters: Technology enthusiast consumers, willing to pay any price for the latest technology.
2. Value for money ratio: Consumers that can afford a good device, but do not want to pay high prices, mainly because they do not think they need high-level technology.
3. Price oriented: Consumers that do not want many technical advantages. They look for the most cost effective device.

These three main segments are categorized in three product types (i.e. flagships, middle-range, and re-launches). Each product type is aligned with a segment, based on consumer characteristics. That is, flagship products and latest launches are directed towards the first group, with a technical and product-oriented message. Middle-range products are offered to the second group, focusing on the benefits of the product in the consumer daily activities. Re-launches of older versions are done for the third group and the marketing message focuses on the product’s low price.

Furthermore, it is important to mention that Company A’s products reach end-consumers primarily by means of three external parties: 1) retail stores, 2) telecommunication operators, and 3) distributors, that bring the product to areas the company cannot reach. As mentioned by its Trade Marketing Manager: “retailers and operators account for most of our sales, and because operators also sell to retailers, selling via the retailer can account for up to 80% of the whole sales”. Recently, Company A started to invest in new points of sales and has a budget of US$83M for new stores, so they can be less dependent on their partners. This includes setting up
kiosks in shopping malls and opening their own stores. The objective is to have more direct sales and being able to have a direct contact with their consumers.

**Company A Selling Process**

Due to the B2C approach of Company A, tracing the selling process does not linearly follow the seven steps of selling presented by Moncrief and Marshall (2005). To start, they do not focus on *customer retention*, but on acquisition. This acquisition process centres on product differentiation by offering superior technical features.

The following stage is *data and knowledge management*. By definition, this stage is about the way the organisation manages its knowledge of the customer’s needs and history of purchase. However, because most of the sales are done through third parties, they do not have complete information about who is buying their products.

The next step is *marketing the product*, which alters the selling set-up presented by Moncrief and Marshall (2005). As part of their marketing and acquisition strategy, Company A is present in online and offline channels. Currently their sales are done mainly through the retailers; consequently their efforts are also spend in this channel. Their marketing message is based on their product features, innovation, and the brand’s involvement in Brazilians daily life.

After marketing the brand and product comes the *problem solving* stage. Here, the organisation is aware of the “single-moment” sales approach they currently have. Therefore, this stage is becoming less about closing the sale and more about: 1) providing clear and fast information without any commitment from the consumer, and 2) identifying whether the consumer is searching for information or has a purchase intention. These two points determine the way the salesperson adapts his approach.

Following is the *adding value* stage, where the salesperson matches the identified customer needs with the product that best can fulfill them. For this, Company A presents the product and let the consumer feel it and use it in the point of sales. The salesperson also performs demonstrations of the product features and reassures the customer on his decision.

Once the sell is closed, the company tries to *nurture the relationship* with the consumer. This is currently a challenge for Company A, because often the sale is done through third parties, who are in turn responsible for the relationship with the consumer. In order to address such deficiency, the company has a special digital platform within the device that provides different content to the users. This works as a way to keep in touch and to start building a relationship with first-buyers.

Finally, Company A *maintains the relationship* with its consumers mainly through technical assistance and their call centre. However, Company A also acknowledges that, because of their single-moment focus, retention has been a problem. So far, Company A has two retention strategies: 1) the use of their digital platform that offers content to consumers of high-end products, and 2) working together with operators to offer discounts to consumer for upgrading their device. Nevertheless, when it comes to consumers from the retail channel, there is not a strategy to keep in touch, and a post-sales relationship is in the hands of the retailers. A graphic summary of Company A’s strategic selling process is depicted in Figure 4.5.
### Company "A" Strategic Selling Process

<table>
<thead>
<tr>
<th>Customer Retention &amp; Deletion</th>
<th>Database &amp; Knowledge Management</th>
<th>Marketing the Product</th>
<th>Problem Solving / Consultative Selling</th>
<th>Adding Value / Satisfying Needs</th>
<th>Nurturing the Relationship</th>
<th>Customer Relationship Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on customer acquisition and brand awareness.</td>
<td>Currently focused on the niche market, within the TOP and MOP segments.</td>
<td>Present in online and offline channels, but focused mainly on physical stores.</td>
<td>Transactional selling, instead of relationship selling.</td>
<td>Exposes the product for free use and demonstrations in point of sales.</td>
<td>Closing the sale is done via third parties.</td>
<td>Brand is known by the quality of its call center and technical assistance.</td>
</tr>
<tr>
<td>Segmentation is based on consumer's technical knowledge and price sensitivity.</td>
<td>Products reach consumers mainly via: retailers, operators, and distributors.</td>
<td>Marketing message based on product features, innovation, and brand involvement in Brazilians' daily life.</td>
<td>Tries to provide clear and fast information for end-consumer.</td>
<td>Promoter talks about product's main USP (i.e. quality, familiarity and differentiation).</td>
<td>Builds partnership with operators to identify consumers of older products.</td>
<td>Retention strategies: 1. Digital platform 2. Operators offer discounts to consumers for upgrading their technology.</td>
</tr>
<tr>
<td>Each product type is aligned with a segment, based on consumer characteristics.</td>
<td>Targeted segments are found in the middle and top of the pyramid.</td>
<td></td>
<td>In the store they distinguish between 2 types of consumers: information seekers and likely buyers (within their basic segmentation).</td>
<td>New sales points for direct sales and building customer relationship (e.g. Kiosks).</td>
<td>Cross-selling strategy for other brand's products.</td>
<td></td>
</tr>
</tbody>
</table>

#### Channels
- Digital Platform
- Partners (retail & operator)
- Portfolio Management
- Print Display
- Website
- Social Media
- Store / Kiosk
- Shop-in-a-Shop
- Repair Shop
- Email (newsletter)
- Retail & Operator
• **Company A market results and challenges**

Company A is satisfied with its current results, especially because of the new opportunity of increasing the number of owned sales channel. However, the Marketing Manager also recognizes the different challenges they have as they aim to become the third largest player in Brazil. Although some of these challenges have already been addressed, the three main ones can be summarized as follows:

- **Visibility in point of sales.** Being visible in the stores of the retailers and operators is costly. Company A does not have a strong brand name in the smartphone industry and needs to create positive associations with the consumer.

- **Customer retention and relationship maintenance.** Assuring customer loyalty is difficult for Company A, especially because they do not have much insight about their consumers beyond their primary segmentation. Their selling process is linear, rather than cyclical, as they would like. This is reflected in the fact that they do not know how to bring back their old “feature phone” consumers to their smartphone line.

- **Partnership with third parties.** The objectives of operators, retailers, and manufacturers differ. Thus, it has been difficult for Company A to get them involved and motivate their salesperson to offer their products to the end-consumer.

• **4.2.1.2 Market leader: Company B**

Company B is also a large multinational organization that manufactures mobile technology. Its operations in Brazil are based on a large structure that includes manufacturing, distribution, marketing, sales, and repairs among others. Company B is the market leader in the Brazilian mobile market, with over 40% market share.

Company B does not focus on a specific social layer in its segmentation. Each device is meant to address a specific group with different characteristics, not only demographics. This is done because of two main reasons: 1) the smartphone market is still young in Brazil and consumers are now coming to the stores; and 2) because the company’s large product portfolio allows them to reach consumers with different budgets. Consequently, Company B adapts its marketing and advertisement strategy to the channel and type of device being promoted. Moreover, it is also adjusted to the point of sales and the target group within that geographic area. The Marketing Intelligence Manager of Company B stated: “I think we are not ready to address a specific group, the retailer is the differentiator”.

Company B’s main partner and sales channel is the retailer. Today, they are in almost every kind of retailer store in the cities and use distributors to reach the Brazilian countryside. Currently 70% of Company B’s sales are done via the retailers, which consequently make the company dependent on them.

The company has gained a lot of acceptance at the BOP, where they have consolidated their brand and are now perceived as an “aspirational” one. That is, the company thinks that BOP consumers also use their products as a way to improve its social status perception (Jin, Li, & Wu, 2011). According to the Marketing manager, this may also be related to the fact that BOP consumers like to “show-off” when they buy a good product and they gain “social status” with the products they own. Thus, they have noticed that a recognised brand is very important to gain acceptance among them. However, they have also experienced the “cannibalization” of sales in the TOP group. That is, some of their potential buyers are reluctant to their brand because it is also popular among BOP consumers. As mentioned by the Marketing Intelligence Manager: “It is also a big challenge [to] have such a huge portfolio. Because [… ] sometimes people say I do not want to buy a [Company B] smartphone because the guy who works for me has the same brand”.

• **Company B selling process**

The selling process of Company B aims towards maintaining its market leader position. Their customer
retention stage focuses on knowing the kind of device that can be interesting for different groups. For that, the company identifies segments that can benefit for certain product or feature within their portfolio. Then, they study the channels these consumers use in order to convey their marketing message to them.

Company B constantly develops different market research in order to understand consumers’ needs, expectations, and the way they interact with their product. They test their product features and value proposition among different customer groups using large sample size along the country. The output of such market studies helps them to match their products with their target markets and to explore the ways to communicate with them. Thus, in the database and knowledge management stage, the company makes market, strategy, and portfolio decisions based on the outputs of their market research.

When it comes to marketing the product, Company B has a strong presence in many communication channels and often sponsors important events in Brazil. The marketing campaign also takes input from their research, which helps to tailor the message according to the way each segment uses the possible communication channels.

The problem solving / consultative selling stage takes place mainly in the physical stores. Their sales structure counts with more than 2000 promoters throughout the country who help consumers to understand the products. These promoters are trained in communicating the product features, the reasons for their market leadership, and the way the product relates and impacts the consumer’s daily life. The sales representatives of Company B come from different backgrounds and have experience in selling technology innovations. The company provides them with training in technology, consumer treatment, and market trends. Within the content of this training, there is not a differentiation between consumers’ social background. Thus, they are instructed to provide the same sales approach to all of the customers that go to the store.

Following, during the adding value stage, Company B focuses on the customer experience. Although they are aware that most of their sales are done via the retailer, they also have set up their own stores. In these stores, their products have a higher price than their partners, but the organisation sees them also as a way to support the customer experience and get them aware of their new launches.

Company B is now starting to explore different means to nurture the relationship with their end customers. For the BOP, they have developed a phone application for low-end devices that keeps the user up to date with his phone storage capacity. This consequently helps the person to manage its applications and have a faster processor. For the TOP they have built a “premium club”, in which some users of high-end products are invited to events and launches.

