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Global versus Localized Positioning Strategies in Base of the Pyramid Markets: The Roles of Admiration and Animosity

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This article explores two contrasting psychological constructs unique to base of the pyramid consumers (admiration for economically developed countries and animosity toward developed countries), and how MNEs could use insight on these two constructs effectively when faced with the decision to elect either global or local brand positioning strategies. A three-step model is proposed for MNEs faced with such tasks. This article not only advances the importance of understanding the complexities of base of the pyramid consumers, dispelling the notion that such consumer groups are a monolith, but also provides guidance for expansion into such markets.

INTRODUCTION

The base of the pyramid (BOP) refers to the 4-5 billion underserved consumers who have the least amount of individual purchasing power in the world but are responsible for \$5 trillion in aggregate spending power (Randrianasolo, 2018). In the next 40 years, the BOP is projected to grow to 6 billion people (Panda, Masani, & Dasgupta, 2022), thus making it imperative for international marketing managers to better understand how to reach these consumers. In a recent systematic review of BOP research, Dembek, Sivasubramaniam, and Chmielewski (2020) found that firms internationalizing into BOP markets may not be succeeding. Furthermore, some firms that have expanded into BOP markets have entirely pulled out, as was the case of the Swedish firm Oriflame in its expansion into Kenya (Caldwell, 2020). This suggests that companies from developed countries still lack practical knowledge regarding the expansion and positioning of their brands into BOP markets.

One component of this equation concerns the enduring international marketing dilemma of employing either global or localized brand positioning strategies. In other words, when should firms internationalizing into BOP markets employ global branding strategies, and when should they localize? To answer this question, this current article proposes that levels of admiration for economically developed countries (AEDC) and animosity towards developed countries play crucial roles in influencing BOP consumers' purchasing behaviors. International marketers should consider this when deciding between global or localized branding strategies in BOP markets.

ADMIRATION FOR ECONOMICALLY DEVELOPED COUNTRIES

The international marketing field has long held that the country-of-origin effect (COE) is crucial to purchasing behaviors in international contexts. COE refers to the effect of associations between a product/service offering and a place of origin on consumer judgments (Andéhn, Nordin, & Nilsson, 2016). To best understand how a place of origin can influence consumer judgments, marketers must consider the image of the country of origin from the perspective of the consumer (Josiassen, Lukas, Whitwell, & Assaf, 2013). Scholars find that some consumers in less developed countries tend to have a more positive image of developed countries than countries with lower development due to an admiration for economically developed countries (AEDC) (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000). In his work on AEDC, Randrianasolo (2017) proposes a model which states that low economic development leads to consumption inadequacy; consumption inadequacy induces lower levels of life satisfaction; and lower life satisfaction causes upward social comparison, thereby fostering AEDC in BOP markets. Thus, AEDC positively influences the COE of brands from developed countries expanding into developing countries. Supporting this position, Batra et al. (2000) found that consumers in developing countries with higher AEDC levels prefer nonlocal brands, and Randrianasolo (2018) found that BOP consumers with higher AEDC develop more favorable attitudes toward firms from developed countries. AEDC therefore must be considered in BOP markets.

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ANIMOSITY TOWARDS DEVELOPED COUNTRIES

International marketers from developed countries that seek to expand into BOP markets must understand that not all BOP consumers may have higher levels of AEDC, as some may have animosity towards developed countries. This may influence willingness to buy products from such countries (Klein, Ettenson, & Morris, 1998). At least two factors may be the source of such animosity.

First, currently, the world is experiencing a globalization backlash, where consumers are becoming increasingly concerned with issues of climate degradation and social inequality (Buchan, Ravlin, & Ozturk, 2020). Multinational enterprises (MNEs) particularly face scrutiny because many consumers attribute these issues to MNEs that have entered their countries (Buchan et al., 2020). Further, the detrimental effects of climate change are disproportionately impacting developing countries (Hanna & Oliva, 2016). Thus, with heightened attention placed on climate degradation and social inequalities, BOP consumers may feel animosity towards MNEs which many believe to contribute to these problems (Doh, 2019).

Second, there may also be animosity from remnants of colonization. Many BOP markets exist in countries formerly colonized by developed nations. For example, in Africa, all but 2 countries (Ethiopia and Liberia) are former European colonies, and even those two countries have a history of western rule as Ethiopia was invaded by Italy in 1936 and Liberia's found is rooted in movements that were in the United States (Boddy-Evans, 2019). Most BOP consumers in Africa thus reside in countries that are former European colonies, and therefore, animosity against their former colonizers may still exist. For example, Madagascar is a former French colony and has a history of hostility with France (Pearson, 1997). Remnants of this history of hostility may still foster animosity against France, and therefore may affect the effectiveness of French marketing strategies in the country. Animosity from colonization is not unique to Africa, as it spans to many South American and Asian countries (Arnold, 1983; Fausto & Fausto, 2014).

It is important to note that this current article does not propose a generalized statement that BOP consumers have animosity towards developed markets, but rather that some consumers may have specific animosity towards developed countries. Therefore, international marketing managers should consider this construct in BOP markets. With complex constructs such as AEDC and animosity that may influence BOP consumer behaviors, international marketing managers faced with electing global versus localized branding strategies must understand how to make appropriate decisions regarding such consumers, as discussed below.

