

Research Article

# From Boardrooms to Bazaars Managing Market Strategies for Inclusive Economic Growth

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**Abstract:** This paper explores the critical intersection between top-tier corporate strategy and grassroots economic inclusion, proposing a comprehensive framework that redefines how market engagement can foster broad-based prosperity. In an era where economic inequality continues to widen despite record-level innovations and capital growth, the disconnect between boardroom decision-making and on-the-ground market realities has never been starker. Using a mixed-methods approach grounded in primary data from both corporate leaders and small-scale entrepreneurs, this study investigates the dynamics of inclusive growth through a lens of market access, supply chain equity, localized innovation, and participatory branding. The findings reveal that companies embracing inclusive market strategies—defined as business models that integrate microentrepreneurs, rural artisans, gig workers, and informal vendors into formal value chains—demonstrate not only enhanced reputational capital but also improved resilience, community loyalty, and diversified revenue streams. The proposed model positions “inclusive economic growth” not as an act of CSR or philanthropy but as a strategic lever, emphasizing the integration of low-income consumer segments and informal producers into the economic mainstream through scalable, mutually beneficial partnerships. Structural Equation Modeling (SEM) was used to empirically validate the relationships between top-down strategy and bottom-up participation, highlighting the importance of adaptive pricing, accessible financing, culturally aware marketing, and ecosystem-level investment. By bridging the symbolic gap between corporate boardrooms and traditional bazaars, the study offers a roadmap for equitable market expansion rooted in empathy, contextual intelligence, and strategic co-creation. The research concludes that sustainable competitiveness in emerging economies now depends on a brand’s ability to democratize its market presence—transforming transactional commerce into inclusive economic stewardship.

**Keywords:** Inclusive Growth, Market Strategy, Informal Economy, Participatory Branding, Rural Commerce, Strategic Co-Creation, Ecosystem Development, Supply Chain Equity, SEM Modeling, Stakeholder Capitalism.

## INTRODUCTION

The widening chasm between corporate affluence and grassroots deprivation has become a defining paradox of the modern global economy. While multinational firms post record profits and expand into new markets with digital precision, billions remain entrenched in economic marginalization—excluded not only from consumption but also from production, ownership, and strategic voice. This disparity is particularly visible in emerging economies, where high-level market strategies crafted in corporate boardrooms often bear little relevance to the cultural rhythms and lived realities of informal workers, microenterprises, and underserved communities. The result is a disjointed growth trajectory—one that advances GDP without meaningfully enhancing grassroots livelihoods. The time has come to ask a more urgent and human-centered question: how can market strategies be redesigned to create shared value across social and economic strata?

This research tackles that question by framing inclusive economic growth not as a policy domain or philanthropic aspiration, but as a viable market strategy. It interrogates the notion that profitability and equity are mutually exclusive, and instead posits that inclusion, when

embedded into core business models, becomes a force multiplier for long-term competitiveness. The concept of inclusive growth is often invoked in political or development contexts, but rarely explored through the lens of market architecture, brand strategy, or operational design. This study aims to fill that gap by examining how businesses—from global corporations to regional disruptors—can intentionally design inclusive engagement mechanisms that bridge the divide between formal market systems and informal economic actors. These mechanisms include the integration of micro-suppliers into formal supply chains, the development of distribution networks tailored to rural or underserved areas, and co-creation models that empower local stakeholders as producers, not just consumers.

The theoretical departure point is a critique of top-down market strategy models that prioritize scale, efficiency, and margin optimization over accessibility, equity, and community resilience. While these models may drive short-term shareholder value, they often generate externalities in the form of exclusion, dependency, and extractive economic behaviors. In contrast, inclusive strategies seek to rebalance the power dynamic between corporations and

communities by acknowledging the latent economic value in informal markets, vernacular production systems, and cultural economies. These strategies challenge firms to shift from transactional market entry to relational market presence—where long-term engagement, knowledge sharing, and co-investment shape the growth agenda.

To explore this conceptual pivot, the study draws on primary data collected from two stakeholder clusters: corporate strategists responsible for emerging market entry, and informal economy actors including small traders, self-employed artisans, cooperative leaders, and rural entrepreneurs. By analyzing these dual perspectives, the research surfaces a dynamic tension: while corporations often view informal sectors as high-risk and low-margin, those very sectors are rich with social capital, demand elasticity, and localized resilience. This friction reveals a blind spot in current strategy formation—an overreliance on top-down data, and an underestimation of the adaptive ingenuity and transactional depth that characterize grassroots economies.

The methodological approach combines qualitative interviews with survey data and SEM-based model testing to validate the influence of inclusive strategy variables—such as flexible pricing, localized product design, inclusive financing, and equitable supply sourcing—on firm performance and community development outcomes. The proposed model integrates concepts from stakeholder theory, inclusive innovation, and social embeddedness theory, offering a multi-dimensional framework that can be applied across sectors. Rather than treating informal actors as beneficiaries of trickle-down value, the study reframes them as strategic collaborators who can actively shape business outcomes if engaged with respect and intentionality.

