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REACHING THE "BOTTOM OF THE PYRAMID": ENTREPRENEURIAL STRATEGIES AT THE MARGINS OF BRAZIL

Abstract:

During the first decade of this century several enterprises in Brazil implemented strategies to reach the "bottom of the pyramid" through micro-distribution and door-to-door sales. In this presentation I will analyze the development of one of this experiences, *Nestle até você*, a program implemented by Nestle in 2006 to reach the population of popular neighborhoods and other out-of-reach territories. First, I will analyze the implementation and growth of the program. Then, I will present its context of emergence and the assumptions behind it. Later, I will introduce alternative circuits of commerce in Brazil that operated previously in these territories and that could be affected by these strategies. Finally, I will explore the difficulties that the program is facing due to the economic recession, the return of armed conflicts in popular neighborhoods and the temporality of innovations in marketing strategies.

Keywords:

Door-to-Door Sales; Entrepreneurial Strategies; Nestlé; Popular Neighborhoods.

In 2006 Nestle Brazil Ltd. launched the program *Nestle até você*, a door-to-door sales program that allowed certain products of the company to be sold at suburban and popular homes in various states of Brazil[1]. The products were sold by independent resellers and delivered in kits that they purchased from the micro-distributor operating in her area. According to the company, in 2012 the program had 273 micro-distributors and 10,000 resellers and reached over 250,000 homes every two weeks (Nestle, 2012:24). According

1 The literal translation of *Nestle até você* would be *Nestle till you*.

to the Brazilian Nestle director, the program's success guaranteed its "exportation" to other countries in Latin America and Asia (Blecher 2011).

Nestle até você is not alone. Many companies have invested in similar strategies in Brazil and other parts of the world. The novelty of these strategies is based on the new paradigm embraced in business and government circles as well as in development agencies grounded on the relevance given to the actors of the Bottom of the Pyramid (BoP), the most numerous sector of the world population that is living with very few monetary resources. If they were previously considered needing development in order to access the benefits of the market, today it is considered that the market itself can be the inclusion mechanism for them. Transnational corporations came to be seen as part of the solution of poverty, producing goods and services for the poor and implementing programs to enhance their entrepreneurial spirit, something that has resulted in the creation of programs for resellers recruited in these same sectors for selling fractionated and individually packaged products to meet the demand and the purchasing power of those at the BoP.

This paradigm shift is based on a series of assumptions that are fundamental to understand these new business strategies. In addition, these strategies reconfigure the mechanisms of marketing and distribution through new subject and work configurations, using relationships and networks of relations as fundamental resources.

In this presentation I will analyze these issues focusing on the program developed by Nestle. First, I will analyze the implementation and the growth of the program. Then, I will present the context of emergence of the program and the assumptions behind it. Later, I will introduce alternative circuits of commerce in Brazil that previously operated in those territories and that are being affected by these strategies. Finally, I will explore the difficulties that the program is facing due to the economic recession, the return of armed conflicts in popular neighborhoods and the temporality of innovations in marketing strategies.

Several analyses have explored related aspects of these transformations: entrepreneurship (Paiva Jr., Cordeiro 2002), door-to-door sales programs (Miyata 2010; Abílio 2014), labor transformations and frameworks of interpretation (Lima 2010; Castro 2013), entrepreneurship in popular neighborhoods (Tommasi, Velazco 2013). Although dealing with these issues, my analysis is constructed out of the market structures, and particularly, from the dynamic of the commercial circuits.

Besides considering that this perspective can presents new insights to analyze these strategies, it is fundamental to question one of the assump-

tions behind them: the idea that the market just reaches these populations when the companies implement programs that deal with them.

1. *The program on the ground*

Traditionally, Nestle has operated in Brazil through the distribution of its products in Centers of Distribution that attended the demands of wholesalers, Authorized Distributors – that attended small retailers – and Supermarkets (Oliveira 2004).