Finally, Company B maintains the relationship with the consumers by supporting initiatives of fans and enthusiast via social media, and by producing content in these channels. Their permanent market research keeps them up to date with trends, which helps them to anticipate on what consumers want in these channels.

A graphic summary of Company B’s strategic selling process is depicted in Figure 4.6.
Figure 4.6 - Company B strategic selling process

Company “B”
STRATEGIC
selling process

- Market leader in all layers (BOP, MOP & TOP)
- Company’s large portfolio allows to target multiple segments.
- Segmentation based on consumer’s interest for a device (low, medium, high-range)
- Investigates why people acquire certain device
- Conducts many market studies to support business decisions, portfolio, strategy and training.
- Social background is not basis for segmentation, because the market is still young.
- Present in many different online and offline channels.
- Market strategy for each product range in the portfolio.
- Marketing message according to consumers, channel and product.
- Increasing presence in social media.
- Developed app for BOP (i.e. low-range devices)
- Prepares 2000 promoters to help customers to understand the product and support customer experience in the point of sale.
- Results from the research are communicated to user via the promoter.
- Supports customer orientation through online and offline channels (TOP, online / BOP / salesperson).
- Owns more than 200 physical stores in Brazil to create / support the brand experience.
- Tries to coordinate all the sales channels to reflect the company’s identity.
- Products reach consumers through different channels, but mainly retailers.
- Facilitates payment by partnering with banking & trade-in program.
- Creates apps and products to improve customer experience (e.g. double SIM card).
- Started doing CRM and database management to keep in touch and close to end-user.
- Invites consumers of premium club (i.e. TOP) to events & launches.
- Uses Reclame aqui (“complain here”) as a communication and customer support channel.
- Supports fans and brand enthusiasts activities by producing content and events.
- Separate repair & support places from sales places

- CRM
- CONSUMER BEHAVIOR RESEARCH
- PORTFOLIO MANAGEMENT
- PRINT
- DISPLAY
- SHOP-IN-A-SHOP
- RETAIL & OPERATOR
- WEBSITE
- SOCIAL MEDIA (youtube)
- STORE
- RETAIL & OPERATOR
- WEBSITE
- E-COMMERCE
- SOCIAL MEDIA
- STORE
- SALESPERSON
- APP (usage)
- INTERNET
- SOCIAL MEDIA
- STORE
- CRM
- EVENTS
- E-MAIL (newsletter)
- INTERNET (complaints website)
- SOCIAL MEDIA (YOUTUBE)
- REPAIR SHOP

CHANNELS

Buying and selling processes at the Top and Bottom of the Pyramid
Buying and selling processes at the Top and Bottom of the Pyramid

Company B market results and challenges

As market leader, Company B is very satisfied with its market results and constantly invests in anticipating on its changes. They acknowledge that the Brazilian mobile market is moving fast and they are currently “surfing the waves”. According to IDC (2014), the expert in consumer technology market, the smartphone market sold almost 60 million units in the fourth quarter of 2014; these results were higher than the whole 2012. Moreover, in 2014 the Brazilian smartphone growth was 55% and Company B expects a 60% growth by the end of 2015. Thus, Company B tries to support such growth by creating market strategies that accelerate the consumer’s replacement rate, for example trading their old phone as partial payment for their new one. Company B does not focus on this touch moment for nurturing the relationship with the consumer. Instead, this moment is mainly focus on the sales transaction and on upselling.

Some of Company B’s current challenges include:

- **Market entry of Chinese competitors.** The Brazilian smartphone market potential does not go unnoticed, different companies such as the Chinese Huawei and Xiaomi are exploring opportunities in the region. This represents a threat for all the players, given the low price-range and innovative products of these competitors.

- **Relationship maintenance.** Company B is starting to implement CRM to keep in touch with their end-users and build a data base with their customer characteristics and the reasons why they purchased a certain device. This is the first step of their strategy to increase retention and assure loyalty. However, they recognize that this is still new for them, given that customer contact has mainly been in the hands of their partners, especially the retailers.

- **Maintaining current market share.** Company B occupies the first place in the Brazilian smartphone market. But currently the first position among mid-range devices is occupied by one of their competitors, which has doubled its market share in the last year (Chao, 2015). According to IDC’s (2014) market research, the mid-range device is expected to account for most of the industry growth in the coming years, while the top-of-the-line devices will continue to account for 15% of the market. Because Company B is a market share-oriented organisation; players who are strong in the mid-range segment can harm its market position in the coming time.

4.2.2 Cross group analysis: Strategic selling process vs. consumers’ buying process

This section answers the first part of the fourth sub-question of the research, namely: “to what extent are the strategic selling process and the (BOP and TOP) consumer buying process aligned?” It compares the organisations’ selling process to analyse how their sales activities match BOP and TOP consumers’ needs and behaviours.

The cross-group analysis compared the sales activities of these two companies with what the consumers stated as expectations, needs, or behaviours in order to determine how “aligned” they were. The analysis used graphic descriptions of the buying and selling processes. As mentioned in the Methodology section, each action or fact about the company’s selling process that was positively related to the findings of BOP and TOP consumers buying process received a “plus” sign (+). Activities that did not correspond with the consumers’ buying process or that were affecting the direct relationship between the consumer and the company received a “minus” sign (−) and were considered a suboptimal match.

First the analysis between the BOP consumers’ buying process in comparison with the selling processes of Company A and Company B is presented. Following is the analysis between the TOP consumers’ buying process in comparison with the selling processes of Company A and Company B.
• 4.2.2.1 BOP Consumers & Company A

There are aspects of Company A that make their products attractive for BOP consumers. The most evident match is the fact that its products are present in different channels, by means of third parties. Retailers and operators that address BOP areas also sell Company A’s products, so these third parties are a touch point between them. This means that all consumers have access to them, especially in the physical stores, which is the main channel used for orientation and purchase.

Secondly, the innovative features of their products can be very interesting for these consumers because of their active presence in social media and their interest in innovations (Prahalad & Hart, 2002). However, at the same time this high-level of technology might be too much for their needs. Many BOP consumers are first-time buyers of smartphones who are still figuring out the way to use them.

On the other side, the target market of Company A is not to be found at the BOP. Therefore, the mismatch between the company and these consumers is large. First, the premium brand and differentiation is not a message that attracts the BOP, mainly because they are not as brand oriented, as they are price sensitive. Besides, the company’s lowest price for their “low-end” device is still high in comparison to the competitors. The fact that BOP consumers associate smartphones with status, regardless of the brand, makes them choose for the product / brand with the lowest price. Moreover, Company A does not provide flexible payment options to facilitate product acquisition. Their partners (i.e. the operators and the retailers) are the ones who normally offer the consumer the instalment payments or any other flexible payment option. This kind of strategies also increases company acceptance and brand preference.

Company A stated that they do not address BOP, but their salespeople said that BOP consumers are also going to their stores and are asking about their products. The sales representatives adapt to these consumers behaviour, but the organisation is not really strategically anticipating on it. The company prepares the salesperson mainly for a product-oriented selling approach, which is a more common way of communication with the TOP, while a customer-orientated sales approach has proven to be a key aspect when selling to the Brazilian BOP (Barki & Parente, 2006).

Because of the high-margin, low-volume business of Company A, the BOP may not be an “appropriate” market to explore (Karamchandani, Kubzansky, & Lalwani, 2011). However, their focus on premium devices and niche market may also not go inline with their aim to become the third main market player in Brazil. This given that mid-range devices (i.e. products priced between US$ 100 and US$ 300) are becoming the most sold models in the industry and in Brazil (Chao, 2015).

• 4.2.2.2 BOP Consumers & Company B

Company B has a large product portfolio that reaches different types of customer needs and budgets. Their constant market research has also helped them to understand their consumers better and the way they interact with their products. This information serves as input to serve them better, for example by offering them product features designed specially for their low-range products.

Moreover, the company has also noticed the market potential of the BOP and the fact that they also want to acquire their latest launched devices (not only low-end). Therefore, although they do not use the social background as a basis for segmentation, they do facilitate payment for all of their consumers. This is especially relevant for the BOP, because micro payments are interesting ways to overcome the constraint posed by their cash flow uncertainty (Karamchandani, Kubzansky, & Lalwani, 2011).

The company’s presence in the BOP’s more used channels has made them a household name. Especially for the BOP, the company’s strong presence in the physical stores supports the consumer experience. For BOP consumers visiting the physical stores is not only about the exchange transaction, but also a social event where they can feel they have an active participation in society (Barki & Parente, 2006). In the online channel, Company B also studies the most used channels as to offer particular content for these consumers, for example through YouTube tutorials. The question arises whether they are actually engaging the consumers through these channels as to assure brand or retailer preference. So far, the connectivity between the stages of the decision-ma-
Buying and selling processes at the Top and Bottom of the Pyramid

The buying process is limited and the consumer is an independent actor leading its own way without any anticipation from the retailer. If companies could manage and anticipate on consumer behaviour in each stage, they would be able to maximise “value both for the customer and for the organisation” (Nenonen, Rasila, Junnonen, & Kärnä, 2008, p. 57). This anticipation would imply aligning the selling process to the consumer buying process and not the other way around, as it is at the moment for Company B.

Furthermore, there is also a non-optimal match between the BOP and Company B when it comes to the intermediaries that are between the company and its end consumers. Loyalty is usually in the hands of the retailers, which does not share customer information with them. Therefore, Company B finds it difficult to connect with its users after the sales, regardless of their income level. The BOP relies on close interactions with their sellers, thus Company B may be missing opportunities to keep in touch with the consumers and be part of their networks, as to gain loyalty (Weidner, Rosa, & Viswanathan, 2010).

Finally, intermediaries such as retailers and operators have different goals and strategies than the smartphone brands. Their prices vary between stores, online, retailers, operators, and regions in Brazil. This is not only a sub optimal match between the company and the BOP, which is price sensitive, but also an aspect that can hinder the brand image in the market.

A graphical representation of the analysis between BOP consumers and the companies can be found in Figure 4.7.

Figure 4.7 - Cross group analysis between BOP consumers and companies
4.2.2.3. TOP consumers and Company A

The target market of Company A can be found at the TOP (i.e. the technology enthusiasts and the “best value-for-money” group). Consequently, their product and sales efforts are better aligned with this group. To start, the premium brand, design, and product of Company A are in line with TOP consumers’ differentiation expectation. Their high-end product portfolio responds to the TOP consumer need of a multifunctional device.

The TOP consumers’ active search is supported by the company’s presence in online and offline channels (Williams, 2002). In the online channel the company focuses on offering consistent and easy information about the devices, while in the stores the company prepares its sales representatives for giving demonstrations, answering technical questions, and providing quick service. Furthermore, the company is known for the quality of its call centre and technical assistance, which is the main touch point they have with the end-consumer after the purchase.

