

From Individual to Household Decision Making: A practical perspective on the BOP consumer in Africa

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Abstract

This paper proposes a new household-decision-making (HDM) model for base of pyramid (BOP) consumers in Africa. Many of the decision-making models focus on general consumer behaviour theory and BOP theory in particular. This study focuses on household decisions, which are far more characteristic of BOP consumer behaviour as an extension of recent work in the BOP domain. The study comprised of interviews with 61 households to explore decision-making, loyalty, budgeting, shopping and trade-offs. The findings included themes like the impact of situations and financial constraint on BoP decision-making and how different decisions are made based on whether operating in the formal or informal economy. Family obligation was observed to be a key factor as well as how functional illiteracy drives brand loyalty but also creates embarrassment. Word of mouth trumps all other sources of information and due to household complexity there is significant decision maker ambiguity making it hard to define a target audience in communication strategy. Brands are important but fundamental value is still key and financially there is unavoidable monthly variation making category trade-offs commonplace.

Subject Areas: *Consumer Behaviour, Cross-cultural and International Marketing, Decision-Making*

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