

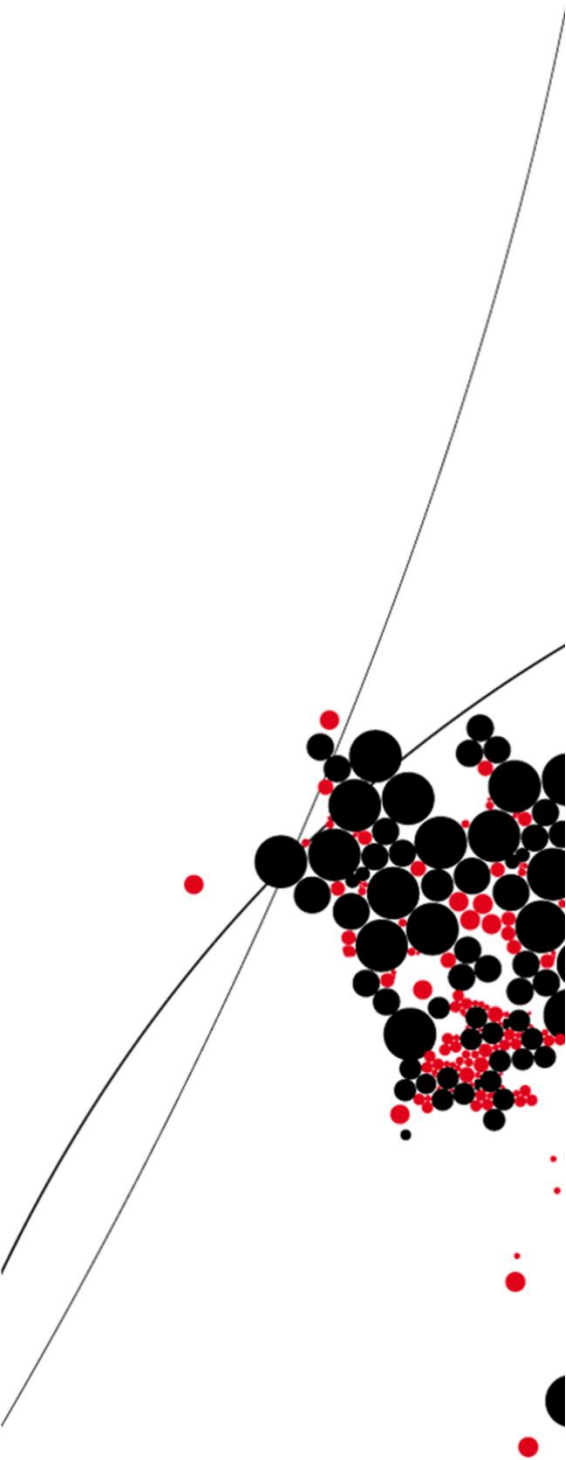


UNIVERSITY OF TWENTE.

**Faculty of Behavioural, Management
and Social Sciences**

BUSINESS MODELS AT THE BOTTOM OF THE PYRAMID

The influence of cultural aspects



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MASTER THESIS

Business models at the Bottom om the Pyramid: The influence of cultural aspects

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August 14, 2017

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Chapter 1: Introduction

A few years ago I have read an article about poverty problems in the third world. This article contained several opinions about how to eradicate poverty, incorporating the people living in poverty. It referred to those people as the bottom of the pyramid (BOP). The BOP refers to four billion people in emerging economies (Hammond, Kramer, Katz, Tran & Walker, 2007), a majority of the world population. Those four billion people live on \$2 per day. During the past decade, the bottom of the BOP became subject of many other debates. There exist a huge difference between and within emerging economies, according to for example culture, business, and habits. The BOP is not a viable market, because the majority, up to 60 percent, operates in the informal economy. Therefore the BOP is hard to reach via conventional distribution and communications. Besides global efficiency, national responsiveness, and the transfer of existing knowledge, companies entering the BOP need to understand the social context, local resources, and social embeddedness (London & Hart, 2004). However, the BOP still is seen as an untapped potential.

Prahalad and colleagues first introduced the BOP concept in a working paper and an article in 1999 (Kolk, Rivera-Santos & Rufín, 2013). However, the idea that organizations can help to alleviate poverty is not a new idea. Friedman and Friedman (1990) discussed that market forces can lead to a rich society. De Soto (2000) argued that the poor have a lot of entrepreneurial potential, which can lead to poverty reduction. But the BOP concept became center of attention after Prahalad and Lieberthal (1998) developed a business case and wrote an article about it. Before this article, the central point of view was that business should engage with the poor on a mutually positive basis. After the publication of Prahalad and Lieberthal (1998) the point of view shifted towards the proposition that business, especially multinational enterprises (MNEs), could make profits and lift people out of poverty by doing business with them, the so called BOP proposition. The BOP will be more engaged in the world economy by doing business with it. The concept of the BOP is even more elaborated in a working paper written by Prahalad and Hart (1999). Besides the publications of Prahalad and Lieberthal (1998) and Prahalad and Hart (1999), actual academic publication of BOP articles did not occur until 2002 (Kolk, Rivera-Santos & Rufín, 2013). From this year on debates about the BOP have emerged. Starting in 2007, the number of academic published articles increased tremendously and the real impact of the BOP concept became clear. The idea that MNEs should do business at the BOP to search for a fortune is questioned and discussed by both proponents (Martinez & Carbonell, 2007; London, 2007; Simanis & Hart, 2008; Agnihotri, 2013) and opponents (Jaiswal, 2007; Karnani, 2007; Landrum, 2007).

But how promising it sounds to combine profits with the alleviation of poverty, a lot of problems are still being faced according to set up the right type of business with an appropriate business model at the BOP (Prahalad & Hart, 2002). Since 1995 at least 1,177 articles about business model have been published. A business model explains how an enterprise works (Margretta, 2002). Firms need to create new business models which are especially designed for the BOP (London & Hart, 2004; Kolk, Rivera-Santos & Rufín, 2013). BOP initiatives should value the BOP not only as consumers, but also as entrepreneurs and co-inventors (Karnani, 2007; Hahn, 2009; Agnihotri, 2012). A one-size-fits-all solution according to business models

does not exist for the BOP. Wide variations are necessary in order to suit the specific characteristics and contexts of the BOP, in terms of countries, cultures, and industries.

The BOP cannot be characterized by one single, universal culture. The four billion people who belong to the BOP all live in different cultures, which is manifested in values, beliefs, and social behavior. National culture influences several business practices (Hofstede, 1983). Therefore it is not enough to simply replicate a successful business model from the Western World to the BOP (Dunford, Palmer & Benveniste, 2010). Understanding the underlying culture of a country is important in order to adjust and implement a successful business model. National culture can be studied by six dimensions: Power Distance, Individualism, Masculinity, Long Term Orientation, Uncertainty Avoidance, and Indulgence (Hofstede, Hofstede & Minkov, 2011). The study of dimensions enables a comparison of one culture with other cultures.

But why is it important to study the relationship between the BOP, business models, and national culture? Previous research has shown that there is a relationship between the BOP and business models and also between national culture and business models. The first relationship is substantiated by empirical evidence in previous research. The relationship between national culture and business models is discussed and confirmed in literature, however empirical evidence lacks. In a world with increased globalization, it is important to understand this relationship. A suitable business model determines the success of an organization (Margretta, 2002).

This thesis aims to study the relationship between all three concepts in order to complete existing research. In the current global environment it is not possible to refer to the BOP as one autonomous group. There exist huge differences between BOP countries, according to for example standards, values, and habits. Most of these are influenced by national culture. Studying the relationship between the BOP and business models in certain countries, especially within an advisory role, is not complete without studying aspects of national culture of those specific countries or regions. However, research on the relationship between these three concepts lacks. This thesis aims to broaden previous research and tries to explore the relationship between the BOP, business models, and national culture. The goal is study the strength of the relationships between the different concepts by a literature review, and to add value to the topic by empirical research in form of case studies.

1.1 Research questions

To be able to study the relationship between the BOP, business models, and national culture, several questions have to be answered. The main research question that arises is:

To what extend are business models at the bottom of the pyramid influenced by cultural aspects?

In order to answer the main research question, the following sub questions need to be answered first:

- 1) What do the theoretical concepts of BOP, business models and culture mean in a business administration context?

- 2) Which relationship between the BOP, business models and culture can be distinguished on the basis of literature research?
- 3) To what extent do the concepts of BOP, business models and culture appear in case studies?
- 4) Which patterns and relationships can be discovered from the research of case studies?

1.2 Research design

This research aims to explore the relationship between the BOP, business models, and national culture and will try to find an answer to the question to which extend business models at the BOP are influenced by national culture. The research is exploratory. First the three concepts of business models, the BOP, and national culture will be explored in an extensive literature review. After that, the concepts will be combined in a conceptual model. The conceptual model reveals the relationship between the three concepts. When all the concepts are placed next to each other, the goal is to understand the different types of interactive relationships. The ultimate goal will be to answer the research question by combining theories from the literature review with the outcome of the case studies comparison. The purpose is to find out what the 130 cases entail and which similarities can be found.

This thesis will start with an extensive literature review of three concepts; business models, the BOP, and national culture in a business administration context. Of all three concepts a large range of literature is studied. For the BOP literature the focus will be on making profits at the BOP and on including the BOP people in businesses. These two subjects correspond with the subject of business models. Out of all business model literature the focus in this thesis will be on four important business model study fields which are distinguished in one of the most cited papers in the field (Margretta, 2002). A lot of business models literature exists, but in this thesis only relevant publications, based on authority, will be discussed. Besides this, the 20 most common business models will be discussed. The literature study on national culture will entail a section which combines the concept of culture with the concept of business models in order to demonstrate the relationship between those two concepts. After that, the theory of Hofstede will be explained. Hofstede's six dimensions will be studied and used to categorize cultural regions in the world. The choice to study this theory instead of, for example, the theory of Trompenaars is that the theory of Hofstede is empirically tested. The study of Trompenaars, like many other culture-based studies, is not empirically tested yet (Browaeys & Price, 2008). The empirical basis is important because of its academic value. In order to draw conclusions at the end of this thesis, this academic value is important. The first and second subquestion will be discussed and answered in this literature section.

At the end of the literature review section, a conceptual model will be presented. This conceptual model will present the relationship between the three concepts which are studied in the literature review. This model will be the basis for the research conducted in this thesis. The choice is made to study, discuss, and compare 130 case researches. On the basis of the findings out of the case studies, conclusions will be drawn and patterns and relationships will be discussed. The third and fourth sub question will be answered in this section.

In the conclusion of this thesis, the question to what extend business models at the BOP are influenced by national culture will be answered. The literature review provided knowledge about all three concepts. The study and comparison of the case researches should extend the

information found in the literature and will try to further explore the relationships of the concepts presented in the conceptual model. Both the literature review and the outcome of the case study research will be combined in order to answer the main research question. The thesis will terminate with limitations of the research and recommendations for future research.

Chapter 2: Theoretical framework and conceptual model

To be able to find out to what extent business models at the BOP are influenced by national culture, there has to be a clear understanding about all three concepts. Therefore this chapter contains a literature review of these three important concepts: the BOP, business models, and national culture.

2.1 Bottom of the pyramid

The bottom of the pyramid, or the base of the pyramid (BOP), refers to four billion people in emerging economies, a majority of the world's population (Hammond, Kramer, Katz, Tran, & Walker, 2007). Their annual per capita income is less than \$1,500 per year (London & Hart, 2004; Prahalad & Hart, 2002). \$1,500 is considered as the minimum to sustain a decent life. Of these four billion people, more than one billion has a per capita income of less than \$1 per day. However, there is no unanimous agreement on the size of the BOP among researchers. According to Prahalad (2005) the BOP consists of those four to five billion people living on \$2 per day. Karnani (2007) undermines this position and states that the BOP consists of 2.7 billion people. Nevertheless, most researchers use a poverty line somewhere in between \$1 to \$2 per day (Karnani, 2007). According to Prahalad (2005) there is a fortune at the BOP. But there are different opinions about how big this fortune is. Prahalad (2005) claims that the BOP is \$13 trillion at PPP. According to most other researchers this over-estimates the BOP market size. Karnani (2007) found out that the BOP market size is just \$1.2 trillion.

The last decade the BOP is subject of many debates. Large part of the research is done about market-based strategies on poverty alleviation, in which business is the most important factor. Prahalad (2005) made one of the most important contributions to this research field. His book has taken a central point in the current debate about the BOP (Landrum, 2007). However, a growing number of academic critiques on Prahalad's book (2005) are developed.

2.1.1 Eradicating poverty through profits: creating mutual value

A large group of researchers support the idea that business activities can lead to profits at the BOP and at the same time eradicate poverty. Mutual value can be created. One of the most important contributions to the field is the book *The fortune at the bottom of the pyramid: eradicating poverty through profits* from C.K. Prahalad (2005). The book addresses a challenge the author has given himself: "what are we doing about the poorest people around the world?" (Prahalad, 2005, p. xiii). The global message in the book is that BOP strategies will help eradicate global poverty and will increase profits for multinational corporations (MNCs) (Landrum, 2007). Prahalad (2005) discusses several subjects in the book, which are the market at the bottom of the pyramid, products and services for the BOP, the BOP as a global opportunity, the ecosystem for wealth creation, reducing corruption, and development as social transformation. According to Prahalad (2005), these subjects come full circle. The first premise is that the BOP can be a market in which poverty alleviation is a market development task. The BOP can be a global market opportunity. Second, the only way to serve the BOP market is to innovate. Innovation in products, services, business models, and management processes is needed. Third, all innovations must be supported by a high level of transaction governance capacity (TGC). TGC is about government accountability to the citizens and about making

entire government processes transparent and consistently enforced. Market-based ecosystems are very important for achieving TGC. A market-based ecosystem is a framework in which the private sector and social actors work together in a mutual relationship. All these points come together in the social and economic transformation of the BOP, which means that the BOP consumers are able to upgrade from their existing condition and break down barriers in communication.

One of the most cited papers in the field of BOP research is the paper '*Serving the World's Poor, Profitably*', written by Prahalad and Hammond (2002). Their research is about the willingness of MNCs to enter and invest in the BOP. Prahalad and Hammond (2002) stated that wealth and prosperity in developing nations can only be reached by involvement of MNCs. Due to investment at the BOP, MNCs will be able to improve the lives of billions of people. This does not mean that business has to be replaced by charitable initiatives. MNCs have to invest in their own self-interest. They have to find the untapped potential at the BOP. Individual buying power may be low, the buying power of the whole BOP is quite large. Besides this, BOP consumers often do buy luxury items, and not only basic needs. Prahalad and Hammond (2002) discovered that MNCs and other businesses serving the poor can gain three advantages; a new source of growth, greater efficiency which leads to reduced costs, and access to innovation. According to them, the potential for expanding the BOP will be worth all the effort.

The BOP has potential in terms of business activity but also in terms of ethics (Martinez & Carbonell, 2007). BOP consumers cannot be seen as passive and dependent subjects. Due to business activities they can develop themselves and manage their own affairs. Because of this, companies entering the BOP have to find commercial opportunities, but also show ethical commitment. They have to be aware of three prejudices: the poor have no money, spending by the poor is restricted to basic needs, and the poor only buy cheap things. This last point is not seen as a prejudice but as a confirmed proposition by Agnithotri (2012). Even when more expensive, higher quality products are available, BOP consumers tend to choose for the cheapest product. Martinez and Carbonell (2007) argued, just like Prahalad (2005), that serving the BOP market requires small-unit packaging, low-unit margins and high sales volume. Besides this, companies should start to do business with the poor instead of getting business from the poor.

London (2007) agrees on the ideas of Prahalad (2005) according to the BOP proposition on poverty alleviation. In his working paper, London (2007) explored some unique poverty alleviation implications. He tried to set up principles that distinguish the BOP proposition from other poverty alleviation approaches. According to London (2007) the BOP is not well served by the private sector. They face unmet needs or have to pay more than rich people for the same product. These failures can be turned into potential business opportunities, which is a core assumption of the BOP proposition. Companies entering the BOP in turn can try to meet the needs of the BOP consumers. This relationship between making profits and at the same time alleviate poverty is a key element of the BOP proposition. It is about mutual value creation; greater value for BOP customers will lead to greater value for the company.

The book "*The next billion: market size and business strategy at the base of the pyramid*" written by Hammond, Kramer, Katz, Tran, and Walker (2007) is about four billion low-income consumers living at the BOP and the opportunities for companies to better meet their needs. According to the authors, the BOP consists of all those with incomes below \$3,000

in local purchasing power. The poorest people are those 1 billion with incomes below \$1 a day. Besides having low incomes, they share other characteristics; significant unmet needs, dependence on informal livelihoods, and a poverty penalty. The BOP constitute a \$5 trillion consumer market. Due to renewed experiences with business strategies, great opportunities are revealed at the BOP. Market-based approaches seem to be successful in order to reduce poverty. A market-based approach at the BOP tries to find solutions such as new business models that can lead to the offering of goods and services at affordable prices. It is acknowledged that only sustainable solutions can meet the needs of the BOP. Nowadays business interest in the BOP is rising.

Simanis and Hart (2008) developed a next generation BOP strategy. They found out that top-down prescriptions and foreign aid have proven to be ineffective. They developed a next generation BOP strategy, BOP 2.0, which will also include the perspective of the poor. The poor cannot be treated as just consumers, as many large corporations do. BOP 2.0 strategy requires a process of co-invention and business co-creation. Partnerships with BOP communities have to be set up. In sum, a BOP 2.0 strategy includes creating an enduring BOP value and establishing long-term corporate growth. It is about business co-venturing instead of selling to the poor.

London, Anupindi and Sheth (2010) supported the mutual value creation proposition, which is about the relationship between business profits and poverty alleviation. Their paper addressed the gap between these two concepts. They assessed how business ventures serving BOP producers handle with local constraints and at the same time create mutual value. The researchers focused on producers and constraints instead of consumers and capabilities, as most BOP literature focuses on. The goal of the study was to understand the constraints BOP producers face and to develop strategies for BOP ventures in order to overcome these constraints.

Agnihotri (2013) investigated the relationship between doing business at the BOP and the poor people treated as suppliers, producers, and employees instead of as consumers. Fortune can be created for both the BOP and the corporations. Some researchers state that it is unethical to consider BOP people as consumers (Karnani, 2007). Agnihotri (2013), however, states that doing business at the BOP can lead to a win-win situation for both companies and BOP people.