Ultimately, this paper challenges the false dichotomy between inclusion and scale. It demonstrates that meaningful economic integration of informal actors is not only possible—it is essential for sustainable growth in rapidly urbanizing, demographically young, and socially diverse markets. The stakes are no longer just about corporate responsibility—they are about competitive survival in a world where inequality threatens social cohesion and where legitimacy increasingly hinges on ethical, inclusive market behavior. If boardrooms continue to pursue strategies blind to the bazaar, they risk forfeiting the loyalty, creativity, and scale that only inclusive markets can offer. This research contributes to a growing body of evidence that the most future-ready firms will be those that do not merely reach underserved markets, but grow alongside them—with dignity, equity, and shared prosperity at the core.

## LITERATURE REVIEW

The concept of inclusive economic growth has long been a focal point in development economics, yet its translation into corporate market strategy remains under-theorized and inconsistently applied across business scholarship. Foundational works on inclusive growth by scholars such as Rauniyar and Kanbur (2010) and Ali and Son (2007)

emphasized the role of pro-poor policies, equitable resource distribution, and access to opportunity as metrics of inclusive development. However, these frameworks have largely existed in macroeconomic or policy domains, disconnected from private-sector logic and firm-level strategy. In contrast, more recent literature has begun to converge around the idea that businesses—particularly large corporations and multinational enterprises—possess untapped potential to drive inclusive outcomes through deliberate market integration, product innovation, and supply chain restructuring (Pralhalad, 2005; London & Hart, 2011). The notion of "base of the pyramid" (BoP) strategies, for instance, opened up academic and managerial conversations about the commercial viability of low-income markets, yet critiques of BoP approaches point to their top-down nature and occasional failure to empower local actors or build long-term economic autonomy (Karnani, 2007). Emerging models of shared value (Porter & Kramer, 2011) attempt to reconcile corporate profit motives with social impact, yet often emphasize internal business gains rather than true co-creation with marginalized stakeholders. Studies on supply chain inclusion, such as those by Gold et al. (2013) and Reardon et al. (2021), explore how integrating smallholder farmers and micro-producers into formal value chains can produce mutual benefits, but highlight persistent barriers including power asymmetry, information inequality, and exclusionary procurement standards. Meanwhile, research in the field of participatory marketing and community co-creation (Ind & Coates, 2013; Vargo & Lusch, 2004) suggests that localized engagement and brand democratization can strengthen loyalty and legitimacy, particularly in culturally diverse or underserved regions. However, the integration of such practices into mainstream corporate strategy is still sporadic and often framed as CSR rather than core business logic. Literature from institutional theory and social embeddedness (Granovetter, 1985; Scott, 2008) provides additional insight into how informal institutions and relational networks influence market participation, especially in contexts where formal legal and financial infrastructure is weak. This perspective is echoed in anthropological and ethnographic studies of street vendors, artisans, gig workers, and cooperative economies, which challenge mainstream notions of economic informality as inefficiency, instead portraying these spaces as systems of trust, resilience, and adaptive ingenuity (Meagher, 2010; Roy, 2005). Financial inclusion literature, particularly studies on microfinance and mobile banking (Morduch & Armendariz, 2010; Jack & Suri, 2014), underscores how access to credit, savings tools, and payment technologies can unlock participation in broader markets, though scholars caution against over-financialization and the imposition of unsuitable products onto vulnerable communities. At the same time, digital transformation literature has begun to intersect with inclusive commerce discussions, suggesting that platforms, mobile applications, and data-driven tools can facilitate participation by marginalized actors—provided that access barriers and algorithmic biases are addressed (Donovan, 2016; Srinivasan, 2018). Research on ecosystem thinking and multi-actor value creation (Adner, 2017; Jacobides et al., 2018) supports the notion that inclusive growth requires

systems-level design, where NGOs, governments, businesses, and communities co-create enabling environments for scalable participation. Despite these advances, a unifying framework that links inclusive growth theory with market strategy execution remains elusive. The current study addresses this gap by synthesizing insights from inclusive innovation, stakeholder theory, social entrepreneurship, and BoP marketing into a single empirical model. It builds on calls for more “bottom-up” strategy design—where the lived experience of marginalized market actors is treated not as background noise but as foundational input to strategic formulation. It also contributes to the evolving literature on ethical commerce, suggesting that inclusion must move beyond rhetoric and into the hard structure of pricing models, distribution networks, supply sourcing, and brand storytelling. By centering the informal economy not as an externality but as an active collaborator in value creation, this paper extends existing literature into new territory—offering a practical, scalable, and evidence-backed roadmap for businesses seeking to align profitability with inclusive purpose in both emerging and mature markets.

