Master's degree in Marketing and Communication

Final Graduation Project

Single graduation thesis for Double Degree Master in Management (ESCP) and Master in Marketing and Communication (UdeSA)

"An assessment of offering innovation in distribution channels to access low-income segments: A study in Argentina in the category of home cleaning and pesticides"

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Abstract

Since the birth of the modern economy, it has been observed that its mechanism leads to an aggravation in the disparity of living standards, where the poor develop slowly, and the imbalance grows. However, on these new conditions of society, a system has been built that considers utility as essential to economic progress and competition as the inevitable of the economy. Thus, with competition and inequality, opportunities and business are created. Inside the low-income segment there are consumers, and they can be consumers of any product or service.

This research shows the opportunity of Mass Consumption companies to develop a new distribution channel for the Low-Income Segment by selling fragmented products at a low Out of Pocket in Argentina.

To have a further knowledge on the subject, an online survey was made that evaluate the key variables of price, distribution, and desire to conclude that by reaching the Bottom of the Pyramid, they not only can get revenues but also be more sustainable and socially responsible by increasing their penetration and offer their products to everyone as they are mass consumption companies.

Keywords

Bottom of The Pyramid, Fast Moving Consumer Goods, Out of Pocket, Algramo, Low-income, Mass Consumption, Tax of Being Poor, Inflation, Devaluation, Distribution Channel, Argentina, Basic Food Basket.

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Abbreviations

Abbreviation	Meaning
BOP	Bottom of The Pyramid
FMCG	Fast Moving Consumer Goods
OOP	Out of Pocket
BFB	Basic Food Basket
TBB	Total Basic Basket
PL	Poverty Line
SCJ	SC Johnson
CoE	Engel Coefficient
CPI	Consumer Price Index
IL	Indigence Line

1.Chapter 1- Introduction

1.1 Problem Statement

It is no news that poverty in Argentina has been growing in the recent years, in 2021 it reached 37.3% of the population according to INDEC, a little lower than 2020´s peak of 42% because of the pandemic (INDEC,2021). This is not only happening in this country, but also in Latin America where this gap has deepened, especially since the beginning of the global pandemic caused by Covid-19. In 2020, Latin America and the Caribbean ended the year with 22 million additional poor people, that is, 209 million poor people in the region, a figure never reached before (CNN, 2021).

Since the birth of the modern economy, it has been observed that its mechanism leads to an aggravation in the disparity of living standards, where the poor develop slowly, and the imbalance grows. However, on these new conditions of society, a system has been built that considers utility as essential to economic progress and competition as the supreme law of the economy. Thus, with competition and inequality, opportunities and business are created. The 209 million poor are consumers and can be consumers of any product or service.

Multinational companies such as SC Johnson, Unilever, The Clorox company, are companies that usually have high costs and prices that accompany these costs, as they have quality standards that must be met, as well as brands that have a certain trajectory and reputation. These are some of the many reasons that limit the reach to consumers with fewer resources, despite being mass consumption companies, as in this case, and although some low SES consumers buy the products, the opportunity is much greater.

This research pretends to analyse the opportunity of Mass Consumption companies to develop a new distribution channel for the Low-Income Segment by selling fragmented products at a low OOP in Argentina. In this way, it is expected to analyse if companies will be able to increase the number of consumers who buy mass consumption products and bring incrementality to their companies.

To leverage the research, it will be analysed the Chilean company “Algramo” success case: families in poverty pay up to 40 percent more for the most basic products, such as food or detergents.(CNN,2020) Algramo is a social enterprise that proposes to solve the problem generated by the "cost of being poor". This means, it attacks the problem faced by many families living in poverty: they can only access basic consumer products in small packages, and therefore, at a higher cost. Today, Algramo is present in hundreds of stores making basic products available at much fairer prices and significantly improving the economy of thousands of families. For this reason, it seems relevant to study this success story and analyse the strategy and best practices used by this company.

1.2. Research Questions

1.2.1 Main Question

Is there an opportunity in selling fragmented A-brand products to the low socio-economic segment in Argentina?

1.2.2 Hyphotesis

1. FMCG companies should have a distribution channel focused on low-income segment.

2. Low-income consumers would buy A brands if the retail price of the products were lower.

3. It is possible to eliminate the “tax of being poor” when buying products in these categories.

1.3 Research objectives

Analyse the opportunity of Mass Consumption companies to develop a new distribution channel for the Low-Income Segment by selling fragmented products at a low OOP in Argentina. The dissertation argues that companies will be able to increase the number of consumers who buy FMCG products and bring incrementality to the company. Another objective is to understand if Algramo success case could be applied in FMCG companies to overcome the barrier of penetration of the BOP with their distribution channel model.

1.3.1 Specific Objectives

- Analyse the opportunity of Mass Consumption companies to sell fragmented products in Argentina.

- Analyse if companies will be able to increase the number of consumers who buy FMCG products and bring incrementality to the company by selling A-brands at a low OOP.

- Analyse Algramo success case, a company that was able to overcome the Price and Penetration barriers in low-income segments and created a sustainable distribution and sales channel.

1.4 Justification of the reasons for the study

Personally, after taking a Sociology course in the master's degree and seeing the enormous opportunity that can mean to think of products for this social sector and at the same time the challenge that implies, I think it is worth investigating and confirming that it is possible to sell a quality product, at a low price, to close the gap and really become a company of "Mass Consumption".

I also worked for PEST control category for Paraguay and actually saw the impact of a company´s decision can have. In this case, the strategy was to lower the price of the Off cream repellent, which is the smaller and cheapest product of the category, that is to say, it has the lower OOP. Why was important to lower the price? In Paraguay there is Dengue Disease, which is caused by a mosquito bite. The only way of being protected is by using repellents and taking measures on the environment. To protect from a disease a product needs quality, which is what Off gives, not only from Brand Identity but from its formulas. By decreasing the price of this product, SC Johnson was taking a risk of not being able to compensate the profitability loss with the volume expected. Luckily, the results were good, increasing +5.1 p.p. in Market Share, bringing additional volume to the category, and most important, giving consumers the opportunity to have access to these products which are incredible necessary to have life quality and avoid getting a disease. The point on this is that companies always have an impact on people, on the environment and on the economy, and for me it is very important to work in a company that can change people´s lives.

By doing this research, it is expected to help FMCG companies in Argentina to add this distribution and selling model to their businesses, to not only increase their sells volume by targeting a large number of consumers that are included in the BOP, but also being more sustainable and socially responsible, helping people to have a better life and more access to quality products.

2. Chapter 2 – Literature Review

2.1 Introduction to Literature Review

Every company is in a constant search for new opportunities and wonder what to do to grow the business, but many times they are sought in the wrong places, or they want to do more of the same. These concepts are intended to provide a theoretical framework for new concepts and observations that give rise to different sources of opportunities for multinational companies.

2.2 SC Johnson

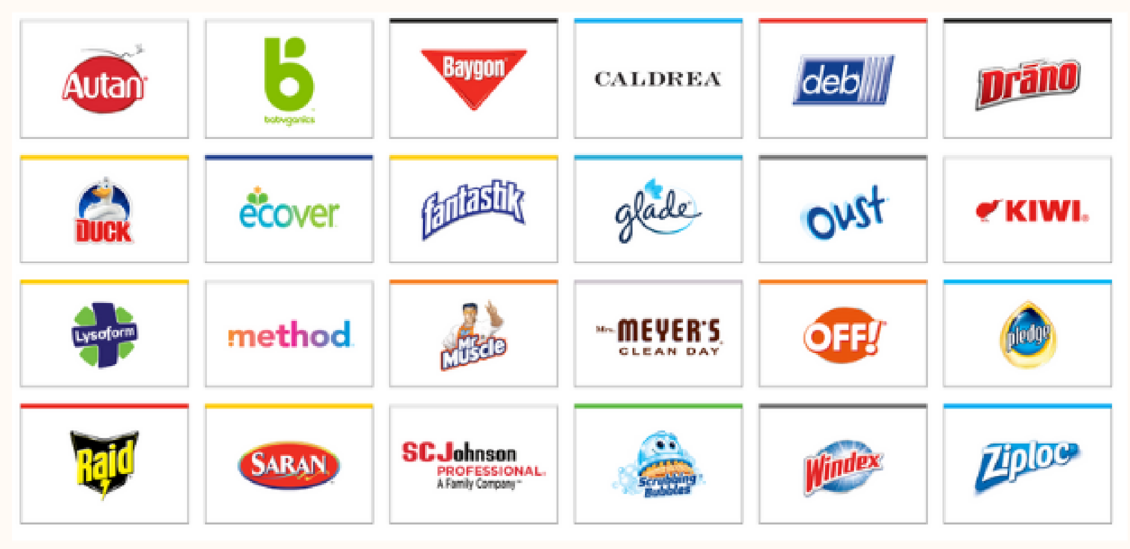
SC Johnson is a leading manufacturer of household cleaning products and products for home storage, air care, pest control and shoe care, as well as professional products. SC Johnson brands include Glade®, Kiwi®, OFF!®, Pledge®, Mr Muscle®, Duck®, Baygon®, Raid® and more. For 130 years, SC Johnson has been guided by the same goal as families everywhere: "We want to make the world a better place for the next generation. It's the foundation of our purpose – A Family Company at Work for a Better World. A world that is sustainable, transparent, healthy and with more opportunity for all." (SC Johnson, 2022)

It is a family company, led by the Johnson family of Racine, Wisconsin. The Chairman and CEO, Fisk Johnson, is the fifth generation of the family to lead the company. (SC Johnson, 2022)

The company has presence all over the world and with its brands is a leader in many categories and one of the main players. The main categories are:

- Home Cleaning
- Pest Control
- Air Care
- Home Storage
- Automotive
- Shoe Care

These are many worldwide known brands which are part of SC Johnson:



Home Cleaning and Pest Control categories are the more important ones in Argentina, which are the ones this study is focused on:

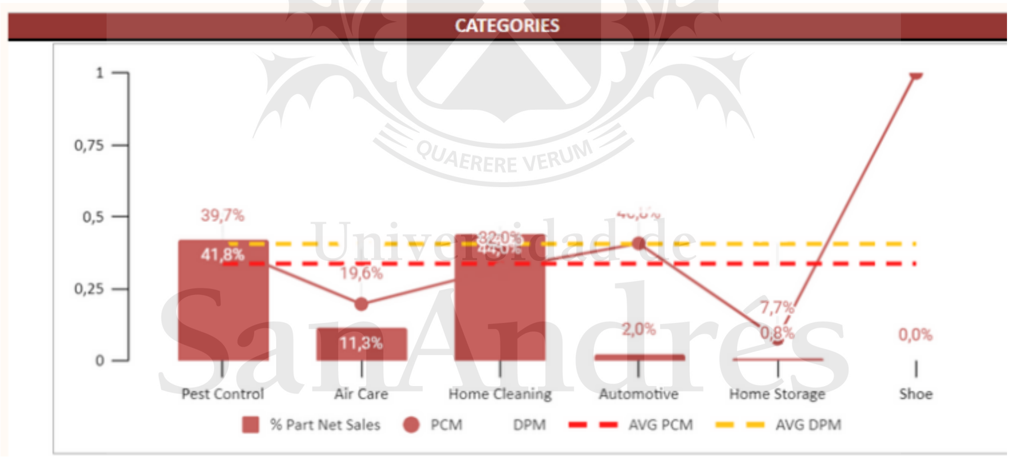


Figure 1: SCJ Net Sales per Category in Argentina

Pest Control represent 41.8% and Home Cleaning 44%, both categories make more of the 85% of the Nest sales of the company in Argentina. These categories were important during the last 2 years as in Argentina and many South American countries there is Dengue presence, for which repellents and insecticides are really important, and during the pandemic, all disinfection products increased their sales and were out of stock with a lot of shortage in the Point of Sales.