2.1.2 Academic critiques on C.K. Prahalad's work

There is a growing number of researchers criticizing Prahalad's work (Agnihotri, 2012; Crabtree, 2007; Jaiswal, 2007; Karnani, 2007; Landrum, 2007; Simanis, 2012; Walsch, Kress, & Beyerchen, 2005). Walsch, Kress, and Beyerchen (2005) criticized some of the propositions Prahalad (2005) used in his book. First, although the book is about making profits at MNCs, not all case studies are about for-profit organizations. Second, Prahalad's (2005) dependent variable is not random. The cases he described are sampled and are all BOP success stories. Because the cases are not random chosen, and because of the fact only success stories are described, no valuable conclusions can be drawn from it. It is important to know what went wrong and therefore less successful cases are also important. The authors also questioned the poverty alleviation proposition. The target market Prahalad (2005) mentioned in his book are those people living on \$2 per day. How will buying electronic devices or furniture lead to poverty alleviation? At this point the authors agreed on the paper of Karnani (2007). Next to

this, the subtitle of the book of Prahalad (2005) is “eradicating poverty through profits”. It looks like eradicating poverty will be central in the book. The opposite is true, however. Making profits for MNCs is the central message in the book. It is not described how MNCs efforts affect BOP customers. There are no figures about the effect on poverty alleviation, so therefore no evidence is giving to support the central hypothesis.

Landrum (2007) attempts to bring together a number of academic critiques on the book of Prahalad (2005). She doubts Prahalad’s vision about BOP consumers with increased engagement in the global economy, more self-esteem, and less poverty due to firms’ innovation from the BOP up. The author states that there exists limited empirical research supporting Prahalad’s vision about poverty alleviation due to business opportunities at the BOP. Besides this, Landrum (2007) questions the idea that Prahalad’s vision and suggestions are transferable to other countries outside India. The concluding message from Landrum (2007) is that to state BOP strategies are able to alleviate or eradicate poverty through profits is dubious. From the past 50 years there is no evidence to support this statement.

Karnani (2007) stated that it is unethical to look at BOP people as consumers. His paper *“The Mirage of Marketing to the Bottom of the Pyramid: How the Private Sector can Help Alleviate Poverty”* criticizes the book of Prahalad (2005). The BOP proposition supported by Prahalad (2005) argues that companies can make profits by selling to the poor and at the same time help eradicate poverty. According to Karnani (2007) this proposition does not hold while the BOP market is too small to be very profitable for large companies. Due to their constant nominal income they can only afford products like shampoo and televisions by diverting expenditure from other products like food and medicines. This increase in choice of products leads to an increased poverty situation. The author proposed an alternative for poverty alleviation, that is viewing the poor primarily as producers instead of consumers, because this is the only way through which the low-income people can actually raise their incomes.

Crabtree (2007) stated that Prahalad’s book (2005) is very vague. The case study method used in the book is methodologically weak and the case studies described are not all about for-profit companies. One company is a self-financing trust, and another company is actually an NGO. These cases cannot support Prahalad’s universal claim that profits can eradicate poverty. The book of Prahalad (2005) is inadequate according to Crabtree (2007). Ending income poverty will not necessarily lead to an increased quality of life for the BOP.

Jaiswal (2007) discussed an alternate perspective on the fortune at the BOP, as opposed to Prahalad (2005). According to Jaiswal (2007) we should help the poor becoming selective consumers. Both undesirable inclusion and exclusion have to be avoided. Undesirable inclusion refers to products that are not enhancing the wellbeing of BOP people, or that are even abusive to them. Undesirable exclusion refers to the lack of products or services that are enhancing the wellbeing of the BOP. Besides this, the poor should be treated as producers instead of consumers. Not only fortune *at* the BOP is important. Fortune *for* the BOP might even be more important.

Agnihotri (2012) also questions the ideas and assumptions of Prahalad (2005) in her paper *‘revisiting the debate over the bottom of the pyramid’*. In this paper, she discussed some of the propositions Prahalad (2005) made in his book. In this book seven MNCs that, according to the author, successfully entered the BOP are described. However, not all companies cited in those cases offer products to customers who fit the criteria of the BOP. Next to this, Prahalad

(2005) argued that the BOP has a market size of \$13 trillion at purchasing power parity (PPP). However, Agnihotri (2012) and Karnani (2007) found out that the actual market size of the BOP is about \$3 trillion.

Agnihotri (2012) agrees on the idea of Simanis and Hart (2008), supporters of the BOP proposition. These authors argued that MNCs should co-develop products and services with consumers. Besides this, partnerships have to be established with NGOs. However, on most other points Agnihotri (2012) does not agree with Prahalad (2005) and his followers. BOP people should not be treated as just customers, but also as co-creators. From all seven case studies Prahalad (2005) described in his book, only one, a microfinance case, has been really successful. Most other companies described in the cases do not serve actual BOP customers. Besides this, some ethical issues are involved with the cases. In six cases there is no evidence that support the proposition of making profits by marketing goods at the BOP, the general theme in the book.

Simanis (2012) starts his paper with the following statement: “to succeed in the world’s poorest markets, aim for much higher margins and prices than you thought were necessary – or possible” (p. 120). With his paper he wants to demonstrate that the low price, low margin, high volume model, supported by Prahalad (2005), will only work to low-income customers in India, but not to costumers in other BOP markets. This model inevitably requires a very high penetration rate of the target market, 30 percent or more in an area. Many companies cannot achieve this goal. He suggest a different model for companies to become more profitable: gross margins have to grow above the company average and prices have to be increased to a level consumers are willing to pay for a certain product or service.

2.1.3 Summary

As discussed in the previous section, a lot of BOP literature exists. There is no unanimous agreement on what the BOP exactly is, and what the size of the BOP is. Within the BOP literature, several visions can be distinguished. The following table shows a summary of the research focus of all publications discussed in this section of the literature review.

Table 1: research focus of all studied BOP literature	
Author	Research focus
Prahalad & Hammond (2002)	Investment of MNCs at the BOP, advantages for MCNs by making profits at the BOP.
Prahalad (2005)	Eradicating poverty by MNCs making profits at the BOP, creating mutual value.
Walsch, Kress & Beyerchern (2005)	Critique on BOP proposition and poverty alleviation statement of Prahalad (2005).
Crabtree (2007)	Critique on poverty alleviation statement of Prahalad (2005).
Hammond, Kramer, Katz, Tran & Walker (2007)	Business opportunities at the BOP, market-bases approaches in order to alleviate poverty.

Jaiswal (2007)	The poor as selective consumers, treating the poor as producers instead of consumers, wellbeing of the BOP is the most important.
Karnani (2007)	Critique on poverty alleviation statement of Prahalad (2005), treating the poor as producers instead of consumers.
Landrum (2007)	Critique on poverty alleviation statement of Prahalad (2005).
London (2007)	Poverty alleviation by making profits at the BOP, mutual value creation.
Martinez & Carbonell (2007)	Ethical commitment for companies entering the BOP, sustainable business, making profits at the BOP.
Simanis & Hart (2008)	BOP strategy, market-based approach for creating mutual value.
London, Anupindi & Sheth (2010)	Mutual value creation, venture strategies.
Agnihotri (2012)	Critique on research methods in the book of Prahalad (2005).
Simanis (2012)	Critique on low price, low margin, high volume model of Prahalad (2005); alternative is the high margin, higher prices model.
Agnihotri (2013)	Mutual value creation, BOP as producers, suppliers and co-owners.

Table 1 shows that many researchers share the same vision. Two important visions, or subjects, are the market-based strategies on poverty alleviation and the academic critiques on it. These two visions especially suits the subject of study in this thesis. The following table shows a summary of all subjects discovered in the literature which was studied and the authors who did research on it. The table shows which visions are most common in the BOP literature studied in this thesis.

Table 2: authors by subject of research	
subject	Authors
Market-based strategies on poverty alleviation	Prahalad & Hammond, 2002; Prahalad & Hart, 2002; Prahalad, 2005; Martinez & Carbonell, 2007; London, 2007; Hammond, Kramer, Katz, Tran & Walker, 2007; Simanis & Hart, 2008; London, Anupindi & Sheth, 2010; Agnihotri, 2013
Critiques on the market-based strategies on poverty alleviation	Walsch, Kress & Beyerchen, 2005; Crabtree, 2007; Jaiswal, 2007; Karnani, 2007; Landrum, 2007; Simanis, 2012; Agnihotri, 2012

2.2 Business models

Research on business models has been the focus of academics and practitioners since many years. Since 1995, at least 1,177 articles have been published in peer-reviewed academic journals (Zott et al., 2011). However, there is still no agreement on a general meaning of the concept of business models. Scholars do not agree on what exactly a business model is. According to Margretta (2002) a business model is like a story, explaining how an enterprise works. It has to answer some important questions: who is the customer? What does the customer value? And how do we make money in this business? Johnson et al. (2008) describe a business model as “four interlocking elements, that, taken together, create and deliver value” (p. 52). A business model can also be a reflection of a company’s realized strategy (Casadesus-Masanell & Ricart, 2010). Teece (2010) state that “a business model articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value” (p. 179). All these different descriptions show that there is no unanimous agreement about the definition of a business model.

Business model literature is developing in silos. According to Zott et al. (2011), three main interest areas can be identified: business model innovation and technology, e-business and information technology, and strategic issues like competitive advantage and value creation. However, two other areas of interest of academics can be adjusted: business model design processes and social value creation, which relate to the subject of this thesis and therefore are discussed more thoroughly.

2.2.1 Business model concepts and the design process

Some academics are trying to develop a clear definition of a business model. They want to explore the concept more to generate a better understanding. The focus might also be on the design processes of a business model within organizations. The most cited paper in the field of business model research is written by Joan Magretta (2002). In her paper “*Why Business Models Matter*” she states that a good business model is essential to every successful organization. A good business model answers three important questions: Who are the customers? What do the customers value? And how can we make money? Creating a new business model is altering and reworking the old ones. In the designing process of a new business model, asking ‘what if’-questions is very important. When a business model is used correctly, it forces managers to rethink their businesses. A strength of a business model is that it puts together all elements of a business.

The most important and cited book in the field of business model research is “*business model generation*”, written by Osterwalder and Pigneur (2010). Their book explains how to position a business model in a heavily competitive environment, and how to redesign and frame a business model within your own organization. Business model innovation is about creating value for organizations, customers, and society. Osterwalder and Pigneur (2010) state that a business model can be best described on the basis of nine basic building blocks which encompass four main areas from any organization: customers, supply, infrastructure, and financial viability. Together these nine building blocks indicate how a company wants to earn

money. The nine building blocks are customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure. These nine building blocks can be put together in the business model canvas (BMC).

Baden-Fuller and Morgan (2010) explore if business models are useful in their paper “*business models as models*”. They point out that business models have several purposes: to describe and classify businesses, to make scientific investigation possible, and to act as guideline for managers. Other question the researcher try to answer is who uses business models, for what, and how. Baden-Fuller and Morgan (2010) found out that there is no single definition to describe a business models. Several authors do use different definitions. Therefore, the concept of business model is linked with notions like taxonomies and kinds.

Zott, Amit, and Massa (2011) wrote a paper about recent developments and future research of business models. The examine the existing literature on the business model concept and found out that academics and practitioners do not agree on what a business model is. Zott et al. (2011) want to provide an up-to-date literature review and come to a more apprehensive definition of a business model. A business model can have different definitions: a statement, a description, a representation, a conceptual tool or model, a framework etcetera. However, the literature studied by the researchers does not give an explicit definition of the concept. Zott et al. (2011) conclude their literature review by stating that the term business model in its current use in not just one concept. The existing literature is young and dispersed. The need exist to adopt a more precise concept.

2.2.2 Innovation and technology

Many researchers acknowledge the importance of innovation and technology on business models. Koch and Caradonna (2006) did research on technologies and business models that work in developing countries. They found out that the adaptation of appropriate technologies in developing countries leads to technological innovations to the poor. This adaption process reveals how business models work at the bottom of the pyramid (BOP). Business at the BOP requires different business models due to extreme poverty. Due to the fact that business models convert technologies to economic value, the process of improved technological processes should proceed at both the technological and business model fronts.

2.2.3 Value creation and competitive advantage

A large part of business model research is focused on strategic issues like value creation and competitive advantage. Business models can be structured to generate profits or to enter new markets in developing countries. This is, among others, studied by Seelos and Mair (2007). Entering developing countries is seen as an appealing business opportunity. The researchers want to understand how to enter new markets and which business models are suitable. The central question in the paper is how companies can create new market space at the BOP.

Teece (2010) tried to find a connection between business models, strategy and innovation. According to the researcher a business model is about delivering value to customers, letting customers pay for the delivered value, and converting payments into profits. In other words it is about the value for the customer, the organization of this value delivering process, and the capturing of the value it delivers. Capturing value from innovation is an important element of a business model. Because the global economy has changed the traditional

customer-supplier relationship, companies should re-evaluate their value propositions and business models. Designing new business models requires insight, customer knowledge, and creativity. Business models are necessary in market-based economies.

Zott and Amit (2010) describe a business model as “a system of interdependent activities that transcends the focal firm and spans its boundaries” (p. 216). Important part of a firm and their business model is the activity system, which enables a firm to create value and to appropriate that value. It describes how firms do business. Zott and Amit (2010) did research on this topic in order to enable entrepreneurial managers to design future business models or improve their current ones.

Casadesus-Masanell and Ricart (2011) did research on how to design a winning business model. According to the researchers, a good business model is the quest for sustainable advantage. Business model innovation is driven by the economic slowdown in the developed world and the pressure to open markets at the BOP. However, many companies struggle to create and capture value through their business models. The success of an organization’s business model depends on its interaction with business models of competitors. However, innovating business models will never be easy.

2.2.4 Social value creation

According to several researchers, creating economic value is not the thriving factor of an organization. Creating social value might be even more important, especially at the BOP. According to Seelos and Mair (2005) social entrepreneurship (SE) is a new way to serve the poor. SE refers to organizations with business models focusing on basic human needs which are not satisfied by existing markets and institutions. SE combines traditional entrepreneurship with a mission to change society. Seelos and Mair (2005) state that many MNCs only focus on growth and therefore fail to satisfy the needs of the poor.

Thompson and MacMillan (2010) wrote a paper about creating new markets and societal wealth through improved business models. They addressed challenges of poverty and human suffering all around the world. The researchers claim that visionary businesses should play an important role in creating new business models, opening up new markets, and improve societal wealth. The paper gives an alternative model to the traditional aid model, trying to improve the lives of hundreds of millions of people living in extreme poverty. Developing business models that create new markets can achieve the same goal, and at the same time generate profits. Thompson and MacMillan (2010) state that these new business models will create a virtuous cycle: companies will make greater profits, which will lead to a greater incentive for growing the business, which eventually will lead to poverty alleviation.

Yunus, Moingeon, and Lehmann-Ortega (2010) wrote a paper about social business models. Their work is based on the lessons learned from the company Grameen. Grameen group is founded in 1976 in Bangladesh and is a network of 30 sister organizations. Grameen bank is designed to alleviate poverty and gives loans to over 7.5 million poor people. 68 percent of all borrowers has crossed the poverty line. Besides this, with 98.4 percent the repayment rate is high. The bank is profitable since its existence. Yunus et al. (2010) try to use the example of Grameen group to formulate social business models. All the ventures of Grameen group are social businesses: self-sustaining companies selling goods or services to repay its owners investments. The primary purpose is to serve society and alleviate poverty. A social business

model is located between a profit-maximizing and a non-profit organization. The paper presents five lessons learned from the Grameen experience: challenging conventional thinking, finding complementary partners, undertaking continuous experimentation, recruiting social-profit-oriented shareholders, and specifying social profit objectives clearly.

Dahan, Doh, Oetzel, and Yaziji (2010) studied the phenomena of corporate-NGO collaborations and new business models for developing countries. Corporate-NGO collaborations may lead to new model of value creation for the developing world. Products or services are developed which neither of both parties could develop alone. Costs and risks are minimized. Such partnerships can create both social and economic value. However, there are not only advantages. Corporations and NGOs have fundamentally different structures and values. This can negatively affect the relationship.

Wilson and Post (2013) wrote a paper about business models for people, planet, and profits. They focused on social business and social value creation. A social business venture combines the social purpose, as known from non-profit organizations, with market-based methods, familiar in for-profit organizations. The researchers explore the design process of social businesses and how social and economic missions can be combined effectively. The central idea is that market-based approaches can address world's social problems. All social businesses are characterized by a clear social mission that is integral to the organization. However, these businesses also support a market-based approach, because it is seen as an economically self-sustaining way to achieve social goals. It is a more reliable approach than a donation model, relying solely on philanthropy. Self-sustainability is required, but social ventures are not seeking to gain high profits.

The research of Wilburn and Wilburn (2014) is in the same direction as the research of Seelos and Mair (2005). In their paper "*The double bottom line: Profit and social benefit*", Wilburn and Wilburn (2014) focus on for-profit companies which want to commit to CSR and sustainability. Those companies focus on the double bottom line, which refers to profit and social benefit. However, Wilburn and Wilburn (2014) do have doubts about whether large companies will adopt this new model and change their businesses. It seems to be that only SMEs will take the next step towards a new social business model.

2.2.5 Examples of business models

When studying business model literature, dozens of types of business models can be distinguished. However, from literature 20 well-known, important business models can be distinguished.

Add-On business model

In this business model, the core product or service is priced competitively, but there are a lot of supplements that increase the final price. In this case, the customers do not get the deal they initially preferred. (Ellison, 2005). This type of business model is often relevant for airlines that compete on costs (Gassmann, Frankenberger & Csik, 2014). For some customers this business model offers individually tailored products, which mostly refers to luxury. In all cases customers are free to choose whether they want to customize their product or not. In short, the core characteristics of the Add-On business model are:

- Competitively priced core product;
- Extras that increase the price;
- Possibility to obtain individually tailored products.

Advertising business model

The advertising business model became popular with the growth of radio, television, and Internet. The broadcaster provides content and services mixed with advertisements, like banners (Rappa, 2013). By advertising, many consumer niches are reached. However, the business model is difficult to justify if it is a company's main revenue stream. The competition in the market is enormous and customers have dozens of choices. The model works the best when there is a large volume of viewers. Still, the advertising business model seems to be effective on social networking platforms such as Facebook and e-commerce websites like Amazon and eBay, which brings together buyers and sellers (Muzellec, Ronteau & Lambkin, 2015). To combine, the main characteristics of an advertising business model are:

- Mostly used at television, radio, and Internet;
- Niches can be reached;
- Very effective on social network platforms.

Bait and hook model

This business model refers to a free, or low priced, initial offering, which leads to additional, future purchases of products or services (Osterwalder & Pigneur, 2010). Revenues will be earned with follow-up purchases. Examples are razors with razorblades and mobile telecom providers. The follow-up purchases makes a customer hooked to a certain company through the initial low-cost, or free, product that was set as a bait (Ghosh & Chakraborty, 2008). The most important characteristics of the bait and hook model are:

- Low-cost of free initial offering;
- More expensive follow-up offerings

Inclusive business model

An inclusive business model differs from social enterprises, which will be explained later on in this thesis, in its higher profit making motive (Asian Development Bank, 2012). Inclusive businesses are private sector organizations targeting low income customers with a double purpose: making reasonable profits and at the same time provide sustainable jobs and better incomes, and also services for the BOP. Profit making is the most important motive. However, an inclusive business also tries to contribute systematically to poverty reduction. The BOP is actively engaged in this type of business. They are not only treated as consumers, but also as producers. To sum up, the core characteristics of an inclusive business model are:

- Both social and economic value creation;
- Profit making is the most important incentive;
- Aims to reduce poverty by offering jobs and better incomes;
- BOP is involved in the complete supply chain.

