

## ABSTRACT

The base of the pyramid (BoP) concept rests on integrating the aspiring poor with the marketplace. It is often seen as a practical solution to mitigate some of the challenges of globalisation. The BoP refers to that section of the population whose income is below a certain threshold level of poverty. According to the Human Development Report 2016, even though global extreme poverty rates have declined by more than two thirds since 1990, income gaps have widened. Data from The World Inequality Report 2018 shows that the global income growth of the bottom 50% of the world population in the period 1980-2016 was 94%, but it still captured only 12% of the total growth. Societies face complex challenges due to lingering deprivations, deepening inequalities, and violent extremism. Solutions require multi-sector collaborations that necessitate contributions from all including governments, aid agencies, non-government organisations (NGOs), as well as businesses. Participation by firms in the markets where the BoP populace or their representatives transact would help them fulfil their societal obligations, and introduce innovations that would be beneficial for the firms in the BoP markets as well as its top of the pyramid (ToP) markets.

Entry into new markets is a complex and contentious decision and requires alterations to firm operations, business models, and products. Although market entry has been studied in terms of entry into new product markets and industries by *de novo* and *de alio* firms, as well as new geographies in the case of international markets, BoP market entry is significantly different from both types of entry due to the differences in the market characteristics and degree of institutional support for market development, especially since BoP markets are sites of acute market failures. Hence, the theories, models, and frameworks that have been developed for general market entry and international markets entry might not be readily applicable in the study of BoP markets entry. Extant literature on firms' BoP market strategies has largely been

anecdotal, descriptive and normative. Theory development has been fragmented with few

the lens of the behavioural theory of the firm and real options reasoning. I probe the various dimensions of slack for their role in addressing some of the market frictions in the BoP markets, and hence, their influence on market entry timing. I also study the heterogeneity in home country characteristics represented through distance. I delve into how the dimensions of distance between the home and host countries that represent forces in support of and in opposition to globalisation influence the timing of entry from ToP to BoP markets by MNEs. I base the analysis for this investigation on the BoP product market entry made by MNEs in India. I conduct both the analyses on entry timing using the Cox Proportional Hazards Model.

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some of the attributes that other MNEs had ex-ante to their entry. From a policy perspective, I articulate the importance of improving informational flows to increase awareness in managers of MNEs, domestic firms and other entrepreneurs such that they can recognise the opportunities to generate value both for the firm as well as the society through BoP initiatives.