The chapters of the first part of this book have shown that a number of affordable products exist that can improve the lives of the families living at the BoP. While existing products can and need to be improved, they are already “good and affordable enough”: improved cookstoves could limit the toxic fumes that still kill four million people per year. Similarly, costing between $20 and $40, water purifiers could prevent the deaths of 3.4 million people per year as a result of waterborne diseases. Yet too many BoP families still do not buy these products.

Why is that so? The answer is straightforward: engineers have done their job but marketers have not. There are fortunately exceptions that we can learn from: across the world a few social entrepreneurs have developed effective marketing approaches that often challenge what business schools teach.

In this chapter we highlight five characteristics of these successful marketers for the BoP, grounded on our own experience and research:

1. Focus on wants of BoP families, not their needs.
2. Reduce perception of risk, not price.
3. When financing is needed, offer in-house financing solutions, rather than relying on microfinance institutions (MFIs).
4. Rely on word of mouth, not advertising.
5. Achieve sustainability with high gross margins, not large volumes.

Focus on wants of BoP families, not their needs

Successful marketers have designed simple, compelling value propositions for their products that stress how customers will benefit from their product.
Some marketers have it easier than others. These are the ones selling products that actually save money for the consumer. Toyola’s (see Chapter 4) slogans for their cookstoves – *don’t burn your money* – is a powerful illustration of this key principle. Indeed, buying such a cookstove is particularly attractive to families spending precious cash buying charcoal or wood. Similarly, families who boil their water to make it safe to drink see water purifiers such as the Pureit range sold by Hindustan Unilever in India as a source of savings. In these cases, the internal rate of return of these investments is quite extraordinary: up to 5000 percent for cookstoves and 400 percent for water purifiers.

Making the case for buying products that do not guarantee immediate savings is more challenging. Successful marketers find simple yet effective ways of making benefits tangible: d.light or Greenlight Planet sell their solar lanterns at night in markets to show how much brighter solar lanterns are compared to kerosene lamps; handwashing programs use special gels or powders that make germs “glow” in the dark.

When benefits cannot be demonstrated tangibly and immediately – as is the case, for example, for fortified food – smart marketers get around the problem by focusing on different attributes such as taste and convenience. In Madagascar, Nutri’zaza, a social business selling fortified porridges for infants, has successfully built their Koba Aina brand via sales ladies delivering warm, ready-to-eat porridges at the doorstep of poor families every morning at what about cell phones?

Cell phones have had a viral spread, with the proportion of cell phone subscribers in developing countries rising from 23 percent in 2005 to 90 percent in 2014, that is, 6.8 billion people. Many BoP customers spend 20–30 percent of their disposable income on mobile communications. Why has cell phone penetration been so fast compared to, for example, solar lanterns or cookstoves that cost about the same price ($20)?

Cell phones do not replace an existing technology, they provide a new and unprecedented channel for information and communications in remote areas. Most crucially, cell phones were initially marketed for the urban rich with huge marketing and advertising investments in billboards, radio and TV, making them aspirational items for lower income populations.