Knowing about the impact of these aspects in the consumer’s decision represents an opportunity for Company A to take the lead on their customers’ journey. However, this is not happening at the moment. For example, their premium brand and product may not be fully supported by a premium buying experience because they are normally located in multi-brand retailers that do not differentiate among brands or devices. The relevance of this aspect can help Company A to explore ways to bring their premium marketing message in the store as well as online.

Another sub-optimal match between TOP consumers and Company A is in the post-purchase stage. Although Brazilian TOP consumers do not usually keep in touch with the companies, 70% of the respondents admitted to be willing to be approached or to have a relationship with the brand, as long as they see an extra benefit (e.g. loyalty program or discounts). Currently there is not a clear and direct connection between the brand and the consumer after the purchase. And the fact that sales are done via third parties and the in-store salespersons are outsourced does not help either, because the direct contact moments become more limited. Company A is aware of this situation and in order to overcome it they are trying to enhance their relationship with the third parties and provide discounts to consumers for upgrades. However, it would be important to support such relationships with a deep understanding of the consumer’s expectations in each stage. This in turn would help both retailers and brand to predict the consumer’s behaviour and to proactively assist each stage of his buying process (Puccinelli, et al., 2009).

4.2.2.4 TOP consumers and Company B

Just as with BOP consumers, Company B’s large portfolio allows it to reach different customer groups. In this case, their premium line and high-end devices are their most requested products among the Brazilian TOP. Moreover, their continuous market research gives them insights into consumer needs and behaviours, which serve as input for deciding their channel presence and message to communicate to consumers.

The company, as many other market players, is present in different online and offline channels in order to help their consumer in their buying process. Their partnership with retailers and operators has allowed them to gain acceptance and credibility among users, who also like to recommend their products to friends. Company B also assists the customer experience by supporting initiatives of fans and brand enthusiasts. And for some of their TOP consumers, they have a special “premium club” that are invited to event and launches.

The misalignment between TOP consumers and Company B starts with one of the main elements the TOP looks for, which is differentiation. Because Company B is also a favourite among the BOP, Company B may be losing the premium and differentiated status that TOP consumers look for.

Secondly, there is no consistency between the prices across partners. This is particularly relevant for the TOP group, given their active information search and thorough cost/benefit assessment (Williams, 2002). TOP always chooses the lowest-price channel and company to buy from.

Currently Company B is starting a CRM program in order to manage customer loyalty, which is one of their main challenges. However, a CRM program does not necessarily increase the consumer / brand connection. It is the comprehensive strategy behind it that enhances such a relationship, because it translates consu-
mer information into concrete managerial actions (Ernst, Wayne, & Manfred, 2011). So far Company B does not know which consumers buy again from them or which consumers switch brand in further purchases. This information is normally in the hands of their partners, which normally do not share it with manufacturers. Although 40% of the interviewed TOP consumers have bought their last three devices from Company B and admitted to be loyal to the brand, they also stated that beyond the search and purchase stages they do not have any relationship with the company. A reasonable approach would be then to complement the CRM program with information regarding the consumer behaviour per stage of its buying process, engaging with consumers through focus groups, or building personal relationship with clients. This way loyalty would be enhanced with actions that aim towards building a brand / consumer relationship not only after the purchase, but also during the buying process in a holistic way.

A graphical representation of the analysis between TOP consumers and the companies can be found in Figure 4.8.
4.3 **OPERATIONAL SELLING PROCESS**

4.3.1 Within group analysis

This section continues the analysis of the companies addressing BOP and TOP consumers. It focuses now on the implementation side of the sales strategy, namely on the salespersons in the stores. As stated in the Methodology section, the within group analysis of the salesperson data looked for the most stated answers by the respondents and the number of salespeople who gave the same answer.

The following description of the salespersons’ operational selling process is based on Dubinsky’s (1981) traditional seven steps of selling. This is because these stages can be applied to different selling scenarios, specifically in a personal selling context (Dwyer, Hill, & Martin, 2000). These findings also focus on describing the four main steps of selling within an in-store sales encounter (i.e. approach, presentation, overcoming objections, and closing the sale). This is due to the fact that the other stages are normally not in the hand of these sales representatives (i.e. prospecting, pre-approach, and follow-up).

The selling process of the salesperson in the store showed how adaptive selling is the norm when addressing both BOP and TOP consumers in Brazil. These adaptations depend on the consumers and the stage of its buying process. To start, the approach step is the same for both groups. Thirteen of the respondents assured that there was no way to know whether a customer was BOP or TOP without talking to them and listening to their needs. Therefore, ten of the salespersons started their approach by politely introducing themselves and asking the customer about his needs or requirements. Although sales representatives assured that they approach all of their consumers the same way, six of them stated that TOP consumers preferred not to be approached while eight stated that BOP consumers liked to talk to the salesperson.

**Presenting** the product also depends on the customer needs and requests. However, the main adaptation in this stage has to do with the language and tone of voice of the salesperson. Seven of the salespersons usually spoke in a more “sophisticated” manner when talking with TOP consumers and in a “simpler” way when talking to BOP consumers. In this stage, the consumer budget tells the salesperson what kind of device to offer. For TOP consumers, eleven of the salespersons focused on top of the line devices, while seven of the sales representatives focused on low-end technology when talking to BOP.

Moreover, the presentation is “product-oriented” for TOP (according to seven of the respondents) and “customer-oriented” for BOP (according to nine of the respondents). That is, for TOP customers the salesperson focuses on the technological and innovation factors of the product, and for BOP consumers the focus is on the daily-life benefits and applications of the low-end product they can afford.

The most common objections presented by TOP and BOP consumers tend to be similar and related to product features. However, some salespersons made the following distinctions. According to four of the respondents, TOP consumers objections concern the products’ performance and technology. For replying to these objections, the salesperson makes a comparison with other brands and talks about the product’s uniqueness (e.g. price, design, technology, etc.). According to four of the salespersons, objections presented by BOP consumers are mainly regarding the use of basic applications (e.g. WhatsApp, calls, YouTube), which the salesperson can easily give an answer to. As said by Kleiton, a sales promoter from Company A, this is due to the consumer access to previous technology, he stated: “TOP consumers ask more about technical aspects, for instance whether the product is able to play a 4K video. They come with more technical questions because they had access to products from previous technology, while the BOP consumer never used anything like that”.

Finally, **closing the sale** is about negotiating the price. TOP consumers like to pay cash and they normally ask the salesperson for discounts. According to seven of the interviewed salespeople, TOP consumers asked more for discounts and are hard-negotiators. Because these consumers go to different channels for price information, they usually make the purchase via the one with the lowest price. On the contrary, seven of the salespersons offered instalment payment to a BOP consumer. Offering an extra service was a common selling...
Buying and selling processes at the Top and Bottom of the Pyramid

Technique that five of the sales representatives used to close the sale. For example, Gabriel, a sales representative from Company B, mentioned “I always try to give something special for them, helping them setting the phone, transferring things from their old phone to the new one, etc.”

Figure 4.9 summarizes the main aspects of the salesperson’s operational selling process.

4.3.2 Cross group analysis: operational selling process vs. consumers’ buying process

This section answers the second part of the fourth question: “to what extent are the operational selling process and the (BOP and TOP) consumer buying process aligned?” The salespersons’ actions and behaviours during the in-store interaction were compared to the consumers’ expectations when they visited the store.

Similar to the cross-group analysis between consumers and companies, this section examines how the salespersons’ selling behaviours correspond to the (BOP and TOP) consumers’ expectations. The analysis relied on graphic descriptions of the buying and selling process. Each salesperson’s behaviour judged by the researcher as aligned with the buying process or consumer expectations received a “plus” sign (+) and was considered a match. Aspects that were not fully in line with consumers’ expectations received a “minus” sign (-) and were considered a suboptimal match. Following is the description of such findings.

- 4.3.2.1 BOP consumers & Salesperson

The salespersons addressing the BOP apply an adaptive selling behaviour based on their experience with these consumers (Franke & Park, 2006). Their match starts when they dedicatedly listen to their customer needs and are able to match them with the product that can fulfil them. For that, they ask about the consumer most used applications in the device and offer demonstrations of most-used features.

Their approach is less focused on technical terms and more on building a trustful relationship with their BOP consumers. This implies explaining the product in terms of their benefits in the person’s daily. This, along
with an informal and friendly treatment, reassures the consumer on his buying decision.

There is an interesting finding regarding the salespersons’ perceptions of the BOP consumer. 50% of the interviewed sales representatives stated that BOP consumers look for “status” products. This was in line with the response of at least 60% of the interviewed BOP consumers. But “status” for the BOP does not necessarily mean flagship products or recognised brands. Instead, they relate “status” to the smartphone device itself. So, they normally choose a low-end and low-price device that they can afford. Therefore, the fact that 70% of the sales representatives paid close attention to the customer needs and requirements helped them to match these needs with the most appropriate device. That way, they are also able to increase customer satisfaction as well.

The mismatch between the BOP and the salesperson has to do with their sales preparation. The sales representatives addressing the BOP are trained mainly on products and technology; and the operators’ salespeople are also trained on their phone subscription packages. Thus, customer treatment is in the hand of the salesperson’s experience. Although all sales respondents were satisfied with their performance when addressing BOP and TOP, they also stated that knowing more about their customer behaviour could help them to provide a better treatment and facilitate their adaptive selling approach (Spiro & Weitz, 1990). This is particularly relevant for the strategic part of the selling process, because they may be providing the wrong training to the in-store sales representatives. This in turns means missing an important interaction moment to support the consumer’s buying experience.

A graphical summary of the analysis between BOP consumers and the salespersons can be found in Figure 4.10.

**Figure 4.10 - Summary of matches and mismatches between BOP consumers and salesperson**

- **4.3.2.2 TOP Consumers & Salesperson**

  The salespersons’ adaptive-selling behaviour has also allowed them to understand and anticipate on TOP consumers expectations (Spiro & Weitz, 1990). To start, they identify the customer technical knowledge in order to adjust their language to the conversation. Normally, their sales approach is product-oriented, focusing on
technology and innovation. Because TOP consumers usually go to the store knowing which device they want to buy (or want to have more information about), the salespersons avoid aggressive selling or offering other devices. Instead, they provide a quick service or answer questions effectively.

The sales representative support the customer's cost / benefit assessment by providing product demonstrations and showing differentiation over competitors. Moreover, they offer special discounts when paying cash and unlimited product benefits in their phone subscription (for the case of operators).