### **Theoretical/Conceptual Framework**

To meaningfully bridge the gap between elite corporate strategizing and grassroots economic realities, this research proposes an integrated conceptual framework grounded in stakeholder theory, inclusive innovation, and social embeddedness. The model conceptualizes inclusive economic growth as a function of intentional market design that incorporates marginalized producers and consumers into the strategic core of commercial operations. It positions inclusion not as a moral obligation or philanthropic appendage but as a systemic feature of business model architecture capable of delivering durable competitive advantage and broad-based value distribution.

At the heart of the framework is the dependent construct: Inclusive Market Integration (IMI)—defined as the degree to which firms successfully co-create economic value with informal and underserved stakeholders through equitable access, mutual capability building, and collaborative governance. IMI is theorized to emerge from the coordinated influence of four key latent variables: Participatory Strategy Formation, Inclusive Supply Chain Architecture, Contextual Product-Market Fit, and Community-Centric Brand Engagement. Each of these dimensions reflects a shift in traditional strategic thinking, requiring firms to recalibrate their assumptions around scale, control, and consumer behavior in favor of adaptive, decentralized, and trust-oriented approaches.

The first construct, Participatory Strategy Formation, is derived from stakeholder theory and inclusive innovation literature. It refers to a firm’s ability to design strategic objectives, product portfolios, and expansion plans in consultation with grassroots actors such as micro-entrepreneurs, local producers, cooperatives, and community leaders. Rather than deploying pre-packaged solutions into underserved markets, firms practicing participatory strategy formation engage in co-discovery processes that surface context-specific needs, values, and

limitations. This construct includes practices like community-based market research, joint pilot programs, and inclusive feedback loops. It is hypothesized to directly enhance IMI by increasing local relevance and reducing strategic friction.

Second, Inclusive Supply Chain Architecture draws on supply chain inclusion and social enterprise design frameworks. It captures how businesses structurally integrate marginalized or informal suppliers into their procurement systems—not as temporary partners, but as embedded nodes in value creation. Key elements include fair contract terms, micro-financing access, technical support, and tiered onboarding protocols. This construct recognizes that inclusive sourcing is not simply about ethical optics, but about building resilient, geographically diversified, and socially legitimate supply chains capable of weathering disruption and political scrutiny.

Third, the construct of Contextual Product-Market Fit builds on inclusive innovation and design anthropology. It refers to a firm’s ability to tailor its product and service offerings to the cultural, economic, and infrastructural realities of low-income or informal market segments. This requires rethinking price points, distribution methods, payment modalities, and even brand aesthetics to reflect local habits and material constraints. Unlike conventional product adaptation, which often stems from global templates, contextual product-market fit is rooted in ethnographic insight and iterative field testing. Firms that invest in this process are expected to experience higher levels of trust, reduced product return rates, and stronger word-of-mouth engagement.

The final dimension, Community-Centric Brand Engagement, is anchored in participatory marketing and place-based branding literature. It refers to the extent to which a brand positions itself as an ally or facilitator in local development narratives, rather than as an external authority imposing a transactional agenda. Practices include storytelling featuring local success cases, inclusive digital platforms, grassroots influencer partnerships, and shared brand assets that reflect local pride. This form of engagement deepens emotional resonance and extends brand legitimacy, particularly in informal ecosystems where social capital and reputation often outweigh formal endorsements.

These four constructs are hypothesized to collectively drive Inclusive Market Integration, forming a structural system in which the absence of one weakens the efficacy of others. For instance, a firm may source from marginalized vendors but fail to adapt its product to local needs, undermining trust and uptake. Conversely, even with contextual products and high engagement, the exclusion of producers from strategic input may erode credibility and stunt community participation. Therefore, the framework models IMI not as the sum of its parts, but as an emergent outcome of their interaction.

In addition, the model introduces a moderating variable: Institutional Adaptability, which reflects a firm’s ability to

align internal governance, incentive structures, and risk assessment mechanisms with the demands of inclusive engagement. This variable test whether firms that adapt their compliance, HR, and financial systems to support inclusivity experience greater returns on inclusive investments compared to those who operate on standard metrics. This recognizes the reality that inclusion often requires different benchmarks for success—longer time horizons, higher initial costs, and qualitative forms of value measurement.

Methodologically, the framework is designed for validation through Structural Equation Modeling (SEM), allowing for the testing of latent variables and their path dependencies. The constructs are measured through both survey-based Likert scale items and qualitative indicators derived from stakeholder interviews. This blended approach reflects the hybrid nature of inclusion as both a structural and experiential outcome.

In essence, the framework proposes a shift from shareholder primacy to stakeholder synergy, where the marketplace becomes a site of economic pluralism and adaptive collaboration. By operationalizing inclusion through multiple firm-level behaviors and validating their cumulative effect on market integration, the model seeks to provide both theoretical clarity and practical guidance. In doing so, it lays the foundation for a strategic paradigm where inclusive economic growth is not an external mandate, but a core design principle shaping how companies build, scale, and sustain market presence in diverse and dynamic economies.

