



**BOTTOM OF THE PYRAMID (BOP) MARKET
ORIENTATION AND PRODUCT INNOVATIONS
IN FMCG INDUSTRY**

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ABSTRACT

Bottom of the Pyramid (BOP) Market which is the largest however the poorest social-economical sector, which globally consists of about 5 billion consumers who spend approximately 2 USD per day. Market orientation is a set of actions within the organization that create value for the customer which result in profitability and finally facilitate to achieve sustainable competitive advantage which consists of three behavioral elements of customer orientation, competitor orientation, and inter-functional orientation. Product innovation could create a firm's performance and profit growth. Fast Moving Consumer Goods (FMCG) industry plays a vital role in the Sri Lankan economy as it has been seen as the engine of growth to the economy as a result of its ability to create a job, generates revenue, reduces poverty and drives economic growth. FMCG Companies cannot survive without innovations due to high competition in the industry. The BOP market orientation on BOP focused product innovation in the FMCG industry in Sri Lanka, have not been substantively explored in the extant literature. Therefore this study conducted to identify the relationship between BOP market orientation and BOP focused product innovation. Data were collected across fifty major high performing FMCG companies in Sri Lanka, according to the Lanka Monthly Digest 2018 and Listed Company Directory of Colombo Stock Exchange using theoretical sampling technique. Data analysis was performed using descriptive statistics, Pearson correlation analysis and used simple regression analysis only as a supportive analysis to prove the relationship further. Results of the analysis indicated that BOP market orientation significantly and positively impacts to BOP focused product innovation. The outcome of this study provided important implications for managers and the policymakers to enhance the activities to engage in more BOP focused product innovations in the FMCG industry. This study can be utilized for academics to expand knowledge as a literature source.

Keywords: *Bottom of the pyramid, Market orientation, Product innovation, Fast moving consumer goods industry*