The salesperson’s mismatch with TOP consumer has to do with their limited knowledge regarding customer behaviour. Although TOP consumers value the salesperson’s product knowledge, more training about customer treatment can help them to improve the customer experience at the store (Spiro & Weitz, 1990). This would imply not only adapting their selling behaviour during the sales encounter as they already do, but also adjusting their approach when interacting with the consumer. When the salesperson acts as a consultant the focus is on finding the right product that can help consumers meet their needs instead of “manipulating” them towards a product (Graziano & Flanagan, 2005).

A graphical summary of the analysis between TOP consumers and the salespersons can be found in Figure 4.11.

<table>
<thead>
<tr>
<th>Salesperson's Operational Selling Process</th>
<th>Approach</th>
<th>Presentation</th>
<th>Overcoming Objections</th>
<th>Close</th>
</tr>
</thead>
</table>
| **TOP**                                  | - Gives the consumer space and time  
- Answer questions effectively  
- Quick service | - Uses a neutral language, words and way of speaking.  
- Focus on technology and product innovation and their daily-life impact.  
- Presents characteristics of the product or brand the customer asks for | - Presents the product’s performance, durability and latest technology.  
- Shows product and brand differentiation.  
- Answers difficult and technological questions salesperson | - Offers unlimited product benefits (phone subscription)  
- Offers discounts when paying cash  
- Tries cross-selling (e.g. other brand’s products or accessories) |
| **BOP**                                  | - Friendly and immediate approach.  
- Starts building a personal relationship.  
- Patient assistance | - Uses a simpler and more informal way of speaking.  
- Focus on daily-life benefits and applications of a cheaper product.  
- Presents different products within the customer budget | - Focuses on basic applications (e.g. music, internet and social media)  
- Links the product to the marketing campaign (or trend)  
- Answers more and diverse questions | - Supports the customer’s cost/benefit assessment.  
- Offers installation payment  
- Offers flashy cases and accessories |
| **BOTH**                                 | - Approach is the same: let the customer talk and present a product that matches his needs.  
- Approach is about knowing the customer.  
- Recognizes the customer need (i.e. information seeker or likely buyer)  
- Location of store determines the BOP / TOP probability | - Presents a product based on customer needs and request.  
- Adapts the presentation to the customer technological knowledge.  
- Lets consumer use the product in the store  
- Gives demonstrations (e.g. use, applications, features) | - Lets the consumer see and feel the product.  
- Compares among products and brands.  
- Compares prices.  
- Answers questions regarding product’s quality and technical support | - Offers a special extra service (e.g. installing the phone)  
- Offers discounts and flexible payment options (according to the consumer) |

Figure 4.11 - Summary of matches and mismatches between TOP consumers and salesperson.
CONCLUSION

Although each consumer is “unique” and social background is only one aspect to differentiate between them, the study’s results confirm the findings of Williams (2002) that socioeconomic groups exhibit different buying behaviours. Indeed, BOP and TOP consumers in Brazil have very different buying processes and needs. This was noticed from the answers of the interviewed consumers and was also confirmed by the sales representatives who interact with them directly and on a daily basis. Companies that attempt to target them will be less than optimal when using a single marketing and sales approach. It would be then advisable to adapt these approaches along the selling process.

The participating smartphone organisations have two different market approach and performance. Company A’s focus on the niche market and flagship devices. Thus, their market efforts are spend on the TOP and do not develop strategies that can make their brand more attractive for BOP consumers. On the other hand, Company B’s large product portfolio and mass-market approach have made them a household name across the different groups. Although they do not fully differentiate between BOP and TOP consumers, they have developed marketing initiatives to facilitate product acquisition for the BOP, which may be one of the reasons why they are currently the market leader in the Brazilian market in both segments.

In Brazil, the salespersons are characterised by their adaptive selling behaviour when dealing with BOP and TOP consumers. However, this initiative is based on their sales experience and it is not fully supported by their organisations. The retailers of these sales representatives train their sales force mainly on technology aspects and less on consumer treatment. Therefore, companies are leaving an important contact moment with the consumer in the hands of an under-prepared sales force.

In sum, the involved actors in the buying/selling relationships have specific characteristics and views of their own processes. However, each one of them is an independent figure and these processes do not fully align with each other. Organisations are not leading the consumer buying process and are leaving each stage of it on the consumer’s hands. That is, it is the consumer contacting the organisation at each step in their process and companies are not engaging with them across channels. This aspect can represent a point of improvement and an opportunity to innovate and grow in the market approach of these companies.

The Brazilian BOP is a very large and upcoming group, which is increasing its purchasing power and is becoming the new middle class in Brazil. Reaching them might create a large group of new and loyal consumers. This is very relevant for retail organisations, since gaining and retaining consumers is a challenge for them. The powerful word of mouth and the close networks developed by Brazilian consumers can create a multiplier effect. Engaging one consumer will probably lead to four additional leads/consumers.
The following chapter refers to the discussion of the research results and it presents recommendations for companies addressing both low- and high-income consumers. The discussion section answers the main research question. Additionally, the consumer needs, expectations, and behaviours insights provided by this research are used to present a set of suggestions for companies selling smartphones to Brazilian (BOP and TOP) consumers.

5.1 RECALL OF THE research question

After stating the research problem and motivations for conducting this study, Section 1.3 introduces the research question:

Do BOP and TOP consumers require a differentiated sales approach?

In order to find an answer to this question and guide the research approach, four sub-questions were stated. The first question (i.e. what does the buying process of BOP and TOP consumer look like?) was intended to describe the decision-making process of BOP and TOP consumers. The second question (i.e. in which way do they resemble or differ from each other?) had as purpose to compare these buying processes in order to see to which extent they differ or relate to each other. The first part of the third question (i.e. how is the current strategic selling processes of companies that address both high- and low-income consumers?) was intended to understand the selling process of two companies that sell smartphone devices to both BOP and TOP consumers. The second part of the third question (i.e. how is the current operational selling processes of companies that address both high- and low-income consumers?) gives an overview of operational sales practices of five retailers that commercialize smartphones in Brazil. The fourth question analyses to what extent the selling process is aligned with the buying process of consumers from BOP and TOP, or whether the sales approaches of the two participating companies are more focused on a particular group. Finally, analysing the alignment between buying and selling processes shows whether social class is a relevant differentiation factor that organisations should consider when setting up their sales approach.
5.2 DISCUSSION

Mihić and Ćulina (2006) showed that members of different social classes have different consumption behaviours for different product types. However, they did not analyse their behaviours along their buying process (e.g. what are their product expectations, how they orientate themselves, drivers of purchase decision, etc.) This Master thesis analysed the needs and decision-making process of 10 TOP and 10 BOP consumers in São Paulo and concluded that both aspects tend to differ between these groups.

On the one hand, BOP consumers are characterised by having a passive selling process. They orientate themselves mainly in the store and with the assistance of the salesperson and do not go to many channels for product information. Their interaction with the salesperson is an important influence in their decision because it reassures their choice. This is particularly important because many Brazilian BOP consumers are buying smartphones for the first time and are not yet familiar with their features and technology. Thus, they feel that they require more information regarding the benefits of the product in their daily life and the way to use the device. Moreover, variables such as low price, flexible payment options, and peer recommendations play a major role in their purchase decision.

On the other hand, TOP consumers are more active in their decision-making process and go to different (online and offline) channels looking for information about the device they want to acquire. The TOP group is brand oriented and loyal. High-income consumers are looking for high-end devices to upgrade their technology. Once the TOP consumer has made his choice, it is very difficult for a salesperson to persuade him for another device. Thus, their salesperson expectations are not in terms of reassurance. Instead, they expect quick service and (more and new) product information. For TOP consumers variables such as product technology, brand, and peer recommendations also play a role in their purchase decision.

The two participating companies have a “one-size-fits-all” sales approach and do not differentiate between the BOP and the TOP. This has to do with the mass-market segment were they operate and because the smartphone market in Brazil is not mature yet. However, it is noticeable how some of their sales activities are in line with the expectations of some of their consumers. For example, Company B’s partnership with credit card companies has facilitated BOP consumers’ access to their products. BOP consumers manifested that they look for flexible payment options when acquiring their devices. Thus, in this sense, there is an alignment with BOP consumer’s needs and expectations. As this example shows, the alignment between the selling processes of these companies could be improved by taking into account the characteristics of BOP and TOP consumers.

On the operational side, the salespersons from the multiple retailers are adapting their selling behaviours for addressing both groups. They have noticed that certain selling approaches are more effective with a group than with the other. For instance, using a neutral language and tone of voice when talking with TOP consumers, and a more informal and simpler way of speaking with the BOP. According to the respondents, these little adaptations in sales interactions have helped them to serve both consumer groups better, to facilitate the interaction with them, and to close the sale. Therefore, the sales representatives recognise that these consumers require a different approach in the store. The question arises whether positive results would also be achieved if these adaptations were also implemented from a strategic perspective in the set up of their general selling process.

As presented in previous sections and in line with Williams (2002) and Swait and Adamowicz (2001), it is clear that the buying process of BOP and TOP consumers vary, mainly because of the contrasting approaches they have. It is also known that adapting organisation’s sales approach to meet customer requirements helps to increase sales performance and to build buyer/seller relationships (Homburg, Müller, & Klarmann, 2011). So, should companies have a differentiated sales approach when addressing BOP and TOP consumers? In line with Mihić and Ćulina (2006), this study suggests that consumers from different social background do require differentiated marketing and sales strategies. Not only because of the budget difference between them, but also because their behaviours along their buying process are characterised for being opposite to each other.

It is also important to acknowledge that some of the sales approaches and activities of the participant companies are in line with the (BOP and TOP) consumers’ needs and expectations. For example, their pro-
duct features and portfolio respond to consumer requirements. Moreover, their marketing and sales efforts aim towards meeting their consumer needs. However, the large differences between these consumer groups found in this study imply that a differentiated selling process would achieve even more positive sales results than a “one-size-fits-all” approach. This differentiation does not necessarily have to do with creating different product lines meant for different social classes or providing low vs. high quality services. Instead, the findings of this research suggest that such differentiation can be done in three main stages of their buying process. Namely, need recognition, evaluation, and post-purchase:

In the need recognition stage BOP and TOP consumers have different product expectations. Therefore, they look and ask for different features. This implies that there are different unique selling points to address in each group. For the TOP group the focus could be in terms of brand, technology, and the impact of these high-end features in the consumer’s life. For the BOP group, the company could focus on the daily life benefits of a good quality device that fits their budgets and that has flexible payment options.

