

ABSTRACT

The consumer purchase decision-making can be defined as the process of identifying a need and fulfilment of that need through final consumption. In this study, consumer decision-making was tested in the Base of the Pyramid (BOP) context, an emerging economics perspective. Base of the pyramid (BOP), the last strata of the socio-economic structure are characterized by limited income, low literacy, and lack of infrastructural support, a segment pre-dominantly represented by emerging economies. In this study, a mixed method has been used to establish a pioneering model of BOP decision-making. The study proposes that BOP decision-making is largely affected by consumer vulnerability and transaction cost. Based on a sample of 484 respondents collected from Indian villages and suburbs, we examined the relationship between consumer vulnerability and transaction cost. The finding shows that the antecedents of transaction cost leads to constrained retail selection. Further, constrained retail selection acts as a mediator and constrains the final brand consumption at the BOP.

Keywords: Consumer decision-making, base of the pyramid, consumer vulnerability, transaction cost, constrained brand selection