Bottom of the Pyramid (BOP) business model

Where an inclusive business is trying to contribute to a poverty problem, a BOP business model is more about broadening consumption goods for the BOP (ADB, 2014). The focus of a BOP business model is more on profits, whereas the focus of a social business is more on social aims (Hahn, 2012). Although the focus is more on making profits, a BOP business model does also focus on poverty alleviation. The BOP is involved in the value chain only as a customer group. BOP business models are mostly used by MNCs and large national companies (LNCs). In order to serve the BOP, they produce small-unit packages. They try to reach high sales volume though low-unit margins (Martinez & Carbonell, 2007). The last few years, the perspective of the poor is considered more. This is needed in order for business to establish long-term corporate growth at the BOP (Simanis & Hart, 2008). In short, the core characteristics of a BOP business model are:

- Broadening consumption goods for the BOP;
- Poverty alleviation by making profits (mutual value);
- BOP only appear as customers in the value chain;
- Small-unit packages.

Bricks and clicks business model

A bricks and clicks business models refers to a business model in which a company conducts business both offline and online. ‘Bricks’ refers to offline business, ‘clicks’ refers to online business, where the customer has to click for online purchases and transactions. The business model allow a company to reach a large customer population. This type of hybrid business model combines the strengths of both digital and physical elements of business (Prasarnphanich & Gillenson, 2003). However, integrating Internet initiatives into an offline business only makes sense if Internet skills and experiences are present within the organization, if the brand extends naturally to the Internet and if the online and offline business integrate in a mutually supportive way (Willcocks & Plant, 2001). The core characteristics of a bricks an clicks business model are:

- Both online and offline business within a company;
- Ability to reach a large customer population;
- Flexibility.

Collective business model

A collective business model involves the participation of multiple business professionals or traders related to each other in term of business interests (Kyriakidou, 2010). These professionals share information, pool resources and work together in order to achieve a common goal. Common interests of all parties involved will be represented. Core characteristics of a collective business model are:

- Participation of multiple business professionals;
- Sharing and pooling information and resources;
- Need to pay a fee in order to be part of a collective.

Corporate-NGO collaboration business model

Corporate-NGO collaboration may lead to both economic and social value creation at the BOP (Dahan, Doh, Oetzel, & Yaziji, 2010). These kinds of collaborations are set up when neither of both parties could develop a certain product or services alone. Due to the collaboration, costs and risks are minimized. However, there are not only positive aspects of a cross-sector collaboration. In many cases businesses and NGOs differ on the opinion about the value of non-financial corporate support. To succeed, NGO-corporate collaborations need strong leadership, effective planning, and clear communication (Amadi, 2013). In short, the core characteristics of a Corporate-NGO collaboration business model are:

- Both economic and social value creation;
- Costs and risks are minimized;
- Innovation possibilities.

Cutting out the middleman business model

In the current world with a vicious cycle of ever-cheaper production, the cutting out the middleman business model becomes more important (Greene, 2013). By cutting out several intermediaries, companies can offer products and services to customers at a lower price. Internet offers an important medium to get in contact with customers. Cutting out intermediaries can lead to the increase of a company's margins. The cutting out the middleman business model can be summarized as:

- Cutting out intermediaries;
- Lower prices;
- Dealing with customers directly.

Differential pricing model

There exist different business models focusing on differential prices for different customer groups. Three important examples are free as a business model, the differential pricing model, and buy-one give-one. Free as a business model is about continuously serving at least one customer segment with free products or services. Non-paying customers are financed by another, paying, customer segment (Osterwalder & Pigneur, 2010). An example can be to offer hospital treatments for free to the BOP, and let more fortunate people pay for it. It is all based on *versioning*, or customized production, whereby different customers pay different prices (Anderson, 2008).

Differential pricing is similar to the previous example. Whereas with free as a business model some customers pay and others do not, with a differential pricing model all customer groups pay. However some customers are charged more and others are charged less for the same products and services (Matthews, 2003).

The buy-one give-one model is an effective business model in order to create commercial and social value (Marquis & Park, 2014). It is commonly used in socially minded enterprises. In a buy-one give-one business model one customer buys a product, and the business donates an equivalent item to a less fortunate person (Joyner, 2014). Although these three types of differential pricing business models all have their own characteristics, they also share some characteristics:

- Fortunate customers pay more, less fortunate customers pay less or nothing;

- Mostly used at the BOP;
- Leads to social value creation.

Direct sales business model

The direct sales business model has some similar characteristics as the cutting out the middleman business model. Intermediaries are left out and deals are made directly with the customer. Direct sales refers to person-to-person selling. A salesperson demonstrates and communicates the benefits of products or services to customers (Kokemuller, 2010). This type of business model is used to personally present persuasive messages to customers which eventually will lead to purchases. It is a more personalized way of doing business than with other types of business models. An advantage of the model is the possibility to control prices and costs (Petryni, 2011). Therefore companies are able to price their products and services competitively. In short, the core characteristics of a direct sales business model are:

- Person-to-person sale;
- Long-term relationships with customers;
- Control over prices and costs.

Distribution business model

The distribution business model is also referred to as the traditional, or conventional, business model. This type of business model has three levels: the producer, the wholesaler, and the retailer. In order to implement a successful distribution business model, the types of distribution you will offer to your customers has to be determined, which will affect the cost structure, price structure and profits (Ingram, 2009). This type of traditional business model can easily be adapted to a digital business model (Noren, 2013). The core characteristics of the business model are:

- Three levels: producer, wholesaler and retailer;
- Easy to execute
- Lot of competition
- Low margins.

Freemium business model

Freemium refers to business models, mostly web-based, which combine (free) basic services with premium services which have to be paid (Osterwalder & Pigneur, 2010). Characteristic of the business model is a large group of users profiting from a free offer. Most of these users never become paying customers. Only a small part, mostly less than ten percent, subscribes to premium services which should be paid. This business model can be profitable because of the low costs which are needed to serve the free users. Core characteristics of the freemium business model are:

- Free basic products or services;
- Premium products which have to be paid;
- Only a few paying customers.

Long tail

The concept of the long tail business model is initiated by Chris Anderson (2004). The business model focuses on selling less of more. Hits are nice, however, niches are the most important revenue stream of a company. Those niches determine the success of a business. This type of business model is especially present on the Internet. Distribution costs should be low. Core characteristics of the long tail are:

- Selling less of more;
- Niches are more important than hits;
- Distribution costs are low.

Low-cost model

The low-cost business model is also referred to as the low-cost carrier (LCC) model. This type of business model mostly is applied in the airlines industry (Hunter, 2006; Fageda, Suau-Sanchez & Mason, 2015). The LCC model focuses on cost leadership and cost minimization. Other important characteristics of the business model are a short supply chain, little flexibility, and simplified business practices (Hunter, 2006). The essence of the model is the point-to-point service (Fageda, Suau-Sanchez & Mason, 2015). Customers ask for cheap, medium qualified products. Some core characteristics of this type of business model are:

- Cost leadership;
- Cost minimization;
- Simplified business operations;
- High level of competitiveness.

Microfinance business model

A microfinance business model refers to different types of financial services aiming to serve the poor (Hahn, 2012). It tries to strengthen the position of the poor within business value chains, and to develop and improve the exploitation of potential sales markets by giving access to credit. Microfinance can lead to more economic development and business activities among the poor in developing countries. This in turn will lead to additional spending and a bigger overall sales market. Not only the consumption system will be strengthened by a microfinance model, the same will hold for the production system. To conclude, the core characteristics of a microfinance business model are:

- Financial services aiming to serve the poor;
- Strengthen the position of the poor within the value chain;
- Most credits are given to women.

Micro franchising

Many poor people in developing countries struggle with finding jobs. In many cases, these people set up their own businesses and become micro entrepreneurs. However, these businesses are often situated in the informal sector. To move these businesses from the informal sector to the formal sector, micro franchising can be a solution (Gibson, 2007). It is recognized by many as one of the most innovative ways to transform micro enterprises into stable, formal businesses (Gibson, 2007). It is a unique model with a mutually beneficial relationship between the

franchisor and the franchisees. It will only be successful when the replicated business has already proven to be profitable. Micro franchising is about making business better and to improve the lives of the poor. The main characteristics of a micro franchising business model are:

- BOP as a pool of resources;
- Mutual relationship between franchisor and franchisees;
- Requires little capital.

Social enterprise model

Social enterprises refer to both non-profit and for-profit enterprises. Nowadays 50 percent or more of the total income should be market-based, in order for an organization to be referred to as a social enterprise (Defourny & Nyssens, 2010). However, in contrast to this restriction, social impact should be more important than the question of incomes. It is not just a byproduct of entrepreneurial activity, but a primary outcome (Wilson & Post, 2013). This is the opposite situation compared to an inclusive business. A well-known definition of a social enterprise is proposed by Dees (1998). He defines social enterprises as “(...) adopting a mission to create and sustain social value, recognizing and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptations and learning, acting boldly without being limited by resources currently in hand, and finally exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created” (Dees, 1998, p. 4). The social enterprise is designed for people, planet, and profits, and can therefore be a sustainable solution to many pressing problems (Wilson & Post, 2013). To sum up, the core characteristics of the social enterprise model are:

- At least 50 percent of a company’s total income should be market-based;
- Social impact is more important than profits;
- Designed for people, planet, and profits.

Subscription model

A subscription business model is a model in which a customer pays a subscription price in order to get access to the product or service. This type of business model first was used by magazines and newspapers, but nowadays it is used by many online and offline businesses. Products and services are not sold individually, but are sold periodic. Use or access to a product or service is being sold. Brand loyalty is an important element of the business model. The subscription model enables companies new ways to engage with old and new customers (Lev-Ram, 2014). In short, a subscription model can be summarized as:

- Products and services are sold on a periodic basis;
- High level of brand loyalty;
- Engagement with old and new customers.

Value-added reseller model

A value-added reseller model is a business model where a company makes something which will be resold later on by other business, with modifications added to the original product. Those modifications are mostly essential for the distribution of the product. Value-added resellers

want to develop and expand their offerings in a quick and flexible way (Seltsikas & Currie, 2002). In order for a company to develop a successful value-added reseller model, a value-added reseller network has to be developed. Multiple businesses work together in order to produce a final product of service. This business model can be summarized as:

- Multiple businesses are involved;
- Modifications to the original product;
- Collaboration.

2.2.6 Summary

The previous chapter shows that the concept of business models is a popular subject within business administration literature. The similarity between the BOP and business model literature is the fact that there does not exist one unanimous meaning of the concept. Almost every researcher has a slightly different meaning of the concept of business models. Besides this, many different study fields can be distinguished within the business model literature. The following table shows a summary of the research focus on all publications discussed in the previous section.

Table 3: research focus of all studied business model literature	
Author	Research focus
Margretta (2002)	Definition of the concept business models.
Anderson (2004)	E-business, online business models.
Seelos & Mair (2005)	Social entrepreneurship, social value creation.
Koch & Caradonna (2006)	Technologies and business models in developing countries, suitable business models for the BOP.
Chesbrough & Schwartz (2007)	Partnerships and innovation of business models.
Seelos & Mair (2007)	Business models for developing countries.
Johnson, Christensen & Kagermann (2008)	Reinventing business models, business model innovation.
Baden-Fuller & Morgan (2010)	Purpose of business models, concept of business models.
Chesbrough (2010)	Business model innovation.
Dahan, Doh, Oetzel & Yaziji (2010)	Corporate-NGO collaboration, business models for developing countries.
Osterwalder & Pigneur (2010)	Business model definition, business model framework.
Teece (2010)	Business models, strategies and innovation, value creation.
Thompson & MacMillan (2010)	Creating wealth through improved business models, mutual value creation.

Yunus, Moingeon & Lehmann-Ortega (2010)	Social business models, mutual value.
Zott & Amit (2010)	Value creation and competitive advantage.
Casadesus-Masanell & Ricart (2011)	Design a winning business model, value creation.
Zott, Amit & Massa (2011)	Recent development and future research of business models, business model concept.
Wilson & Post (2013)	Business models for people, planet, and profits, social value creation.
Wilburn & Wilburn (2014)	Mutual value creation, CSR, benefit corporation.

Table 3 shows that there are several different visions on business models. One important research field in this is the use of a business model in order to create social value. This topic matches the best with the topic of the BOP. Within the business model literature this topic became more popular the last few years. The following table shows the most common business model topics and the researchers who wrote about it.

Table 4: authors by subject of research	
Subject	Authors
Business model concept / design process	Margretta, 2002; Osterwalder & Pigneur, 2010; Baden-Fuller & Morgan, 2010; Zott, Amit & Massa, 2011
Innovation and technology	Koch & Caradonna, 2006; Chesbrough & Schwartz, 2007; Johnson, Christensen & Kagermann, 2008; Chesbrough, 2010
Value creation / competitive advantage	Seelos & Mair, 2007; Teece, 2010; Zott & Amit, 2010; Casadesus-Masanell & Ricart, 2011
Social value creation	Seelos & Mair, 2005; Thompson & MacMillan, 2010; Yunus, Moingeon & Lehmann-Ortega, 2010; Dahan, Doh, Oetzel & Yaziji, 2010; Wilson & Post, 2013; Wilburn & Wilburn, 2014

2.3 Culture

Culture is referred to as a collective phenomenon, shared by people living in the same social environment (Hofstede, Hofstede & Minkov, 2011). It is about the mental programming which distinguishes members of one group from another. Culture is manifested in values and beliefs of individuals, in norms for social behavior and in social institutions. Culture is acquired, not congenital. Research concludes that culture always has an impact which cannot be ignored (Maznevski, Gibson, & Kirkman, 1998). One of the most common used definitions of culture is established by Kluckhohn (1951): ‘culture consists in patterned ways of thinking, feeling and

reacting (...); the essential core of culture consists of traditional ideas and especially their attached values' (p.86).

2.3.1 Culture in relation to business

National culture entails diverse values, beliefs, and attitudes and also several business practices, which can force or hinder the success of a business model (Hofstede, 1983). This indicates that culture has an influence on business operations and especially on business models. Due to this, certain business models might be more successful in one culture than in others. This can be a serious problem in a business environment with increased globalization. Knowledge and comprehension of the impact of culture is essential in order to achieve international business success (Guiso, Sapienza & Zingales, 2006). Simply transferring or replicating a business model from one country or culture to another is not enough (Dunford, Palmer & Benveniste, 2010). It is crucial for a company to renew and redevelop their business models, because they are not transferable one-to-one. In order to adjust a business model successfully, it is important to understand the underlying culture of a country, which is referred to as a silent language (Hall, 1973).

2.3.2 Hofstede's six dimensions

According to Hofstede, Hofstede, and Minkov (2011) comparative cultural research starts with the measurement of values. Important values which be measured are dimensions of national culture. During the 70s Hofstede conducted research at IBM. He found out that employees working at IBM in different Western countries all faced the same problems in certain areas, which are social inequality, the relationship between the individual and the group, the division of roles between men and women, and ways of handling with insecurity and obscurity. Hofstede (1980) referred to these elements as cultural dimensions. A dimension enables a comparison of one culture with other cultures, and is based on correlations. With these dimensions, Hofstede (1980) analyzed interactions between several cultures in order to be able to evaluate different or similar performances of cultures.

Several years later, one of Hofstede's colleagues, Michael Harris Bond, researcher at the Chinese University of Hong Kong, draught a new cultural survey, the Chinese Value Survey (CVS). Bond designed a list of fundamental values for the Chinese Population. The CVS was answered by one hundred students of all over the world. The results of the survey again showed four cultural dimensions (Hofstede, Hofstede & Minkov, 2011). Three out of four dimensions of the CVS, Power Distance (PD), Individualism (IND), and Masculinity (MAS), were correlating with the IBM-dimensions. The fourth dimension found in the CVS, but not in the IBM study, is Long Term Orientation (LTO). The fifth dimension, found in IBM study, but not in the CVS, is Uncertainty Avoidance (UA) (Hofstede, 1994). A few years later, a sixth dimension was added: Indulgence versus Restraint (IVR).

2.3.2.1 Power Distance

Power Distance (PD) is referred to as the extent to which non-powerful or less powerful members of institutions accept that power is distributed unequally (Hofstede, 1994). This leads to inequality. PD is not about the level of power distribution, but about the way people feel about it (Hofstede, Hofstede & Minkov, 2011). In a large PD society hierarchy means existential

inequality. Subordinates expect from their supervisors to be told what to do. There is a lot of supervisory staff and the ideal type of boss is autocratic. Employees are relatively undereducated, and handcraft has a lower status than office work. Employee participation in decision-making is less desired. In small PD societies hierarchy means inequality of roles, which is established for convenience. Members of societies and organizations are equal. Subordinates expect to be consulted by their supervisors, but not to be told what to do. The ideal type of boss is a democrat. Differences in salary are small and high-quality handcraft has a higher status than simple office work. According to Hofstede, Hofstede, and Minkov (2011) poor, less developed countries with a small middle class face higher PD scores than rich, developed countries with a large middle class. Due to this, the following hypothesis can be formulated:

H1: business models focusing on the BOP will mostly appear in medium or low level PD societies.

Index values of PD vary between zero for countries with small PD, to one hundred for countries with large PD. Figure 1 shows the PD index for 76 countries which are studied (Hofstede, 1980; Hofstede, 1983; Hofstede, 1994; Hofstede, Hofstede & Minkov, 2011), categorized by cultural region. Scores vary between zero, for small PD, to one hundred, for large PD.

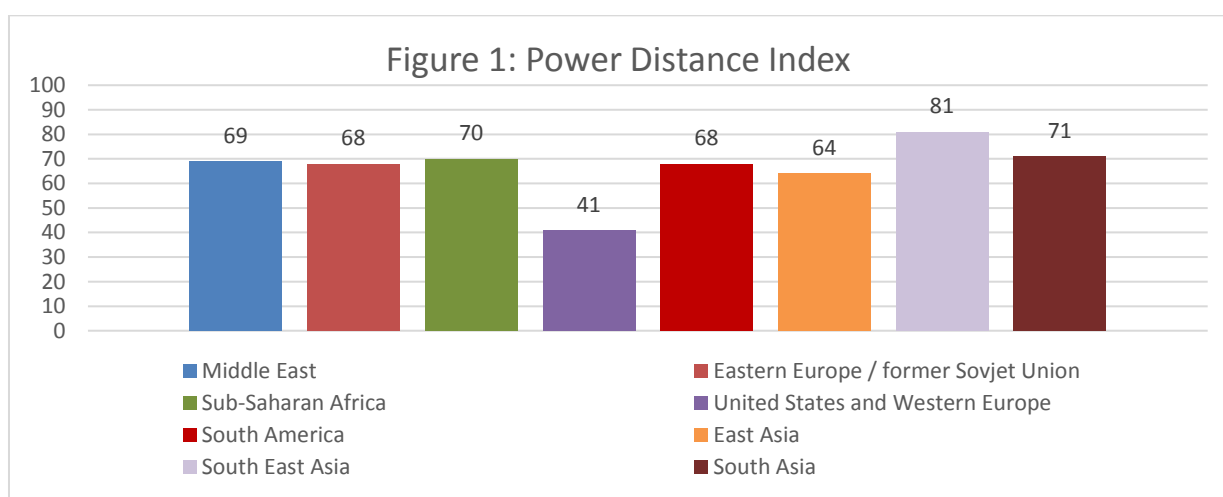


Figure 1 shows high PD scores for Sub-Saharan Africa and Asian countries, especially in South East Asian countries like for example Malaysia and the Philippines, and Muslim countries in the Middle East. Lower PD scores can be found in the United States and Western Europe.