With the following chart we can see the leadership of the company in the Home Cleaning Segment in Argentina, reaching a 51.4% for its previous fiscal year in 2021:

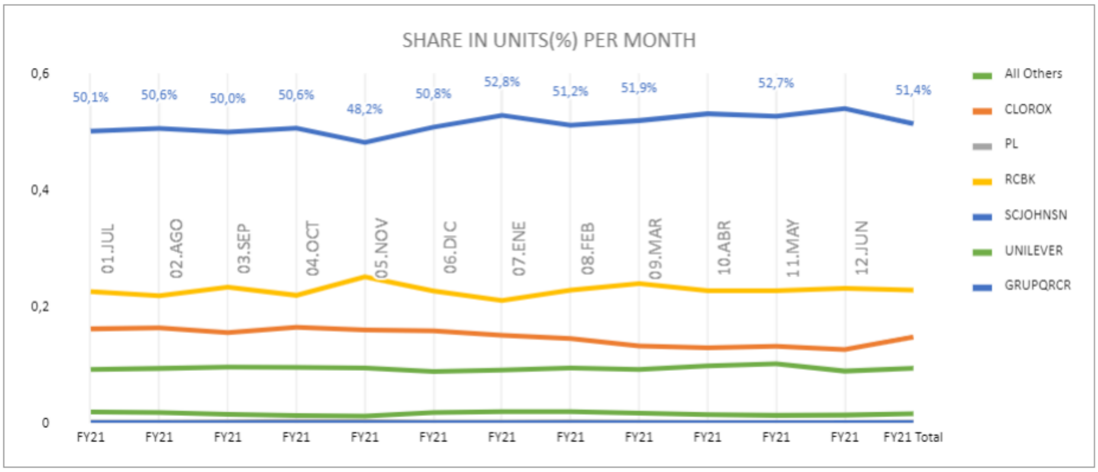


Figure 2: Market Share in units per Month Home Cleaning Segment in Argentina 2021

This information also shows the main players which are used for the survey comparison and mentioned in this research: Clorox, Unilever, Reckitt, and Private Labels.

2.3 Consumers buy the cheapest or the best?

Consumers buy the cheapest or the best: (Guillermo D'Andrea 2010). According to the authors, it doesn´t matter whether the economy is strong or weak, consumers in developed markets tend to shop across all price segments. They can buy at the same time a camera with the highest technology and high price and buy a pair of sunglasses at a cheap price. Consumers in emerging markets focus on the essentials, favouring lower-priced products that offer acceptable quality, even when it comes to luxuries. They tend to know the exact price of everything they want and refuse to pay more. They also refuse to buy in larger quantities than they need. At the same time, shoppers tend to save to enjoy aspirational categories such as athletic shoes, cosmetics, and plasma TVs. In this way, they buy more of the cheapest and a little of the best, skipping the middle altogether. Multinationals that are in love with the middle and the high end often overlook that fact.

2.4 Consumers care about quality, not status.

Consumers care about quality, not status: (Guillermo D'Andrea 2010). In developed economies, many companies successfully position their brands as status symbols. But in low-income areas, that strategy often fails. The allure of status is not enough to induce consumers to buy. Instead, buyers care more about quality. Multinationals may feel they have the quality problem covered, but it's not always that simple. Modern packaging, for example, is a crucial element of high quality in developed countries, but it can be a disadvantage in an emerging economy.

2.5 Aim low and adapt to consumer habits.

Aim low and adapt to consumer habits: (Guillermo D'Andrea 2010). It is proposed to multinationals to forget the myth that the high-end is the lucrative segment in emerging markets. To make the product affordable for the masses, they would have to cut back so much that it would become unrecognizable. Instead, they recommend targeting low-income segments from the start. They cite the example of telecommunications company Tigo, which at first hesitated to lower the minimum top-up on its phone cards in Paraguay (you can't ask too much for a penny, company managers reasoned), but the company tripled its sales when it allowed users to top up for small amounts. It wasn't that customers planned to make very short calls; they were using the cards as savings vehicles, adding a few cents to them whenever they could.

You must adapt to consumer habits. Cater to the demand for the cheapest and providing decent quality in the low-end options.

2.6 BOP

2.6.1 Definition

BOP (Bottom of the pyramid): also called the base of the pyramid, is a term in economics that refers to the poorest two-thirds of the human economic pyramid, a group of more than four billion people living in extreme poverty. More broadly, BOP refers to a market-based economic development model that promises to simultaneously alleviate widespread poverty while providing growth and profits for multinational corporations. (Kirchgeorg, 2014)

2.6.2 The BOP and its integration into markets

The BOP and its integration into markets: (Hammond 2007). The starting point of this argument is not the poverty of the bottom of the pyramid. Instead, it is the fact that the segments of the population at the bottom of the pyramid are for the most part not integrated into the global market economy and do not benefit from it. They also share other characteristics:

- Major unmet needs: most people at the bottom of the pyramid are unbanked, unaccounted for and without access to modern financial services. Most do not have a telephone. Many live in informal settlements, without title to their homes. And many lack access to water and sanitation services, electricity, and basic health care.
- Reliance on informal or subsistence livelihoods: most people at the bottom of the pyramid lack good access to markets to sell their labour, handicrafts or crops and have no choice but to sell to local employers or to middlemen who exploit them. As subsistence and small-scale farmers and fishers, they are especially vulnerable to the destruction of the natural resources on which they depend but are powerless to protect (World Resources Institute et al. 2005). Indeed, informality and subsistence are poverty traps.
- Impacted by a BOP sanction: many at the bottom of the pyramid, and perhaps the majority, pay higher prices for basic goods and services than wealthier consumers, either in cash or in the effort they must expend to obtain them, and often receive lower quality as well. This high cost of being poor is widely shared: it is not only the very poor who often pay more for transportation to a distant

hospital or clinic than for treatment, or who face exorbitant fees for loans or for remittance transfers from relatives abroad.

2.6.3 BOP 1.0, 2.0 & 3.0

BOP 1.0, 2.0 & 3.0 (Dembek, Krzysztof; Sivasubramaniam, Nagaraj; Chmielewski, Danielle A , 2020): When Prahalad and Hart (2002) first introduced the "Bottom/Base of the Pyramid" (BoP) approach 16 years ago and hailed it as a "prodigious opportunity for the world's wealthiest companies to seek their fortunes and bring prosperity to the aspiring poor" (Prahalad and Hart 2002, p. 1), it was embraced with enthusiasm by multinational corporations (MNCs), and represented the possibility for MNCs to work as agents of change in the fght against poverty. The BoP approach's promise of delivering new growth and proft opportunities for MNCs while being a powerful tool in the fght against poverty made it a particularly attractive concept (Prahalad and Hart 2002), especially given that low-income (BoP) markets represent over half the world's population (Hart 2005).

Ultimately, threaded throughout the various iterations of the BoP approach is the fact that doing business in low-income markets has made poverty part of the business reality that companies need to confront (Khavul and Bruton 2013). Yet, despite the great fanfare surrounding the launch of the BoP approach in 2002 and its potential to address what is arguably one of the world's most complex problems, there is little evidence to suggest that the BoP approach has delivered on its original promise of alleviating poverty through profits (Arora and Romijn 2011; Karnani 2010; Simanis 2012; Simanis and Milstein 2012), bringing into question whether MNCs and other organizations can act as agents of change in poverty alleviation efforts.

The core argument of the original conceptualization of the BoP framework is that the institution of business can play a critical role in alleviating poverty, not through charitable giving or other corporate social responsibility initiatives, but through engaging with that segment of society to either market their products and services to, and/or source products from the BoP (Prahalad and Hart 2002; London 2008). The BoP framework requires the involvement of a for-profit organization from outside the BoP who engages with the BoP community to sell or source products (London 2008).

The BoP approach is based on the premises of both inclusive capitalism and mutual value. Inclusive capitalism brings markets to four billion of the world's poor and enables them to participate in these markets (Prahalad and Hart 2002). It also makes the corporate sector prosper "by engaging local communities in the co-creation of business models that simultaneously generate economic, social and environmental value" (Simanis et al. 2005, p. 2). Mutual value means that companies through their business generate value simultaneously for themselves, local communities, and other parties involved (Simanis et al. 2005).
The next iteration of the BoP approach—BoP 2.0— shifted from the "sell to the poor" approach to "business co-venturing" with the poor, introducing a series of modifcations to the concept as summarized in Table 1. While inclusive capitalism and mutual value remained as the core elements in the BoP 2.0 approach, we also saw a stronger emphasis in this second iteration placed on co-creating value with the poor in a way that "creates value for all partners in terms important to each" (Simanis and Hart 2008, p. 3). BoP 2.0 seemed to focus more than BoP 1.0 did on addressing socially and environmentally related problems, with Simanis and Hart (2008, p. 5) arguing that one of the main strategic challenges and opportunities at the same time was to learn "to close the environmental loop at the Base of the Pyramid." Further, BoP 2.0 attempted to address what Hart (2010, p. 21) called a "Great Trade-Of Illusion" between being locally embedded and large in size and between the ability to meet the needs of the poor and of the planet's ecological systems. This meant that creating enterprises with the poor should produce a fully functioning business embedded in the local community by using small-scale full business model tests, and generating local demand and setting up platforms within MNCs to replicate the new BoP business models (Simanis and Hart 2008).

BOP 1.0	BOP 2.0	BOP 3.0
BoP as consumer	BoP as business partner	BoP as small producer (self-management process)
Deep listening	Deep dialogue	*Ad hoc* process, cross-sector partnerships, and networks
Reduce price points	Expand imagination	Immediate value appropriation by BoP small producers for products and services
Redesign packaging, extend distribution	Marry capabilities, build shared commitment	Shared skills and knowledge appropriated by small producers
Arm's length relationships mediated by NGOs	Direct, personal relationships facilitated by NGOs	Direct relationships with stakeholders by the BoP small producers initiative
"Selling to the poor"	"Business co-venturing"	"Sustainable development, bottom-up model"

Source for BoP 1.0 and 2.0: Simanis and Hart (2008, p. 2) and Source for BoP 3.0: Pedrozo (2015, p. 198)

Figure 3: Evolution of bottom/base of the pyramid (BoP) strategy

(Dembek, Krzysztof; Sivasubramaniam, Nagaraj; Chmielewski, Danielle A, 2020)

Additionally, as with BoP 1.0, BoP 2.0 encouraged unsustainable consumption behaviors, the very issue it was expected to address from the beginning (Prahalad and Hart 2002). Davidson (2009), however, argued that the role of an organization is not simply to be proft-generating, but also to act as an essential part of a larger society, meaning that an organization's responsibilities are to a multitude of stakeholders, not just to their shareholders.

This broader perspective on value is also visible in the most recent iteration of the BoP approach—BoP 3.0. It is still evolving, and in many respects is seen as a direct response to the lack of success of many BoP 1.0 and 2.0 ventures in the poverty alleviation space (Dasgupta and Hart 2015). There is a greater push for BoP 3.0 to re-conceptualize poverty from the more traditional income-based approach to a more nuanced understanding of its complex, multidimensional nature (Cañeque and Hart 2015; Yurdakul et al. 2017). Accordingly, the emerging BoP 3.0 approach is "now seeking a greater conceptual shift, away from singular solutions of poverty alleviation to understanding how wider innovation ecosystems and engagement through cross sector partnership networks can be developed," to enable a stronger focus "on achieving greater levels of well-being in BoP markets" (Mason et al. 2017, p. 267).

