

Jugaad As Scarcity-Induced Ingenuity at The Bottom of The Pyramid

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Abstract

Bottom-of-the-pyramid (BOP) consumers live in extreme scarcity and market exclusion, yet they often display remarkable resourcefulness. The colloquial concept jugaad (improvised fix) has been studied mainly as a firm- or entrepreneur-level innovation. We reconceptualize jugaad as consumer scarcity-induced ingenuity: a repertoire of cognitive and behavioral adaptations that BOP consumers deploy under structural poverty. Drawing on theories, we propose a process model in which chronic constraints (poverty, exclusion, urgent needs) trigger inventive consumption behaviors. We outline mechanisms such as functional repurposing, informal exchange, risk recalibration, and labor substitution. These adaptations yield individual-level benefits (short-term utility, empowerment, skill development) but also reinforce informal systems (persistent exclusion). We offer propositions linking antecedents, mechanisms, and outcomes and make contributions to the literature on consumer behavior, scarcity research, and the informal economy. The model highlights both the agency of marginalized consumers and the need for inclusive market and policy designs.

Keywords: Jugaad; Bottom-Of-The-Pyramid; Poverty; Informal Economy