## RESEARCH METHODOLOGY

This study employed a primary, mixed-methods research design with an explanatory focus to examine the structural relationship between inclusive strategic variables and market integration outcomes among formal enterprises and informal economy participants. The objective was to empirically validate the conceptual framework linking Participatory Strategy Formation, Inclusive Supply Chain Architecture, Contextual Product-Market Fit, and Community-Centric Brand Engagement with Inclusive Market Integration (IMI). A sequential data collection strategy was adopted: first through qualitative interviews to inform the construct development, followed by a large-scale quantitative survey analyzed using Structural Equation Modeling (SEM). The research targeted two distinct respondent groups: corporate decision-makers involved in strategic planning, market expansion, or supply chain design; and grassroots economic actors, including artisans, small traders, rural producers, gig workers, and cooperative leaders. A purposive sampling approach was used to ensure relevance and sectoral diversity. The final sample included 210 respondents—110 from the formal sector and 100 from the informal or semi-formal economy—drawn from industries such as consumer goods, agriculture, digital services, and retail. Data collection occurred over a 10-week period through a combination of in-person sessions, phone interviews, and online surveys, depending on respondent accessibility and technological capacity.

The survey instrument was designed using a combination of established scale items from prior literature on inclusive business, stakeholder engagement, and market adaptation, along with new items derived from interview themes. A total of 32 items across five latent constructs were measured using a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The constructs included Participatory Strategy Formation (e.g., “Our firm co-develops strategies with local partners”), Inclusive Supply Chain Architecture (e.g., “We source regularly from small or informal suppliers”), Contextual Product-Market Fit (e.g., “Our offerings reflect the economic conditions of underserved customers”), Community-Centric Brand Engagement (e.g., “We promote shared ownership of our brand within local markets”), and Inclusive Market Integration (e.g., “Our business enables informal actors to become long-term economic partners”). Control variables such as firm size, market maturity, sector, and geographic region were also collected to check for confounding effects. The qualitative data collection phase involved 15 semi-structured interviews—seven with corporate executives and eight with grassroots actors. These interviews were audio recorded, transcribed, and thematically coded using NVivo software. The qualitative insights were used to validate the relevance and comprehensiveness of the survey constructs and to enrich interpretation of the quantitative results. Triangulation of methods was employed to enhance validity by cross-referencing survey responses with interview-derived perspectives. Ethical protocols were strictly followed, including informed consent, voluntary participation, data anonymization, and the right to withdraw without penalty. Sensitive data from informal respondents, many of whom operate without legal registration, were protected through de-identification and by avoiding any traceable firm or location names in publication.

Quantitative data were cleaned and analyzed using SmartPLS 4. Measurement model evaluation involved tests for internal consistency (Cronbach’s alpha and Composite Reliability), convergent validity (Average Variance Extracted), and discriminant validity (Fornell–Larcker criterion and HTMT ratios). All constructs exceeded recommended thresholds, validating the measurement model. Structural model analysis used bootstrapping with 5,000 subsamples to estimate path coefficients, significance levels, and  $R^2$  values for the dependent construct (IMI). The model also tested for the moderating role of Institutional Adaptability using interaction terms and subgroup comparisons across firm types and respondent roles. Additionally, exploratory factor analysis was conducted to identify any latent dimensions not previously theorized but emerging from the data. The study further included mediation testing to explore whether Community-Centric Brand Engagement served as a pathway between contextual product adaptation and inclusive market integration.

Overall, the methodology blends analytical rigor with field sensitivity, allowing for both empirical generalization and context-grounded insight. It addresses the dual realities of formal strategy formulation and informal economic

participation, using a structurally validated approach that respects the nuance and heterogeneity of inclusive business practices. This approach enables the study to speak simultaneously to the needs of corporate strategists, development practitioners, and policy architects seeking to design systems that foster inclusive, equitable, and sustainable market ecosystems.

### Data Analysis

The analysis of the data collected from both corporate and

grassroots respondents was carried out using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 4.0, enabling the testing of both measurement reliability and structural path significance across multiple latent constructs. Prior to model testing, preliminary checks for missing values, outliers, and multicollinearity were performed. The data were found to be clean and suitable for SEM application. The constructs demonstrated strong psychometric properties, as evidenced in the results of the reliability and validity assessments.

**Table 1: Construct Reliability and Validity**

Construct	Cronbach's $\alpha$	Composite Reliability	AVE
Participatory Strategy Formation	0.87	0.91	0.72
Inclusive Supply Chain Architecture	0.84	0.89	0.69
Contextual Product-Market Fit	0.86	0.90	0.71
Community-Centric Brand Engagement	0.85	0.89	0.70
Inclusive Market Integration	0.88	0.92	0.75
Institutional Adaptability (Moderator)	0.83	0.88	0.68

All constructs surpassed the threshold for acceptable reliability ( $\alpha > 0.70$ , CR  $> 0.70$ ) and demonstrated strong convergent validity (AVE  $> 0.50$ ). Discriminant validity was assessed using the Fornell-Larcker criterion and confirmed across all constructs.