2.7 Argentina´s key information:

2.7.1 SES composition in Argentina

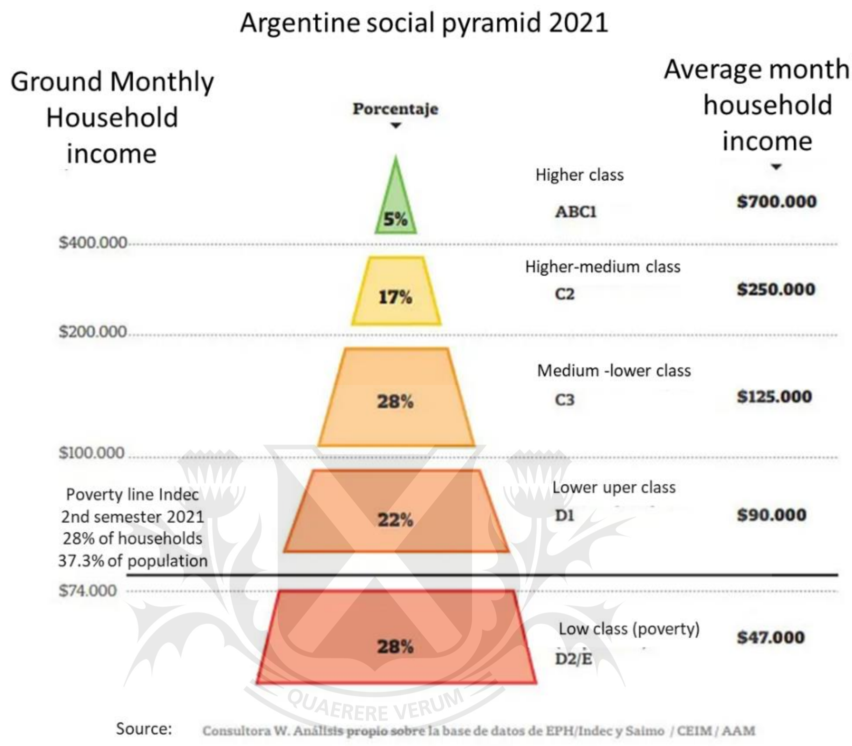


Figure 4: Argentine Social Pyramid 2021.

This chart shows the composition of the different socioeconomic levels in Argentina. The information given reflects the large amount of people living with a low income and a 28% of people being below the poverty line.

2.7.2 Basic Food Basket (BFB)

The BFB is determined by considering the normative kilo-caloric and protein requirements essential for an adult male, between 30 and 60 years of age, of moderate activity, to cover these needs for one month. The foods and quantities were selected according to the consumption habits of the population based on the information provided by the National Household Expenditure Survey (Encuesta Nacional de Gastos de los Hogares). (INDEC, 2021)

2.7.3 Poverty and indigence in Argentina:

Poverty measurement using the poverty line (PL) method consists of establishing, based on household income, whether households have the capacity to satisfy -through the purchase of goods and services- a set of food and non-food needs considered essential. To calculate the poverty line, it is necessary to have the value of the BFB and expand it by including non-food goods and services (clothing, transportation, education, health, etc.), to obtain the value of the TBB (Total Basic Basket). To extend or expand the value of the BFB, the Engel coefficient (CoE) is used, defined as the ratio between food expenditures and total expenditures observed in the reference population (in this case, the one that emerges from the ENGHo 2004/05). (INDEC, 2021)

Engel Coefficient = Food Expenditures / Total Expenditures

In each period the CoE is updated by the change in the relative price of food with respect to other goods and services. In this way, the amounts of food and total expenditure for the base period are updated, considering the same ratio of consumption quantities. For this purpose, the prices surveyed by the CPI are used, considering the specific expenditure structure of the reference population. To expand the value of the BFB, its value is multiplied by the inverse of the Engel coefficient. TBB = BFB * inverse of Engel's coefficient. (INDEC, 2021)

The percentage of households below the poverty line (PL) reached 27.9%; 37.3% of people live in these households. Within this group there are 6.1% of households below the indigence line (IL), which include 8.2% of people. This implies that, for the universe of the 31 urban agglomerates of the EPH, there are 2,633,905 households below the LP, which include 10,806,414 persons and, within this group, 578,282 households are below the IL, and include 2,384,106 indigent persons. (INDEC, 2021)

The average total family income of poor households was $46,712, while the average TBB of the same group of households reached $74,059, so that the gap stood at 36.9%. (INDEC, 2021)

Regarding age groups according to poverty status, it stands out that more than half (51.4%) of people aged 0 to 14 years are poor. The total percentage of poor people in the 15 to 29 and 30 to 64 age groups is 44.2% and 32.6%, respectively.

In the population aged 65 and over there was a slight increase, reaching 13.0% below the PL. (INDEC, 2021)

2.7.4 Political analysis

Argentina is a Latin American country with volatile political decisions and little stability in the international markets. It has a strong fall in purchasing power, partly due to the high inflation that politically could not be controlled, which resulted in an accelerated growth of poverty (29% + 8.2% indigence). (INDEC, 2021)

This is partly due to the political conflicts between the different governments in the last years. After 12 years of Kirchnerism (2003-2015), in 2015 the PRO won against the former president Mauricio Macri with a political ideology opposite to the government that preceded him, opening the country to the international market, and generating confidence for investments, although with some political mistakes and strong social pressure, it generated a deep instability and in 2019 the Kirchnerism who oversees the presidency today won again. The day Alberto Fernandez, current president won the primary elections, the Argentine peso was devaluated by 25% in just one day and the shares of Argentine companies plummeted up to 50% in some cases due to the unfavourable reaction of the markets to his triumph. (BBC, 2019)

All these changes of government and elections, depending on their political inclination, are a variable that affects not only the population but also companies and institutions throughout the country, generating in many cases, obstacles, legal uncertainty, and restrictions for their normal operations, as well as the market.

This context is also influenced by the fiscal policy used, the high tax pressure on companies ends discouraging national production. The high cost of white-collar employment in Argentina is a major barrier to investment in the country.

Since the beginning of the pandemic in March 2020 by Covid-19, the central bank increased the requirements for financial assistance, due to a fall in public revenues and a higher fiscal deficit. This was generated because many companies needed subsidies if they did not close their doors. Subsidies are a common thing in the country, they are given to companies in unfavourable situations, as it happened because of the pandemic.

Another variable that affects the political and day-to-day life of Argentina are the trade unions. These associations represent a major obstacle to the operation of the companies. It is mainly reflected in the plant and transportation employees, and their demands and rules increase costs.

With respect to the international aspect, there are several factors to be considered when analysing the political situation in Argentina. The first one is the regional agreements that allow exporting and favour regional integration. The closest and the one that constitutes the largest number of exports is Mercosur (approx. 20%), which includes Argentina, Brazil, Paraguay, Uruguay as member states, plus other associates. At the same time, on several occasions' restrictions are applied to imports to avoid foreign exchange leakage, although there are also restrictions on exports to regulate the local market price, as with meat, for example. This, however, affects several sectors and in the case of production companies, it impacts on the import of raw materials, which can increase costs by having to obtain local suppliers, delays in production, lack of supply to the market, and a chain of consequences because of these measures. By increasing costs and being bordering other countries, border smuggling is generated, especially when it is a product of exchange rate mismatch, Argentina turns out to be more expensive than the rest and then cheaper products enter the country generating internal impact, although sometimes it happens the other way around and generates more purchase volume, but as this situation occurs informally, it generates currency leakage and fiscal impact.

Finally, social assistance plans that encourage the search for and achievement of a social balance that supports the most vulnerable families should be considered. More and more plans are being granted, especially after the pandemic and over the years as poverty grows. However, these are not the only measures taken by the government to help the most vulnerable. There are policy decisions such as the "Precios Cuidados" program, which has a list of products that exist in the country's supermarkets, which require companies to offer products at a reference price and avoid abuses by organizations. The same happens with the maximum price program, where the government assumes control over the prices of the companies, granting minimum increases every certain number of months. This benefits consumers, but at the same time harms companies and their profitability, as they must make changes in packaging or product attributes in order to increase prices and ensure their continuity in the market. (Gobierno Argentina, 2020)

2.7.5 Economical analysis

Argentina ranks second to last (#139) in the macroeconomic stability ranking of the World Economic Forum report. (Schwab, K., 2019)

To begin with, due to economic instability, the GDP decreases year after year. Even though in 2021, it increased 8.6% vs the same trimester of 2020, which was likely to happen after the pandemic, in 2020 it had decreased with a variation of -4.3%, doubling the last 3 years. This is not only because of the country situation but also because of the context generated by the pandemic and having been in confinement for more than 6 months, slowing down the economic activity.

2017	2018	2019	2020	2021
2.8%	-2.6%	-2.1%	-9,9%	10.3%

Figure 5: GDP Evolution in Argentina 2017-2021. Source: INDEC 2021

Rising inflation is one of the main challenges the country has been facing for years. This factor generates a loss of purchasing power and price increases, which means less saving capacity as inflation rises. On the other hand, it increases the cost of imports, which affects many companies and businesses that depend on it. Not only that, but it also causes the real value of wages to be lower and inflation adjustments need to be made to compensate employees.

The exchange rate is closely tied to inflation and the situation of the country, as inflation increases, so does the exchange rate. It is becoming more and more difficult to hold dollars in the Central Bank and it is becoming more and more difficult for people to buy them. They are also in higher demand as it is a way of not losing the purchasing power caused by inflation. This factor also influences imports, since more and more Argentine pesos are needed to pay the value of something in dollars or foreign currency.

2018	2019	2020	2021
47,6%	53,8%	36,1%	50,9%

Figure 6: Consumers Price Index Evolution in Argentina 2018-2021. Source: INDEC 2021.

Other factors affecting the Argentine economy are the investment rate and the interest rate. In a scenario of falling investment rates, it is necessary to look for alternatives, since it is unlikely that locals or foreigners will want to invest in the country. With respect to high interest rates, it is increasingly difficult for companies to rely on financial institutions to finance certain aspects of production or whatever is required to maintain their operations.

As a result of all these factors, unemployment is generated. In the last quarter of 2021, an employment rate of 43.6% was recorded, meaning 56.4% of the population is unemployed. Unemployment means less circulation of money in the population and greater poverty

Another factor to consider is taxes. In Argentina there are more than 145 taxes, but 90% of the collection of the National Treasury is made with 3: VAT, Earnings and Social Security.

The economic expectation will depend on the regulations of the central bank, the government, the fluctuation of the exchange rate and all the factors and variables mentioned above.

2.7.6 Sociocultural analysis

The population growth in the country is on the rise, which means that there are new potential consumers, thus creating new opportunities. It is estimated that in

July 2022 Argentina will have 46.2MM inhabitants, growing at a rate of 1% per year, according to INDEC.

This increase in population is not only due to the birth rate but also to the immigration policy applied, which allows the entry of foreigners and the possibility of entering the country and settling legally, unlike other countries in the world. In the last 5 years, 2MM immigrants have entered the country annually, which represents 5% of the immigrant population, mainly from neighbouring countries. (INDEC, 2021).