2.3.2.2 Individualism versus Collectivism

Individualism-collectivism (IND-COL) refers to the level to which individuals are integrated into a group (Kürzdörfer & Santana Lopes, 2013). It is the extent to which an identity derives from the individual versus the group (Newman & Nollen, 1996). In individual cultures individuals are expected to take care of themselves and their family. Individual status will be increased by accomplishment. Collective cultures, on the contrary, rely on group memberships in order to achieve identity and status. Group's interest is more important than self-interest. Within organizations individualism reveals as autonomy, individual rewards, and responsibility

for own actions and results. Hiring and promoting employees is based on rules and capabilities. Tasks and results precede personal relations. Collectivism within organizations reveals as work unit solidarity and rewards earned by the whole team. Managers prefer to hire people belonging to a certain group, mostly relatives (Hofstede, Hofstede & Minkov, 2011). Hiring relatives is more important than hiring the right person for the right function. Personal relations precede tasks and results. Trust is the most important aspect. There has to exist a relationship of mutual trust before any business can take place.

Most people in the world are currently living in collectivistic societies, where the group is more important than the individual (Hofstede, Hofstede & Minkov, 2011). Almost all rich, developed countries reveal high scores, and almost all poor, underdeveloped countries reveal low scores. Therefore the following hypothesis can be made:

H2: business models focusing on the BOP will mostly appear in collectivistic societies.

Figure 2 shows the IND-COL index for 76 countries (Hofstede, 1980; Hofstede, 1983; Hofstede, 1994; Hofstede, Hofstede & Minkov, 2011), categorized by cultural region. IND-COL scores vary between zero for the most collectivistic country, to one hundred for the most individualistic country.

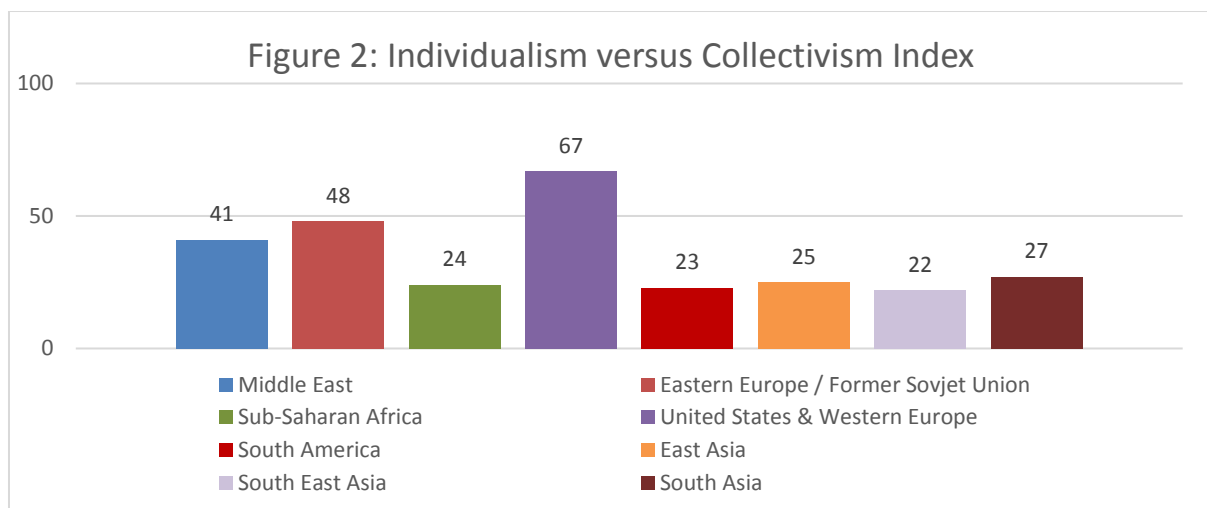


Figure 2 confirms that most people live in collectivistic societies. Most collectivistic societies can be found in South America, Africa and Asia. Western countries in Europe and the United States show high individualistic scores. There exists a relation between the COL-IND dimension and the PD dimension. Countries facing high PD scores, tend to be more collectivistic and vice versa. There exists a negative correlation between these two dimensions.

2.3.2.3 Masculinity versus Femininity

The Masculinity-Femininity (MAS-FEM) dimension refers to the distribution of emotional roles between genders (Kürzdörfer & Santana Lopes, 2013). The dimension is about the question which behavior is conceived as being desirable: assertiveness or modesty (Hofstede, Hofstede & Minkov, 2011). Masculinity is about the degree of importance in terms of values like power and ambition. Masculine cultures are characterized more by actions like doing and

acquiring (Newman & Nollen, 1996). Achievement, performance, and prevention of failure are important values. Men are supposed to be assertive, competitive, and tough. A society is called masculine if gender roles are separated. Femininity refers to values like interpersonal relations. Feminine cultures value affiliation. Preventing mistakes is not an important issue. A society is called feminine if gender roles are overlapping (Hofstede, Hofstede & Minkov, 2011). Within organizations gender roles play an important role. Within organizations in masculine countries, opportunities for high earnings, recognition, and rewards are taken for granted (Newman & Nollen, 1996). Rewards are based on fairness and performance. The MAS-FEM dimension also influences the way organizations handle with conflicts. In masculine countries conflicts are tried to be solved by a good fight: ‘*Let the best man win*’ (Hofstede, Hofstede & Minkov, 2011). In organizations situated in feminine countries the focus is more on the quality of interpersonal relations and the quality of working life. Rewards are based on equality and occasion. Conflicts are tried to be solved by negotiations and accommodations. Based on the above, the following hypothesis is formulated:

H3: business models focusing on the BOP will mostly appear in feministic societies.

Figure 3 shows the MAS-FEM index for 76 countries (Hofstede, 1980; Hofstede, 1983; Hofstede, 1994; Hofstede, Hofstede & Minkov, 2011), categorized by cultural region. MAS-FEM scores vary between zero for the most feminine country, to one hundred for the most masculine country.

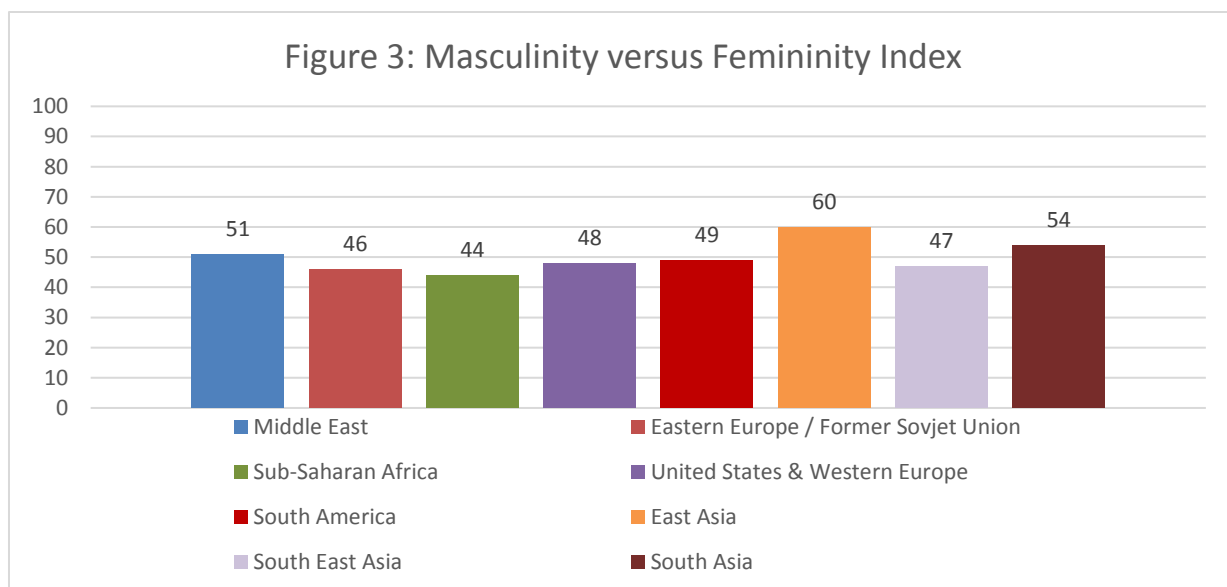


Figure 3 shows a lot of average scores. Eastern Asia reveals the highest masculinity score, followed by South Asia and Africa. Sub-Saharan Africa and Eastern European countries reveal lower scores and tend to be more feminine. Other feminine countries are found in South East Asia and Europe. Especially Scandinavian countries are mostly feminine, revealing scores between 5 and 26 .

2.3.2.4 Uncertainty Avoidance

Uncertainty Avoidance (UA) refers to the tolerance towards uncertainty (Kürzdörfer & Santana Lopes, 2013), and the extent to which people are afraid of unknown, uncertain situations (Newman & Nollen, 1996; Hofstede, Hofstede & Minkov, 2011). This feeling expresses itself in terms of stress and predictability by formal and informal rules. In countries with low UA, the level of fear is relatively low, in contrast to countries with high UA, where the level of fear is much higher. UA does not lead to the restriction of risks, but to reducing vagueness. Within organizations UA shows of with clear plans, procedures and systems. In countries facing high UA more people, including supervisors, are trying to find permanent contract fees. Within these countries, organizations are less innovative and they cherish competence at work. In high UA countries there are more self-employed activities than in countries facing less UA. Less uncertainty avoiding countries show less strict rules within organizations. People tend to change employers more often. Vagueness and chaos are accepted. Based on this, a hypothesis is formulated:

H4: business models focusing on the BOP will mostly appear in high UA societies.

Figure 4 shows the UA index for 76 countries (Hofstede, 1980; Hofstede, 1983; Hofstede, 1994; Hofstede, Hofstede & Minkov, 2011), categorized by cultural region. UA scores vary between zero for countries with little UA, to one hundred for countries with a lot of UA.

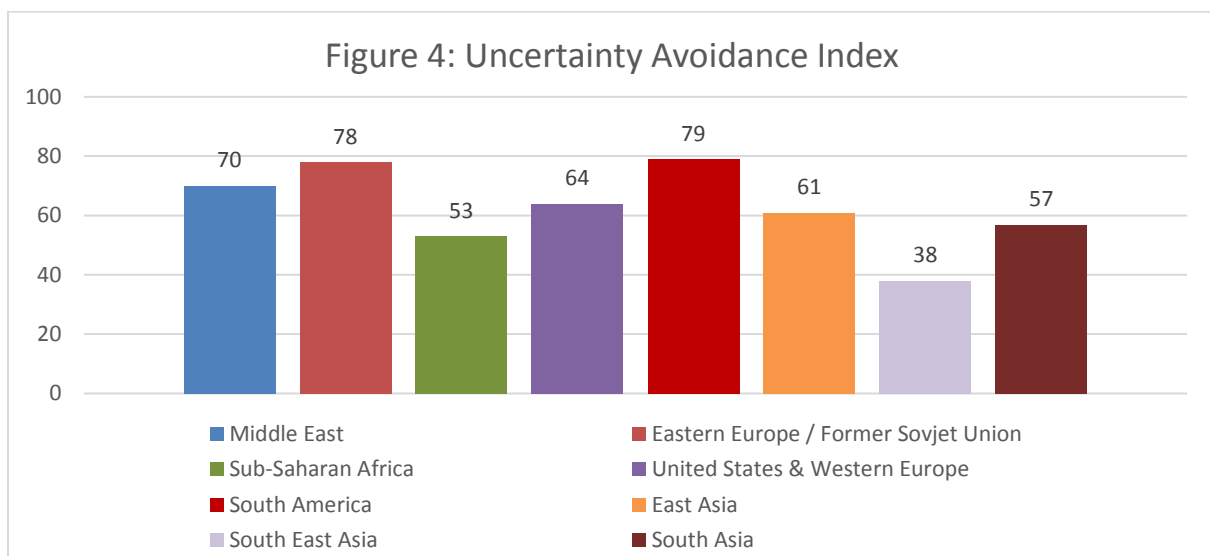


Figure 4 reveals high scores can be found in South America and Eastern Europe. Average scores can be found in Western countries, the Middle East, and East Asia. Lower scores can be found in Africa and especially South East Asia.

2.3.2.5 Long Term Orientation

Long Term Orientation (LTO) refers to the planning horizon in a culture (Kürzdörfer & Santana Lopes, 2013). Long Term Orientation strives for future rewards by means of perseverance and thrift. In long-term cultures time is not seen as a cycle, but as a linear path. People in these cultures are focused more on the future than on the past or present. Long-term cultures value patience and respect for elders and ancestors (Newman & Nollen, 1996). The opposite, Short

Term Orientation, strives for virtues focused on past and present, especially respect for tradition, prevention of loss of face, and to comply with social obligations (Hofstede, Hofstede & Minkov, 2011). Short-term cultures prefer traditional methods. They need a lot of time in order to establish relationships. Time is seen as a cycle in which the past and the future are connected. Organizations in long-term cultures focus on long-term cultural orientation, long-term employment, and solving problems for a longer period of time (Newman & Nollen, 1996). Building up a strong market position is more important than immediately achieved results. Managers and employees share the same aspirations, and large social and economic differences between employees are undesirable (Hofstede, Hofstede & Minkov, 2011). Organizations in short-term cultures focus on the bottom line; the results from the last period are the most important. Rewards are based on competency. Therefore the following hypothesis is formulated:

H5: business models focusing on the BOP will mostly appear in low LTO societies.

Figure 5 shows the LTO index for 93 countries (Hofstede, Hofstede & Minkov, 2011), categorized by cultural region. LTO scores vary between zero for short-term orientated countries, to one hundred for long-term orientated countries.

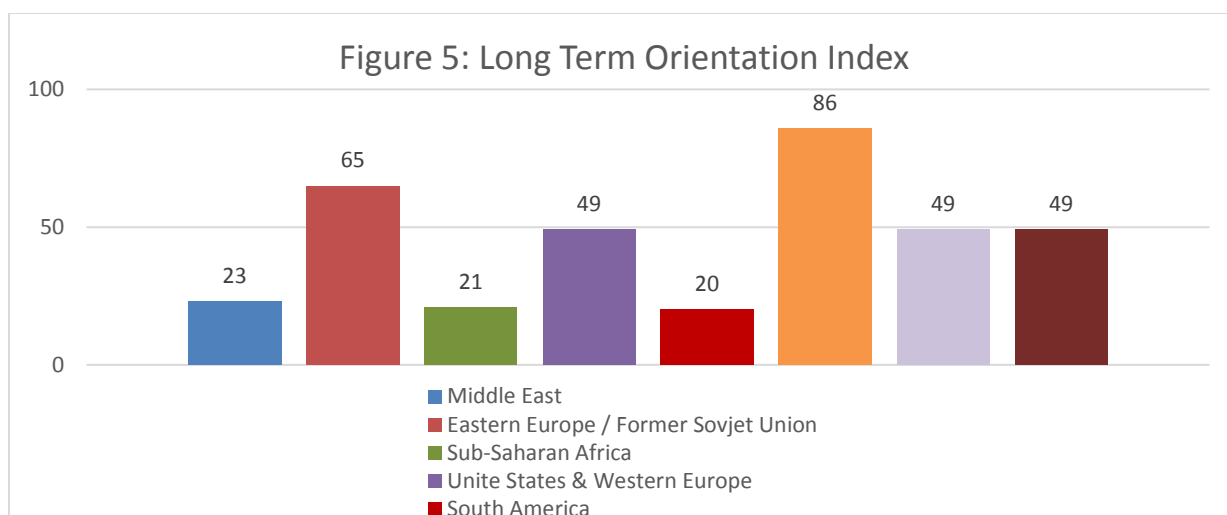


Figure 5 shows a very high score for East Asia. Countries in this cultural region tend to be long-term orientated. Other high scores can be found in Eastern Europe. Low scores can be found in South America, Africa and the Middle East. Countries in these regions are more short-term orientated.

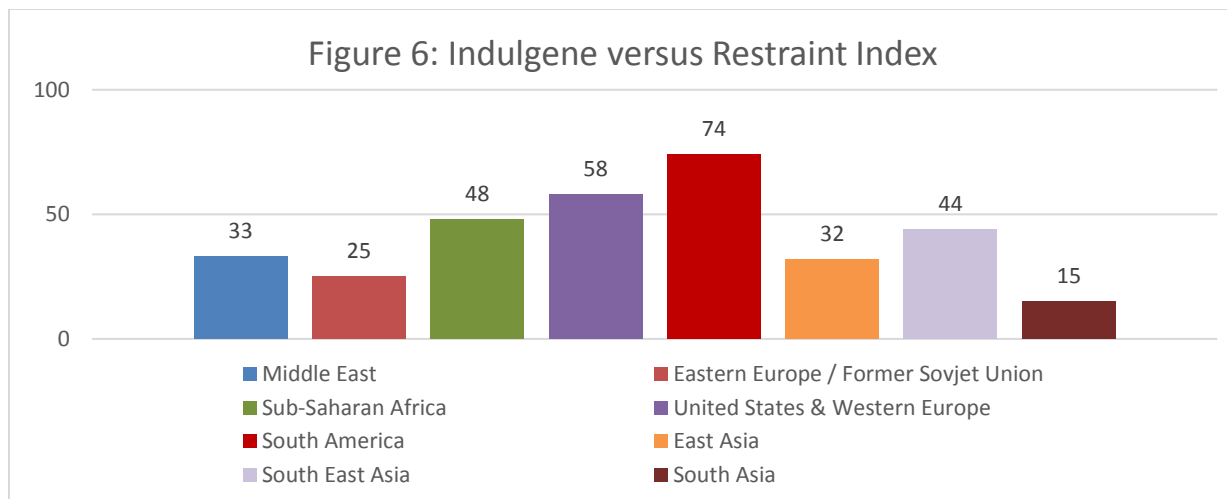
2.3.2.6 Indulgence versus Restraint

Indulgence versus Restraint (IVR) refers to the extent to which people try to control impulses and desires (Hofstede, Hofstede & Minkov, 2011). This dimension focuses on the national level of happiness and luck by means of own choices without social restrictions and leisure time as a personal value. In indulgent cultures people are free to make their own choices, to spend money, and to spend time on leisure time alone or with friends. All these elements will lead to a sense of happiness. It is about the unfettered satisfaction of fundamental, natural, human

desires to enjoy life and having fun. In restrained cultures behavior is restricted by social norms and values, and it is not accepted to enjoy leisure time and spending money. Due to this, the following hypothesis is formulated:

H6: business models focusing on the BOP will mostly appear in RES societies.