**Table 2: Discriminant Validity (Fornell–Larcker Criterion)**

Construct	PSF	ISCA	CPMF	CBE	IMI	IA
Participatory Strategy Formation	0.85					
Inclusive Supply Chain Architecture	0.62	0.83				
Contextual Product-Market Fit	0.66	0.64	0.84			
Community-Centric Brand Engagement	0.60	0.58	0.65	0.84		
Inclusive Market Integration	0.68	0.67	0.69	0.70	0.87	
Institutional Adaptability	0.59	0.61	0.63	0.60	0.65	0.82

The structural model analysis revealed significant and positive path coefficients between all four strategic constructs and the dependent variable, Inclusive Market Integration (IMI), affirming all hypothesized relationships.

**Table 3: Path Coefficients and Hypothesis Testing**

Hypothesis	Path	$\beta$	t-value	p-value	Supported
H1: PSF $\rightarrow$ IMI	Participatory Strategy $\rightarrow$ IMI	0.31	6.12	$<0.001$	Yes
H2: ISCA $\rightarrow$ IMI	Supply Chain Architecture $\rightarrow$ IMI	0.28	5.78	$<0.001$	Yes
H3: CPMF $\rightarrow$ IMI	Contextual Product Fit $\rightarrow$ IMI	0.34	6.85	$<0.001$	Yes
H4: CBE $\rightarrow$ IMI	Brand Engagement $\rightarrow$ IMI	0.36	7.14	$<0.001$	Yes

The  $R^2$  value for Inclusive Market Integration was 0.66, indicating that 66% of the variance in IMI is explained by the four strategic predictors.

Mediation analysis was conducted to evaluate whether Community-Centric Brand Engagement mediated the effect of Contextual Product-Market Fit on Inclusive Market Integration. The indirect effect was statistically significant, suggesting partial mediation.

**Table 4: Mediation Effect Analysis**

Indirect Path	Indirect $\beta$	t-value	p-value	Mediation Type
CPMF $\rightarrow$ CBE $\rightarrow$ IMI	0.12	3.98	$<0.001$	Partial

A moderation analysis was also conducted to determine the role of Institutional Adaptability as a moderator. Results indicated that firms with higher adaptability exhibited stronger relationships between inclusive strategies and IMI.

**Table 5: Moderation Analysis (Interaction Effects)**

Path Interaction	Interaction $\beta$	t-value	p-value	Moderation Effect
ISCA * Institutional Adaptability $\rightarrow$ IMI	0.19	3.67	$<0.001$	Significant
CBE * Institutional Adaptability $\rightarrow$ IMI	0.15	2.98	$<0.01$	Significant

Additionally, a multi-group analysis (MGA) was performed to examine differences between corporate respondents and grassroots actors. Interestingly, the strength of influence from Participatory Strategy Formation and Brand Engagement was more pronounced among grassroots actors, suggesting that inclusive design is more impactful when perceived from the bottom up.

**Table 6: Multi-Group Analysis (MGA) by Respondent Role**

Construct Path	Corporate $\beta$	Grassroots $\beta$	Group Difference	Significance
PSF $\rightarrow$ IMI	0.27	0.36	0.09	Yes
CBE $\rightarrow$ IMI	0.30	0.42	0.12	Yes
ISCA $\rightarrow$ IMI	0.29	0.27	0.02	No
CPMF $\rightarrow$ IMI	0.33	0.34	0.01	No

The six tables collectively affirm the conceptual model and highlight the differentiated roles that strategic dimensions play in fostering inclusive market engagement. The robustness of the structural model across demographic and sectoral lines strengthens its relevance as a framework for inclusive market strategy.

**RESULTS**

The results of the analysis provide clear empirical support for the hypothesis that inclusive market strategies are not only theoretically valid but also statistically significant in driving grassroots economic integration. Each of the four strategic dimensions examined—Participatory Strategy Formation, Inclusive Supply Chain Architecture, Contextual Product-Market Fit, and Community-Centric Brand Engagement—was found to have a direct, positive influence on Inclusive Market Integration. Among these, Brand Engagement and Contextual Product-Market Fit emerged as the strongest contributors, indicating that how a firm shows up in local narratives and how well its offerings align with economic and cultural realities have a profound impact on whether underserved communities actively engage with the brand in sustained economic ways. Participatory Strategy Formation also demonstrated a robust impact, validating the idea that inclusion begins not with tactics but with the strategy formation process itself. Firms that involved grassroots actors in shaping priorities, channel design, or go-to-market models experienced deeper trust, higher participation, and stronger community endorsement. This finding reinforces the idea that decision-making democratization—while often seen as time-consuming or risky by traditional corporate logic—can yield significant dividends in underrepresented markets by bridging legitimacy gaps and de-risking operational uncertainty.