During the evaluation stage BOP and TOP consumers prefer different sales approaches in the store. Although both consumer groups emphasise on the importance of a good treatment, TOP consumers prefer to make their decision more independently and use the salesperson assistance for extra product information. This is not the case for BOP consumers, who like to talk with the salesperson for reassurance and to understand the impact of the product in their lives. Managers should prepare the salesperson for assisting all consumer types and support the salesperson’s adaptive selling behaviour with more training in customer treatment, not only on technical features.

Finally, during the post-purchase stage, BOP and TOP consumers have different ways to keep in touch. BOP consumers build close relationships with their local retailers, while TOP consumers normally keep in contact with their operators. Neither group has experienced a post-purchase relationship with the brand yet. In this case, smartphone companies could stay close and build a relationship with their consumers by strengthening their current partnerships with the third parties, taking into account the consumer’s insights provided in this study. For example, involving the retailer when the target group is to be found at the BOP or the operator for TOP consumers who want to upgrade their technology.

In sum, because social class is a great influencer in consumer’s buying behaviour, it is expected that adapting organisation’s sales approach to meet customer requirements would help to increase sales performance and to build sustainable buyer/seller relationships with BOP and TOP consumers (Homburg, Müller, & Klarmann, 2011).

5.3 **RECOMMENDATIONS**

The following recommendations are based on the analysis of the correspondence between buying and selling processes. This advice also suggests seeing any dissimilarity between the selling organisations and their consumers as an opportunity. The suggestions aim to increase consumer engagement by incorporating the customer knowledge from this research into the selling process. For that, the recommendations address needs and expectations that BOP and TOP have in common or that could be applied to both groups. Thus they are targeted to both groups, unless it is stated otherwise.

Two marketing experts in the telecommunications industry within developing economies helped to write the recommendation chapter of this research. Their expertise in the African market makes them a valuable source to provide advice to organisations that address the BOP and the TOP in Brazil.

5.3.1 Need recognition stage: assure first experience with the brand

Companies could start a relationship with the consumers and identify the upselling potential of their customers by promptly introducing the device to them. Setting a trade-in structure, in which second-hand devices
Buying and selling processes at the Top and Bottom of the Pyramid

are sold to consumers who cannot afford new ones yet, can help to do this. The customer would get an incentive (e.g. discount) for trading his old device for a new one. However, this old device would also be distributed at the BOP for a lower price.

BOP consumers consider and accept buying second-hand products during their evaluation stage. Moreover, organisations know that (BOP and TOP) consumers exchange and sell their devices among them. Instead of fighting or ignoring the “grey market”, companies can take this as an opportunity to introduce their brand and support the consumers who still cannot afford their latest devices. This in turn helps to approach this large group of consumers who may not have enough money to spend on luxury goods but just about enough to buy a smartphone, which is perceived as a status and aspirational product among them.

In the future, when the BOP consumer can afford a new or flagship device, he would already have the experience with the brand. Thus, he is more likely to be loyal to it. Especially if price is the main constrain for purchase. In this case, a good technical support structure or product guarantee can reassure the consumer of the quality of the (second-hand) device. This suggestion also implies thinking about balancing selling new products with selling existing products. However, it would help companies to identify market groups with the highest growth potential and to facilitate product acquisition (e.g. payment options and upselling). Assisting this first experience would also create a network effect that uses positive word of mouth to create customer loyalty, especially in the coming future when these consumers join the middle class.

5.3.2 Information search stage: apply a consultative selling approach

Retailers and manufacturers in the Brazilian smartphone market have a transactional selling approach. When the customer goes to the store his buying experience may be affected by aggressive sales approaches at the retailer (e.g. the salesperson tries to “push” the product to him) or by having to wait in line to be served at the operator’s store. TOP consumers prefer making their decision independently and expect a quick service at the store, while BOP looks for reassuring and patient assistance from the salesperson. Thus, this type of transactional behaviours can harm the buying experience of both groups.

To overcome that, organisations can adopt a consultative selling approach in which the salesperson aims to understand the customer needs and engages the consumer in the process of finding a product that best suits him, this in turn leads to higher customer satisfaction and, thus, loyalty (Graziano & Flanagan, 2005). For this, the organisation can improve the consumer experience at the store by preparing all in-store employees to sell a device or to provide customer support. This would imply extending the role of the salespersons and training them not only on product features but also in a holistic view of the customer needs. This can help to improve the customer judgments of the salesperson, which in turn helps to increase customer trust in the salesperson, his purchase intentions, and it would enhance the personal relationship between the company and the consumer (Bateman & Valentine, 2015). This recommendation could be applied for both BOP and TOP customers.

5.3.3 Evaluation stage: anticipate and lead the consumer’s buying process

Currently organisations do not fully anticipate and support the steps of their consumers’ buying process. Consumers may be active (TOP) or passive (BOP), but they both have in common that they are the ones approaching the companies at each stage. For example, Brazilian consumers like to check the devices’ characteristics and features online. Afterwards, they go to the store to have a first use experience with it. This may sound as a small aspect, but it can also be seen as an opportunity to lead the consumers buying process and engage them already with the brand or retailer.

The participating companies have a “single-moment” approach. Each channel and stage of the buying process is independent from each other and there is not a clear connection between them. Therefore, the proposed recommendation is for the companies to connect these touch points with the consumer more efficiently as to
provide them a thorough and holistic buying experience. Having a multichannel approach in which multiple orientation, purchase, or service channels are integrated can help to do this. For instance, when the consumer is searching for information online, the companies’ websites can also provide them with information regarding the closest retailer where they can try the device. If the consumer goes to the store and the device is not available, organisations can offer a fast-delivery online shopping, which can be ordered in the same store. In sum, it is about being one step ahead in the consumer’s decision-making process as to involve them with the brand or retailer at each stage. This, accompanied with consultative selling, helps to increase the consumers’ convenience during the buying experience and keeps them from feeling “pushed” to a product (Graziano & Flanagan, 2005). Moreover, it can apply for all consumers, regardless of their social background.

5.3.4 Purchase stage: create positive context-specific associations at the BOP and TOP

Although BOP and TOP consumers have different product expectations, they also have an important aspect in common: both groups are “community-oriented” people, who value peer recommendations. Thus, the strong influence of word-of-mouth among these consumers is an asset companies can use to create positive associations with their brands.

The advice for companies addressing low-income consumers would be to link the product to social responsibility. For example, let BOP consumers go to the store to explore how to search the Internet for something they need (e.g. medical information or contact through social media). This would create a positive brand image in the community and consumers would get to know the company’s portfolio. This was the experience of Uniliver’s strategy in the Indian BOP when the company applied a branded social communication program for their personal hygiene product line (Schuster & Holtbrügge, 2012).

When addressing the TOP the focus could be on providing a premium experience in the store. This would imply that companies switch their vision of the physical store from a trade place to an experience centre. This premium experience would be built based on the brand’s message and image without neglecting TOP consumer’s expectations (e.g. innovative technology, differentiation, unlimited benefits, etc.) (Nenonen, et al., 2008). Although high-income consumers stated they do not like to be approached by the salesperson, it is also because they tend to associate the salesperson’s role with aggressive selling behaviours. In this case, as presented earlier, the organisation could prepare its sales representatives for a consultative selling approach focused on improving customer experience. It is not about “ignoring” the customer, but about the way to approach him. This experience would also be enhanced with a coordinated approach from all the parties involved (i.e. retailers, operators, and brands).

5.3.5 Post-purchase stage: enhance partnerships to be closer to consumer

More than 70% of the sales of both of the participating firms are made via the operators and the retailers. These third parties not only get to close the sale, but also get to gain more consumer information. Thus, the post-purchase relationship is mainly in their hands.

As it can be expected, these third parties sell multiple brands indistinctively. This represents a challenge for the manufacturers to increase customer loyalty, because when consumers go to the stores of the partners, they do not see any “extra benefit” on staying with the same brand (e.g. loyalty programs). Consumers, especially TOP ones, often switch to another brand after one or two years. However, given the strength of the social networks in the Brazilian market, assuring customer loyalty may not be only about customer retention. Instead, it would have important effects on sales because the positive word-of-mouth also helps to bring new consumers to the firm.

In order to stay close to the consumer and increase customer loyalty, working with the partners is essential for the companies. The research showed that the BOP is loyal to the retailer and that the TOP keeps in
Buying and selling processes at the Top and Bottom of the Pyramid

touch with its telecommunication provider. Thus, it is recommended for companies to involve these third parties when setting any customer loyalty strategy. For example, companies can set benefit programs together with these partners for consumers who want to renew their technology (TOP), trade-in their old device, or that want to buy their first smartphone (BOP).

Moreover, companies can gain insights from the way (BOP and TOP) consumers interact with these third parties and learn from the way they have built these close relationships. This information, along with insights into customer needs, would help to promote and strengthen different partnership strategies. These strategies can include training third parties on consultative selling approaches to improve customer experience, reward structures to motivate the promoters, and CRM systems that also have input from these market players. That way all the organisations involved would work together to improve the customer's buying experience through out their own selling process.

**CONCLUSION**

Buying processes of BOP and TOP consumers are very different from each other. Therefore, it is advisable to adapt selling processes according to the requirements of each group. This is because customer satisfaction and sales performance can be enhanced when the sales approaches are designed to meet customer needs and to fit consumer’s behaviours.

The previous stated recommendations take into account consumers’ behaviours and needs according to social background as a way to understand their journey towards meeting their needs. The idea behind this advice was to provide a holistic market approach that addresses potential common gaps between BOP and TOP groups and that helps to increase consumer engagement. Organisations can use these suggestions for engaging the consumer with their by aligning consumers’ buying process with organisations’ selling process.

Companies can use these key actions to adapt their selling process to the realities of their market and to improve the market potential of both BOP and TOP consumers, especially in the long run.
The research takes the consumers’ social background as the starting point for understanding their buying process. This in turn shows the way to anticipate on their decision and to improve their buying experience in a holistic way. Organisations’ market position could be strengthened or improved by innovating in the Brazilian market in terms of a tailored customer experience and through an adapted usage of integrated sales channels. Additionally, building a sustainable relationship can be achieved when a company is able to tap into the preferences of their potential customer segments.

It was found that in line with Williams (2002) consumers from the BOP and the TOP in the Brazilian smartphone market show different buying behaviours, needs, and expectations. These characteristics are clearly shown in three main contrasts: 1) BOP’s preference for personal and informal relationships, while the TOP’s prefers a formal approach. 2) BOP consumers’ relying on the salesperson, while TOP is a more independent decision-maker. And 3) The BOP interest in low-price technology, and the TOP search for top of the line innovations.