The program *Nestle até você* introduced a new front of distribution by creating micro-distribution centers which were responsible for recruiting the resellers of the products in their communities of operation.

The micro-distributors are the entrepreneurs that start with a substantial investment to build the facilities needed to storage and to refrigerate the products. In 2009 the company calculated an initial investment of R$ 50.000, at that time equivalent to € 19.415. In an interview in 2012, one on of this entrepreneurs said that he had already invested R$ 70.000, almost € 26.000 at that time (Campos 2009). The relationship between the micro-distributor and Nestle is a commercial relationship between enterprises. The micro-distributor can only work with Nestle products and has to assume the visual identity of the company for the building, the vehicles and the resellers.

They do not sell individual products but a combination of products that are sold in kits proposed by Nestle in a catalog or combined by the micro-distributor and the company to attend particular demands of the community. Micro-distributors are responsible for fractioning the products and preparing the kits for distribution. They also choose the resellers and organize the conditions for sales. They are responsible for their formation and for the distribution of informative material and gifts among resellers and customers. Micro-distributors are the entrepreneurial face of the program.

Geovana, for example, had her micro-distribution center in Duque de Caxias, Rio de Janeiro's suburb, but attended the communities of Caju, Dona Marta, Vidigal and Rocinha. Her resellers were men that carried huge bags with the kits of products for their clients. Geovana is daughter of Vicente, who came from Ceara State – northeast Brazil – in 1977 and ended up working in favelas' commerce. During her youth, Geovana accompanied him during his selling rounds, learning how to move in those territo-

ries and establishing networks of relations that would be later important for her resellers[2].

In many cases, the center of micro-distribution is located in the community where the re-sellers operate. Most of them have permanent employees that work at the building doing the fractioning and packaging. In some cases, the employees are relatives[3].

Resellers are the crucial link between the micro-distribution center and the clients. They are recruited by the micro-distributor, generally in the community of operation. According to a report of Nestle, they are basically women and the average age is between 35 and 45 years old, mothers, working 3 ½ hours per day on average (Nestle 2012, p. 25). The feminine character of the resellers is assumed by the company as a given, having women designs representing resellers and using the feminine article to refer to them (Nestle 2010, p. 20). The number of resellers that operate in each center varies markedly, from 10 to more than 200. It is calculated that the average income of a reseller is R$ 800[4].

Resellers work with permanent and occasional clients. Each reseller makes its own time schedule and she generally works in a predetermined territory accorded with the distributor, taking into account the network of relations that each reseller has in the neighborhood.

Micro-distributors lend them a small refrigerated cart given by Nestle to carry their kits. Painted in white and blue, with the symbols of Nestle, the cart is a small vehicle that becomes the symbol of the program. The title of the series produced for the instruction of resellers is called *The adventures of Rosa and Azulão* (*As aventuras de Rosa e Azulão*), in which Azulão (something like "the big blue one") stands for Rosa companion: her Nestle's chart[5].

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2 Geovana's case is presented in the series *12 Brasileiros* (Episode 3), released in September 2013 by Nestle and presented by journalist Maria Candida. According to the company release, the series brings together stories of people who changed their lives through entrepreneurship. The official channel can be seen in www.youtube.com/12brasileiros.

3 That is the case of Dona Ilza, of São Pedro da Aldeia, a small city at the coast of Rio de Janeiro State. Her daughters – Laura and Isla – and one of her nephews – Bruno – work with her at the micro-distribution center (See *12 Brasileiros*, Episode 2). Generally, couples use to work together in the management of the center.

4 The average income of a reseller varied according to place and time. It was calculated in R$ 320 (€ 125) in 2008 (Campos 2009) and R$ 500 (€ 194); cfr. Cavalcante 2009. The figure of R$ 800 (€ 348) is from São Paulo in 2012.

5 Directed by Marcel Mallio, "As aventuras de Rosa e Azulão" is a series of 5 minutes' spots produced by FilmPlanet that is used in the training courses for resellers.