The impact of Inclusive Supply Chain Architecture, though slightly lower in comparative strength, remains significant. This outcome highlights that access to procurement opportunities, fair pricing, and micro-finance are essential for transforming informal producers from one-time vendors into long-term collaborators. However, the results also suggest that sourcing inclusion must be paired with brand visibility and contextual product alignment in order to be effective—procurement alone is not enough if not complemented by end-to-end participation.

One of the most compelling insights is the mediating role of Brand Engagement between product fit and integration outcomes. This implies that even well-adapted products will fail to drive inclusive outcomes unless they are wrapped in narratives that resonate locally and signal genuine partnership. Simply offering an affordable,

context-sensitive product is insufficient; the brand must actively position itself as part of the community’s story.

The moderation analysis further reveals that firms capable of flexibly adapting their internal governance and systems to the demands of inclusivity—such as adjusting KPIs, compliance rules, or onboarding processes—see stronger results. This finding elevates Institutional Adaptability as a critical success factor. It suggests that even well-intentioned inclusion strategies will underperform if rigid organizational systems hinder local customization or stakeholder responsiveness.

Finally, the multi-group analysis provides evidence that the perceived impact of inclusion strategies is more potent among grassroots actors than among corporate stakeholders. This reinforces the importance of measuring success not just from the top down but from the bottom up—using inclusion not as a reporting metric, but as a lived experience benchmark shaped by those most affected.

**DISCUSSION**

The findings of this study offer a timely and powerful reconceptualization of how firms can participate in and promote inclusive economic growth—not through charitable contributions or post-facto CSR, but through strategic design embedded within their operational DNA. The validation of all four constructs—Participatory Strategy Formation, Inclusive Supply Chain Architecture, Contextual Product-Market Fit, and Community-Centric Brand Engagement—underscores the evolving reality that firms seeking long-term growth in diverse markets must begin to treat inclusion not as an optional enhancement, but as a structural necessity. The results affirm that inclusive strategies are not only morally commendable but also functionally superior in fostering deeper market penetration, sustained customer loyalty, and operational legitimacy.

Perhaps most importantly, the model repositions the informal economy—not as a risk to be managed, but as a vibrant system of human capital, local knowledge, and decentralized adaptability that can complement and enrich formal business structures. This challenges long-standing assumptions within corporate strategy that have often viewed informal actors as unscalable, unpredictable, or

incompatible with formal standards. The evidence suggests otherwise: when given voice in strategic decisions, integrated into value chains, and acknowledged through culturally embedded branding, informal actors evolve from passive consumers to active co-creators. This transition is particularly crucial in emerging economies where the informal sector often accounts for a majority of employment and local commerce.

The strong predictive influence of Community-Centric Brand Engagement reveals that market legitimacy is increasingly contingent upon symbolic alignment and narrative resonance. In contrast to traditional brand strategies that seek to project uniformity and authority, the study's results point toward the efficacy of brands that are willing to decentralize their identity and allow local adaptation. By positioning themselves not as foreign entities or extractive sellers, but as collaborative agents within the community fabric, these brands build the kind of emotional equity that fuels long-term engagement. This insight adds a cultural layer to the discussion on inclusive growth, reminding strategists that economic access alone is insufficient if not matched with relational presence.

Equally important is the finding that Contextual Product-Market Fit exerts a significant and direct effect on inclusive market outcomes. This reinforces the argument that product design in inclusive economies must go beyond affordability to encompass behavioral, environmental, and infrastructural context. A product's technical utility or price point may be sound, but if it fails to reflect the values, rituals, or daily constraints of the community, it is likely to underperform. The study shows that firms investing in ethnographic research, local innovation partnerships, and agile development cycles see stronger integration outcomes.

The mediating role of brand engagement between product fit and inclusive integration speaks to the power of storytelling, local representation, and visual legitimacy. In essence, even a contextually perfect product may fall flat if delivered through a culturally alien or hierarchically distant brand posture. This finding suggests that inclusive strategies must operate holistically—aligning design, delivery, and narrative in a coherent and responsive fashion. Fragmented efforts, no matter how well-intentioned, risk coming across as extractive or performative.

Institutional Adaptability emerged as a critical moderator, amplifying the effect of inclusive strategies on integration outcomes. This has deep managerial implications. It suggests that firms cannot simply adopt inclusion at the tactical level; they must reengineer internal systems—KPIs, hiring practices, legal frameworks, supplier vetting protocols—to support inclusive intentions. Without such internal alignment, strategies become decoupled from organizational behavior, and inclusion risks becoming a rhetorical veneer rather than a structural commitment. Adaptability also signals a willingness to let go of rigid control systems in favor of responsiveness—a trait increasingly necessary in volatile, pluralistic market

environments.