Currently Brazil is the fourth largest smartphone market in the world. This market is not only big, but it is also growing fast, especially because of its recent socioeconomic changes. Although one of the two participating companies recognised to have consumers within the low-income segment (i.e. Company B), none of them actually adjusted their selling process to address them. The two participating companies have different strategies and focus on different segments, but do not really consider their social background as an aspect to base on their segmentation or marketing strategy. They have concluded that their main target segments are located in the middle and top of the pyramid. This is mainly because of the assumption that BOP consumers cannot afford their technology. However, this assumption may also represent missing opportunities at the BOP, particularly because of the increasing number of low-income consumers who are starting to buy these products (Instituto Data Favela, 2013).

According to the research results, BOP and TOP consumers have very different buying processes. Therefore, it is plausible to think that they require different sales approaches. Taking into account the differences of their buying processes can help to design differentiated sales approaches that serve these consumers better. Especially because when sales activities were in line with these consumers’ needs and expectations, the companies were able to tap into their market potential. For example, Company B partnered up with credit card companies to help BOP customers with their payments. Easy access to credit is facilitating product acquisition among them and is an important variable in their buying decision (Instituto Data Favela, 2013). On the other hands, Company A has focused on selling through their partners, which in turn implies a lower margin of revenue. Thinking in terms of BOP means developing innovative marketing and sales approaches that lead to profitability. However, these approaches can also be suitable for other consumers (e.g. easy access to credit),
Buying and selling processes at the Top and Bottom of the Pyramid

and can be implemented (or adapted) at the TOP.

Although much has been said about Brazil new middle class, the social gap is still evident. And despite the fact that both groups have access to these products, their needs and ways to acquire their devices are very different. Organisations should ignore neither the BOP nor its needs, if their objective is to increase their market share. This is because BOP consumers are also searching for innovative devices that are in line with their needs, they account for almost 70% of the Brazilian population, and because flexible payment options can facilitate their access to new products (Barki & Parente, 2006).

Salespersons play a very important role in these contexts, because they act as a link between the organisation and its consumers. Their input provides consumer insights regarding their behaviours and needs, while their output reflects the organisation’s image, supports the customer buying experience, and attracts consumers for the company. Salespeople are currently adapting their selling behaviours when interacting with BOP and TOP consumers in the stores, because they have noticed that these consumers require a different approach. Given that the retail channel is the main purchase channel in Brazil, it is important to prepare the salesperson to support the customer’s buying process, regardless their income level. This in turn can help to better connect the consumer with the brand in order to increase sales (Haas & Kenning, 2014).

It is also important to mention that even though BOP and TOP exhibit contrasting behaviours, their similarities also represent opportunities for companies. First, they showed how prone they are to have relationship with their brand. While BOP consumers already have a relationship with their retailer, TOP consumers manifested that they would like to be proactively approach by their favourite brands. Second, both groups are looking for innovative products. Both BOP and TOP consumers want to have a good-quality device that matches their needs.

Finally, social background should not be seen as the only dimension to consider when doing market segmentation or setting up a marketing and sales strategy. However, organisations do require a holistic view of their potential consumers in order to understand their behaviours and anticipate on their needs and expectations.

6.1 ACADEMIC implications

In a globalized and changing world, companies are continuously developing new strategies to enter new markets and attract new customer segments. One way of increasing revenue and profits is by exploring less saturated markets, such as those located in emerging economies (Nakata & Weidner, 2012). The recent economical rise of countries like Brazil, Russia, India, and China (BRIC), has called the attention of investors from different industries. This study confirms the assumption about the market potential of developing countries by showing that Brazilian consumers are eager to acquire new products and, even consumers with a very low level of income, are finding their way to smartphones in Brazil (Instituto Data Favela, 2013). However, investing in these markets still represents risk for many companies, especially for multinationals that are not familiar with the realities of these contexts. Some of these countries’ challenging situations include poor infrastructure, consumers’ limited economical resources, and weak socio-political conditions. Therefore, the attractiveness of emerging countries requires that sales scholars and companies study these regions and learn how to successfully sell new products to these consumers (Panagopoulos, et al., 2011).

One of the main contributions this research offers to literature is that it provides more insights into the differences between BOP and TOP consumers in Brazil by showing their particular needs, behaviours, and expectations along their decision-making process. This is a new perspective, given that although previous BOP studies explored drivers of new product adoption at the BOP (Nakata & Weidner, 2012), they neither compared it with the TOP nor did they analyse these variables during the consumers’ decision-making process. For mapping their buying process and analysing the way BOP and TOP consumers differ in their buying behaviours, this research applies the well-known theory of the consumer decision-making process presented
Buying and selling processes at the Top and Bottom of the Pyramid by Engel, Blackwell, and Miniard (1995). Developing theoretical insights in this topic is relevant since studies regarding consumer research in social class are still scarce (Williams, 2002). Moreover, these insights strengthen the current knowledge regarding consumers in emerging markets, which are considered the next step of growth for many internationally operating firms (Nakata & Weidner, 2012).

The research also extends sales literature by providing an overview of the way sales are conducted in other cultures and countries, particularly in the consumer electronics market in Brazil. The research provides an in-depth description of the sales process of two important brands in the Brazilian smartphone market using the traditional and evolved seven steps of selling (Dubinsky, 1981; Moncrief & Marshall, 2005). Using these conceptual frameworks provides a holistic perspective of the way organisations design their selling process from a managerial perspective and the way this is implemented in the stores. They also provide insights into the relationships between three important actors: salespeople, companies, and (BOP and TOP) consumers. A key takeaway from this research is that although the two participating companies in the Brazilian smartphone market have different market positions, both have a “canned sales approach”. However, because aligning selling approaches with consumer needs and behaviours assures sales (Homburg, et al., 2011), both of the companies may be losing important sales opportunities with both consumer groups. Moreover, the research results show that while the strategic selling process has a “one-size-fits-all” sales approach, the salesperson has a more flexible and adaptive selling behaviour. This is an interesting insight and may be a predictor of how adapting the selling approach along the entire process (not only in the store) could also increase overall sales and customer satisfaction.

6.2 MANAGERIAL implications

This research shows that the selling process of the two participating companies was rather general and did not differentiate between the BOP and the TOP. Although this is not negative as such, using and understanding the buying process of these consumers presents opportunities for organisations to serve them better. Therefore, this Master thesis presented different suggestions that can help companies to adapt their sales approach to improve the customer experience along his journey. These initiatives can be applied to the common needs of BOP and TOP consumers, but would also require large-scale collaborations with different parties within the market.

Having a consultative selling approach can help companies to transition from a transactional selling to a relationship selling approach in order to improve customer loyalty. This can be achieved when managers support the salespersons’ adaptive selling and give them the necessary training in customer treatment. This training could include customer expectations and the way to meet them during the in-store interaction. This in turn helps the sales representatives to better support the customer experience.

Besides training the salespersons on customer treatment, managers should also instruct the in-store sales representatives in technical knowledge. That way they can assist the consumer who goes back to the store when he has a technical problem with the device (instead of referring them to the call centre). Supporting the job of the salespeople and extending their role and relevance within the firm helps organisations serve their consumer better and even provide the opportunity of up- and cross-selling. This could also extend the touch points and relationship between the company and the consumer. Having a good customer / seller relationship is key for customer loyalty and is particularly important for a fast growing market like Brazil, with more competitors entering every year.

In Brazil, smartphone firms should not let their customer loyalty only in the hands of third parties, because sales objectives vary across organisations. For that, managers should devote special interest in understanding their customers’ needs and behaviours. This can be done through constant market research using both (general) quantitative surveys and (in-depth) qualitative interviews. This information could also help to develop new products that are in line with their needs and to design marketing strategies that facilitate their
decision-making process.

Finally, salespeople are a direct source of customer information that companies not always consider. Thus, managers could also gain consumers’ insights by setting up focus group discussions with sales representatives to analyse the needs and expectations of targeted consumers. Integrating this information serves as input for market segmentation, promotion strategies, and customer identification. In sum, when managers are more in touch with their salespeople they are able to gain more insights into their consumers’ requirements (Homburg, et al., 2011).

6.3 LIMITATIONS AND further research

Understanding how buying and selling process are being conducted in different context is an interesting endeavour. But there are a number of limitations that need to be acknowledged.

First, as many explorative and qualitative studies, this study is difficult to generalize due to the small sample size studied. However, to the best of our knowledge, this study was the first to explore the buying process of BOP and TOP consumers in Brazil and to provide initial insights into their similarities and differences. It is advised that further studies take this qualitative research as a starting point of a larger-scale quantitative study that allows for investigating causal relationship between variables. For example, this research starts with the assumption that adapting the sales approach to the consumer needs and behaviours helps to increase sales, a quantitative study would show the effects of these adaptations on sales performance, customer satisfaction, market share, etc. Additionally, it would yield more generalizable results regarding consumer needs and expectations across social tiers.

Second, the researcher’s subjectivity may affect the results. The data collected in the field study was complex to examine and included contradictory responses. To address such deficiencies, the research leaned on: 1) BOP marketing literature to see how aligned these findings were with other BOP studies; 2) a second-coder review to validate the findings and provide an external perspective to the analysis; and 3) two marketing experts in the telecommunication industry in developing economies who also validated the findings by comparing the research results with their own experience in BOP areas, namely the African region. Nevertheless, further quantitative research can help reducing such subjectivity and provide more robust results.

Finally, this study included two selling companies, from a market with over ten smartphone brands. These two organisations were interesting to analyse specially because of their different market approach (i.e. market leader and niche player). However, further studies could consider other relevant players within the value chain, for example retailers and telecommunication operators. This will enrich the findings by comparing the different strategies when addressing both BOP and TOP. Today, manufacturers sell mainly through these third parties, who are actively involved in these consumers’ daily lives. For example, the retailer Casas Bahia has been an example of retail business model for companies who want to serve low-income consumers (Mello, 2014). Casas Bahia understands and acts upon the BOP emotional needs and buying behaviours, facilitating their consumption through easy access credit. Therefore the vision of companies like Casas Bahia, with expertise regarding the selling process for these two groups, would be a valuable input.
References

Buying and selling processes at the Top and Bottom of the Pyramid


• Plank, R. E., & William, A. D. (1980). A framework for personal selling to organizations. Industrial Marke-
Buying and selling processes at the Top and Bottom of the Pyramid


Appendix A: Models and theories of selling

There are different theories and models that try to describe how to successfully sell a product or service. Many of them have their basis on business psychology and have been successfully applied in advertising, marketing, and sales contexts (Plank & William, 1980). Following, the literature review briefly discusses the characteristics of some of the most common selling approaches.