According to the last census carried out in 2010, 64% of the population is in the 15-64 years old range, while 25% is composed by the 0-14 years old segment and the remaining 10% is composed by the 65 and over segment. These 10% are the future consumers, so there is also the opportunity to educate them so that when they become buyers, they choose the brands that the companies want. (INDEC, 2021).

In Argentina, education is free for primary and secondary school and there is also a public university. However, with a high poverty rate, many children go to work instead of going to school, so there are fewer qualified people to fill the skilled jobs that are available. This lack of education also generates misinformation among the inhabitants and has an impact on health, environment, and culture. This is one of the main causes of the country's difficulties in improving its reality.

In the last 2 years, with the pandemic, there were cultural changes and an acceleration in the use of technology and social networks. Virtuality changed the reality of everyone in the world and in that sense online sales through digital platforms skyrocketed. This massive incorporation in the day to day, is generating impacts on brands and the way to educate and sell to consumers.

At the same time with the pandemic, consumption in the cleaning industry exploded, generating more frequency in many categories belonging to it. According to the Nielsen consumer basket, consumption of household cleaning products increased by 3% April 2020 vs Apr 2021, in a country context in which we have seen that consumption is decreasing year after year. (Nielsen, 2021)

2.7.7 Legal analysis

Antitrust Law (Law 25.156): ART1: "Acts or conducts, in any form manifested, related to the production and exchange of goods or services, which have the purpose or effect of limiting, restricting, falsifying or distorting competition or market access or that constitute abuse of a dominant position in a market, in a way that may result in damage to the general economic interest, are prohibited and shall be punished in accordance with the rules of this law".

Law of aisles (Law 27,545): "seeks to make prices clear to consumers and that consumer can access more regional or artisanal products of micro, small and medium-sized enterprises, products of family, peasant and indigenous agriculture, products of the popular economy and products of cooperatives and mutuals.

This regulation has three main objectives: that product prices be clear and transparent for consumers, that consumers have access to more regional or artisanal products from micro, small and medium-sized enterprises and to more products from family, peasant, and indigenous agriculture, from the popular economy and from cooperatives and mutuals.

The law also provides that there should be harmony and balance among the economic operators covered by the law, to avoid commercial practices that harm competition".

Consumer Defense Law (Law 24.240): "The purpose of this law is the defence of the consumer or user, being understood as any natural or legal person who acquires or uses goods or services free of charge or onerously as final recipient, for his own benefit or that of his family or social group". The purpose of this law is to protect the consumer when buying a product or contracting a service and to be able to make the corresponding claim to solve the conflict.

ANMAT: National Administration of Medicines, Food and Medical Technology. This institution protects the population by guaranteeing that health products are effective, safe and of high quality. In SC Johnson, many of the products must be registered with this authority to be approved and marketed. The same is true of

CEPAVE (Centre for Parasitological and Vector Studies): it is a reference centre for scientific research on species of health, socioeconomic and agricultural importance, such as parasites, disease vectors and pests, and those relevant to the control of harmful organisms: pathogens (viruses, bacteria, protists, fungi), parasiticides and predators. Its mission is to contribute to the advancement of scientific knowledge and to address the different health and ecological problems, with the purpose of preventing and controlling harmful organisms, or reducing their negative effects, contributing to the conservation of biological diversity and the improvement of the quality of life. With this institution, a lot of work is done with insecticides to be approved and marketed.

Finally, it is important to consider the labour laws that directly affect plant workers, which must be complied with to ensure the correct operation of the company. In Argentina, the main one is the Labour Contract Law (Law 20,744), which helps to provide a solid framework for labour relations to ensure the welfare of employees and the employer.

3. Chapter 3 – Methodology

3.1 Data collection

Regarding the data collection, the background found on this report is a compilation of information and analysis of reports from INDEC, Kantar and Nielsen. Other sources from which information were obtained are reports such Harvard Business Review, consumer studies of SC Johnson and Algramo business case.

3.2. Survey

This research aims to analyse the consumer of the BOP and its´s willingness to buy A-brands and the shelf availability of them. To have a further knowledge on the subject, an online survey was made. According to Creswell (2009), a survey, enables to describe in a numerical way the sample characteristics, and therefore was the chosen as the method of this research. As the research is made in Argentina, this method was selected because it enables to reach many respondents and it is economically viable. The answers of the survey were collected and analysed and will be explained in detail.

3.3. Participants and procedures

For this research it was chosen a quantitative analysis and the data was collected from an online survey using Google forms, Google´s tool for surveys. Respondents were low-income people who buy cleaning, disinfection and insecticides products on a regular basis and were recruited from close housing personal from me and my inner circle and was shared with their friends and family. All the questions in the survey were mandatory which means there is no missing data in this survey.

The method used was a link to the form sent via WhatsApp, which is the most effective and instant way of diffusion in Argentina. To use digital platforms, two things are needed: internet and a mobile device. According to INDEC, in the fourth quarter of 2021, 64.2% of urban households had access to a computer and

90.4% to the Internet. In addition, the data show that 88 out of every 100 people in Argentina use a cell phone and 87 out of every 100 use the Internet. This means that 87.2% of the population uses the Internet. Nowadays, internet is available free of charge in many parts of the city without the need for a contract at home.

The 120 participants were +16, although most of the age is 18. In this country, there is a lot of child labour, so at 16 it is probably that there might have income and even children.

These participants were asked to take the survey anonymously and answer 20 quick multiple-choice questions (including their age and income, to see whether any relevant information could emerge regarding this demographic variable). The total time answering the survey was of 3 minutes and everyone had the same questions and in the same order.

Questions were related to the price, the availability, the quality and the desire of certain massive products and brands.

3.4. Measures

To answer the research questions, the survey was created with linear scale questions based on Likert Scale Response: A variety of methods are available to assist evaluators in gathering data. One of those methods involves the use of a scale. One of the most common scale types is a Likert scale. A Likert scale is commonly used to measure attitudes, knowledge, perceptions, values, and behavioural changes. A Likert-type scale involves a series of statements that respondents may choose from to rate their responses to evaluative questions (Vogt, 1999).

3.4.1 Frequency of purchase per week and frequency of purchase in local grocery store

People were asked to indicate on a 5-point Likert Scale (1= Never; 5= Always) the frequency of purchase per week of cleaning/disinfection/insecticides products and the frequency of purchase in their local grocery stores. If their answer to the frequency of purchase in their local grocery store was 1,2 or 3, they were asked to choose between other store formats such as Supermarket, Wholesaler, or other. This was made to understand which format is the most used by low-income people when they need to buy this kind of products.

Besides, when they had to choose the frequency of purchase per week, they were also asked to select between times per week they purchased these products

3.4.2 Level of Importance of price and brand

Level of importance was assessed on a 7-point Likert scale (1 = Not at all important; 7 = Extremely important) asking participants whether price and/or brand was important at the time of making a purchase of cleaning/disinfection/insecticides products. These was intended to show that brand is important but the if the price is high, they resign brand.

3.4.3 Level of Familiarity

Level of familiarity was assessed on a 7-point Likert scale (1 = Not at all familiar; 7 = Extremely familiar) asking participants whether they knew main brands in the home cleaning and pest control categories. (Lysoform, Glade, Raid, Cif, Ayudin, Magistral, MrMusculo, Blem, Off, Poett). These brands belong to SC Johnson, Unilever and The Clorox Company, the main competitors in these categories and with a high brand awareness between consumers.

Figure 7: Examples of Products and Brands of Home Cleaning and Pesticides Category in Argentina

3.4.4 Level of Quality

Level of Quality was assessed on a 5-point Likert scale (1 = Not at all familiar; 5 = Extremely familiar) asking participants whether they knew main brands in the home cleaning and pest control categories. (Lysoform, Glade, Raid, Cif, Ayudin, Magistral, MrMusculo, Blem, Off, Poett). These brands belong to SC Johnson, Unilever and The Clorox Company, the main competitors in these categories and with a high brand awareness between consumers.

3.4.5 Level of Probability

Level of Probability was assessed on a 5-point Likert scale (1 = Not probable; 5= Very probable) asking participants whether it was probable to find these main brands in the home cleaning and pest control categories. (Lysoform, Glade, Raid, Cif, Ayudin, Magistral, MrMusculo, Blem, Off, Poett) in their local grocery store as well as the probability of buying them. The intention was to find the availability of these products in these low-income neighbourhoods and if it was probable, they would buy these brands.

I addition, they were asked how likely they were to take a refill container of a product to the store if a 15% discount was given.

3.4.6 Level of Desirability

Level of Desirability was asked on a 5-point Likert scale (1 = Very undesirable; 5= Very desirable) asking participants whether these main brands in the home cleaning and pest control categories. (Lysoform, Glade, Raid, Cif, Ayudin, Magistral, MrMusculo, Blem, Off, Poett) were desirable for them to buy.

Besides, they were asked an on a 5-point Likert scale if they agreed with the following affirmations:

- If I don't buy these brands, it's because of price.
- If I don't buy these brands, it's because they're not in my local grocery store.
- I usually buy the smallest size available.

With these affirmations it was meant to have more information to confirm the research questions regarding availability and size of the products.

3.4.7 Comparison of Two Products

On a 5-point Likert scale (1 = Much worse; 5= Much better) participants were asked to compare these A-brands vs private label brands. Hence, this question would show the relevance over private label brands with lower prices.

3.5. Case Study

As an example, to explain how the distribution channel for low-income neighbourhoods work and their consuming habits, the Algramo company was chosen as a Case Study. Algramo is a social enterprise dedicated to selling necessities in returnable format to neighbourhood stores, to reduce the purchase price of the poorest families, supporting them economically, socially and environmentally. In 2012, José Manuel Moller and Salvador Achondo lived in a low-income neighbourhood in Chile where they became aware of the precarious food situation faced by hundreds of families. They then had the idea of creating a sales system that would allow them to obtain basic products at more accessible prices than those offered by supermarkets or self-service stores.

The first thing they did before starting working was to present their idea to the people of the community to develop the project according to their real needs. Both understood the importance of getting to know the people they wanted to work with, and they tried to understand how they lived with the problem they wanted to solve. Then Algramo was founded and is now a company with presence in many countries of the world, including Latin America, Indonesia, US, and England. It is a B certificate company and now focuses its circular platform in empowering people to buy what they need in a more convenient and affordable way, with zero waste. (Ted Talks, 2014).

Due to the company's success in this social context, it is hoped that by analysing its case, best practices within consumers and their distribution channel can be highlighted. Nowadays they even have agreements with Walmart and have their aisles for refill with products from brands from main FMCG companies. In this way, it is expected to help other companies implement these practices, when it is relevant and convenient, to increase their sales and social impact.

4. Chapter 4 – Analysis and Interpretation of Results

4.1 Responses analysis

Most respondents (82.4%) were from the lower-upper class and lower class in Argentina, which represent the segments that make approximately 50% of the population in Argentina. These two segments are the ones targeted in the Research Questions in terms of Bottom of the Pyramid, this means the information is relevant to make conclusions on the research.

We can see that most of the families' groups are above the regular family type of 4 people. The 57.9% is +4 members, which means they have a considerable number of people living in the same house that use products to keep their house in good conditions to make it habitable. They are heavy users as in terms of purchasing frequency, we can see that the majority buy disinfection/cleaning/insecticides products every week. (4- Often, 5- Always) 21.1% & 52.6%. The frequency of purchase is high, as every week they go to the store and choose some products of these categories, these confirms that these consumers are users of these categories and there is an opportunity for companies to sell to them.

