

Serving lower-income consumers is a business and nutrition opportunity

Lower-income consumers represent a large market, estimated at 4 billion people worldwide. Many low-income consumers' diets are lacking in food diversity and quality.

There is a business opportunity for private companies to help improve this by providing safe, nutritious foods that meet customers' needs at an affordable price – as long as they do so in ways that are profitable and financially sustainable for the company.

However, it is not always simple to bring together these three aspects:



1

Providing nutritious foods,



2

keeping prices affordable,



3

and generating profit...

It might require novel approaches, especially considering that lower-income consumers will need to be targeted in a different way compared to higher-income consumers.

The GAIN Business Model Research Project aims to identify promising business models to reach lower-income consumers with nutritious foods. Through a systematic review of existing research and evidence, several examples of such business models were identified, including:



Putting items in smaller packages, or removing packaging altogether



Using cheaper ingredients, or recycling waste products into edible foods



Cross-subsidizing one product line or client group with another

Stakeholders can help support companies to adopt business models that serve lower-income consumers

Some of these business models are novel and only used at small scales or in certain markets. To reach larger groups of lower-income consumers, the business models need to be further developed and scaled up. To achieve this, businesses – especially small- and medium-enterprises – need support from a wide variety of stakeholders.



Investors and financial services providers:

Provide capital to develop and scale-up such business models. Value nutrition as part of ESG criteria.



Enterprise support organisations (accelerators, incubators, business networks, etc.):

Make information on such business models available to businesses. Develop training and support programs focused on nutrition and/or reaching lower-income consumers.



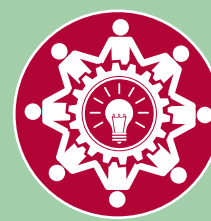
Policymakers:

Enact policies to promote nutritious foods and regulate or limit the production and marketing of unhealthy foods, such as subsidies and taxes. Create and enforce quality standards and labelling schemes. Prioritise nutritious foods in public procurement.



Researchers:

Generate evidence on business models that work to serve lower-income consumers with nutritious foods. Support high-quality research on the market potential of serving lower-income consumers.



Civil society:

Support pilots and scale-ups in collaboration with businesses that to provide nutritious foods to lower income groups. Consider sharing resources (such as community workers as sales agents). Advocate for a better policy environment for the production, marketing, and sale of nutritious foods.

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