While the target of the program was the suburban and popular neighborhoods of several cites of Brazil, one of the cases that reached the news was *Nestle até você a bordo* (Nestle till you on board). Launched in 2010, the program consisted in a floating market that visits the river communities of the low Amazon basin offering Nestle products[6]. According to the president of Nestle at that time, conceived as a social project, the floating market became lucrative after some months of functioning (Blecher 2011).

Reaching the bottom of the pyramid was the target of the program. Low income urban dwellers share the same characteristics than the inhabitants of the Amazon River communities. For the company, both were at the margins of the market. Including them was possible by reaching them with mechanisms of distribution organized by the company. As Ivan Zurita – then president of Nestle – answered after being questioned how much the low income consumers represented for the company:

> Our door-to-door sales have already surpassed R$ 1 billion with 10,000 resellers and the target is to increase 50% per year. For the first time, class C represents 53% of the Brazilian population. Imagine when more than 40 million Brazilians are incorporated into consumption! Our operation is 92% for the internal market. I worry about it. In 2001 the company's turnover was R$ 4.6 billion. It will be R$ 20.6 billion this year. Could we have a higher turnover? Yes, I think. We have a lot to learn in the process. I often say that Brazil is condemned to success (Blecher 2011)[7].

2. *The Base of the Pyramid*

The implementation of these business strategies mobilizes certain figures and assumptions (enterprise, micro-entrepreneur, micro-distribution) that belong to a paradigm of interventions constituted and consolidated since the end of the 90's. In the Brazilian case, it is connected to the different ways of reading the social transformations that occurred during the Partido dos Trabalhadores' governments (2003-2016).

Marcelo Neri's book, *The New Middle Class: The bright side of the base of the pyramid*, has produced a heated debate on the transformation of Brazilian society about its social composition and the categories we use to describe it (Neri 2010). Several authors have intervened in the

6 According to Brazilian Nestle president, Ivan Zurita, the project was conceived by him after knowing the intense commerce by boat in Belem (Blecher 2011).

7 At that time (December 2011), R$ 1 billion (in Brazilian Portuguese, 1.000.000.000), corresponds to € 412.000.000 approximately.

debate, questioning in sociological and historical grounds the adequacy of using income levels to characterize social classes and groups (Souza 2010; Pochmann 2012; Scalon, Salata 2012). My interest here is to highlight the concept of "base of the pyramid" present in the title, which has been naturalized in the dissemination of publications and discussions of Neri's book. Instead of focusing on the debate, I will trace the genealogy of the concept and the impact that it had in entrepreneurial strategies and, as one can say following the aforementioned debates, in the in academic and political discussions.

The Bottom of the Pyramid concept – with the ideas that propose a new approach to ending poverty in the world – was introduced in an article written in 1997 by Coimbatore Krishnarao Prahalad and Stuart Hart and it was developed systematically by Prahalad in his book *The Fortune at the Bottom of the Pyramid: eradicating poverty with profit*, published in 2005. The base of the pyramid is formed by those who live on less than two dollars a day (the amount would change in different publications by the author), which according to first calculations corresponded to 4 billion people (this number would also change). If we consider the added value that this sector has – Prahalad continues – we are talking about billions of dollars at the bottom of the pyramid that can represent a huge potential for companies. Transnational Corporations (TNCs) did not invest in these sector of the market for thinking that there was no money and there were logistical difficulties for reaching it. The consequent lack of supply for this sector makes the costs paid by them for similar products much higher than what the rich pay. Conclusion? By investing in this market, the companies can do big business and can offer up tools for people to escape poverty. In his words: «If we stop thinking of the poor as victims or as a burden and start recognizing them as tireless and creative entrepreneurs and consumers aware of value, a whole new world of opportunity will open» (Prahalad 2005, p. 1).