Regarding the POS, most respondents buy at their local grocery shop (4- Often, 5- Always) at a 31.6% and 52.6% respectively, 84.2% in total. The availability of these products seems to be good but with opportunity of improvement. As we know, the distribution of these products for multinational FMCG companies in Argentina is really complicated as their distributors do not really reach these grocery stores in poor neighbourhoods. This means that companies really need to have a distribution force that reaches this point of sales, as it is the chosen place to buy for consumers in the BOP. Therefore, a distribution channel focused on this segment is important, as the typical big distributors that these multinational companies have done not reach these areas.

With this graph from SC Johnson, we can see that Traditional Channel is the main distribution channel and that the grocery stores are a small portion of the business, again, showing the opportunity of for a new distribution channel/new distributor that reach more grocery stores.

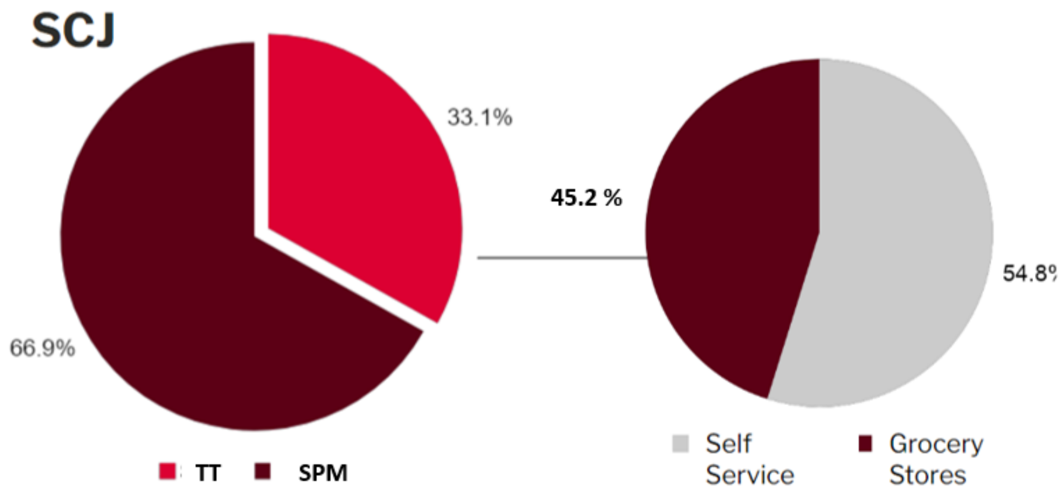


Figure 8: SC Johnson Sell Out divided by Distribution Channels

We can compare this information with the survey results. An 84.2% of respondents buy at the grocery store, while this channel only represents a 14.9% for SC Johnson. This gap shows the opportunity of digging into this channel and make a plan for this segment who is using this channel to buy from these categories.

As analysed in the literature review and on Algramo case, the price is a very influential variable that must be considered and so is the availability. Through this survey we can see that 89.5% of people think that the price is from 5: Moderately important, to 8: Extremely important. Companies really need to have a competitive price to be chosen by consumers over white label brands. This price can be competitive by reducing the costs, as the Literature Review showed, the laws for companies in Argentina are rough and with the inflation it is impossible to have competitive costs and prices. To reduce costs without quitting quality, a good option is to sell products in fragments and without packaging, relying on the refill technique. With this option, it can be possible to sell to the segment of low-income consumers.

All consumers know the brands mentioned in the survey, which are main players in these categories in Argentina´s market and that they have a desire of buying them in 100% of respondents. If we analyse this point, we could say that they want to buy A brands, they know them, they consider them to be of very good quality and better than white label products, but they have a price issue and OOP that is a barrier for them. As Guillermo D'Andrea said, buyers care more about

quality in low-income segments, not status. Therefore, these brands need to be providing decent quality in the low-end options and target them from the start.
The OOP is reflected in the question of the size of the product purchased, which is usually the smallest one. This confirms the theory of unplanned weekly purchases and low-income segment being "punished" by the "tax of being poor" where they end up buying smaller sizes at a higher price per unit of measure.
When respondents were asked if they would carry a container to the grocery store to have a discount and more content the majority (78.9%) said it was 4-Somewhat probable to 5- Very probable. We know that this segment doesn´t care a lot about the modern packaging, so this could be an option as they care more about price and quality rather than packaging and status.
After analysing the results of the survey, this matrix was made:

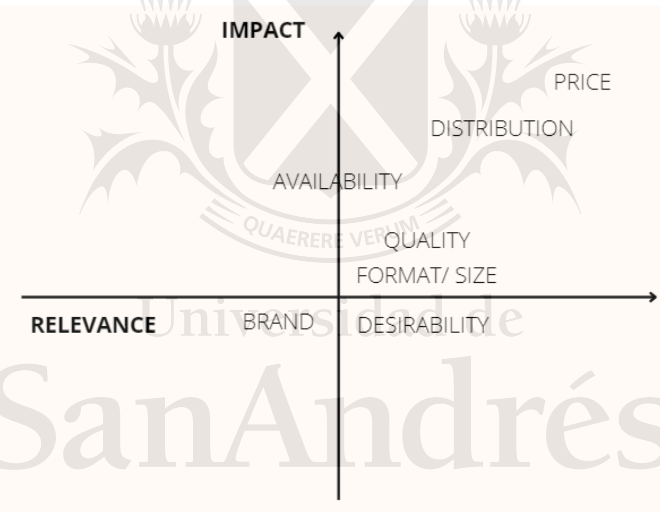


Figure 9: Relevance and Impact of variables Matrix

This matrix shows the relevance and the impact of the variables that were considered in the survey. As the previous analysis said, the price and the distribution are the most important ones and the ones that have more impact on the decision making. Products have to be at a competitive price but also they need to be there, for consumers to buy, and the HOW is what will make a difference on the success of the plan. But also, it is important to highlight that the desire is a key factor on this analysis, as without desire there is great chances of failing.
The results taken from the survey evidence that Algramo business model could be interesting to benchmark by FMCG companies in Argentina to reach the BOP

and offer their products to them, specially in a country where planning your purchases help you win over the inflation, as prices can go up +20% at any time. This Matrix can also be related to Algramo´s case, as they noticed that price and distribution were the most important factors, and by living there and talking to people they found the right way to convince them to use this form of purchase. By bringing their containers, they could get and extra discount and have more money available for other things and they brought home more content than before. And finally sorted out the way of being in the local groceries stores which is where this segment makes the purchases.

4.2 Algramo analysis

Algramo arose as an initiative to respond to an existing problem in the mass consumption market of mass consumption products: "the tax of being poor”. This tax consists in the fact that when buying a product in small quantities, people end up paying a higher price for it. Larger formats mean less price per-ml, gr, etc. Generally, those who prefer smaller formats are families with limited resources.

These people, due to the economic constraints they face, cannot afford the larger formats, and pay more if the purchase would have been planned, but they probably are paid every day, so it is difficult for them to save up or plan their purchases. The company believes that these people plan their purchases in very short time, week by week or even day by day. This is the reason that Algramo has focused its target market to BOP.

From a study made by Diego Ignacio Araya Muñoz for his final research Project at Universidad de Chile, where he studied the image of the company in Chilean market, the following conclusions were made:

It was concluded that the channels that compete most with neighbourhood stores, and the most interesting to analyse from the company's point of view, are the following and the most interesting to analyse from the company's point of view are supermarkets, free trade fairs and wholesalers.

Eight relevant attributes were determined in the comparison of sales channels:

variety of products, familiar service, convenient prices, speed of service, convenient hours, product quality, hygiene, and location of the stores. First, free fairs and wholesalers are mainly associated with low prices. Supermarkets, on the other hand, are identified by a wide variety and quality of products, as well as by the quality of products, as well as for their hygiene.

In contrast, neighbourhood stores are associated with fast and familiar service, and convenient locations and opening hours.

In this regard, it was concluded that those who buy the Algramo brand, which is sold in neighbourhood stores, are associated with fast and familiar service, and convenient locations and opening hours. They tend to perceive neighbourhood stores in a better way, compared to those who buy the other brands.

Specifically, they are also associated with the hygiene and quality attributes of the products, thus giving them a more similar image to supermarkets This result could indicate that Algramo's customers are people who, because they perceive stores better, might prefer to do more of their shopping there, to the detriment of supermarkets. (Muñoz, 2016)

5. Chapter 5 – Discussion and Conclusions

Is there an opportunity in selling A-brand products to the low socio-economic segment in Argentina?

After analysing all the content presented in this thesis, there is an interesting opportunity for FMCG companies in Argentina that sell cleaning/disinfection/insecticides products to target the low socio-economic segment and offer to them their products.

5.1 *The Opportunity in numbers*:

A numeric example with the company´s data was made to show a pessimistic scenario, and this would still be a great opportunity for them:
By having a distribution channel affecting in a 30% the low-income segment (5.2 MM people) and assuming they would buy at least 1 unit per year (430k boxes),at an average price of 12.3$ usd, SC Johnson would get 1.4% increase of the Net Sales (391MM vs 385MM usd), and Grocery Stores Distribution Channel would represent a 16.6% of Sell Out instead of 14.9%.

5.2 *People in the BOP want to buy these products:*

Respondents know these brands and they think their quality is above white level brands. It is a good starting point for reaching groceries stores in poor neighbourhoods. As consumers are willing to carry containers to refill the products, companies could obtain a cost reduction, as less packaging would be needed and increase their sustainable commitment, to say nothing of the income they would get by selling to this portion of the market.

5.3 *An innovative/different distribution channel to reach this segment is crucial to be successful:*

The low-income consumers buy at their local grocery store, so, if these companies are not there, they are not likely to sell to them. Luckily, it is doable as they can benchmark Algramo business and distribution model and take it as a new distribution channel on their own, by placing the refill vending machines at the POS and then encourage them to buy and save money. This would also help them to plan their purchases and with time, reduce the “tax of being poor” which is a social and economic punishment to this segment, who are the ones that struggle more and live in complex conditions. There OOP might be higher than white label products but they´ll get better quality, more content and they´ll save money in the long term, plus winning over the monthly inflation.

5.4 *Price must be competitive:*

Argentina is a country that has a lot of price restrictions, a unique economy in terms of high inflation, devaluation and economic and political policies that have direct impact on the people, especially on the ones at the BOP which is getting bigger day by day. I think Algramo´s case is key to motivate these people and allowing them to have good products, that in the end reduce diseases, such as Dengue, and improve people´s lives by eliminating pests and germs, bacteria’s, etc.

5.5 *Conclusion*

Selling fragmented products with important brands is a way of thinking a product especially to low-income segment, which is the recommended thing to do by the author Guillermo D'Andrea, not trying to sell already established products, because these consumers look for other attributes and have different aspirations than segments higher in the pyramid. This part of the society is usually left outside of business plans and there is a big opportunity to develop it and help them having a better life quality.

Argentina´s context is really complicated, and companies should get involved by making social and environmental impact if they can. By reaching the BOP, they not only can get revenues but also be more sustainable and socially responsible by increasing their penetration and offer their products to everyone as they are supposed to, because they are for mass consumption.

5.6 Implications and further research

- Compare to other categories to analyse how they reach the BoP and consider a possible benchmark for other options of selling to this segment or having any other innovation.
- The country´s economic situation can deepen the gap between low-income segment and Multinational Companies. Taking this into account, the way a plan is going to be executed is very important and can determine the success of it.
- The education on how to use the displays and the containers for consumers should be an important part when executing the distribution channel. Having consumer research and insights on which is the best way of doing it as every country and segment has its own implications.
- A pilot test in Villa 31 could be interesting as a first approach, as it is a developed poor neighbourhood, it even has a McDonalds and could a perfect fit for proving if this distribution channel could work.