Figure 6 shows the IVR index for 93 countries (Hofstede, Hofstede & Minkov, 2011), categorized by cultural region. IVR scores vary between zero for the most restrained country, to one hundred for the most indulgent country.



Indulgent countries can be found in South America and the Western world. Countries with both indulgent and restrained element can be found in Africa and South East Asia. Mostly restrained countries are situated in South Asia, Eastern Europe and the East Asia.

2.4 Conclusion literature review

A literature review is performed to get a clear understanding about the concepts of the BOP, business models, and national culture. The goal of the literature review was to study available literature in the field. There seems to be a general agreement on a market-based approach as an instrument in order to alleviate poverty at the BOP, also known as the BOP proposition (for example Hammond et al., 2007; Prahalad & Hart, 2002; Prahalad, 2005). Due to this BOP proposition, mutual value can be created for both MNCs and BOP customers. However, there is a small but growing number of academic critiques on this proposition and especially on the work of Prahalad (2005). Proponents state that selling products to BOP consumers will not increase their income and therefore will not alleviate poverty (Karnani, 2007). The only way to alleviate poverty is to increase income. Therefore the BOP should be treated like producers and not only as consumers. Prahalad (2005) and other authors supporting the BOP proposition are especially focused on business interests, and less on BOP interests. Opponents of the BOP proposition act the other way around and discussed that products sold by companies should respond to basic needs and the enhancement of customers' wellbeing. This should be more important for those companies than making profits (Walsch et al., 2005). This is an important element of the current debate about the BOP.

With the change of this point of view, other business models are required. Business model research is very popular within the field of international business. Many articles already have been written and will be written in the future. Business models focusing on social value creation start to obtain more attention. Creating economic value is important, but not the only thriving factor of an organization. This is especially the case at the BOP (Seelos & Mair, 2005). Social business models might especially be suitable at the BOP (Yunus, Moingeon & Lehmann-Ortega, 2010). Both profit creation and alleviate poverty are important. The literature review about this concepts shows that different business models exist and not every business model is applicable in every situation. Chapter 2.3 presents the importance of national culture, especially in relation to business models. The impact of culture can never be ignored. It can force of hinder the success of a business model. Therefore the study of national culture is important in order to determine which business model will be implemented.

Literature reveals a relationship between the BOP and business models, and between national culture and business models. The relationship between all three concepts together is not explored and underrepresented in existing literature. The conceptual model in the next chapter demonstrates the relationship between the three concepts of the BOP, business models, and national culture.

2.5 Conceptual model

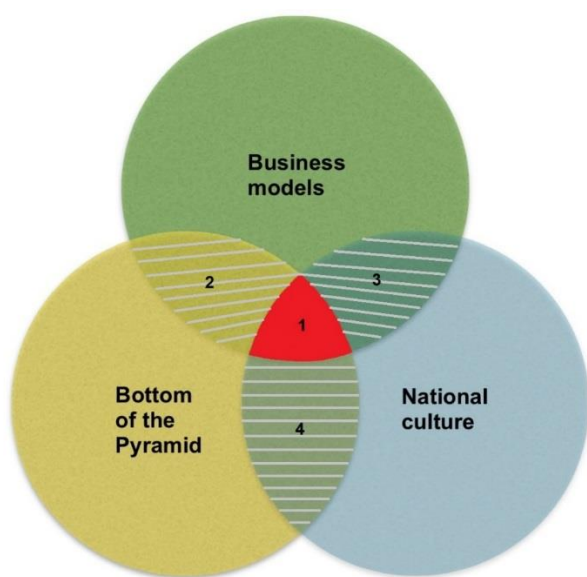


Figure 7: Conceptual model

This thesis explores three concepts, which are the Bottom of the Pyramid, business models, and national culture measured by the six dimensions of Hofstede. The question is to what extent it is possible to find literature and other material in order to answer the main research question. The conceptual model reveals four relationships between the three mentioned concepts, exposed as numbers 1, 2, 3, and 4. Number 4 refers to the relation between national culture and the BOP. Number 3 refers to the relation between national culture and business models. Number

2 refers to the relation between the BOP and business model. Last, number 1, refers to a relationship between all three concepts. This thesis aims to find material about all four types of relationships, and especially about relationship number 1, which is the main research question of this thesis.

Chapter 3: Methodology

In this chapter the methodology which is applied in this thesis will be elucidated. The chosen research design will be discussed, followed by the explanation of the sampling procedure. After that, the actual case studies research results will be presented. The results will be arranged and patterns will be discovered.

3.1 Research method

This thesis aims to investigate to what extent the concepts of BOP, business models, and national culture appear at the same time. From the first outcomes of the literature review and the conceptual model, it appears that the three concepts connect to a certain level. The question is how to find data to do research on this connection. This thesis has to meet all quality standards of scientific research.

During preliminary research it became clear that there were no datasets available according to the relationship between the BOP, business models and national culture. However, there are a lot of business cases and publications which do address one or more of those subjects. Therefore a qualitative research of business cases seems to be the most suitable. A cross-case analysis will be applied, which involves the examination of multiple cases (Gerring, 2012). The study of cases is especially suitable when studying a social phenomenon, like in this thesis (Babbie, 2010). There were no primary sources available, so the focus in this thesis will be on secondary data, which can be obtained from the case studies.

3.2 Sampling method

Like mentioned, the research method will be a qualitative research of business cases. The case selection method is purposive, which means that the case are not selected randomly, but are selected by several specific features (Gerring, 2012). In order to select the cases, multiple sources were consulted. Because of the academic value of this thesis, the most important selection criteria is the independence of the source. Promotional publications are excluded as many as possible from this thesis. Both author and publisher should work from an independent position. Several sources were used in this thesis:

- Academic databases;
- Academic journals;
- Google Scholar;
- Books;
- Master theses;
- NGO publications;
- Websites;
- Research institutes;
- Charity publications;

- Newspapers.

Two important criteria were considered when selecting cases. The first criteria all cases should meet was the presence of the BOP concept in a business administration context. The BOP market should be central in every case research. Besides this, every case has to discuss the business model of the organization presented in the case. Only when those two requirements were met, the case was considered to be suitable and useful for this thesis. The initial focus was on the title and, when present, the abstract of the publication. Keywords were '*Bottom of the Pyramid*', '*BOP*', and '*(national) culture*'. By repeating this procedure, 130 cases were identified as being adequate to study and to draw conclusions on. It is important to mention that all cases in this thesis are successful business case stories. Next, the sample of all cases used in this thesis will be presented.

3.3 First findings

Several sources are used within this thesis. First, academic sources are being explored. Therefore academic journals and databases are being studied. By searching on the concepts of 'BOP' and 'business model', 13 cases were discovered, which can be found in table 20 of the appendices. The cases found in academic sources are about business taking place in several parts of the world. The cases also treat several types of businesses, in multiple sectors. 6 out of 7 types of business models are found in academic sources. The only model which is not found is the differential pricing model. Academic sources do have a scientific value, so therefore the conclusions which can be drawn from these cases, are valid.

After searching for academic sources, it can be concluded that there are not enough case studies written about the subject which are published in academic journals or databases. The next step was a search for publications in books. The same lemmas are used: 'BOP' and 'business model'. 9 business cases are found, which are placed in table 21 of the appendices. When studying publications out of books, no business cases from South America have been found. Three types of business are found, SMEs, large national companies and international companies, which operate in several sectors. 5 out of 7 types of business models are found. There are no book publications found about social enterprises and NGO-Corporate collaborations. One important conclusion is that only one book is found.

Another academic source used in this thesis is master thesis publications. In sources like Google Scholar and in university databases the same two lemmas are used again, 'BOP' and 'business models'. Only three publications are found, placed in table 22 of the appendices. It is hard to draw conclusions on only three publications. Two businesses appear in Asia, one in Africa. The business cases are about a large national company, a SME and an international firm collaboration with a NGO, operating in the energy and telecom sector. Three types of business models are described, which are the BOP business model, inclusive business model and NGO-Corporate collaboration. Because of the fact that only three publications are found, no patterns or relationships can be found.

Another important source is NGO publications. The same procedure as described above is repeated. In total 47 business are being found (table 23 from the appendices). A large part of the cases used in this thesis are found in NGO publications. The business cases take place in countries out of all different cultural regions. Most cases describe SMEs, operating in several

sectors. 6 out of 7 types of business models are described, only the differential pricing model is missing. Large part of the cases is found in a UNDP research.

Still not enough cases are found. The next step was to search for newspaper publications, by again repeating the same research procedure. 7 business cases are found (table 24 from the appendices). It looks like newspaper mostly write about business cases in Africa and South America. All business cases which are found are about SMEs, operating in several different sectors. Four out of seven types of business models are described, which are differential pricing, BOP business model, social enterprise and inclusive business model. Due to the fact that only 7 business cases are found, no valid conclusions can be drawn.

Another important source in the academic world are research centers and institutions. Again, the same searching method is being used. 24 business cases have been found, which have been placed in table 25 from the appendices. Publications of research centers or institutes describe countries out of every cultural region in the world. Most publications are about SMEs and large national companies. Six out of seven types of business models have been found and several sectors are described. It seems that many research have been done at the World Resource Institute and IFMR Research. This data does not show any important patterns or conclusions.

During the search for usable, valid business case studies, several publications from charities showed up. Therefore the choice was made to include these in this thesis. The same procedure was repeated and the search focused on the lemmas 'BOP' and 'business models' again. 8 Publications have been found, placed in table 26 from the appendices. Charity publications which are found and used in this thesis are focusing on countries in Africa and Asia. Seven SME cases are found, and one large national company. Most cases are about health care and solar energy. Four out of seven types of business models are discovered, which are social enterprise, microfinance model, BOP business model, and micro-franchise mode. Because of the small sample size, no valid conclusions can be drawn.

Through the search on Google Scholar, several website publications appeared. Therefore it was decided to include some of these publications in this thesis. Important note to make is the academic value. This is always an important issue when using website publications. No promotional websites have been used. At the end 11 business cases have been found (table 27 from the appendices). Most of the cultural regions in the world are represented in website publications. Most publications are about SMEs, operating in several different sectors, however mostly in microfinance. Four out of seven types of business models are found, which are NGO-Corporate collaboration, microfinance model, inclusive business model, and social enterprise. No clear or valid patterns or conclusions can be drawn from this data.

Last, some publications from global institutions were found when searching on the lemmas 'BOP' and 'business models' on search engines like Google Scholar. Because of the content of the publication and the source, it was decided to include those cases in this thesis. 8 Business cases have been found (table 28 from the appendices). Three important global institutions have published some business cases about the BOP and business models, which are World Bank Institute, IFC, and the International Labor Organization. The business cases take place in several cultural regions, treating SMEs and large national companies in several different sectors. Three out of seven types of business models are described, which are BOP business models, social enterprises, and inclusive business models. Due to small sample size, it is not possible to draw conclusions out of this data.

The previous parts can be combined to one table which gives an overview of the several sources used in this thesis. In total 130 cases met all the sampling requirements and therefore are used in this thesis. Table 29 of the appendices gives a complete overview of all 130 business cases.

Table 5: case studies divided by source	
Source	Number of publications
Academic journals and databases	13
Books	9
Master theses	3
NGO publications	47
Newspapers	7
Research centers and institutions	24
Charity publications	8
Websites	11
Global institutions	8

Chapter 4: Analysis

4.1 General analysis

In total, 130 cases are studied in this thesis. Within a large part of these cases, 87, a SME is central. But there are also other types of businesses explored, namely large national companies (28 cases), SME and NGO collaborations (8 cases), large national company and SME collaborations (2 cases), international company and NGO collaborations (2 cases), and international companies (3 cases). Table 6 shows a summary of the types of businesses studied in this thesis.

After studying all the cases, 7 types of business models can be explored. Most cases in this thesis focus on an inclusive business model (38 cases). The other types of business models found in the cases are NGO-Corporate collaboration (12 cases), BOP business model (23 cases), microfinance (17 cases), social enterprises (18 cases), micro franchising (15 cases), and differential pricing models (7 cases). Table 7 shows a summary of the types of business models found in the cases.

Out of all cases which are studies, 130 businesses can be distinguished. Those businesses operate in several sectors. 18 sectors are distinguished. Most companies which appear in the cases operate in retail, microfinance, health care, energy, water and telecom. However, there are also other sectors appearing in the cases. Table 8 shows a summary of all sectors which are found in the cases.

Cases were selected on the criteria of the appearance of the concept of business models and not on the country or continent the studied business operates in. However, it is interesting to show which countries appear in this study. Out of all 130 cases, 45 countries can be distinguished, spread over five different continents. No clear pattern can be discovered from these figures. However, most studied businesses operate in India. It is not studied in this thesis what the reason of this high level of cases in India is. Table 9 and 10 show a summary of the different countries and continents.

Besides mentioning the countries which appear in the case studies, one can also distinguish several cultural regions. Because of the fact that national culture is an important element of this thesis, dividing the cases by cultural regions is important. From 130 businesses studied in this thesis, 43 operate in the cultural region of South Asia. This number is followed by 38 businesses operating in Sub-Saharan Africa, 26 in Latin America, 11 in South East Asia, 5 in Eastern Europe (former Soviet Union), 3 in Western countries (Europe and the United States), 2 in East Asia, and 2 in the Middle East. Table 11 shows an overview of all cultural regions which appear in this study.

4.2 Patterns and relationships

In the previous part a general analysis about the cases is made. This section will analyze patterns and relationships based on the concepts of business models, business types and national culture.

Literature reveals a difference between several types of businesses, according to the choice of business models. In this thesis 87 cases about SMEs are being studied. Out of these 87 SMEs, 34 chose an inclusive business model (39,1%), followed by a social enterprise model (18,4%), and a microfinance model (14,9%). When studying large national companies, a different pattern is found. Most LNCs chose a BOP business model (42,9%), followed by a

micro franchise model (17,9%), and an inclusive business model (14,3%). 3 international companies are being studied. 2 of them chose a micro finance model, and 1 of them a differential pricing model. The other types of businesses, which combine a SME, LNC or international company with a NGO, all chose a NGO-Corporate collaboration business model.

It is also possible to observe patterns the other way around. Of all cases addressing a NGO-Corporate collaboration, a SME and NGO collaboration is found the most (8 out of 12 cases). A BOP business model is found in both SMEs (11 out of 23 cases) and LNCs (12 out of 23 cases), so no clear pattern can be discovered here. Microfinance models are mostly found within SMEs (13 out of 17 cases), and less in LNCs (2 cases) or international companies (2 cases). The same pattern is found for social enterprise models. Social enterprise are mostly chosen by SMEs (16 out of 18 cases), in contrast with LNCs (2 cases). The same also holds for inclusive business models. 34 out of 38 businesses which have chosen an inclusive business model are SME, in contrast with 4 LNCs. For a micro franchise business model the same pattern holds. 10 out of 15 cases address SMEs and only 5 cases address LNCs. Last, for the differential pricing model no clear pattern is found. 3 out of 7 cases address SMEs, 3 cases address LNCs, and 1 case address international companies. Table 12 shows a complete summary of the relationship between type of business and type of business model.

An important relationship exists between the cultural region and the type of business model which is chosen in the studied businesses. In the Middle East two types of business models are found, namely NGO-Corporate collaboration and an inclusive business model. It is impossible to draw conclusions out of this, because only two cases are studied. In Eastern Europe all studied business applied an inclusive business model. No other types of business models are found. From all cases in Sub-Saharan Africa, all seven types of business models are found. However, by far most of the cases address inclusive business models (39,5%), compared to 15,8% of the cases addressing the BOP business model. Only three cases in the Western world are studied, all in the United States. Those three cases all address differential pricing business models. From all businesses operating in Latin America, most have chosen a social enterprise business model (27%), following by a BOP business model, microfinance model, and inclusive business model (all 19,2%). Only two cases in East Asia are studied, and the two business appearing in those cases both chose a BOP business model. Most South East Asian businesses chose an inclusive business model (45,5%), following by a BOP business model (27,3%). Last, the South Asian cases address all seven types of business models. There is no clear preference for one type of business model. Most businesses have chosen for a micro franchise model (18,6%), followed by NGO-Corporate collaboration, a BOP business model, microfinance model, and an inclusive business model (all 16,3%).

It is also possible to distinguish patterns the other way around. When studying NGO-Corporate collaborations, most of them are found in South Asia (7 out of 12 cases). BOP business models are also mostly found in South Asia (7 out of 23 cases), compared to as in, for example, Sub-Saharan Africa (6 cases) and Latin America (5 cases). Micro finance models are found in three cultural regions, which are South Asia (7 out of 17 cases), Latin America (5 cases), and Sub-Saharan Africa (5 cases). Out of all cases, 18 cases address social enterprises. Latin American businesses mostly chose this type of business model (7 cases). 38 cases of inclusive business models are studied. Sub-Saharan businesses mostly tended to choose this type of business model (15 out of 38 cases). Micro franchise business models are mostly chosen

by South Asian business (8 out of 15 cases). Last, 7 cases address differential pricing business models. There is no clear pattern which shows in which cultural region this type of business model is chosen mostly. 3 out of 7 cases are about Western countries, 2 cases about Sub-Saharan countries, and 2 cases about South Asian countries. Table 13 reveals a complete summary of the relationship between cultural region and type of business model.

4.3 Cultural dimensions of Hofstede

This thesis focuses on the six dimensions of Hofstede, in order to study the relationship between national culture and the choice of business models. It is very important to mention that individual country characteristics are not taken into account in this study. Every country is described from the point of view of the cultural region it belongs to. Only characteristics from an entire cultural region are taken into account. Purpose of the following analysis is to observe relationships between the choice of a certain business model and national culture, described by the six dimensions of Hofstede. From all cases, first the country and type of business model are selected. Then the country is connected to the cultural region it belongs to. After that, for each country the categories belonging to all six dimensions are established. To repeat, every country is assigned to a certain category based on the characteristics of the cultural region it belongs to, and not based on individual country characteristics. After all those steps, it is possible to observe patterns and relationships between national culture and business models.

One of the six dimensions of Hofstede is called Power Distance (PD). PD scores can be high (71 – 100), medium (41 – 70), or low (0 – 40). In this thesis there are no examples of low PD cultural regions. Therefore, the seven types of business models are all observed in high PD and medium PD countries. In both high and medium level PD societies all seven types of business models are observed. This study does not prove if in high or medium level PD societies a certain type of business model is most suitable, so therefore it is impossible to state that the PD dimension does have an influence on the choice of a certain business model.