As Anke Schwittay, analyzing Hewlett-Packard's program to the BoP, summarized it:

> [I]n order to capitalize on the fortune at the BoP, TNCs need to become more innovative and resourceful and take more risks (Prahalad 2005). In other words, they need to pursue a form of corporate entrepreneurship that results in a more "inclusive capitalism" (*Ivi*, p. 1). Prahalad's linguistic innovation joins others such as "compassionate capitalism" (Benioff, Southwick 2004), "virtuous capitalism" (Fikirkoca 2007), "social capitalism" (Fast Company 2008), and the all-encompassing "enlightened capitalism." By qualifying capitalism with adjectives that endow it with humane qualities, these authors concede that the

> system, if left to its own devices, does serve those who can afford its wares at the expense of those who cannot. Correspondingly, the authors celebrate efforts to correct this shortcoming by stretching the boundaries of the capitalist system to include the bottom billion(s) who have until now been excluded from its gains and suffered from its impacts (Schwittay 2011, p. 71).

The book of Prahalad examines several cases of companies that attend popular sectors – like Casas Bahia in Brazil, CEMEX in Mexico or Hindustan Lever Limited in India – all of them re-signified by the same reading: they are successful programs that sell to the poor and that has helped them as consumers or as entrepreneurs engaged in sales of those same products.

The conceptualization of the BoP – perhaps, the first representation of the world population as a global economic and social unit – has encouraged the proliferation of programs, institutions, publications and analysis. Different marketing strategies have arisen to meet BoP markets[8]. Strategies for the "last mile" (Last Mile Delivery), traditionally associated with the logistics of final delivery in distribution chains, have been discussed as central aspects to meet the BoP population (FACTS Report 2014).

In Brazil, several companies have adopted this discourse, developing direct sales programs. Adding to consolidated experiences in Brazil such as Natura, Avon, Amway and Tupperware, direct sales programs have remarkably grown in the last decade, especially among popular sectors. New brands have emerged to serve these sectors through direct sales mechanisms, like *Eudora* cosmetics of Boticario or *Jequiti* cosmetics by Silvio Santos Group. The novelty is not only a discursive reframing – to attend the demand of the poor population – but the challenge of creating distribution and marketing strategies to meet slums and peripheries. Micro-distributors are a crucial figure in these new strategies.

The programs developed by different companies to meet the BoP have been direct sale programs that redraw the door-to-door systems: lingerie companies such as De Millius – the main company of the segment in Brazil – as well as Polishop, Marisa, Herbalife, Mary Kay and many others. Models such as *Nestle ate você* are also being tested by other food companies. Danone has launched a pilot project in Salvador in 2011 called *Kiteiras Project*. Developed in partnership with the Alliance NGO Enterprising and QueroKit distributor, it operates from "single mothers and middle-aged housewives" who sell Danone kits door-to-door.

8 For analysis of BoP strategies on the ground see Cross, Street 2009 (Unilever of India) and Schwittay 2011 (HP in Costa Rica). For an overall analysis see Jackman 2011.

The ideas of the BoP caused a huge impact in business circles, development agencies and government circles. Marketing strategies developed by large companies are focused on the reconfiguration of distribution and marketing mechanisms and the entrance of the companies ensures the control of the circuits of distribution in popular neighborhoods.

3. *The reconfiguration of distribution circuits*

The interest in the reconfiguration of distribution and marketing mechanisms that attend popular sectors derives from my own work – and from others – on alternative commercial circuits. Presenting them is important to highlight the changes introduced on these circuits by the mechanisms analyzed in this article.