- 2.1.1.1 Formula selling model (AIDA)

AIDA is an acronym that describes the sequential way prospects move from unawareness to action once they are engaged by a communication, it can be an advertisement or talking to a salesperson (Barry & Howard, 1990). The set of selling stages start by attracting the customer’s attention and creating awareness. Then, the customer develops interest by understanding the product advantages and benefits. Desire occurs when the customer is convinced that he wants the product or service, because it will fulfill a need. This convinces the customer to take action and buy the product (Nijssen, 2014).

AIDA is a “hierarchy of effects” model that has been very successful in multiple selling contexts. It was created by sales and advertising practitioners and later accepted by academics because of the intuitivism and common sense behind it (Heath & Feldwick, 2008). However, buying behaviour is complex and these sequential steps do not necessarily apply in all situations. Thinking about customers only in terms of buyers and non-buyers may be misleading and affect the way organisations approach their current and potential consumers (Heath & Feldwick, 2008).

2.1.1.2 Simple stimulus response

Simple stimulus response sustains that buyers respond to a stimulus similarly. The “canned sale” is an example of a simple stimulus response selling. The salesperson memorizes a sales speech and expects that the different benefits he mentions would create positive associations in the prospect. However, people not always respond the same way to these stimuli (Plank & William, 1980).

2.1.1.3 Needs-Satisfaction

The needs-satisfaction theory states that buyers buy because they recognize a need. The salesperson role is to provide a solution for that need with the appropriate product or service (Plank & William, 1980). This theory focuses on the approach and presentation step of the seven steps of selling. In this stage, the seller’s aim is to persuade the customer of how his need can be satisfied with the product offered by the salesperson.

2.1.1.4 Depth approach

The depth approach focuses on different elements of the communication between the buyer and the seller. It elaborates mainly on how to effectively conduct the sales presentation. The sales presentation is presented as “a continuous flow of thoughts and ideas which are structure as necessary” (Plank & William, 1980, p. 144), in which listening plays an important role in the buyer/seller interaction.

2.1.1.5 Spin ® selling

Spin selling is a selling methodology developed by Rackhman (1988). It focuses on carefully listening to the customer needs and expectations in order to provide a solution to a problem. The term SPIN stands for the sequence of question the seller should ask to the customer in order to close the sale. These are:

- **Situation questions** to gather background data and information regarding the customer
- **Problem questions** to explore problems, challenges, and dissatisfactions where the seller’s product can help;
- **Implication questions** to explore the customer problems to help him understand its magnitude and effects;
- **Need-payoff questions** to ask the customer to explain the benefits the seller product can offer.
2.1.1.6 Consultative / Solution selling

Consultative selling started because buyers knew how to counter argue the “selling scripts” companies were using to persuade them. In consultative selling, the seller acts as a consultant and provides information and advice to the customer so he can make his own decision (Dunn, Thomas, & Lubawski, 1981). Selling as a consulting activity is not manipulative. It focuses on the customer needs and objectives and involves the customer in the process of solving them (Graziano & Flanagan, 2005).

During this process the seller builds a partnership with the customer, in which the aim is to solve the customer’s problem and to improve the customer’s profit (Hanan, 1970). The seller challenge is to “stop selling the products and start selling the added financial value that they can contribute to a customer’s business” (Hanan, 1970, p. 25).

2.1.1.7 Adaptive selling

The practice of adaptive selling refers to the “altering of sales behaviours during a customer interaction […] based on perceived information about the nature of the selling situation” (Weitz, Sujan, & Sujan, 1986, p. 175). This approach does not have to be difficult for the sales representative. In fact, it includes simple adaptations in the sales interactions, such as reaction to questions or even body language (Franke & Park, 2006). Adaptive selling is more effective when the salesperson deals with different types of customers with diverse needs and when the sale involves large orders (Spiro & Weitz, 1990). Factors that facilitate such adaptation are the company resources and the salesperson own capability to adapt to the sales situation (Spiro & Weitz, 1990). These actions are expected to improve affinity with the customer and reduce barriers between the parties, which in turn positively affects sales performance (Franke & Park, 2006).
The research analyses the relationships between the following actors...

... using the following framework:
Traditional Steps of Selling (Dubinsky, 1981)
Evolved Steps of Selling (Moncrief & Marshall, 2005)
Buying and selling processes at the Top and Bottom of the Pyramid
Appendix C: Interview questions (consumers, salespeople, companies)

- Interview questions

Consumer level

Name:
Gender:
  - Male
  - Female

Age:
Education level:
  - No education
  - Incomplete elementary school
  - Elementary school
  - Skilled worker
  - Secondary education
  - Highly skilled worker
  - College degree
  - Specialist
  - Master, PhD

Occupation:
  - Unemployed, housekeeper
  - Student
  - Pension
  - Machine operator (semiskilled employee)
  - Manufacturing worker, retailing, bus and truck drivers (skilled employee)
  - Administrative personnel, technician
  - Public school teacher, engineer, freelancer
  - Middle management, owner of small business
  - Higher level business executive
• Top corporate executive, government top official

Income:
• Less than US$3000/year
• Between US$300 - US$15000/year
• More than US$15000

Product and context
1. When was the last time you bought a smartphone?
2. Who did you acquire it from? And why?

Buying process and channels use
Stage 1. Need recognition
3. What triggered you to acquire this product (e.g. particular need, status-seeking, social context)?
4. Through which channels (and how) did you come to notice the existence of this product (e.g. friend’s recommendation)?

Stage 2. Information search
5. How did you orientate yourself in the process of acquiring this product?
6. Which channels (and how) do you use for orientation (e.g. check reviews online)?

Stage 3. Evaluation (and In-store interaction)
7. Which were the main factors that motivated you to acquire this product from this organization?
8. Could you describe your interaction with the salesperson in the store?
9. What do you like and dislike about salesperson in the store?
10. What do you expect from your buying experience at the store? Why?

Stage 4. Purchase and Experience
11. How has been the experience with this product?
12. What impact has it had in your life?
13. Have you shared your experience with others?

Stage 5. Post-purchase
14. Do you keep in touch with the company you acquired the product from? Why?
15. Through which channels (e.g. e-mail for updates)?

Focus: Influencers of purchase decision
16. How important is the salesperson in your buying decision?
17. What should the salesperson emphasize when selling this product to you?
18. Which social aspects (below) affect your purchase decision (e.g. income level, social network, brand, status)?

Final remarks
19. Would you buy again from your current retailer? Why?
20. What do you think would have made your decision easier?

21. What should have the retailer done differently?

22. Will you consider a different channel next time you acquire this kind of products (e.g. on-line)? Why?

- Interview questions
  
  **Strategic Level**

  Name:
  Gender:
  Age:
  Company:
  Job title:
  Work experience:

  **BOP market potential**
  1. Do you make any distinction between your sales approach for BOP / TOP consumers? If so, why
  2. Could you explain the way your organization sees the BOP market potential? Do you recognize them as a market?
  3. How do you think this market will change in the near future (e.g. profitable)?
  4. Which are the main aspects affecting their development both positively and negatively?
  5. Have you adapted / developed product or services for them (e.g. Vodafone, Ericsson, etc.)?
     a) If not, why?
     b) If yes, through which strategy? What were the results?

  **Sales message tailored to consumer social background**
  6. What is your product’s main value proposition for BOP / TOP consumers?
  7. What do you think BOP / TOP consumers expect from your products? Why do they buy them (e.g. status-seeking, product features)?
  8. Do you make adjustments in your selling process for BOP / TOP consumers?
     a) If yes, how? And, how did it impact sales performance?
     b) If not, why?

  **Stages of the selling process**
  1. How do you get your consumers aware of you and your product?
  2. Which channels do you use to get them aware?
     - Store
     - Internet/website
     - Social media
     - E-mail
     - Call
3. Do you make a distinction between BOP and TOP consumers in this stage?

4. How do you orientate your consumers?

5. Which channels do you use to orientate them?
   - Store
   - Internet/website
   - Social media
   - E-mail
   - Call
   - Word-of-mouth
   - Television
   - Radio
   - Personal selling

6. Do you make a distinction in the way you orientate BOP and TOP consumers?

7. How do you motivate consumers to choose for your products?

8. Through which channels can your consumers acquire your products?
   - Store
   - Internet/website
   - Social media
   - E-mail
   - Call
   - Personal selling

9. Do you make a distinction in the way you sell to BOP and TOP consumers?

10. How do you cultivate a relationship with your consumer?

11. How do you use the following channels to keep in touch with your consumers?
    - Store
    - Internet/website
    - Social media
• E-mail
• Call
• Word-of-mouth
• Television
• Radio
• Personal selling

12. Do you make a distinction in the way you nurture the relationship with BOP and TOP consumers?
13. How do you maintain the relationship with your consumers?
14. How do you use the following channels to offer further services or communicate with your consumers?
   • Store
   • Internet/website
   • Social media
   • E-mail
   • Call
   • Word-of-mouth
   • Television
   • Radio
   • Personal selling

15. Do you make a distinction in the way you provide services or communicate with BOP and TOP consumers?

Operationalization

16. How would you describe your organizational sales structure?
17. What is the main salesperson profile / traits required to sell your products?
18. How would you describe your organization’s reward system?
19. What do you emphasize when training your sales force?
20. Do you train your sales force in dealing with consumers from different social backgrounds?
   a) If yes, why and how?
   b) If not, why?

Conclusions and final remarks

21. What have been the results of your selling process and sales strategy?
22. What do you think are the aspects your company should improve in order to attract BOP / TOP consumers?
• Interview Questions

Salespeople Level

Name:
Gender:
Company:
Store:

Work experience:

Job characteristics

1. Could you describe your job responsibilities and activities?
2. Could you describe yourself as a salesperson?

Experience with BOP/TOP consumers

3. How do you recognize the consumer’s social background?
4. How would you describe your BOP / TOP consumer buying behaviour? How do you think they differ?
5. What do BOP and TOP consumers ask for in a product (e.g. low-price, brand, quality, status, features)?
6. Which aspects do you think affect your customers’ buying behaviour and process (e.g. economical conditions, educational level, communication styles)?

Sales encounter

7. Within that process, how do you address consumers from low (and high) social class?
   a) Do you adapt your sales approach? Why and how?
   b) What do you emphasize on with one or the other group (e.g. pricing options)?
8. How do you approach BOP/TOP consumers?
9. How do you present the product to BOP/TOP consumers? On what do you emphasize?
10. Do you offer a particular brand to a BOP / TOP consumer? Why?
11. Do you favour a particular brand? Which incentives do you have for doing so?
12. Are you trained in addressing consumers from different social backgrounds? What did it imply?
13. Which are the most common objections presented by TOP/BOP consumers? How do you overcome them?
14. How do you motivate your BOP / TOP clients in order to close the sale?
15. What do you think BOP/TOP consumers like and dislike about salespeople?