When studying the number the other way around, some patterns can be observed. For the BOP business model, micro finance model, social enterprise model and micro franchise model there is no obvious pattern observed. Those types of business models are found in both high PD and medium PD, and there are no large differences between the numbers. It can be stated that the number of, for example, BOP business models is almost equally distributed among high PD regions and medium PD regions. The same holds for the other three types of business models mentioned above. The situation is different for NGO-Corporate collaborations, inclusive business models, and differential pricing models. NGO-Corporate collaborations are mostly found in high PD regions (66,8%), inclusive business models are mostly found in medium PD regions (65,8%), and differential pricing models are mostly found in medium PD regions (71,4%). The numbers found within these types of business models are not equally distributed.

H1 cannot be confirmed. There are no cases found in low PD societies, only in medium (74) and high (56). Overall, PD does not have a large influence on business models. Only in 3 out of 7 types of business models there is a stronger relationship between choice of business models and culture, so PD. The other 4 types of business models do not show a strong preference according to PD. Table 14 reveals a complete overview of the relationship between business models and the dimension PD.

Another dimension of Hofstede is called Individualism (IND) versus Collectivism (COL). A country or region is called individualistic when it reveals a score higher than 50, and collectivistic when it reveals a score lower than 50. From all 130 cases studied in this thesis, 127 belong to cultural region which can be described as collectivistic. Only 3 cases, all focusing on Western countries and all addressing a differential pricing model, can be categorized as individualistic. It is not possible to state that the other six types of business models only appear in collectivistic countries and not in individualistic ones. It is only possible to conclude that from this study, no cases about six types of business models in individualistic countries appear. Businesses at the BOP apply all seven types of business models, however, the preference seems to be to operate in collectivistic countries, no matter what the type of business model is.

H2 is confirmed by the case studies. 127 cases take place in COL societies and only three in IND societies. When considering the IND/COL dimension, the only conclusion that can be drawn from these numbers is that the cases which are studied in this thesis only address these six types of business models within collectivistic countries and not in individualistic countries. Other cases might address other situations, however, these cases are not part of this study. This study of 130 cases did not prove if the dimension IND versus COL has an influence on the choice of a business model. Table 15 shows a complete overview.

The next dimension which is studied is Masculinity (MAS) versus Femininity (FEM). A country or region is called masculine when it reveals a score higher than 50, and feminine when it reveals a score lower than 50. In this study, all seven types of business models appear in both masculine and feminine societies. Considering the fact that all cases in this study address successful business model stories, it seems to be that all types of business models can be implemented in either a masculine or a feminine society. So when considering the MAS/FEM dimension, it is hard to conclude if culture does have an influence on the choice of a certain business model.

It is also possible to study the numbers the other way around. All seven types of business models appear in both masculine and feminine societies. Within the cases addressing social enterprises or differential pricing models, no clear relationship or pattern can be discovered. These two types of business models are found in both masculine and feminine countries, and the numbers are almost equally distributed. The opposite holds for the other five types of business models. NGO-Corporate Collaborations are mostly found in masculine societies (66,7%). The same holds for BOP business models (65,2%), micro finance models (70,6%), inclusive business models (60,5%), and micro franchise models (86,7%). The numbers found within these types of business models are not equally distributed.

When comparing all numbers of the MAS/FEM dimension, it is remarkable that on a business model type level, at least 50% of the business in the cases appear to take place in a masculine society. H3, business models focusing on the BOP will mostly appear in feministic societies, is not confirmed. 84 cases take place in MAS societies and only 46 in FEM societies. However, it is hard to conclude something out of this observation. 5 out of 7 business models show a large difference between appearance in masculine or feminine societies, 2 out of 7 business models do not show this difference. It seems that the MAS/FEM dimension has an influence on the choice of a certain business model, however, this pattern does not repeat for every type of business model. Table 16 contains a summary of the relationship between the MAS/FEM dimension and type of business model.

The fourth dimension of Hofstede is called Uncertainty Avoidance (UA). UA scores can be high (71 – 100), medium (41 – 70), or low (0 – 40). All levels of UA appear in the cultural regions studied in this thesis. Most of the cases take place in cultural regions with a medium level of UA. However, also in high and low level UA societies, six out of seven types of business models are observed. From the figures out of this study, it is hard to draw a conclusion. In absolute numbers, most businesses prefer a medium level UA society, however, there are also successful business stories observed in high and low level UA societies. Because of the fact that almost all types of business models are found in the three levels of UA, it is impossible to conclude if a certain type of business model does suit a certain level of UA society the best.

When studying on a business model type level, it also appears that all seven types of business models mostly are used in a medium level UA society: NGO-Corporate Collaboration (75%), BOP business model (65,2%), micro finance model (70,6%), social enterprise (50%), inclusive business model (60,5%), micro franchising (86,6%), and differential pricing models (100%). Lower numbers are observed for types of business models which are found in high level UA societies and low level UA societies.

Like mentioned, most types of business models seem to prefer medium level UA societies. H4 is therefore not confirmed. Only 31 cases take place in high UA societies. So in this case, the choice of business model seems to be influenced by national culture. This study did not find differential pricing models in high level and low level UA societies. NGO-Corporate Collaborations and microfinance models are not found in low level UA societies. It is not proven if this is due to the simple fact that there are no suitable cases or if some characteristics of low level or high level UA societies make it less attractive for a company to apply a NGO-Corporate Collaboration, microfinance model, or differential pricing model. Table 17 gives a complete overview.

The next dimension is called Long Term Orientation (LTO). LTO scores can be high (71 – 100), medium (41 – 70), or low (0 – 40). In this study, only two businesses operate in a high LTO society. Both businesses applied a BOP business model. From this number it is hard to draw a conclusion. Businesses at the BOP apply all seven types of business models, however, the preference seems to be to operate in medium or low level LTO societies, no matter what the type of business model is. H5 therefore can be confirmed. Business models focusing on the BOP will mostly appear in low LTO societies (66 out of 130 cases). This study does not prove if in high level LTO societies, only, or mostly, a BOP business model is chosen. The fact is that no examples of the other six types of business models in a high level LTO society are found. Within medium and low level LTO all types of business models are found. From those numbers, it is impossible to conclude if a certain type of business model does suit a certain level of LTO society the best. So when considering the LTO dimension, this study does not prove if it does have an influence on the choice of a business model.

When studying the numbers the other way around, 5 out of 7 types of business models do not show a strong preference for either medium or low level LTO societies. Those 5 types of business models are found in both medium and low level LTO societies, and the numbers are almost equally distributed. 2 types of business models show a stronger preference for medium level LTO societies: micro franchise models (60%) and differential pricing models (71,4%). Table 18 shows the complete overview of the relationship between LTO and business models.

The last dimension of Hofstede is called Indulgence (IND) versus Restraint (RES). A country, region, or society is called indulgent when it reveals a score higher than 50, and restraint when it reveals a score lower than 50. In both IND and RES societies all types of business models are found. From the figures it does not appear if a certain type of business model will suit the best to either a IND or RES society, so it is impossible to conclude that this dimension does have an influence on the choice of a business model.

The other way around it is possible to draw some conclusions. H6 is confirmed: 101 cases appear in RES societies and only 29 in IND societies. All 7 types of business models are found in both IND and RES societies. From only 1 out of 7 types of business models the numbers are almost equally distributed, namely differential pricing. For this type of business model it is not possible to state which type of society it suits best. However, 6 out of 7 types of business models show a different pattern. Those 6 types of business models all seem to suit best in a RES society: NGO-Corporate Collaboration (75%), BOP business model (78,3%), micro finance (70,6%), social enterprise model (61,1%), inclusive business model (86,6%), and micro franchising (93,3%). Table 19 shows an overview of the relationship between the IND/RES dimension and types of business models.

Chapter 5: Conclusion

The main research question in this thesis is to what extent business models at the bottom of the pyramid are influenced by aspects of national culture. National culture is measured by the six dimensions of Hofstede. The previous chapter already exposed all the results from the 130 cases studied in this thesis. This chapter will summarize the conclusions which are found in the study of these cases and tries to draw conclusions out of it.

In the second chapter of this thesis, 20 of the most important types of business models are discussed. Those 20 types of business models do not all appear in the 130 cases. Only seven types of business models are observed, which are NGO-Corporate collaboration, BOP business model, microfinance model, social enterprise, inclusive business model, micro franchise model, and differential pricing models. Out of these results it can be concluded that not every type of business model is suitable for the BOP. Is it possible that the other 13 types of business models are also suitable to serve the BOP? Yes, that might be possible, however this is not part of this thesis.

When all cases are divided by cultural regions, not every type of business model was found in every cultural region. In some cultural regions, only one out of seven types of business models was found. This does not necessarily mean that other types of business models do not appear in this specific cultural region, but it means that no other cases studies addressing other types of business models are found during this research. For example, it is not possible to state that Western businesses only implement differential pricing business models. It is possible that Western businesses also implement other types of business models, however examples of this are not found during this research. In short, with all those observations, it is very hard to draw a conclusion about the relationship between cultural regions and the choice of a certain type of business model. Some relationships and patterns are observed between those two concepts, so there does exist a certain level of influence of national culture on the choice of a business model. However, a lot of important data is not included in this thesis, so a definite conclusion about the influence seems to be impossible.

In this thesis, national culture is exposed and studied by the six dimensions of Hofstede. Considering those six dimensions, some dimensions appear to have an influence on the choice of certain type of business model, other dimensions do not, or at least less. And for all six dimensions one important feature counts: not every type of business model is found in every level of a certain dimension.

A few important conclusions can be drawn out of the study of all 130 cases. From all 20 types of business models described in this thesis, only 7 types of business models appear in the cases. The conclusion of the observation is that not every type of business model is suitable for the BOP. From these 7 types of business models, not every business model is found in every cultural region. This does not explicitly mean that certain types of business models do not appear in a certain cultural region, but that there are no cases found about it. When considering the six dimensions of Hofstede, not every dimension seems to have a (large) influence on the choice of a certain business model at the BOP. PD seems to have only a small influence on the choice of business model at the BOP. IND/COL does not give any valid conclusions. All cases, except 3, appear in collectivistic countries. MAS/FEM seems to have an influence; 5 out of 7 types of business models are mostly found in masculine societies. UA also only has a small

influence. There seems to be a preference for medium level societies for almost all types of business model. LTO does not seem to have an influence. There are only cases studied in medium and low level LTO societies, however there the numbers are equally distributed. Last, IND/RES has a small influence on the choice of a certain business model. 6 types of business model prefer a RES society, only the differential pricing model shows equally distributed numbers in both IND and RES societies.

The main research question of this thesis is: *to what extend are business models at the bottom of the pyramid influenced by aspects of national culture?* A lot of BOP literature exists, however, there is no unanimous agreement of what the BOP exactly is, and what the size of the BOP is. Within BOP literature, two important visions appear, which are the market-based strategies on poverty alleviation and the academic critiques on it. C.K. Prahalad made one of the most important contributions to this research field. Prahalad and a large group of researchers support the idea that business activities can be lead to profits at the BOP. Poverty can be eradicated through profits, which will lead to the creation of mutual value. However, there also exist a lot of academic critiques on the work of Prahalad and his colleagues. This group of researchers state that doing business at the BOP will not eradicate poverty. It will not help people living at the BOP. When people at the BOP are considered as only being customers, instead of also as being producers, poverty will not be eradicated.

From many available literature about the BOP, an important finding arises: when companies want to enter the BOP, and want to do business in it, not every type of business model is suitable. Research on business models has been the focus of academics and practitioners since many years. Business model literature can be divided in five main areas of interest: business model innovation and technology, e-business and information technology, strategic issues, business model design process, and social value creation. This thesis focuses on the last area, social value creation. It stated that for the BOP social value creation is more important than economic value creation (Seelos & Mair, 2005). Researchers studying business models in this area acknowledge that traditional business models as known in the Western world, cannot always be transferred to the BOP. When studying business model literature, 20 important business models can be distinguished. From those 20 types of business models, only 7 types appear in the cases which are studied in this thesis.

Culture, and especially national culture, is also an important element of this thesis. Research shows that culture always has an important impact which cannot be ignored (Maznevski, Gibson, & Kirkman, 1998). National culture entails several business practices, which can force or hinder the success of a business model (Hofstede, 1983). Certain business models might be more successful in one culture than in others. So the relationship between business models and national culture is mentioned in research literature. National culture can be studied by a lot of theories, however, this thesis only focuses on comparative cultural research, and more specific the six cultural dimension of Hofstede.

Literature reveals patterns and relationships between the three previous discussed subjects: BOP, business models, and national culture. The current debate at the BOP is focusing on making profits at the BOP, but also on the BOP's wellbeing by means of increasing incomes, alleviating poverty and incorporating the BOP population as producers. With this point of view, literature states that other types of business models are required. Social value creation is getting more attention nowadays in business model research. The BOP requires a higher level of social

business models (Yunus, Moingeon, & Lehmann-Ortega, 2010). Besides profit creation, alleviating poverty is an important issue. From literature it appears that national culture does have an influence on business models. It also reveals a relationship between the BOP and business models. The relationship between all three subjects is not found in literature. The purpose of this thesis was to do research on the relationship between the BOP, business models and national culture, by studying 130 case studies. The subject of the BOP is not explicitly studied, but it is represented in the seven types of business models. Those business models are especially designed for, or adapted to, the BOP.

The concepts of BOP and business models appear in all 130 case studies, the concept of national culture only appears explicitly in a few cases. When national culture did appear in a case, it was only a general description of the specific country a business operates in. Therefore no conclusions on the main research question can be drawn out of specific examples from the cases. The only conclusions which can be drawn in this thesis are found out of patterns and relationships between the different subjects. The tables 14 to 19, presenting those different patterns and relationships, can be found in the appendices.

With all the data collected in this thesis, it is hard to state that business models at the BOP are influenced by national culture. For example, not every type of business model is found in every cultural region. This can suggest a level of influence of national culture on business models, however it is also possible that there is a huge lack of data and case studies about the subjects. Considering the six dimensions of Hofstede, some dimensions appear to have an influence on the choice of certain business model, other dimensions to not, or less. Three dimensions only have a small influence on the choice of a business model at the BOP, which are PD, UA, and IND/RES. From the numbers about the IND/COL dimensions, no final, valid conclusions can be drawn. The LTO dimension seems not to have any important influence on the choice of a business model. The only dimension which clearly seems to have a larger influence on the choice of a business model at the BOP is the MAS/FEM dimension.

After the research of the 130 cases and the available literature about the BOP, business models and national culture, it should be possible to answer the main research question. Literature claims that business models at the BOP are influenced by national culture. The extend of the influence is not being found in the studied literature. When studying the six dimensions of Hofstede, 3 dimensions appear to have a small influence, 1 dimension does not have influence, from 1 dimension no conclusions can be drawn, and only 1 dimension appears to have a large influence on the choice of a business model. Considering the fact that 4 out of 6 dimensions of Hofstede seem to have a certain level of influence on the type of business model at the BOP, the final conclusion is that the choice of a certain type of business model at the BOP indeed is influenced by aspects of national culture. However, the level of influence is quite small and in order to draw a more stable, definite conclusion about the level of influence, more extended research is needed.

Chapter 6: Discussion, limitations and future research

At the start of this thesis my first thought was that cultural aspects would have a certain level of influence on the choice of a business model when doing business at the BOP. This presumption was confirmed by existing literature about the subjects. After studying the literature of Hofstede, there seemed to be a certain level of correlation between the characteristics of the BOP and national culture. Therefore the six hypotheses predict that business models focusing on the BOP will mostly appear in medium or low level PD, collectivistic, feministic, high UA, low LTO, RES societies. After this research it can be concluded that only 3 out of 6 hypotheses are confirmed. The reason might be that this thesis focuses on national culture by means of cultural regions instead of individual countries. Based on its geographical site a country belongs to a cultural region. However, national culture might differ from the characteristics of the more general cultural region the country belongs to. When studying national culture by means of individual country characteristics, the results might be different. The other explanation for these results is that 36 and 15 businesses appearing in the case studies are situated in respectively India and South Africa. Therefore a large part of the research is based on the cultural aspects of those two countries. Probably the results would be diverged when more countries are included and the numbers within the cultural regions would be more divided.

During the selection of the cases it became clear that a lot of literature exist about the relationship between business models and the BOP and between business models and national culture. Only some researchers studied the relationship between all three concepts. This literature confirms a certain level of correlation between the BOP, business models and national culture. However, empirical evidence lacked. The case studies used in this thesis confirm what was already stated in the existing literature: a relationship between the three concepts does exist. This conclusion adds value to the existing field of research. By combining a lot of literature and case studies, it becomes more obvious that there indeed is a correlation between the BOP, business models and national culture. This thesis gives other insights about the two important visions in literature about the BOP. Where one vision states that entering the BOP with market-based strategies and treating the BOP as consumers will lead to poverty alleviation (Prahalad, 2005), the other vision is that the BOP should be considered as producers also in order to create mutual value and poverty alleviation. Both streams of literature do make an important note: not every type of business model is suitable for the BOP. It is also known that national culture does have an influence on the feasibility of a certain type of business model. However, there research stops. This thesis adds new, provisional insights to the existing debate. Both strategies (market-based strategies and social value creation) exist, however national culture appears to have an influence on the choice of a certain business model. It is not a question of good or bad and one strategy being better than the other one, but it is the question what works best in which cultural region. Future research should focus on a more extended study in order to get more, definite results.

One important note to make is the lack of sufficient available literature about one cultural dimension, IND/RES. This dimension is excluded from a lot of research because it is almost complementary to the LTO dimension (Khan, 2015). In this thesis the IND/RES dimension is included. The hypothesis on this dimension is confirmed by the conducted

research. Three out of six hypotheses are confirmed. When the IND/RES dimension is left out of the research, only two out of five hypotheses are confirmed. However, the conclusion would still be that the choice of a certain type of business model at the BOP is influenced by aspects of national culture, but the level of influence might appear to be even smaller. Besides this, not every type of business model is found in every level of a certain dimension. Does this prove a level of influence of national culture on the choice of a business model? Maybe. However, the answer might also be that there does not exist certain data which proves the opposite.

The selection of the cases might have an influence on the conclusion of this thesis because of the fact that only successful business cases have been used. Besides this, the chosen research method, a cross-case analysis, only focuses on secondary data. The conclusion have been drawn on general aspects of national culture, applied on the country of the business. Therefore it has to be mentioned that the research methods, selection of the cases and the research process all had an influence on the outcomes of this thesis.

The research conducted in this thesis has some limitations, which opens some doors to future research. The purpose of this thesis was to study the influence of national culture on the choice of business models at the BOP. National culture is studied by the six dimensions of Hofstede. However, national culture is a broader concept than only Hofstede. Future research can focus also on other cultural theories in order to get a broader scope of the concept of national culture.

The cases studied in this thesis all address successful business case stories. In future research case studies focusing on less successful stories, or even failed examples, should be included. Out of these examples, conclusions can be drawn about what does not work and does not suit. With the cases in this thesis, it is not possible to draw these type of conclusions, which is a limitation of the research. What is not found in this research, does not prove that something does not exist. Besides this, a larger sample is advised. It is a limitation that only 130 cases are studied. It is difficult to draw conclusions out of a small dataset.