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Appendix

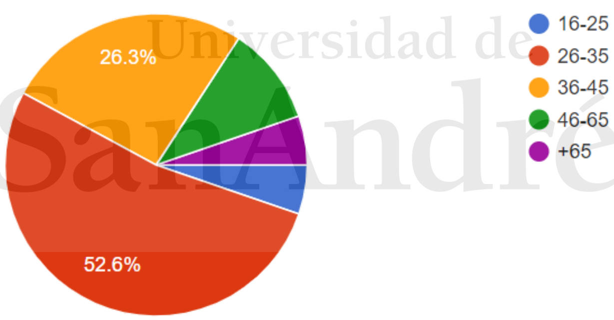
SURVEY OF MASS CONSUMPTION BRANDS

SURVEY OF MASS CONSUMPTION BRANDS

This survey is ANONYMOUS. Survey for a university study. +16

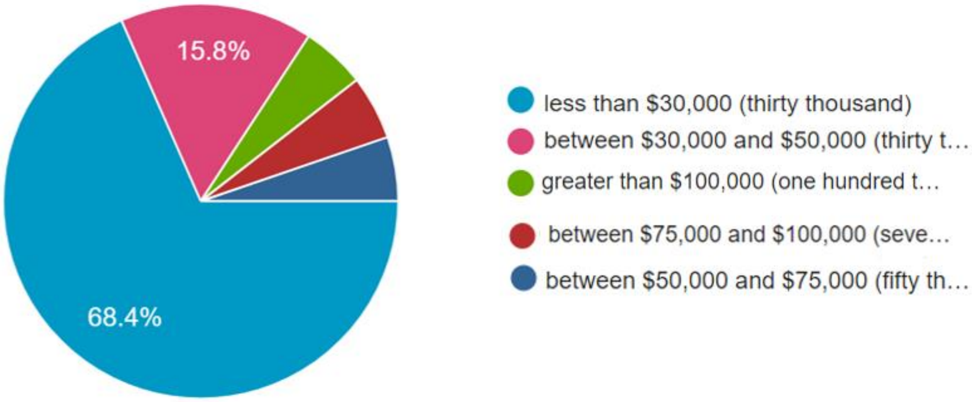
Age *

- 16-25
- 26-35
- 36-45
- 46-65
- +65
- Other...

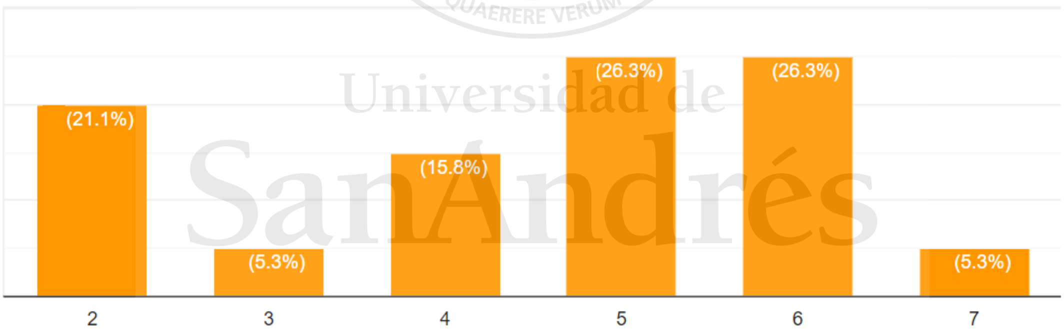


Monthly income *

- less than $30,000 (thirty thousand)
- between $30,000 and $50,000 (thirty thousand and fifty thousand)
- between $50,000 and $75,000 (fifty thousand and seventy five thousand)
- between $75,000 and $100,000 (seventy five thousand and seventy five thousand)
- greater than $100,000 (one hundred thousand)

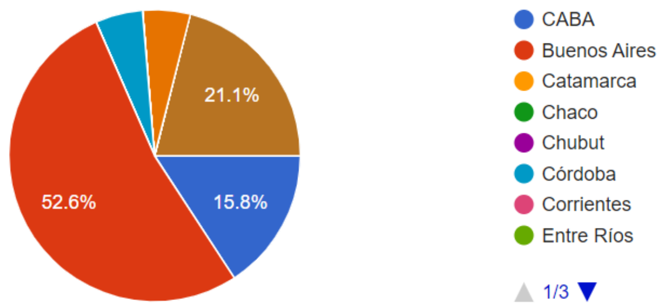

15.8%
68.4%
less than $30,000 (thirty thousand)
between $30,000 and $50,000 (thirty t…
greater than $100,000 (one hundred t…
between $75,000 and $100,000 (seve…
between $50,000 and $75,000 (fifty th…


Number of family members *
write in number: example: 2,4,6
Short answer text


(21.1%)
(5.3%)
(15.8%)
(26.3%)
(26.3%)
(5.3%)
2
3
4
5
6
7

Where do you live? *

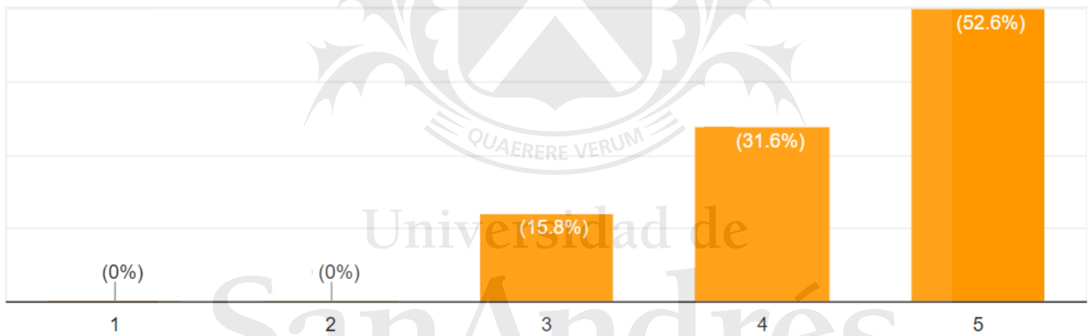
1. CABA
2. Buenos Aires
3. Catamarca
4. Chaco
5. Chubut
6. Córdoba
7. Corrientes
8. Entre Ríos
9. Formosa
10. Jujuy
11. La Pampa
12. La Rioja
13. Mendoza
14. Misiones
15. Neuquén
16. Río Negro
17. Salta
18. San Juan
19. San Luis
20. Santa Cruz
21. Santa Fe
22. Santiago del Estero
23. Tierra del Fuego, Antártida e Islas del Atlántico Sur
24. Tucumán



I shop at my local grocery store. *

1- Never, 2- Infrequently, 3- Sometimes, 4- Often, 5- Always

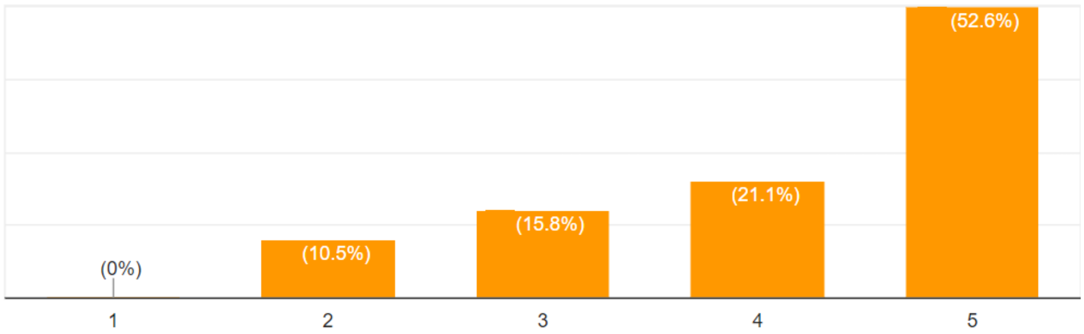
	1	2	3	4	5	
Never	○	○	○	○	○	Always

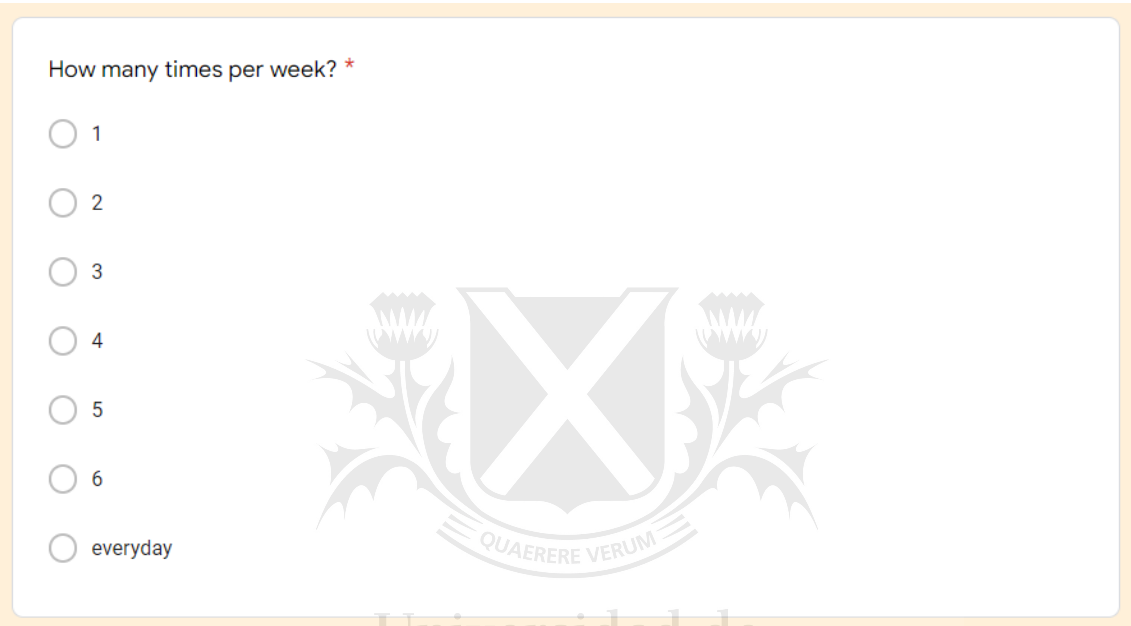


I shop for cleaning/disinfecting/insecticides every week. *

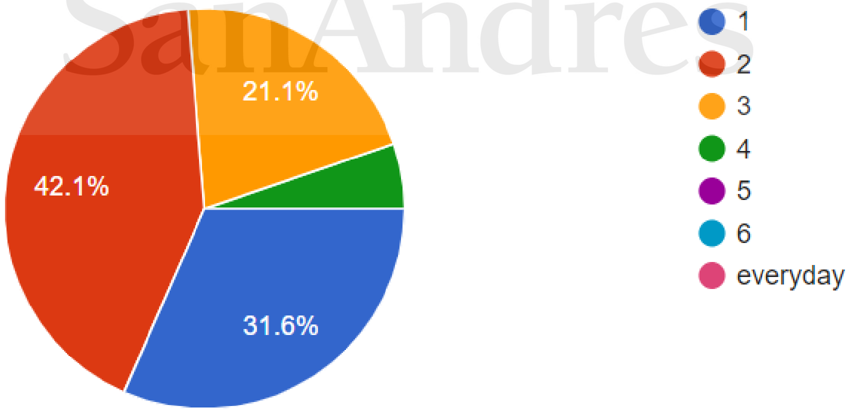
1- Never, 2- Infrequently, 3- Sometimes, 4- Often, 5- Always