The multi-group differences observed between corporate and grassroots actors offer a sobering reminder: the value of inclusion must ultimately be judged by those it seeks to serve. While corporate respondents acknowledged the strategic value of inclusion, it was grassroots actors who most clearly perceived the impact of participatory design and brand democratization. This gap highlights the importance of incorporating “beneficiary voice” into strategic evaluations and suggests that successful inclusion cannot be validated through internal metrics alone.

Taken together, the study reframes inclusive economic growth from a development-sector ideal to a private-sector imperative. In a global context increasingly shaped by demographic shifts, populist pressures, and calls for economic justice, firms that remain distant from the real economies of informal workers, small producers, and underserved consumers risk both commercial irrelevance and social backlash. The findings point to a future in which market leadership will not belong to the fastest or the biggest, but to those companies capable of listening, integrating, and growing in rhythm with the communities they hope to serve.

### **Implications**

The results of this study carry far-reaching implications for theory development, business practice, policy architecture, and ethical governance in the emerging discourse on inclusive economic growth. By offering a validated structural model that links firm-level strategies to grassroots integration outcomes, the research lays down critical groundwork for rethinking how markets are designed, how stakeholders are engaged, and how value is distributed in increasingly unequal economic systems. It pushes beyond traditional CSR or development paradigms and asserts that inclusion, when operationalized intentionally, has the power to reshape not just external perceptions but internal performance dynamics and long-term market sustainability.

From a theoretical standpoint, the study advances the literature by synthesizing stakeholder theory, inclusive innovation, participatory branding, and informal economy studies into a unified analytical framework. While past research has explored these domains in silos, this work demonstrates that they must be viewed as interdependent components of a larger ecosystem strategy. Participatory Strategy Formation adds depth to stakeholder theory by demonstrating that voice and agency at the strategy level—not just feedback at the product or service level—are key to legitimacy. Similarly, the study adds nuance to the concept of supply chain inclusion by distinguishing between transactional engagement (e.g., sourcing) and structural integration (e.g., capability building, long-term contracting, knowledge transfer). The findings also challenge the assumption that contextual product-market fit is merely a function of market adaptation or affordability. Instead, it becomes a vehicle for social embeddedness, where design reflects a deep understanding of place-based behavior, environmental realities, and cultural logic.

Importantly, the strong effect of Community-Centric Brand Engagement suggests a theoretical extension to branding literature, particularly in contexts where brand equity is shaped not just by advertising or consistency, but by symbolic resonance and relational authenticity. The study supports a shift from top-down identity management to co-constructed brand narratives that empower communities to see themselves reflected in and represented by the firm. In doing so, it adds to the growing field of inclusive branding, which argues for emotional and visual ownership as critical elements of commercial inclusion.

From a practical standpoint, the implications for corporate decision-makers are profound. First, the study sends a clear message that inclusion cannot be an afterthought or an isolated function relegated to CSR departments. Instead, it must be embedded across the value chain—from how strategy is formed to how sourcing is structured, products are designed, and brands are communicated. The model provides a diagnostic tool for firms seeking to assess their readiness and maturity across four key dimensions, each of which can be tied to measurable business outcomes such as customer retention, supplier loyalty, market legitimacy, and innovation flow. For example, brands struggling with community skepticism or low uptake in rural or urban informal markets can revisit their brand engagement practices and ask whether their storytelling and outreach are genuinely participatory or merely promotional.

Second, the model provides clear design principles for inclusive supply chains. Procurement departments must move beyond tokenism and embrace tiered vendor systems that allow small suppliers to gradually integrate into the formal economy. This may involve investment in onboarding programs, flexible payment schedules, and bundling of technical support. Firms that treat informal suppliers as strategic partners rather than logistical risks stand to gain not just reputational capital, but also operational resilience, as diversified and decentralized sourcing becomes a hedge against global disruptions.

Third, the results reinforce the value of localized product development as a route to both differentiation and equity. Companies expanding into underserved markets should invest in community-based innovation labs, design collaborations with local artisans or micro-entrepreneurs, and pilot programs that test prototypes in real-life conditions. This creates a feedback loop that accelerates iteration while fostering ownership. More broadly, inclusive product design should be positioned not just as a tactic for low-income consumers but as a source of reverse innovation with potential to reshape mainstream offerings.

The evidence also points to the need for internal transformation. Institutional Adaptability emerged as a critical moderator, suggesting that firms cannot execute inclusion externally without reforming systems internally. This includes redefining success metrics beyond shareholder returns, rethinking incentive structures to reward inclusivity, and investing in cultural change initiatives that build empathy and curiosity about the lives of grassroots stakeholders. Human Resources departments

must embed inclusion into hiring, training, and leadership development, ensuring that cross-functional teams have both the technical and relational capacity to execute these strategies authentically.

From an ethical and social perspective, the study makes a compelling case that inclusion is not just a strategic differentiator—it is a moral imperative. As income inequality grows and trust in institutions erodes, businesses will increasingly be judged by their contribution to shared prosperity. By treating informal actors as co-owners of the economic future rather than as passive market segments, companies can begin to repair the legitimacy crisis that many corporate institutions now face. Ethical branding, inclusive governance, and community-led innovation become not just good practice, but necessary conditions for long-term survival in socially conscious markets.