A case study method itself also contains some limitations. Case studies are in-depth investigations focusing on a single, or multiple, phenomenon, group, or event (Babbie, 2010). However, it is hard to generalize the results to a wider population. Besides this, there is also the danger of the researcher's bias. It is mostly an analysis of qualitative and descriptive data, and a lot depends on the interpretation of the researcher. In this thesis, all the studied data is secondary. Future research might focus on primary data, obtained by for example interviews or experiments.

Last major limitation of this research is the fact that a lot of data just is not available. Case studies about some types of business models focusing on the BOP, for example differential pricing models, are almost absent. Therefore it is harder to draw valid conclusions, because of the smaller dataset which is used. Something which is not available, does not always mean that it does not exist. Future research should try to generate a larger dataset, or even use a completely different type of data.

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Appendices

Table 6: types of businesses	
Type of business	Number of cases
SME	87 (66,9%)
Large national company (LNC)	28 (21,6%)
SME + NGO collaboration	8 (6,2%)
International company	3 (2,3)
Large national + NGO collaboration	2 (1,5%)
International + NGO collaboration	2 (1,5%)

Table 7: types of business models	
Type of business model	Number of cases
NGO-Corporate collaboration	12 (9,2%)
BOP business model	23 (17,7%)
Microfinance	17 (13,1%)
Social enterprise	18 (13,9%)
Inclusive business model	38 (29,2%)
Micro franchising	15 (11,5%)
Differential pricing model	7 (5,4%)

Table 8: sectors	
Sector	Number of cases
Water and sanitation	12
Telecom	10
Microfinance	16
Agriculture	7
Housing	3
Recycling	4
Food	9
Retail	17
Energy	14
Health care	15
Banking / financial services	6
ICT	3
Education / training	6
Fabrics / clothing	3
Tourism	2
Marketing and development	1
Human rights	1
Transport	1

Table 9: countries	
Country	Number of cases
Trinidad	1
Panama	1
Cambodia	2
India	36
Brazil	4
Mexico	6
Colombia	2
Bangladesh	5
Honduras	2
South Africa	13
Philippines	4
China	1
Ghana	3
El Salvador	1
Argentina	1
Nigeria	3
Rwanda	2
Costa Rica	1
Tanzania	3
Venezuela	1
Bolivia	2
Zambia	1
Guyana	1
Iran	1
Bosnia	1
Peru	2
Serbia	1
Azerbaijan	1
Pakistan	2
Laos	1
Vietnam	2
Kyrgyzstan	1
Senegal	2
Uganda	2
Nepal	1
Kenia	5
Ethiopia	2
Haiti	1
Guatemala	1

United States	3
Japan	1
Albania	1
Indonesia	1
Mauritania	1
Jordan	1

Table 10: continents	
Continent	Number of cases
Europe	3 (2,3%)
North America	4 (3,1%)
South America	26 (20%)
Asia	59 (45,4%)
Africa	38 (29,2%)

Table 11: cultural regions	
Cultural region	Number of cases
Middle East / Arabic countries	2 (1,5%)
Former Soviet Union / Eastern Europe	5 (3,9%)
Sub-Saharan Africa	38 (29,2%)
Western Countries	3 (2,3%)
South America / Latin America	26 (20%)
East Asia	2 (1,5%)
South East Asia	11 (8,5%)
South Asia	43 (33,1%)

Table 12: relationship between type of business and business model

BM → Type of business ↓	NGO- Corporate collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchising	Differential pricing
SME		11 (12,6%)	13 (14,9%)	16 (18,4%)	34(39,1%)	10 (11,5%)	3 (3,5%)
Large national company		12(42,9%)	2 (7,1%)	2 (7,1%)	4 (14,3%)	5 (17,9%)	3 (10,7%)
International company			2(66,7%)				1 (33,3%)
SME + NGO	8 (100%)						
Large national + NGO	2 (100%)						
International + NGO	2 (100%)						

Table 13: relationship between cultural region and type of business model

BM → Cultural region ↓	NGO- Corporate Collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchise	Differential pricing
Middle East	1 (50%)				1 (50%)		
Eastern Europe/ Former SU					5 (100%)		
Sub- Saharan Africa	1 (2,6%)	6 (15,8%)	5 (13,1%)	4 (10,5%)	15(39,5%)	5 (13,2%)	2 (5,3%)
Western countries							3 (100%)
Latin America	3 (11,5%)	5 (19,2%)	5 (19,2%)	7 (27%)	5 (19,2%)	1 (3,9%)	
East Asia		2(100%)					
South East Asia		3 (27,3%)		2 (18,2%)	5(45,5%)	1 (9%)	
South Asia	7 (16,3%)	7 (16,3%)	7 (16,3%)	5 (11,5%)	7 (16,3%)	8 (18,6%)	2 (4,7%)

Table 14: relationship between Power Distance and type of business model

BM → PD ↓	NGO- Corporate Collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchising	Differential pricing
High 71 – 100	8 (66,7%)	10 (43,5%)	7 (41,2%)	7 (38,9%)	13 (34,2%)	9 (60%)	2 (28,6%)
Medium 41 – 70	4 (33,3%)	13 (56,5%)	10 (58,8%)	11 (61,1%)	25 (65,8%)	6 (40%)	5 (71,4%)
Low 0 – 40							

Table 15: relationship between Individualism/Collectivism and type of business model

BM → IND/COL ↓	NGO- Corporate Collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchising	Differential pricing
IND > 50							3 (42,9%)
COL < 50	12 (100%)	23 (100%)	17 (100%)	18 (100%)	38 (100%)	15 (100%)	4 (57,1%)

Table 16: relationship between Masculinity/Femininity and type of business model

BM → MAS/FEM ↓	NGO- Corporate Collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchising	Differential pricing
MAS > 50	8 (66,7%)	15 (65,2%)	12 (70,6%)	9 (50%)	23 (60,5%)	13 (86,7%)	4 (57,1%)
FEM < 50	4 (33,3%)	8 (34,8%)	5 (29,4%)	9 (50%)	15 (39,5%)	2 (13,3%)	3 (42,9%)

Table 17: relationship between Uncertainty Avoidance and type of business model

BM → UA ↓	NGO- Corporate Collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchising	Differential pricing
High	3 (25%)	5 (21,8 %)	5 (29,4%)	7 (38,9%)	10 (26,3%)	1 (6,7%)	
Medium	9 (75%)	15 (65,2%)	12 (70,6%)	9 (50%)	23 (60,5%)	13 (86,6%)	7 (100%)
Low		3 (13%)		2 (11,1%)	5 (13,2%)	1 (6,7%)	

Table 18: relationship between Long Term Orientation and type of business model

BM → LTO ↓	NGO- Corporate Collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchising	Differential pricing
High		2 (8,7%)					
Medium	7 (58,3%)	10 (43,5%)	7 (41,2%)	7 (38,9%)	17 (44,7%)	9 (60%)	5 (71,4%)
Low	5 (41,7%)	11 (47,8%)	10 (58,8%)	11 (61,1%)	21 (55,3%)	6 (40%)	2 (28,6%)

Table 19: relationship between Indulgence/Restraint and type of business model

BM → IND/RES ↓	NGO- Corporate Collaboration	BOP business model	Micro finance	Social enterprise	Inclusive business model	Micro franchising	Differential pricing
IND	3 (25%)	5 (21,7%)	5 (29,4%)	7 (38,9%)	5 (13,2%)	1 (6,7%)	3 (42,9%)
RES	9 (75%)	18 (78,3%)	12 (70,6%)	11 (61,1%)	33 (86,8%)	14 (93,3%)	4 (57,1%)

Table 20: results from academic journals and databases

Name	Type of business	Sector	Business model	Source	Type of publication
Ruralfone (Brazil)	SME	Telecom	BOP business Model	Harvard Kennedy School	Academic platform
Real Microcrédito (Brazil)	Large national company	Microfinance	Microfinance model	Harvard Kennedy School	Academic platform
Amanco (Mexico)	Large national company	Agriculture	Social enterprise	Harvard Kennedy School	Academic platform
Yaqusoluciones (Peru)	SME + NGO	Water	NGO- Corporate collaboration	Procedia social and behavioral sciences	Academic journal
Aliar (Colombia)	Large national company	Food	BOP business model	Procedia social and behavioral sciences	Academic journal
Capitec Bank (South Africa)	Large national company	Banking / finance	BOP business model	South African Journal of Industrial Engineering	Academic journal
Generation Enterprise (Nigeria)	SME	Job training / education	Inclusive business model	MIT Innovations Journal	Academic journal
ApproTEC + IDEO (Kenya)	International firm + NGO	Water	NGO- Corporate collaboration	Chesbrough et al. (2006)	Academic journal

SCOJO (India)	Large national company	Health care	Micro-franchise model	OIKOS Foundation / Michigan school of business	Academic platform
Drishtee (India)	SME	Health care	Micro-franchise model	Working paper Acumen Fund	Academic publication
IDAAN (Panama)	SME	Water	BOP business model	Working paper	Academic publication
Greater Nelspruit Utility Company (South Africa)	SME	Water	BOP business model	Working paper	Academic publication
Sarvajal (India)	SME	Water	Micro-franchise model	Business model innovations for water services	Academic journal

Table 21: results from books

Name	Type of business	Sector	Business model	Source	Type of publication
Hapinoy (Philippines)	SME	Retail	Micro franchise model	20 Business model innovations (book)	Book
Narayana Health (India)	Large national company	Health care	Differential pricing model / free to some customers	20 business model innovations (book)	Book
TOMS Shoes (United States)	International company	Shoes (retail)	Free as a business model (buy 1, give 1)	20 business model innovations (book)	Book
2Degrees (United States)	Large national company	Food	Free as a business model (buy 1, give 1)	20 business model innovations (book)	Book
1 tot 1 water (United States / Haiti)	SME	Water	Free as a business model (buy 1, give 1)	20 business model innovations (book)	Book
Sylia Foods (Zambia)	SME	Food	Inclusive business model	20 business model innovations (book)	Book
Simpa Networks (India)	Large national company	Solar energy	BOP business model	20 business model innovations (book)	Book
Aravind Eye Care (India)	Large national company	Health care	Differential pricing model / free to some customers	20 business model innovations (book)	Book

Equitas (India)	SME	Microfinance	Microfinance model	20 business model innovations (book)	Book
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Table 22: results from master theses

Name	Type of business	Sector	Business model	Source	Type of publication
Sunlabob (Laos)	Large national company	Renewable energy	BOP business model	Master thesis	Master thesis
Pamoja Cleantech (Uganda)	SME	Renewable energy	Inclusive business model	Master thesis	Master thesis
Aga Khan Rural Support Program + Telenor Group (Pakistan)	International firm + NGO	Telecom	NGO-Corporate collaboration	Master thesis	Master thesis

Table 23: results from NGO publications

Name	Type of business	Sector	Business model	Source	Type of publication
Construyá (Colombia)	Large national company	Housing	BOP business model	BOP Global Network	NGO
YukiguniMaitake (Bangladesh / Japan)	SME	Agriculture	Social enterprise	BOP Global Network	NGO
Grupo Vanguardia (Honduras)	Large national company	Recycling	Inclusive business model	BOP Global Network	NGO
Reciprocity (South Africa)	Large national company	Food	BOP business model	BOP Global Network	NGO
Tsinghua Solar (China)	Large national company	Solar energy	BOP business model	BOP Global Network	NGO
WaterCredit, program from water.org (India, Peru, Bangladesh, Indonesia, Uganda, Kenya)	International company	Microfinance	Microfinance model	Water.org	NGO
A little world (India)	SME	Banking / finance	Inclusive business model	UNDP growing inclusive markets	NGO
TemerinTelecottage (Serbia)	SME	ICT	Inclusive business model	UNDP growing inclusive markets	NGO
Gadim Guba (Azerbaijan)	SME	Carpet industry (retail)	Inclusive business model	UNDP growing inclusive markets	NGO

Toyola Energy Limited (Ghana)	SME	Energy	Inclusive business model	UNDP growing inclusive markets	NGO
Vodacom (South Africa)	Large national company	Telecom	Micro-franchise model	The BOP lab	NGO
MassMart (South Africa)	Large national company	Retail	BOP business model	The BOP lab	NGO
Mobilink (Pakistan)	Large national company + NGO	Telecom	NGO-Corporate collaboration	GSMA Development Fund	NGO
Sanlam (South Africa)	Large national company	Insurance	BOP business model	The BOP lab	NGO
RTT (South Africa)	Large national company	Healthcare	Micro-franchise model	The BOP lab	NGO
Community-Based Tourism / CBT (Kyrgyzstan)	SME	Tourism	Inclusive business model	UNDP growing inclusive markets	NGO
VidaGás (Mozambique)	SME	Energy	Inclusive business model	UNDP growing inclusive markets	NGO
Narayana Hrudayalaya (India)	SME	Healthcare	Inclusive business model	UNDP growing inclusive markets	NGO
Du Vent, de l'Eau pour la Vie (Senegal)	SME	Energy	Inclusive business model	UNDP growing inclusive markets	NGO
Día Practi mercados (Venezuela)	SME	Retail	Social enterprise	World Economic Forum	NGO
Clinicas del Azúcar (Mexico)	SME	Health care	Social enterprise	World Economic Forum	NGO
Faitrasa (Peru)	Large national company	Fair trade products (retail)	Social enterprise	World Economic Forum	NGO
Denmor Garments (Guyana)	SME	Fabrics	Inclusive business model	UNDP growing inclusive markets	NGO
AmanzAbantu (South Africa)	SME	Water supply and sanitation	Inclusive business model	UNDP growing inclusive markets	NGO
LifeSpring Hospitals (India)	SME	Health care	Inclusive business model	UNDP growing inclusive markets	NGO

Edipack (Albania)	SME	Recycling	Inclusive business model	UNDP growing inclusive markets	NGO
Vaatsalya (India)	SME	Health care	Inclusive business model	UNDP growing inclusive markets	NGO
Truong Thanh Furniture (Vietnam)	SME	Retail	Inclusive business model	UNDP growing inclusive markets	NGO
TEDCOR (South Africa)	SME	Recycling	Inclusive business model	UNDP growing inclusive markets	NGO
Saraman (Iran)	SME	Housing	Inclusive business model	UNDP growing inclusive markets	NGO
CV Pusat Penelitian Kelapa Terpadu (Indonesia)	SME	Consumer products (retail)	Inclusive business model	UNDP growing inclusive markets	NGO
Moladi (South Africa)	SME	Housing	Inclusive business model	UNDP growing inclusive markets	NGO
Mobah Rural Horizons (Nigeria)	SME	Food preservation (retail)	Inclusive business model	UNDP growing inclusive markets	NGO
Mai Vietnamese Handicrafts (Vietnam)	SME	Retail	Inclusive business model	UNDP growing inclusive markets	NGO
Kenya Agricultural Commodity Exchange / KACE (Kenya)	SME	Agriculture	Inclusive business model	UNDP growing inclusive markets	NGO
Industrijski Otpad (Bosnia and Herzegovina)	SME	Recycling	Inclusive business model	UNDP growing inclusive markets	NGO
Hathay Bunano Proshikhan Samity (Bangladesh)	SME	Retail	Social enterprise	UNDP growing inclusive markets	NGO
Ecotact (Kenya)	SME	Sanitation	Social enterprise	UNDP growing inclusive markets	NGO

Tiviski (Mauritania)	SME	Food	Inclusive business model	UNDP growing inclusive markets	NGO
Mt. Plaisir Estate Hotel (Trinidad and Tobago)	SME	Eco Tourism	Inclusive business model	UNDP growing inclusive markets	NGO
K-REP Bank (Kenya)	SME	Financial services	Microfinance model	UNDP growing inclusive markets	NGO
Integrated Tamale Fruit Company / ITFC (Ghana)	SME	Food	Inclusive business model	UNDP growing inclusive markets	NGO
Edu-Loan (South Africa)	SME	Microfinance	Microfinance model	UNDP growing inclusive markets	NGO
CocoTech (Philippines)	SME	Agriculture	Inclusive business model	UNDP growing inclusive markets	NGO
PBN (Nigeria)	SME	Microfinance	Microfinance model	UNDP growing inclusive markets	NGO
ASA (Bangladesh)	SME	Microfinance	Microfinance model	UNDP growing inclusive markets	NGO
Chaka Money Express (Senegal)	SME	Financial services	Inclusive business model	UNDP growing inclusive markets	NGO

Table 24: results from newspaper publications

Name	Type of business	Sector	Business model	Source	Type of publication
E-Mbizo (South Africa)	SME	Telecom	Free as a business model	Techcentral.co.za	Newspaper
Stereo.me (South Africa)	SME	Education	Free as a business model	Techcentral.co.za	Newspaper
Off Grid Electric (Tanzania)	SME	Solar energy	BOP business model	The Guardian	Newspaper
Mera Gao Power (India)	SME	Energy	BOP business model	The Guardian	Newspaper

Kirah Design (Bolivia)	SME	Interior accessories (retail)	Social enterprise	Forbes	Newspaper
Fábrica Social (Mexico)	SME	Fabrics	Social enterprise	Forbes	Newspaper
Milk Mantra (India)	SME	Food	Inclusive business model	Financial Times	Newspaper

Table 25: results from research centers/institutes publications

Name	Type of business	Sector	Business model	Source	Type of publication
SKS Microfinance (India)	SME	Microfinance	Microfinance model	International center for business research	Research institute
Alayem eye care (India)	SME	Healthcare	Social enterprise	International consortium for entrepreneurship research	Research institute
SRF Ltd. (India)	Large national company + NGO	Fabrics	NGO-Corporate collaboration	Partnership resource center	Research institute
JITA (Bangladesh)	SME	Empowerment of women	Inclusive business model	Institute of development studies	Research institute
Smart communications (Philippines)	Large national company	Telecom	BOP business model	World Resources Institute	Research institute
AptechVidya (India)	Large national company	Computer education	Micro-franchise model	World Resources Institute	Research institute
ITC (India)	Large national company	Agriculture	Micro-franchise model	World Resources Institute	Research institute
n-Logue Communications (India)	SME	Telecom	Micro-franchise model	World Resources Institute	Research institute
TARahaat (India)	SME	Telecom	Micro-franchise model	World Resources Institute	Research institute
SKEPL (India)	SME	Agriculture	Social enterprise	World Resources Institute	Research institute
CareShop (Ghana)	SME	Health care	Micro-franchise model	World Resources Institute	Research center
PRODEM (Bolivia)	SME	Microfinance	Microfinance model	World Resources Institute	Research center
Infocentros (El Salvador)	SME	Telecom	Micro-franchise model	World Resources Institute	Research center

