

International Business and Global Logistics

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Abstract: The pyramid strategy is quite effective in business, particularly in its marketing branch. Taking into account, every multinational enterprise thoroughly focuses on marketing plans and strategies, the pyramid one can be one of the approaches to use. As it sets the groundwork for the future methodology, this strategy helps to focus on the customer's needs and market trends. There are several methods used in pyramid strategy and they ensure the successful outcome and the revenue maximization in the end. Subsequently, the multinational enterprises would be able to achieve their goals and priorities. The pyramid strategy is essential to move from traditional way of business activity and stay in touch with the progress and modern trends within the consumers as well as to expand into the new markets.

This research will discuss the methods of the pyramid strategy. It will show how these methods can be applied into the multinational enterprise giving specific examples.

Key Words: pyramid strategy, multinational company, business, methodology.



What is the base (or bottom) of the pyramid strategy? Do you think this approach can be beneficial for a multi-national firm? Provide specific examples and a rationale for your response.

It is used for business and marketing planning because it is simple to use and very effective. It builds links between planning and action, and the pyramid plan forms the foundation for the methodology. It focuses on the well-defined markets for products and other user needs. The tactics to satisfy the user needs must be developed and also the communication of the target market. The specific programs must be defined to ensure the development of the marketing strategy as part of the marketing management. Moreover, it has assumptions that plans are built on strong tactics, and the tactics are built on measurable business programs with well-defined budget expenses (Pralhad, 2008). The pyramid strategy is comprised of two methods that include the 4A's and 5D's. The first method is known as 4A's that focuses on the Bottom of the Pyramid as the source of crucial breakthrough innovation. The marketing managers had to fabricate a realization

of the goods and services to ensure the clients understand how it works. Secondly, the enterprises should create the access to the products in the markets. The products should be readily available to the customers wherever they are. Thirdly, the prices should be reasonable to all the people. The people should be able to access the products no matter the person's background or financial status. Lastly, the business should ensure the accessibility of the products to the customers. The company management should ensure the availability of the product and services to the clients conveniently. The second approach is called the 5D's that ensures that the priority should be development. The company should ensure good developments of the products for good appreciation by the customers. The proper evolution of the products and good provision of services markets the company. Secondly, the design of the products that ensures that the prices are lower and similar quantity is provided. It ensures that the consumers get the products that consumable and useful to their health (Vermeulen et al, 2014). Thirdly, the distribution is also vital to ensure the accessibility of the goods and services. It is essential to allow the enterprise gain profits and expand their markets. Fourthly, the adverts and intercommunication of a company aids to improve the demand of commodities of an enterprise to the public. The request by the customers allows the company to provide the products in accordance with the customers' preferences. Lastly, the dignity is also essential in the creation of a committed provision of the products. They should be affordable to the consumers no matter the financial status of the people (London & Hart, 2011).

The approaches are beneficial to the multi-national firms to enable them to achieve their goals and objectives. They BoP markets allow the innovation for the

companies that can mold their enterprise models that fit within this paradigm. They are essential to alter the traditional business models and bring in the current models to improve the company. Moreover, the management of various companies has derived strategies that help in running the organization. It ensures the enterprise engages in various marketing ways to advertise their products to gain more customers. The companies such as LG and Sevamob have highly benefited from the strategies implemented by the BoP model. In addition to that, the approaches ensure that the organization provides affordable products and services to the clients. It is crucial to allow the access of the goods and services by any person no matter the financial status (Vermeulen et al, 2014). Moreover, the businesses should have more branches or a store that enables the access of its products easily from where the customers are situated. On the other hand, it is essential in ensuring the marketing managers create awareness of the company's goods and services. It familiarizes the consumers with what the company is providing and also the quality of its services. It is also useful in the firms in ensuring that what is produced is available to the clients. There should be a clear link between the company and the consumers to ensure the products are appreciated and accepted. However, the managers benefit highly from the approach. It broadens them to expand their markets to other countries or regions so as to acquire more customers and in return get more profits. Lastly, the organization gets the ideas of designing quality products that cost a lower price with a consistent supply. It makes the clients adapt to the norm of getting quality supply at an affordable price. The organization gains more profits, and its products are appreciated by the public at large. The approach is highly beneficial to the

multi-national firms, and it helps them gain the competitive advantage as well as more profits and the expansion of the business to cater to more consumers (Prahalad, 2008).

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