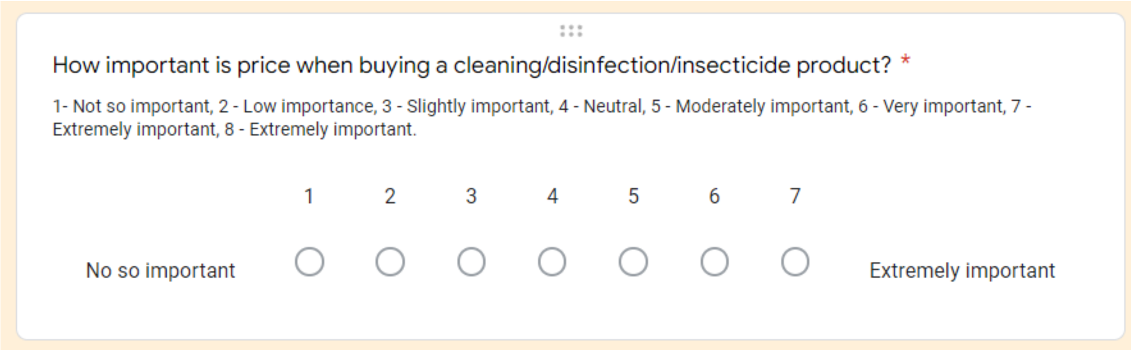
	1	2	3	4	5	
Never	○	○	○	○	○	Always




How many times per week? *

- 1
- 2
- 3
- 4
- 5
- 6
- everyday

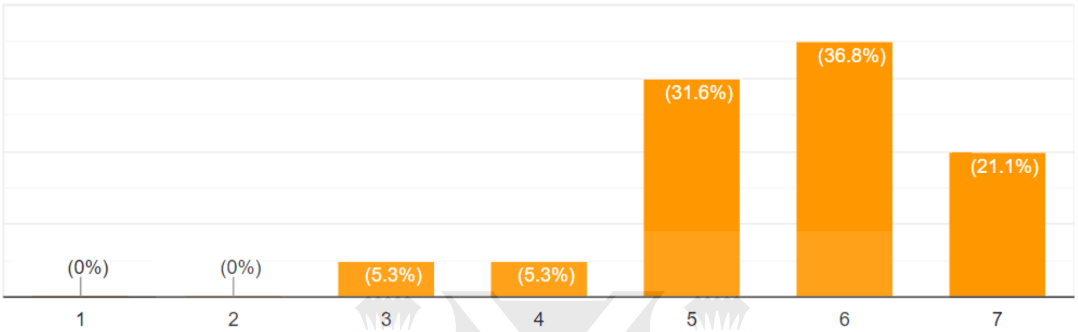


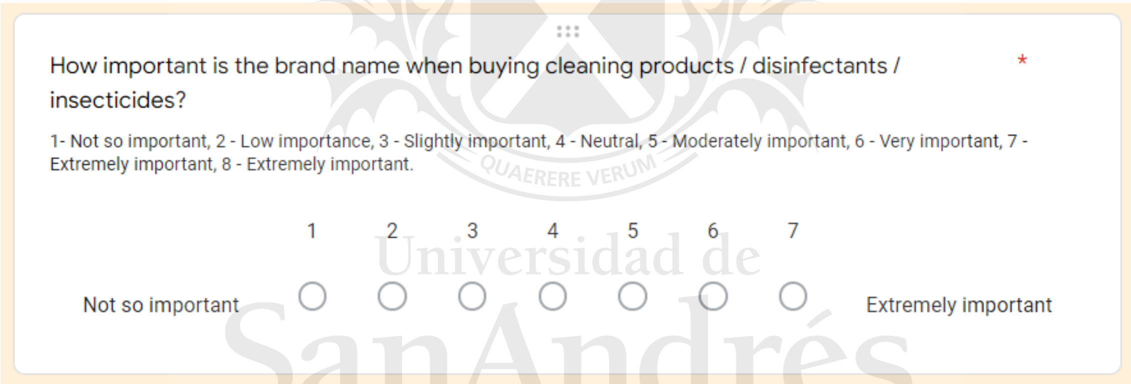


How important is price when buying a cleaning/disinfection/insecticide product? *

1- Not so important, 2 - Low importance, 3 - Slightly important, 4 - Neutral, 5 - Moderately important, 6 - Very important, 7 - Extremely important, 8 - Extremely important.

	1	2	3	4	5	6	7	
No so important	○	○	○	○	○	○	○	Extremely important

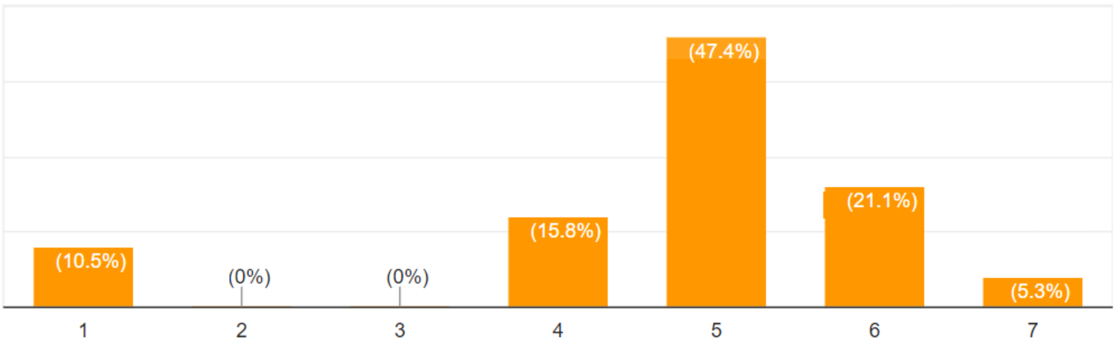




How important is the brand name when buying cleaning products / disinfectants / insecticides? *

1- Not so important, 2 - Low importance, 3 - Slightly important, 4 - Neutral, 5 - Moderately important, 6 - Very important, 7 - Extremely important, 8 - Extremely important.

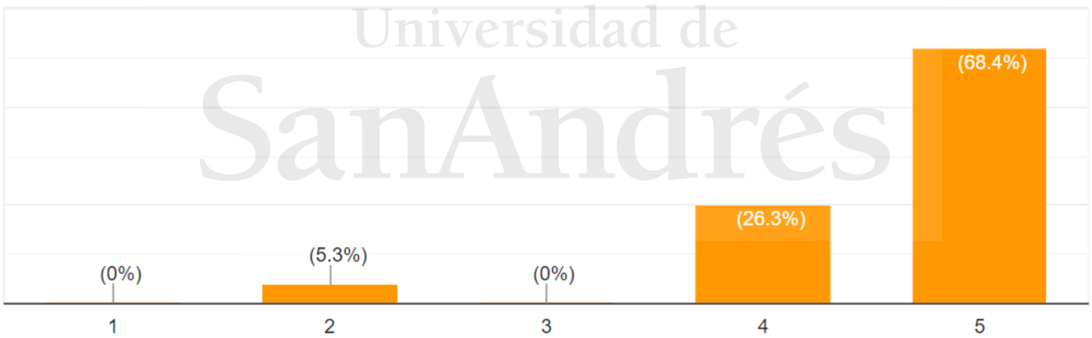
	1	2	3	4	5	6	7	
Not so important	○	○	○	○	○	○	○	Extremely important



How familiar are these brands to you: Lysoform, Glade, Raid, Cif, Ayudin, Magistral, MrMusculo, Blem, Off, Poett, etc.? *

1- Not at all familiar, 2- Slightly familiar, 3- Somewhat familiar, 4- Moderately familiar, 5- Extremely familiar

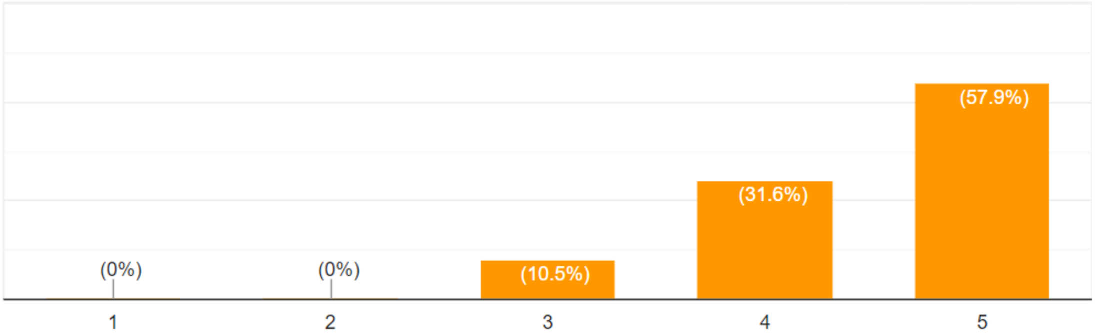
	1	2	3	4	5	
not at all familiar	○	○	○	○	○	Extremely familiar

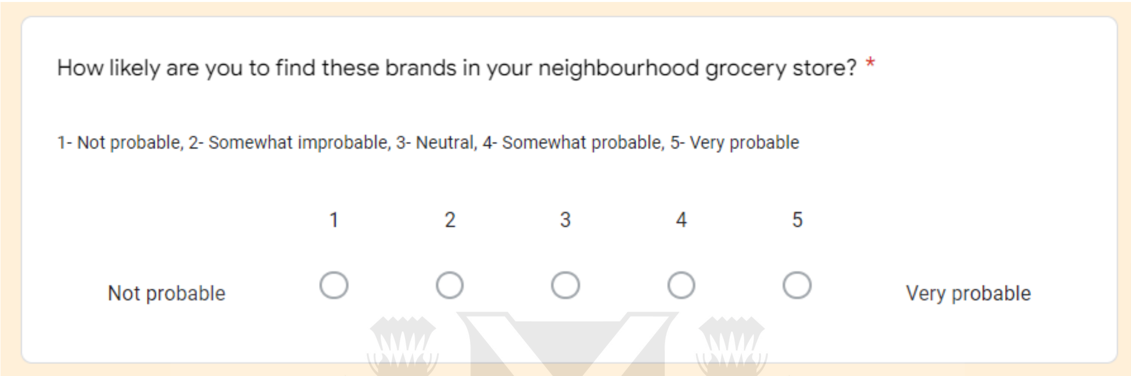


How do you consider the quality of these brands? *

1– Malo, 2– Regular, 3– Bueno, 4– Muy bueno, 5– Excelente

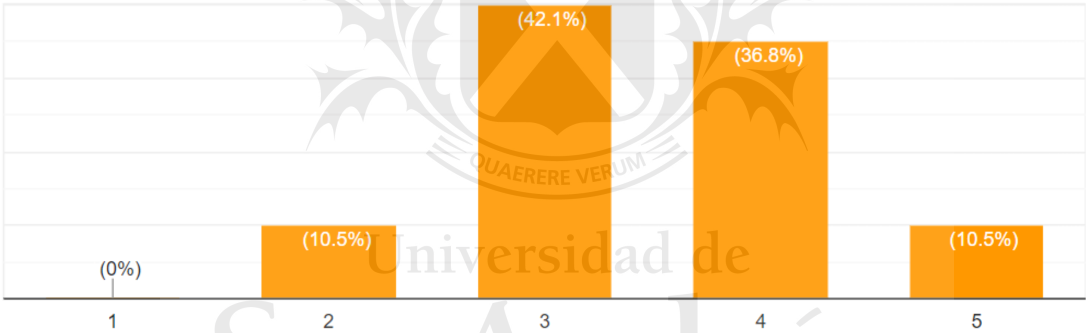
	1	2	3	4	5	
Malo	○	○	○	○	○	Excelente

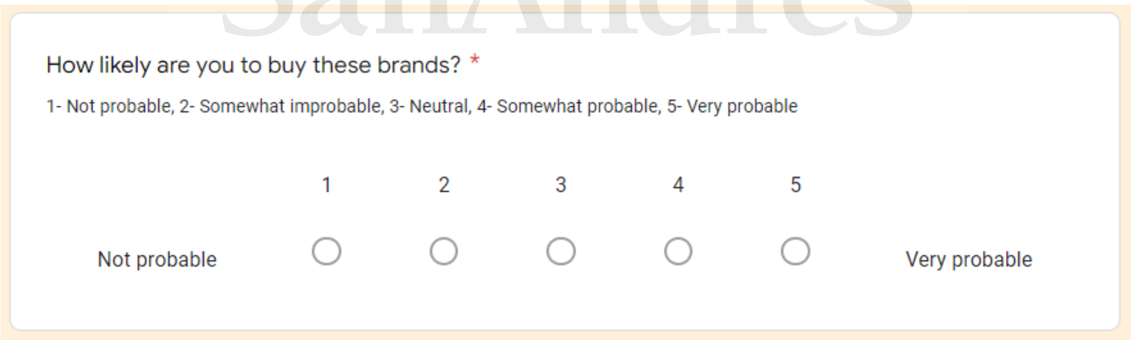



How likely are you to find these brands in your neighbourhood grocery store? *

1- Not probable, 2- Somewhat improbable, 3- Neutral, 4- Somewhat probable, 5- Very probable