Final remarks

16. What have been the results of your selling approach to BOP / TOP consumers?
17. What do you think are the aspects your company should improve in order to attract BOP / TOP consumers?
### Appendix D: Consumer demographics

<table>
<thead>
<tr>
<th>NAME</th>
<th>GENDER</th>
<th>AGE</th>
<th>EDUCATIONAL LEVEL</th>
<th>OCCUPATION</th>
<th>INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel</td>
<td>M</td>
<td>32</td>
<td>Basic Education</td>
<td>Machine Operator</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Edivaldo</td>
<td>M</td>
<td>56</td>
<td>Basic Education</td>
<td>Machine Operator</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Edson</td>
<td>M</td>
<td>43</td>
<td>Basic Education</td>
<td>Machine Operator</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Elaine</td>
<td>F</td>
<td>26</td>
<td>Basic Education</td>
<td>Semiskilled Employee</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Fernando</td>
<td>M</td>
<td>31</td>
<td>Basic Education</td>
<td>Manufacturing Worker</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Jose</td>
<td>M</td>
<td>22</td>
<td>Basic Education</td>
<td>Machine Operator</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Lucas</td>
<td>M</td>
<td>19</td>
<td>Secondary Education</td>
<td>Machine Operator</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Raniely</td>
<td>F</td>
<td>21</td>
<td>Basic Education</td>
<td>Machine Operator</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Robinson</td>
<td>M</td>
<td>49</td>
<td>Basic Education</td>
<td>Machine Operator</td>
<td>Less than US$3000</td>
</tr>
<tr>
<td>Tyago</td>
<td>M</td>
<td>28</td>
<td>Secondary Education</td>
<td>Manufacturing Worker</td>
<td>Less than US$3000</td>
</tr>
</tbody>
</table>
# Top Demographics

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Age</th>
<th>Educational Level</th>
<th>Occupation</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ana Carolina</td>
<td>F</td>
<td>29</td>
<td>Especialist</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Ariel</td>
<td>M</td>
<td>20</td>
<td>University</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Cedu</td>
<td>M</td>
<td>36</td>
<td>University</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Camila</td>
<td>F</td>
<td>30</td>
<td>University</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Claudia</td>
<td>F</td>
<td>42</td>
<td>Master</td>
<td>Higher level business executive</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Leandro</td>
<td>M</td>
<td>36</td>
<td>University</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Marina</td>
<td>F</td>
<td>31</td>
<td>Master</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Thais</td>
<td>F</td>
<td>30</td>
<td>University</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Victor</td>
<td>M</td>
<td>32</td>
<td>University</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
<tr>
<td>Vivian</td>
<td>F</td>
<td>30</td>
<td>Especialist</td>
<td>Middle management</td>
<td>More than US$15000</td>
</tr>
</tbody>
</table>
## Appendix E: BOP vs. TOP comparisons

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>BOP</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to technology</td>
<td>I have liked it. I am still learning, but I have done a lot of interesting things, like using the app, downloading videos, checking the messages, a lot of things (Daniel)</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
<tr>
<td>Motivation</td>
<td>Catch up with technology</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
<tr>
<td>Product impression</td>
<td>APPREHENDED TECHNOLOGY NOT INCOMPATIBLE</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
<tr>
<td>Legality</td>
<td>Legal to retailer</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>Very important in purchase decision</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
<tr>
<td>Brand orientation</td>
<td>Not so brand-oriented or &quot;fashion seeker&quot;</td>
<td>Elva, Dangizi, M.T.</td>
</tr>
<tr>
<td>Transaction experience</td>
<td>Rewarding and customer-oriented</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
<tr>
<td>Retailer relationship</td>
<td>Close relationship defined</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
<tr>
<td>Product usage</td>
<td>I used to show pictures and make posts about it on social media (M.T.)</td>
<td>Daniel, Edward, Edwin, Elva, Dangizi, Nga, M.T.</td>
</tr>
</tbody>
</table>
### Comparison between BOP and Top Consumers Characteristics with Illustrative Quotes

<table>
<thead>
<tr>
<th>Category</th>
<th>Top</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access to technology</strong></td>
<td>Had access to previous devices and models</td>
<td>Ana Carolina, Ariela, Ceta, Claudina, Leandro, Martha, Thais, Vicente, Vinikan</td>
</tr>
<tr>
<td></td>
<td>I have already had Samsung and I love the latest version (Thais)</td>
<td></td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>Upgrade technology and device</td>
<td>Ana Carolina, Ariela, Ceta, Claudina, Leandro, Martha, Thais, Vicente, Vinikan</td>
</tr>
<tr>
<td></td>
<td>Just to have the latest innovation and ease of use technology (Ana Carolina)</td>
<td></td>
</tr>
<tr>
<td><strong>Product appreciation</strong></td>
<td>Top of the line technology with unlimited benefits</td>
<td>Ana Carolina, Ariela, Ceta, Martha, Vicente</td>
</tr>
<tr>
<td></td>
<td>The advantages of the innovation, being able to be connected (Thais)</td>
<td></td>
</tr>
<tr>
<td><strong>Loyalty</strong></td>
<td>50% Not loyal, 50% Loyal</td>
<td>Not loyal, Ariela, Ceta, Leandro, Vicente, Vinikan</td>
</tr>
<tr>
<td></td>
<td>I am not a very loyal customer, I like to buy what I want, based on my needs, not necessarily from a particular brand (Ceda)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes, I am quite loyal to this brand because of the quality and design (Claudina)</td>
<td></td>
</tr>
<tr>
<td><strong>Favor recommendation</strong></td>
<td>Very important in purchase decision</td>
<td>Ana Carolina, Ariela, Ceta, Leandro, Martha, Thais, Vicente, Vinikan</td>
</tr>
<tr>
<td></td>
<td>For me the main factors are my friends, it has been from their experience and I am told to use and lose the product over time. Places why it is more difficult for a salesperson to convince me to buy a product (Vikrama)</td>
<td></td>
</tr>
<tr>
<td><strong>Brand orientation</strong></td>
<td>Looks for differentiation and sales products of premium brands</td>
<td>Ana Carolina, Ariela, Ceta, Claudina, Martha, Thais, Vicente</td>
</tr>
<tr>
<td></td>
<td>Operative system, speed and efficiency, but also because of the brand (Ariela)</td>
<td></td>
</tr>
<tr>
<td><strong>Salesperson appreciation</strong></td>
<td>Quick service and extra technical information source</td>
<td>Ana Carolina, Ceta, Claudina, Leandro, Martha, Thais, Vicente</td>
</tr>
<tr>
<td></td>
<td>Quick service and close information about the product (Vikrama)</td>
<td></td>
</tr>
<tr>
<td><strong>Supplier relationship</strong></td>
<td>Transactional oriented</td>
<td>Ariela, Claudina, Thais, Vinikan</td>
</tr>
<tr>
<td></td>
<td>I always go to the store already knowing the product I am going to buy (Claudina)</td>
<td></td>
</tr>
<tr>
<td><strong>Product usage</strong></td>
<td>Multi-functional item for work and personal activities</td>
<td>Ariela, Ceta, Claudina, Leandro, Thais, Vicente, Vinikan</td>
</tr>
<tr>
<td></td>
<td>It makes my life easier, because I can do many things with only one product (Vikrama)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Search and work (Thais)</td>
<td>Thais, Vinikan</td>
</tr>
<tr>
<td></td>
<td>This is not a costly buying in my daily costs (Vinikan)</td>
<td></td>
</tr>
</tbody>
</table>
# Comparison Between Top and BOP Consumers Buying Process

## Top

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
<th>Illustrative Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need Recognition</td>
<td>Becomes aware through the internet. Looks for top-of-the-line devices.</td>
<td></td>
</tr>
<tr>
<td>Information Search</td>
<td>Active (through multiple channels).</td>
<td></td>
</tr>
<tr>
<td>Evaluation</td>
<td>Asks for discounts or low price.</td>
<td></td>
</tr>
<tr>
<td>Purchase and Experience</td>
<td>Shares experience with community and friends.</td>
<td></td>
</tr>
<tr>
<td>Post-Purchase</td>
<td>Keeps in touch with retailer.</td>
<td></td>
</tr>
</tbody>
</table>

- **I went directly to the company website to see the product features, design and technological advantages ( userDao1).**
- **To compare prices, technological advantages, see the cost/benefit of the product among the different versions of it. I try to see what the product has to offer within that, what is the option that best suits my needs (user2).**
- **Talking to friends, because all of them have different products. So I started to compare what they told their technology and how satisfied their owners were (user3).**
- **Product price mostly, the cheaper the better (user4).**
- **With my provider only when I have any problem, but only for claims, but in general I do not keep in touch. But I think I would like to keep in touch with the company, maybe for acquiring other services or renew the technology (user5).**

## BOP

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
<th>Illustrative Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need Recognition</td>
<td>Becomes aware through mass media channels. Looks for advanced technology with lower price.</td>
<td></td>
</tr>
<tr>
<td>Information Search</td>
<td>Passive (via salesperson).</td>
<td></td>
</tr>
<tr>
<td>Evaluation</td>
<td>I like to go to the store directly and receive explanations directly from the salesperson. Because that war is older, so you get the feeling of the product right there. (user6)</td>
<td></td>
</tr>
<tr>
<td>Purchase and Experience</td>
<td>Because I have a credit card from that store, so it was easier to pay. (user7)</td>
<td></td>
</tr>
<tr>
<td>Post-Purchase</td>
<td>I like to pass my experience with the product to other people. If someone asks me about it, I like to talk about it with friends, family, etc. But it is more of a personal way to share my experience. (user8)</td>
<td></td>
</tr>
</tbody>
</table>

- **The commercials that you see on TV motivate you to buy it. And also the family, specially my sister (user9).**
- **I like to go to the store directly and receive explanations directly from the salesperson. Because that war is older, so you get the feeling of the product right there. (user10)**
- **Because I have a credit card from that store, so it was easier to pay. (user11)**
- **I like to pass my experience with the product to other people. If someone asks me about it, I like to talk about it with friends, family, etc. But it is more of a personal way to share my experience. (user12)**

---

*Buying and selling processes at the Top and Bottom of the Pyramid*
Buying and selling processes at the Top and Bottom of the Pyramid