Educ.ar (Argentina)	SME + NGO	Education	NGO-Corporate collaboration	World Resources Institute	Research center
ViaSebrae (joint venture between Paradigma (for profit) and Sebrae (non-profit), Brazil)	SME + NGO	ICT	NGO-Corporate collaboration	World Resources Institute	Research center
Thamel (Nepal)	SME	Marketing and development	BOP business model	World Resources Institute	Research center
HealthStore (Kenya)	SME	Healthcare	Micro-franchise model	World Resources Institute	Research center
ADESH (Bangladesh)	SME	Microfinance	Microfinance model	ADESH Report	Research institute
D1G/ Masmou3 + Arab Network for Civil Education (Anhur) (Jordan)	SME + NGO	Human rights	NGO-Corporate collaboration	Scheme Sustainability partner	Research institute
First energy (India)	SME	Cooking stoves	NGO-Corporate collaboration	IFMR Research	Research center
Envirofit (India)	SME	Cooking stoves	NGO-Corporate collaboration	IFMR Research	Research center
SustainTech + TIDE (India)	SME + NGO	Renewable energy	NGO-Corporate collaboration	IFMR Research	Research center
Sakhi Retail (India)	SME	Retail	Micro-franchise model	IFMR Research	Research center
Prakti Design (India)	SME	Cooking stoves	BOP business model	IFMR Research	Research center

Table 26: results from charity publications

Name	Type of business	Sector	Business model	Source	Type of publication
Selco (Vietnam)	SME	Solar Energy	Social enterprise	Ashden Awards Case study	Charity
Arohan (India)	SME	Microfinance	Microfinance model	Michael and Susan Dell Foundation	Charity

MHealth Ventures (India)	SME	Mobile health care	BOP business model	Impact Investing 2.0	Charity
GV Meditech (India)	SME	Health care	BOP business model	Impact Investing 2.0	Charity
Saraplast (India)	Large national company	Sanitation	BOP business model	Impact Investing 2.0	Charity
KARIBU (Tanzania)	SME	Solar energy	Social enterprise	Venture Capital for Africa	Charity
Mobile Solar Kiosk / MSK (Rwanda)	SME	Solar energy	Micro-franchise model	Venture Capital for Africa	Charity
Tugende (Uganda)	SME	Transport	Social enterprise	Venture Capital for Africa	Charity

Table 27: results from website publications

Name	Type of business	Sector	Business model	Source	Type of publication
Naandi Foundation (India)	SME + NGO	Water	NGO-Corporate collaboration	Akvo.org	Website
DiaVikas (India)	Large national company	Microfinance	Microfinance model	DiaVikas company case study	Website
COOPEC COMICOKA (Rwanda)	SME	Microfinance	Microfinance model	Mixmarket.org	Website
Meklit (Ethiopia)	SME	Microfinance	Microfinance model	Mixmarket.org	Website
ADAPTE (Costa Rica)	SME	Microfinance	Microfinance	Mixmarkt.org	Website
FINCA – HTI (Haiti)	SME	Microfinance	Microfinance model	Mixmarkt.org	Website
ByoEarth (Guatemala)	SME	Agriculture	Inclusive business model	Global partnerships / byoearth.com	Website
Pro Mujer (Peru, Bolivia, Mexico, Nicaragua)	International company	Microfinance	Microfinance model	The Four Lenses	Website

ANCA (Brazil)	SME	Education	Social enterprise	The Four Lenses	Website
Hydrologic (Cambodia)	SME	Tunsai water filters	Social enterprise	Hydrologichealth.com	Website
OSHO (Ethiopia)	SME	Food	Inclusive business model	Company's website	Website

Table 28: results from global institution publications

Name	Type of business	Sector	Business model	Source	Type of publication
Idea Cellular (India)	Large national company	Telecom	Inclusive business model	IFC	Global institution
Manila Water Company (Philippines)	Large national company	Water	Inclusive business model	IFC	Global institution
MiTienda (Mexico)	Large national company	Retail	Inclusive business model	IFC	Global institution
Sumitomol Chemical (Japan)	Large national company	Health care	BOP business model	World Bank Institute	Global institution
ZMQ (India)	SME	ICT	Social enterprise	World Bank Institute	Global institution
WING (Cambodia)	SME	Financial services	BOP business model	IFC	Global institution
Arusha Women Entrepreneur (Tanzania)	SME	Food	Social enterprise	International Labor Organization	Global institution
Soluz (Honduras)	SME	Solar energy	BOP business model	IFC	Global institution

Table 29: complete overview of 130 business cases

Name	Type of business	Sector	Business model	Source/publisher	Type of publication
Naandi Foundation (India)	SME + NGO	Water	NGO-Corporate collaboration	Akvo.org	Website
Ruralfone (Brazil)	SME	Telecom	BOP business Model	Harvard Kennedy School	Academic platform
Real Microcrédito (Brazil)	Large national company	Microfinance	Microfinance model	Harvard Kennedy School	Academic platform
Amanco (Mexico)	Large national company	Agriculture	Social enterprise	Harvard Kennedy School	Academic platform

Construyá (Colombia)	Large national company	Housing	BOP business model	BOP Global Network	NGO
YukiguniMaitake (Bangladesh / Japan)	SME	Agriculture	Social enterprise	BOP Global Network	NGO
GrupoVanguardia (Honduras)	Large national company	Recycling	Inclusive business model	BOP Global Network	NGO
Reciprocity (South Africa)	Large national company	Food	BOP business model	BOP Global Network	NGO
Hapinoy (Philippines)	SME	Retail	Micro franchise model	20 Business model innovations (book)	Book
Tsinghua Solar (China)	Large national company	Solar energy	BOP business model	BOP Global Network	NGO
SKS Microfinance (India)	SME	Microfinance	Microfinance model	International center for business research	Research institute
Alayem eye care (India)	SME	Healthcare	Social enterprise	International consortium for entrepreneurship research	Research institute
Yaqusoluciones (Peru)	SME + NGO	Water	NGO-Corporate collaboration	Procedia social and behavioral sciences	Academic journal
WaterCredit, program from water.org (India, Peru, Bangladesh, Indonesia, Uganda, Kenya)	International company	Microfinance	Microfinance model	Water.org	NGO
Aliar (Colombia)	Large national company	Food	BOP business model	Procedia social and behavioral sciences	Academic journal
Capitec Bank (South Africa)	Large national company	Banking / finance	BOP business model	South African Journal of Industrial Engineering	Academic journal
A little world (India)	SME	Banking / finance	Inclusive business model	UNDP growing inclusive markets	NGO
TemerinTelecottag e (Serbia)	SME	ICT	Inclusive business model	UNDP growing inclusive markets	NGO
Gadim Guba (Azerbaijan)	SME	Carpet industry (retail)	Inclusive business model	UNDP growing inclusive markets	NGO
Toyola Energy Limited (Ghana)	SME	Energy	Inclusive business model	UNDP growing inclusive markets	NGO
Generation Enterprise (Nigeria)	SME	Job training / education	Inclusive business model	MIT Innovations Journal	Academic journal

Selco (Vietnam)	SME	Solar Energy	Social enterprise	Ashden Awards Case study	Charity
SRF Ltd. (India)	Large national company + NGO	Fabrics	NGO-Corporate collaboration	Partnership resource center	Research institute
Vodacom (South Africa)	Large national company	Telecom	Micro-franchise model	The BOP lab	NGO
MassMart (South Africa)	Large national company	Retail	BOP business model	The BOP lab	NGO
Mobilink (Pakistan)	Large national company + NGO	Telecom	NGO-Corporate collaboration	GSMA Development Fund	NGO
Sunlabob (Laos)	Large national company	Renewable energy	BOP business model	Master thesis	Master thesis
Sanlam (South Africa)	Large national company	Insurance	BOP business model	The BOP lab	NGO
E-Mbizo (South Africa)	SME	Telecom	Free as a business model	Techcentral.co.za	Newspaper
Stereo.me (South Africa)	SME	Education	Free as a business model	Techcentral.co.za	Newspaper
RTT (South Africa)	Large national company	Healthcare	Micro-franchise model	The BOP lab	NGO
Arohan (India)	SME	Microfinance	Microfinance model	Michael and Susan Dell Foundation	Charity
DiaVikas (India)	Large national company	Microfinance	Microfinance model	DiaVikas company case study	Website
Community-Based Tourism / CBT (Kyrgyzstan)	SME	Tourism	Inclusive business model	UNDP growing inclusive markets	NGO
VidaGás (Mozambique)	SME	Energy	Inclusive business model	UNDP growing inclusive markets	NGO
Narayana Hrudayalaya (India)	SME	Healthcare	Inclusive business model	UNDP growing inclusive markets	NGO
Du Vent, de l'Eau pour la Vie (Senegal)	SME	Energy	Inclusive business model	UNDP growing inclusive markets	NGO
PamojaCleantech (Uganda)	SME	Renewable energy	Inclusive business model	Master thesis	Master thesis
ApproTEC + IDEO (Kenya)	International firm + NGO	Water	NGO-Corporate collaboration	Chesbrough et al. (2006)	Academic journal
Aga Khan Rural Support Program + Telenor Group (Pakistan)	International firm + NGO	Telecom	NGO-Corporate collaboration	Master thesis	Master thesis

COOPEC COMICOKA (Rwanda)	SME	Microfinance	Microfinance model	Mixmarket.org	Website
Meklit (Ethiopia)	SME	Microfinance	Microfinance model	Mixmarket.org	Website
ADAPTE (Costa Rica)	SME	Microfinance	Microfinance	Mixmarkt.org	Website
FINCA – HTI (Haiti)	SME	Microfinance	Microfinance model	Mixmarkt.org	Website
Off Grid Electric (Tanzania)	SME	Solar energy	BOP business model	The Guardian	Newspaper
Mera Gao Power (India)	SME	Energy	BOP business model	The Guardian	Newspaper
Idea Cellular (India)	Large national company	Telecom	Inclusive business model	IFC	Global institution
Manila Water Company (Philippines)	Large national company	Water	Inclusive business model	IFC	Global institution
MiTienda (Mexico)	Large national company	Retail	Inclusive business model	IFC	Global institution
JITA (Bangladesh)	SME	Empowerment of women	Inclusive business model	Institute of development studies	Research institute
Smart communications (Philippines)	Large national company	Telecom	BOP business model	World Resources Institute	Research institute
AptechVidya (India)	Large national company	Computer education	Micro-franchise model	World Resources Institute	Research institute
ITC (India)	Large national company	Agriculture	Micro-franchise model	World Resources Institute	Research institute
n-Logue Communications (India)	SME	Telecom	Micro-franchise model	World Resources Institute	Research institute
TARAAhaat (India)	SME	Telecom	Micro-franchise model	World Resources Institute	Research institute
SKEPL (India)	SME	Agriculture	Social enterprise	World Resources Institute	Research institute
DíaDíaPractimerca dos (Venezuela)	SME	Retail	Social enterprise	World Economic Forum	NGO
Clinicas del Azúcar (Mexico)	SME	Health care	Social enterprise	World Economic Forum	NGO
Faitrasa (Peru)	Large national company	Fair trade products (retail)	Social enterprise	World Economic Forum	NGO
ByoEarth (Guatemala)	SME	Agriculture	Inclusive business model	Global partnerships / byoearth.com	Website
Kirah Design (Bolivia)	SME	Interior accessories (retail)	Social enterprise	Forbes	Newspaper

Fábrica Social (Mexico)	SME	Fabrics	Social enterprise	Forbes	Newspaper
Narayana Health (India)	Large national company	Health care	Differential pricing model / free to some customers	20 business model innovations (book)	Book
TOMS Shoes (United States)	International company	Shoes (retail)	Free as a business model (buy 1, give 1)	20 business model innovations (book)	Book
2Degrees (United States)	Large national company	Food	Free as a business model (buy 1, give 1)	20 business model innovations (book)	Book
1 tot 1 water (United States / Haiti)	SME	Water	Free as a business model (buy 1, give 1)	20 business model innovations (book)	Book
Sylia Foods (Zambia)	SME	Food	Inclusive business model	20 business model innovations (book)	Book
Simpa Networks (India)	Large national company	Solar energy	BOP business model	20 business model innovations (book)	Book
Aravind Eye Care (India)	Large national company	Health care	Differential pricing model / free to some customers	20 business model innovations (book)	Book
Equitas (India)	SME	Microfinance	Microfinance model	20 business model innovations (book)	Book
Sumitomol Chemical (Japan)	Large national company	Health care	BOP business model	World Bank Institute	Global institution
ZMQ (India)	SME	ICT	Social enterprise	World Bank Institute	Global institution
Denmor Garments (Guyana)	SME	Fabrics	Inclusive business model	UNDP growing inclusive markets	NGO
AmanzAbantu (South Africa)	SME	Water supply and sanitation	Inclusive business model	UNDP growing inclusive markets	NGO
LifeSpring Hospitals (India)	SME	Health care	Inclusive business model	UNDP growing inclusive markets	NGO
SCOJO (India)	Large national company	Health care	Micro-franchise model	OIKOS Foundation / Michigan school of business	Academic platform
Drishtee (India)	SME	Health care	Micro-franchise model	Working paper Acumen Fund	Academic publication
MHealth Ventures (India)	SME	Mobile health care	BOP business model	Impact Investing 2.0	Charity
GV Meditech (India)	SME	Health care	BOP business model	Impact Investing 2.0	Charity
Milk Mantra (India)	SME	Food	Inclusive business model	Financial Times	Newspaper

Saraplast (India)	Large national company	Sanitation	BOP business model	Impact Investing 2.0	Charity
Edipack (Albania)	SME	Recycling	Inclusive business model	UNDP growing inclusive markets	NGO
Vaatsalya (India)	SME	Health care	Inclusive business model	UNDP growing inclusive markets	NGO
Truong Thanh Furniture (Vietnam)	SME	Retail	Inclusive business model	UNDP growing inclusive markets	NGO
TEDCOR (South Africa)	SME	Recycling	Inclusive business model	UNDP growing inclusive markets	NGO
Saraman (Iran)	SME	Housing	Inclusive business model	UNDP growing inclusive markets	NGO
CV Pusat Penelitian Kelapa Terpadu (Indonesia)	SME	Consumer products (retail)	Inclusive business model	UNDP growing inclusive markets	NGO
Moladi (South Africa)	SME	Housing	Inclusive business model	UNDP growing inclusive markets	NGO
Mobah Rural Horizons (Nigeria)	SME	Food preservation (retail)	Inclusive business model	UNDP growing inclusive markets	NGO
Mai Vietnamese Handicrafts (Vietnam)	SME	Retail	Inclusive business model	UNDP growing inclusive markets	NGO
Kenya Agricultural Commodity Exchange / KACE (Kenya)	SME	Agriculture	Inclusive business model	UNDP growing inclusive markets	NGO
Industrijski Otpad (Bosnia and Herzegovina)	SME	Recycling	Inclusive business model	UNDP growing inclusive markets	NGO
Hathay Bunano Proshikhana Samity (Bangladesh)	SME	Retail	Social enterprise	UNDP growing inclusive markets	NGO
Ecotact (Kenya)	SME	Sanitation	Social enterprise	UNDP growing inclusive markets	NGO
Tiviski (Mauritania)	SME	Food	Inclusive business model	UNDP growing inclusive markets	NGO
Mt. Plaisir Estate Hotel (Trinidad and Tobago)	SME	Eco Tourism	Inclusive business model	UNDP growing inclusive markets	NGO
K-REP Bank (Kenya)	SME	Financial services	Microfinance model	UNDP growing inclusive markets	NGO
Integrated Tamale Fruit Company / ITFC (Ghana)	SME	Food	Inclusive business model	UNDP growing inclusive markets	NGO
Edu-Loan (South Africa)	SME	Microfinance	Microfinance model	UNDP growing inclusive markets	NGO
CocoTech (Philippines)	SME	Agriculture	Inclusive business model	UNDP growing inclusive markets	NGO
PBN (Nigeria)	SME	Microfinance	Microfinance model	UNDP growing inclusive markets	NGO

ASA (Bangladesh)	SME	Microfinance	Microfinance model	UNDP growing inclusive markets	NGO
Chaka Money Express (Senegal)	SME	Financial services	Inclusive business model	UNDP growing inclusive markets	NGO
Pro Mujer (Peru, Bolivia, Mexico, Nicaragua)	International company	Microfinance	Microfinance model	The Four Lenses	Website
IDAAN (Panama)	SME	Water	BOP business model	Working paper	Academic publication
ANCA (Brazil)	SME	Education	Social enterprise	The Four Lenses	Website
Greater Nelspruit Utility Company (South Africa)	SME	Water	BOP business model	Working paper	Academic publication
Hydrologic (Cambodia)	SME	Tunsai water filters	Social enterprise	Hydrologichealth.com	Website
OSHO (Ethiopia)	SME	Food	Inclusive business model	Company's website	Website
Sarvajal (India)	SME	Water	Micro-franchise model	Business model innovations for water services	Academic journal
WING (Cambodia)	SME	Financial services	BOP business model	IFC	Global institution
CareShop (Ghana)	SME	Health care	Micro-franchise model	World Resources Institute	Research center
PRODEM (Bolivia)	SME	Microfinance	Microfinance model	World Resources Institute	Research center
Infocentros (El Salvador)	SME	Telecom	Micro-franchise model	World Resources Institute	Research center
Educ.ar (Argentina)	SME + NGO	Education	NGO-Corporate collaboration	World Resources Institute	Research center
ViaSebrae (joint venture between Paradigma (for profit) and Sebrae (non-profit), Brazil)	SME + NGO	ICT	NGO-Corporate collaboration	World Resources Institute	Research center
Thamel (Nepal)	SME	Marketing and development	BOP business model	World Resources Institute	Research center
HealthStore (Kenya)	SME	Healthcare	Micro-franchise model	World Resources Institute	Research center
ADESH (Bangladesh)	SME	Microfinance	Microfinance model	ADESH Report	Research institute
D1G/ Masmou3 + Arab Network for Civil Education (Anhur) (Jordan)	SME + NGO	Human rights	NGO-Corporate collaboration	Scheme Sustainability partner	Research institute
First energy (India)	SME	Cooking stoves	NGO-Corporate collaboration	IFMR Research	Research center
Envirofit (India)	SME	Cooking stoves	NGO-Corporate collaboration	IFMR Research	Research center
SustainTech + TIDE (India)	SME + NGO	Renewable energy	NGO-Corporate collaboration	IFMR Research	Research center
Sakhi Retail (India)	SME	Retail	Micro-franchise model	IFMR Research	Research center

Prakti Design (India)	SME	Cooking stoves	BOP business model	IFMR Research	Research center
Arusha Women Entrepreneur (Tanzania)	SME	Food	Social enterprise	International Labor Organization	Global institution
KARIBU (Tanzania)	SME	Solar energy	Social enterprise	Venture Capital for Africa	Charity
Mobile Solar Kiosk / MSK (Rwanda)	SME	Solar energy	Micro-franchise model	Venture Capital for Africa	Charity
Tugende (Uganda)	SME	Transport	Social enterprise	Venture Capital for Africa	Charity
Soluz (Honduras)	SME	Solar energy	BOP business model	IFC	Global institution