

How are businesses in the FMCG sector including the BoP in their value chain?

The context for our focus on inclusive business in the Fast Moving Consumer Goods (FMCG) sector this month is growth and growth potential. Emerging markets are providing the strongest source of growth for the sector, and within that, it's the emerging middle class, the mass lower-income market, and particularly the urbanising poor that drive growth. So, for FMCG companies, a competitive value proposition for low-income consumers is important.

We have some great contributions on routes to market. But inclusive business is not just about sales growth. It's about product quality, inclusiveness in production and distribution, and environmental impacts too. Our contributors take us through the key issues.

New Practitioner Guide for Inclusive Business in the FMCG sector

This practical guide provides an overview of key concepts, a snapshot of the FMCG industry within the BoP market and identifies several industry trends for those working in the FMCG sector.



Opportunities for farmers and entrepreneurs in FMCG supply chains

- Inclusive Business is still nascent in the **MENA region** but Delice Holding is investing in dairy farmers in Tunisia like Danone in Egypt, Jouda is working with tomato farmers, and South Palm is tackling constraints in the date value chain. [Read their progress and constraints, and how intermediaries help.](#)
- [Tunisia, in particular, is an unusual context for inclusive business in FMCG.](#) Most emphasis is on the producers, with little attention on how to specifically address the BoP as consumers. But innovative ideas have emerged including the use of micro-market-researchers.
- [Délice Group sources from over 60,000 small-scale dairy farmers in Tunisia](#) to produce its milk and butter products. By setting up partnerships that provide farmer cash book training, access to finance and insurance, it is securing its supply chain and guaranteeing quality products for its consumers.

Securing routes to market that scale

- [Editor's Choice:](#) How do you grow markets for quality products among consumers who have limited cash, little access, constrained choice, but strong aspiration? Reaching millions at the BoP, FMCG giants **Unilever** and **Tetra Pak** seemed to have found the answer. This month, Caroline Ashley reviews two reports on the BoP strategies of each company, with valuable insight on marketing and adapting products, packaging and distribution.
- Jessica Plues from Business Fights Poverty takes us through the [sources of innovation in FMCG distribution chains: finance, tech and sales force.](#)

- Supermarkets, discount stores and other modern retail mechanisms bring efficiencies but risk disrupting local and less productive retail channels in developing areas. Here, GIZ's Mariella Regh argues that policy makers and businesses can act to [manage the trade-off](#).
- In the context of rapid growth of FMCG in African cities, Eugenia Rosca from Jacobs University highlights [five operational constraints plus two ethical dilemmas in FMCG distribution chains](#) that differentiate BoP and traditional markets.



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Marketing

- Cause related marketing has often failed to secure consumer loyalty, but B4D's Meg Kauthen, drawing on years of marketing experience and current work on inclusive models, explains why the ['power of purpose'](#) is increasingly important for FMCG brand marketing and loyalty.

Waste management

- Sachets don't recycle! The more the urban poor buy, the greater the waste problem. GlobalCad explores [initiatives to address waste in BoP markets](#).

Tools for you

- Where to look for data when doing business at the BoP in the FMCG sector? Here's an [overview of available tools and resources](#) to find market information.

Marketing to the BoP

In a three-part webinar series in January, Hystra, in partnership with the Practitioner Hub, tackled strategies for marketing and selling beneficial goods to consumers at the Base of the Pyramid.

Missed the live webinars? You can still [access the recording, presentations and resources here](#)

In other news

- [New report from the Fletcher School's Institute for Business in the Global Context](#) looks at the strategies, lessons, and insights from well-known global companies to identify ways businesses are joining sustainable business strategies with the UN Sustainable Development Goals.
- Are you attending [Social Value Matters](#) in Istanbul this April? Join Social Value International to discuss how social impact data can be used to drive innovation and ensure stakeholder involvement in service design.
- Based in Tunisia or Jordan? Applications are now open on the topic of sustainable production & consumption for [Accelerate MENA](#)
- [The 2nd Private Sector Conference on Sustainable Inclusive Business in Kenya](#) will highlight why and how smart companies grow in a sustainable and inclusive way. Organised by the Sustainable Inclusive Business Knowledge Center this April, the event brings key stakeholders in the country together on one platform. **Sign up as a participant or partner today.**

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