PRACTICAL IMPLICATIONS

Recent research finds that some consumers in developing countries may face a dilemma when deciding between globalized brands from developed countries or local brands. For example, Fong, Chang, Lin, and Chen (2022) find that emerging market consumers may face the dilemma of ei-

ther purchasing non-western products to adhere to social expectations or purchasing western products due to their perceived superiority. This current article proposes that in BOP markets, consumers may face similar dilemmas that juxtapose AEDC and animosity for developed country brands. Specifically, those with higher levels of AEDC have been shown to respond more favorably to developed country firms and brands (Batra et al., 2000; Randrianasolo, 2017, 2018). Contrarily, animosity negatively impacts consumer willingness to purchase brands (Chan, Chan, & Leung, 2010). Thus, international marketers seeking to expand their brands into BOP markets should employ the constructs of AEDC and animosity towards developed countries as important components of their market studies before electing to employ either a global or localized brand positioning strategy. Below, three practical steps are proposed to effectively select the appropriate brand positioning strategy.

Step 1 entails international marketing managers conducting market research to investigate levels of AEDC and animosity toward developed countries in the BOP market of expansion. This step may require both quantitative and qualitative market research as well as the collection of both primary and secondary data. Further, in this step, international marketing managers should seek to gain an understanding of any history of colonization, any anti-globalization sentiments, or any other major negative perceptions toward foreign countries within the market since these factors drive animosity toward developed countries.

Step 2 entails segmentation and targeting based on the understanding of AEDC and animosity levels gained from step 1. In this step, international marketing managers should utilize the two constructs as psychographic segmentation variables in the market segmentation process. Once the market is segmented with these variables, the insight gained from step 1 can be utilized to evaluate segment attractiveness in the targeting process. Specifically, an understanding of the segments of the market that have higher AEDC and those that have animosity towards developed countries can aid international marketing managers in selecting which segments are most attractive to focus marketing efforts on, and thus which to target.

In the third and final step, the value proposition of the offering should be constructed based on the psychographic makeup of the consumer segment, and thus global or local brand positioning is elected in this step. Particularly, if the target market segment that was selected in step 2 has higher levels of AEDC, then a global branding strategy should be elected and the value proposition should reflect this election, yet if the target market segment has higher animosity levels, then a localized branding strategy should be elected. This three-step process is shown in [Figure 1](#).

The novelty in this three-step approach is that to the author's knowledge, the employment of animosity toward developed countries and AEDC as key psychographic variables in BOP market expansions is relatively ignored in the international marketing field. It is important to note, however, that the effects of these two constructs in BOP markets may be different for MNEs in comparison to small to

Step 1: Investigating levels of AEDC and Animosity toward Developed Countries

- International marketing managers must conduct market research to investigate levels of AEDC and animosity toward developed countries in their BOP market of expansion.
- This step may require both quantitative and qualitative market research as well as the collection of both primary and secondary data.
- International marketing managers should seek to gain an understanding of any history of colonization and any anti-globalization sentiments within the market as these may drive animosity toward developed countries.

Step 2: AEDC and Animosity toward Developed Countries in Segmentation and Targeting

- International marketing managers should utilize the two constructs as psychographic segmentation variables in the segmentation process.
- Once the market is segmented with these variables, the insight gained from step 1 can be utilized to evaluate segment attractiveness in the targeting process.
- An understanding of the segments of the market that have higher AEDC and those that have animosity towards developed countries can aid in selecting which segments to target.

Step 3: Positioning for Global or Localized Branding

- The value proposition of the offering should be constructed based on the psychographic makeup of the consumer segment, and thus global or local brand positioning is elected.
- If the target market segment that was selected in step 2 has higher levels of AEDC, then a global branding strategy should be elected and the value proposition should reflect this election, yet if the target market segment has higher animosity levels, then a localized branding strategy should be elected.

Figure 1. Proposed Three-Step Model

medium-sized enterprises (SMEs). Particularly, MNEs may have brands that are well-known throughout the world (e.g., Disney, Nike, Apple, etc.) and are well-understood by BOP consumers to represent developed country lifestyles. The emergence of a global consumer culture due to globalization has enabled the exposure of global brands to reach more markets than ever before (Randrianasolo, 2017). Many such global brands are associated with MNEs rather than SMEs, and therefore the influence of AEDC and animosity on purchase intentions may be stronger for MNEs than SMEs. Practically, international marketing managers in MNEs should understand that the effects of the focal constructs may be stronger for their brands than those for SME brands, making it more imperative for such managers to appropriately understand the consumer groups within BOP markets of expansion.

The insights of this article are particularly relevant regarding MNEs' opportunities and responsibility to lead global sustainable development initiatives in developing countries (Ghauri, 2022; Ku, 2022). As MNEs seek to ad-

dress such sustainable development issues, insight into the psychology of BOP consumer stakeholders may be valuable, particularly regarding electing global versus local positioning. Further, since customer-based organizational reputation can impact valuable outcomes (Agarwal & Osiyevskyy, 2021; Harvey, 2021), insight into BOP consumer psychology would prove crucial to building this strategic asset. Finally, although anti-globalization sentiments have increased in recent years, recent insights indicate that economic de-globalization is not occurring (Grosse, Gamso, & Nelson, 2022). Thus, as MNEs continue expanding, insight on global versus local brand positioning strategies in BOP markets remains relevant.

CONCLUSION

This article's proposed framework first indicates that BOP consumers are not a monolith. Particularly, in some BOP markets AEDC may be high, whereas animosity toward developed countries may be high in others. Encompassing 4–5

billion people, the BOP includes consumers from different histories, territories, countries, and environments. Thus, there is no one strategy that works with BOP consumers. This article proposes thus that for international marketing managers to successfully expand into BOP markets, (1) levels of the two focal constructs should be understood, and (2) this knowledge should inform brand strategies regarding global or local positioning.

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