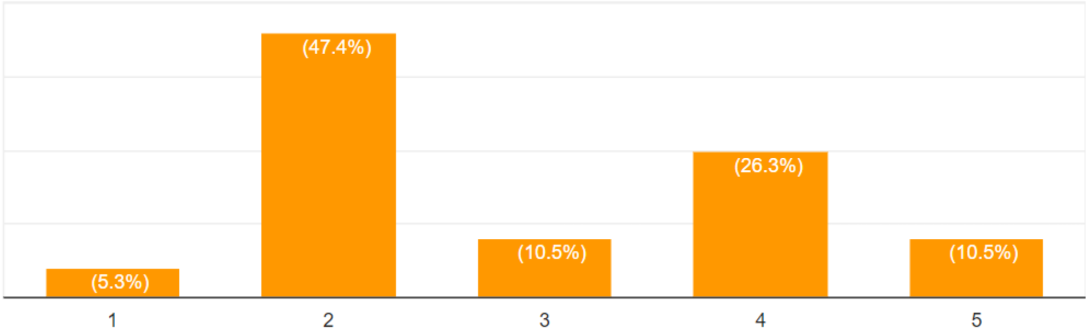
	1	2	3	4	5	
Not probable						Very probable




How likely are you to buy these brands? *

1- Not probable, 2- Somewhat improbable, 3- Neutral, 4- Somewhat probable, 5- Very probable

	1	2	3	4	5	
Not probable						Very probable



I want to use these brands *

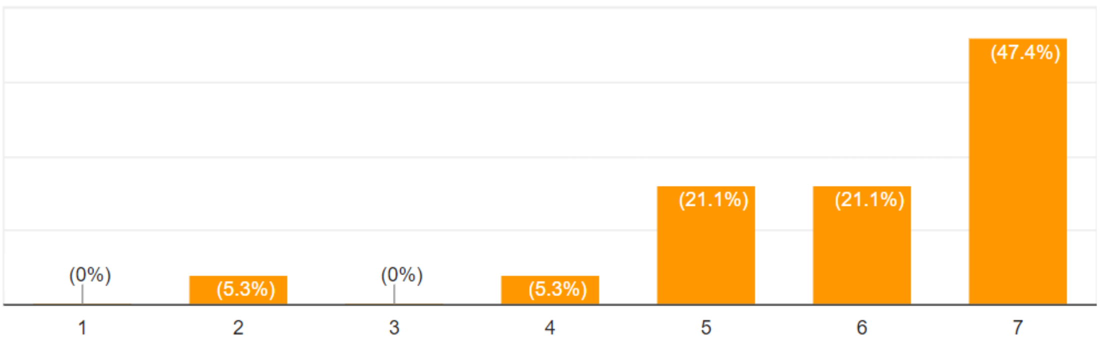
1- Highly undesirable, 2- Undesirable, 3- Neutral, 4- Desirable, 5- Highly desirable

	1	2	3	4	5	
Highly undesirable	○	○	○	○	○	Highly desirable

If I don't buy these brands, it's because of price *

1 - Strongly Disagree, 2 - Disagree, 3 - Somewhat Disagree, 4 - Neither Agree Nor Disagree, 5 - Somewhat Agree, 6 - Agree, 7 - Strongly Agree

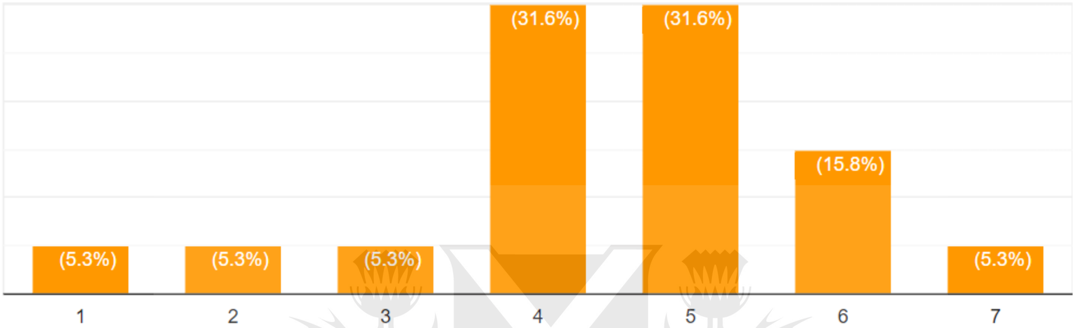
	1	2	3	4	5	6	7	
Strongly Disagree	○	○	○	○	○	○	○	Strongly Agree



If I don't buy these brands, it's because they're not in my local grocery store *

1 - Strongly Disagree, 2 - Disagree, 3 - Somewhat Disagree, 4 - Neither Agree Nor Disagree, 5 - Somewhat Agree, 6 - Agree, 7 - Strongly Agree

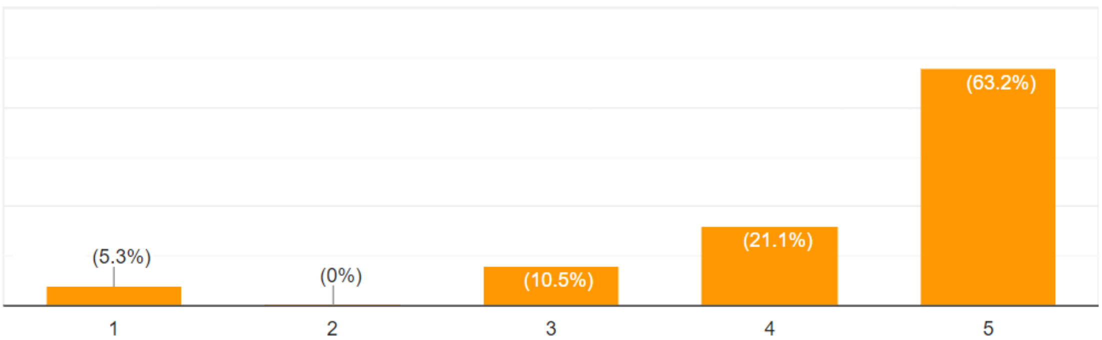
	1	2	3	4	5	6	7	
Strongly Disagree	○	○	○	○	○	○	○	Strongly Agree

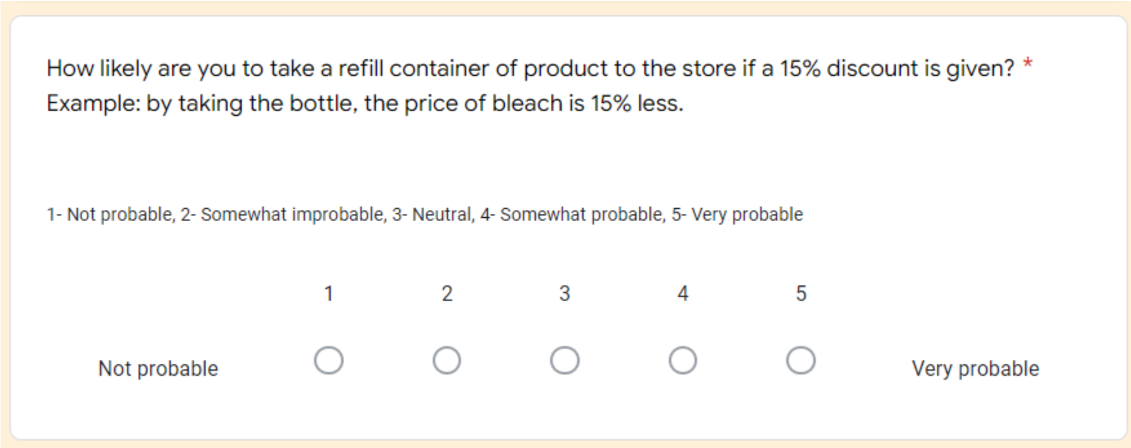


How do you consider these brands compared to unbranded products? *

1: much worse 2: somewhat worse 3: about the same 4: somewhat better 5: much better

	1	2	3	4	5	
much worse	○	○	○	○	○	much better

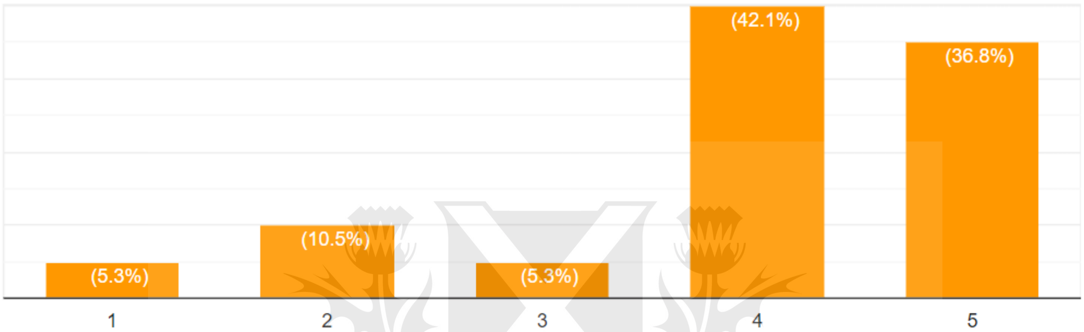




How likely are you to take a refill container of product to the store if a 15% discount is given? *
Example: by taking the bottle, the price of bleach is 15% less.

1- Not probable, 2- Somewhat improbable, 3- Neutral, 4- Somewhat probable, 5- Very probable

	1	2	3	4	5	
Not probable	○	○	○	○	○	Very probable



I usually buy the smallest size available. *
1 - Strongly Disagree, 2 - Disagree, 3 - Somewhat Disagree, 4 - Neither Agree Nor Disagree, 5 - Somewhat Agree, 6 - Agree, 7 - Strongly Agree

	1	2	3	4	5	6	7	
Strongly Disagree	○	○	○	○	○	○	○	Strongly Agree