My PhD focused on the border trade between Ciudad del Este (Paraguay) and Foz do Iguaçu (Brazil). Thousand buyers from Brazil traveled to Ciudad del Este to buy imported goods that they would resell at their cities. They are called *sacoleiros*; known in this way for the bags (*sacolas*) where they carried their goods[9]. *Sacoleiros* are merchants that stock up themselves in Ciudad del Este to resell in malls, shops, fairs, on the street, or in private homes at their cities of origin. Some *sacoleiros* operate in wholesale circuits; others in retail. Different scales combined in different ways in each case (Rabossi 2004)

During my Postdoctoral research I followed a particular circuit: the *sacoleiros* that traveled from Caruaru (in the Brazilian Northeast) to Ciudad del Este; a journey that lasted more than two days. They operated in a two-way flow. On one hand, they brought *muamba* (as the imported goods load is known) from Ciudad del Este to the Paraguayan Fair in Caruaru; a resale point for the *sacoleiros* of the Northeast. On the other hand, they carried *sulanca* to Paraguay – as the garment production of the Agreste region of Pernambuco is known – to be resold on the streets of Ciudad del Este to Paraguayan buyers who distributed it in Paraguay or to Brazilians who re-entered it into their country (Rabossi 2011).

The main form of commercialization of the garment production are the fairs that occur once a week in each city that compose the so-called *Polo de Confecções do Agreste Pernambucano*, the garment production district

9 A parallel flow of Brazilian products is imported or smuggled into Paraguay by several merchants and *paseros*, the Paraguayans specialized in moving goods into their country through the border.

of the region. The customers of the fairs are mainly buyers that come from other cities and from other states. *Sacoleiros*, as they are also called there.

The s*acoleiro* figure thus transcends the buyer who went to Paraguay, referring to the practice of long-distance trade: a merchant who buys products from other places to resell them in her city. Following the *sacoleiro*'s circuits, it is possible to discover a geography in movement, where dynamic poles of production – like Caruaru, in Pernambuco[10] – and commercial districts that specialize in the supply of imported merchandises – like Ciudad del Este – are connected capillary to Brazilian cities[11].

Thus, we have districts of local production and districts of imported products. The combination of both is what gives the immense dynamism of the contemporary mecca of Brazilian *sacoleiros*: São Paulo. The commercial districts of 25 de Março, Brás and Santa Ifigênia are visited everyday by 400,000 buyers (800,000 during festive seasons). They present the same agitation and dynamism that Ciudad del Este in the 90s, but on an even larger scale.

Yet, *sacoleiro*'s circuits illuminate another element: the importance of commercial circuits for earning a living to hundreds of thousands of people. Ways of earning a living that involve specific mobility schemes: cities of origin bounded to places where goods and prices represent business opportunities. Mobilities that draw a geography of risks: assaults and accidents and the permanent possibility of being extorted by state agents[12].

Several elements could be underlined following these circuits. I just want to highlight one point: marketing networks in Brazil have never been controlled exclusively by the industry or by large-scale commerce.

10 The configuration of the units of production varies from family workshops to factories, but in many cases the units use family labor and when they growth, they outsource certain processes of production. The district is described by analysts and by the actors themselves using the words employed to characterize the new configurations of work: flexibility, precariousness, informality and entrepreneurship.

11 Examples of garment districts that are provision centers for *sacoleiros* are Barro Preto neighborhood in Belo Horizonte city, the *Circuito das Malhas* (Knit Circuit) in the south of Minas Gerais (Jacutinga and Monte Sião), Brusque in Santa Catarina in the Itajai Valley, Teresopolis and Nova Friburgo in Rio de Janeiro. Centers of imported products are Ciudad del Este, Pedro Juan Caballero and Saltos del Guairá in Paraguay; the free shops of Chui, Riveira and the cities of the Uruguayan border; until recently, the cities of the Argentine border that due to the favorable change became a good place to buy drinks and perfumery; Puerto Suarez and Cobija in Bolivia; also Miami, New York and Orlando.

12 The origin of the merchandise and the adequacy to the norms of production and transportation create opportunities for the control and repression agents to profit from the sacoleiro's businesses.

They shared the distribution channels with other actors; informal ones, if by that we mean that they are not official distributors. Actors engaged in commercial mobilities that are not necessarily restricted to the popular world. Mobilities that are alternatives of capitalization, of fortunes and failures, of vertical mobility, both upward and downward.

Getting to know *Nestle até você* and the proliferation of different companies' schemes that aim to reach the Base of the Pyramid, several questions were raised. How do these programs fit in that commercial universe? What changes do they produce? What effects do they have? Returning to the previous section, neither the urban poor nor the Amazonian dweller were at the margin of the market but they were part of a market attended and controlled, not directly by big companies, but by other actors. Precisely, the marketing strategies developed by large companies are focused on the reconfiguration of distribution and marketing networks. The direct entry of the companies guarantees the control of the networks.

We can think that the decentralized character of the sacoleiro's circuits is determined by the nature of the products (unbranded, unknown brand or counterfeit imported goods or garment pieces). However, big companies have also used these same circuits to distribute their products at better prices. That was the case of Souza Cruz (the Brazilian British American Tobacco subsidiary), inaugurating the massive smuggling of cigarettes coming from Paraguay. Something that was not simply carried out in Brazil but was implemented in Africa and Asia by the British American Tobacco.[13]

What I try to highlight is that the business strategies described at the beginning of the article have expanded into new segments of the population by investing directly in the control of the distribution channels that attend them. These channels are fundamental to understand the growing presence of national and transnational companies in the everyday life of popular sectors. This presence is based on a growing number of people that sell in their own neighborhoods the products of these companies without having a working relationship with them.

The relation between the company and the micro-distributor, and between them and the resellers is a commercial relation, not a labor one. This relation rests upon the constitution of the micro-distributor and the resellers as enterprises; something possible by its registration as micro-enterprises and micro-

13 The global character of this strategy was shown in the problems that the British American Tobacco faced in Great Britain as reported in CPI 2000a, 2000b; Campbell 2000a, 2000b; House of Commons 2000. For Brazil see Evelin 1998 and Valor Econômico 2002a; 2000b. For a deep analysis of the smuggling of cigarettes from Paraguay see Francisco 2014.

entrepreneurs respectively[14]. This character enables the possibility of establishing contracts between enterprises: on the one hand, between Nestle and the micro-distributor; on the other hand between the micro-distributor and the resellers. The disengagement of rights as workers prevents any claim on the company (Nestle or the micro-distributor) as contractor. On the other hand, the inscription as micro-entrepreneur guarantees the access to pension and certain social benefits; elements that were traditionally ascribed to workers.

The contract between Nestle and the micro-distributor and between them and the resellers demands the loyalty of the micro-distributor and the reseller with the products of Nestle and with the company. They are not allowed to sell other products while selling Nestle products.

The distribution logistics facilitated by the company (with the use of trolleys and thermal bags) is operationalized by the re-seller, who is responsible for picking up the products and taking them to the consumer. The local recruitment of resellers and the use of their social relations as a privileged channel of sales guarantee the extreme capillarity of the system.

4. *Decline or normalization?*

After being the model of innovation for the company, *Nestle até você* is not any more the program that it was. If the directors of the company and the operators of the program were eager to talk about it in interviews and researches some years ago, they do not have the same enthusiasm nowadays. In fact, it is very difficult to receive an answer from the company asking for the program. If one restricts a search to 2016 on internet search engines, the program seldom appears. I am currently analyzing three elements to understand this transformation which I will summarize to conclude this presentation.

First, the current recession in Brazilian economy. If the program expanded at the "base of the pyramid" taking advantage of the purchase capacity of those sectors, the present crisis of Brazilian economy – with the raise of the unemployment rate, the stagnation of the minimum salary and the devaluation of the Real – has established a concrete limit to the scope

14 The law that creates the figure of micro-entrepreneur was sanction in July 2009. To be considered a micro-entrepreneur, a person has to sell up to R$ 60.000. If she sells between R$ 60.000 up to R$ 360.000, she becomes a micro-enterprise. Up to R$ 3.600.000, she becomes a small business. The definitions alter the level of taxes demanded. For an official overview, see h ttp://www.portaldoempreendedor.gov.br/

of the program. The dream of the New Middle Class that was in tune with the program is going through a critical moment.

Second, the difficulties at the territories of operation. At least in Rio de Janeiro, the expectations of peace and growth in the favelas that characterized the second half of 2000 decade and the first years of 2010 are being replaced by the returned of open armed conflicts and entrepreneurial and developers' withdrawal. Several programs that were being developed in different favelas in Rio de Janeiro are being dismantled. In meetings with SEBRAE employees that deal with favela economy and informal economies[15], they expressed the difficult moment that they are experiencing and the difficulties for the enterprises to maintain their programs in the (once-again) "territories of insecurity and violence".

Third, the temporality of innovations. An innovation is something new. If it functions, it becomes regular. If it fails, it disappears. If it becomes regular, it turns into what I would call an *exinnovation*: something that was new but lost its aura of newness and it becomes a regular process[16]. The innovation of *Nestle até você* was to create channels of distribution in territories that were not previously reached directly by the company. Through smaller distributors operating with local sellers that work door by door, the company capillarized its distribution on previously categorized "poverty territories". By doing these, Nestle managed to operate successfully in two different markets: the popular markets of poor neighborhoods selling the company food products and the market of innovative projects. It is this project – the innovation of a market project considered as a social project – which reaches the pages of journals and magazines. The presence at the media was also a strategy for consolidating the program as a distributional channel for the company's products. The narratives of success and opportunities that the company produced and that managed to present in interviews and in the news were strategies to incorporate new micro-distributors, who run for new sellers.

Once established as a regular channel for distribution, it is not news any more. Like traditional channel of distribution, *Nestle até você* become just another channel for products. In a context of economic recession, the difficulties experienced by the public it attends can be a serious limitation

15 Sebrae stands for Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Brazilian Service of Assistance to Micro and Small Enterprises), a private institution oriented to develop entrepreneurship.

16 Theoretically speaking, I would prefer to use the concept of *exnovation*, something that was "former new". However, in certain studies of innovative processes, the concept of exnovation is used to highlight processes already under way but without visibility.

for its maintenance and expansion. Its permanence is not related with the products but with the purchase capacity of its potential clients (besides, of course, the preference of those clients for Nestle products, the availability of similar products, among other elements). In terms of research, it is necessary to follow micro-distributors and resellers in their territories[17].

Innovations are temporal products. Its success is the condition of its transformation as a regularity; a path that can be described from the extraordinary event of its emergence to the ordinary regularity of its presence. The company is investing in other projects and concepts. In fact, the emergence of an overall strategy where the ideas of the BoP are subsumed is a crucial element to understand the decline of the program in the company discourse. *Creating share value* (*Création de Valeur Partagée* or *Creação de Valor Compartilhado*) is the new strategy that we have to understand (Biswas *et. al.* 2014).

To conclude, I would like to return to a quote from Marx, in the chapter "Money, or the circulation of commodities", from the first book of *The Capital.*

> The process of circulation, therefore, does not, like direct barter of products, become extinguished upon the use-values changing places and hands. The money does not vanish on dropping out of the circuit of the metamorphosis of a given commodity. It is constantly being precipitated into new places in the arena of circulation vacated by other commodities. In the complete metamorphosis of the linen, for example, linen – money – Bible, the linen first falls out of circulation, and money steps into its place. Then the Bible falls out of circulation, and again money takes its place. When one commodity replaces another, the money-commodity always sticks to the hands of some third person. Circulation sweats money from every pore.

Circulation sweats money from every pore. From these pores, millions of people in Brazil earn their living. During the last decades, companies have invested in strategies to intensify their gains by controlling the circuits of commercial circulation in popular neighborhoods and out-of-reach territories; reconfiguring the commercial relations and the economic gains open to the population of those territories. How these strategies are going to reshape these economic and social landscapes is the challenge for our researches.

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17 That is the research that we are doing with Ricardo Coelho Netto da Silveira at the Federal University of Rio de Janeiro.

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