The results also raise important considerations around the ethics of representation. As firms increasingly engage in participatory storytelling and grassroots branding, they must guard against the commodification or exploitation of cultural identity. Community-Centric Brand Engagement must be governed by principles of informed consent, value sharing, and narrative agency. Similarly, inclusion efforts must avoid extractive dynamics where informal actors are engaged only to reduce cost or create the appearance of diversity without real structural empowerment.

Finally, the research has strong policy implications. Regulators and development agencies can use this model to identify high-impact leverage points for supporting inclusive enterprise. Policies that incentivize inclusive sourcing, subsidize onboarding costs for micro-suppliers, or fund innovation in product adaptation could catalyze more inclusive commercial ecosystems. Moreover, partnerships between business, government, and civil society will be essential to creating the legal and infrastructural conditions necessary for informal actors to thrive in formal value chains.

In summary, the implications of this study stretch across theory, practice, ethics, and policy. It redefines what it means to be a market leader in the 21st century—not by how much a company sells, but by how deeply it integrates, how equitably it grows, and how authentically it partners with those traditionally left behind. In doing so, it provides a strategic and moral roadmap for the era of inclusive capitalism—a future where boardrooms and bazaars are not separate worlds, but co-authors of shared economic destiny.

### **Challenges and Limitations**

While this study contributes significant theoretical and practical insights into inclusive market strategy, it is not without limitations that constrain its generalizability and invite further investigation. One primary limitation lies in the sample composition, which, although diversified across sectors and geographies, is still limited in size and heavily concentrated in emerging market contexts. As such, the findings may not fully capture how inclusive strategies manifest in high-income or highly digitized economies,



where informal actors may take on different forms or where institutional constraints are less pronounced. Additionally, the data collection process relied partially on self-reported responses from both corporate and grassroots stakeholders, which introduces the potential for social desirability bias and subjective inflation of inclusive practice claims. While triangulation with interview data and qualitative cross-checking helped mitigate this concern, future research could benefit from objective third-party evaluations or longitudinal observation of firm-community interactions. The cross-sectional nature of the study further limits its ability to account for changes over time, such as the evolution of inclusion strategies, the deepening of partnerships, or the long-term performance impact of inclusive integration. Longitudinal studies would provide more robust insights into the sustainability and adaptability of inclusive models in shifting political, economic, and technological landscapes. Another limitation concerns the evolving nature of the constructs themselves. Concepts like community-centric branding or participatory strategy formation are inherently fluid, context-dependent, and culturally specific—what constitutes participation or authenticity in one region may be viewed differently in another. This complexity suggests a need for contextual calibration and locally grounded measurement tools, especially when applying the model across countries or industries. Moreover, the operationalization of Inclusive Market Integration as a dependent variable, while analytically useful, cannot capture the full nuance of economic empowerment, dignity, or long-term capability development among informal actors. Future studies may wish to complement this metric with qualitative indicators such as narratives of transformation, shifts in community decision-making power, or levels of intergenerational mobility enabled by inclusion. The study also does not deeply engage with potential unintended consequences of inclusion, such as co-optation, elite capture, or the marginalization of non-conforming groups. These risks highlight the importance of ethical reflexivity and power-sensitive design in inclusive strategy formulation. Lastly, while the model introduces Institutional Adaptability as a key moderator, it does not fully explore the internal barriers that may inhibit such adaptability—such as organizational inertia, internal politics, or shareholder pressure. These internal dynamics represent fertile ground for future inquiry into the organizational change processes necessary to institutionalize inclusion. In sum, these limitations do not undermine the value of the research but rather point to the rich complexity of inclusive economic strategy and the need for continued exploration that is iterative, interdisciplinary, and deeply grounded in the lived realities of both boardrooms and bazaars.

## CONCLUSION

This study reimagines the role of business strategy in fostering equitable, sustainable, and inclusive economic growth by empirically validating a multi-construct framework that links corporate decision-making with grassroots integration. Through rigorous analysis of both formal enterprise leaders and informal economic actors, the research demonstrates that inclusive market engagement is not an abstract ideal or philanthropic gesture but a viable

and necessary path to long-term competitiveness. The findings reveal that participatory strategy, inclusive supply chain design, localized product-market fit, and community-rooted brand engagement each play vital roles in driving authentic and sustainable inclusion. Moreover, institutional adaptability within organizations is shown to be essential for turning inclusive intentions into tangible, measurable results. The study positions informal economic participants not as marginal beneficiaries but as co-creators of value—stakeholders whose trust, insights, and resilience offer strategic advantage when engaged through structures of mutual respect and shared growth. By highlighting the mediating and moderating dynamics within this model, the research elevates inclusion from a moral imperative to a strategic asset, one that enables firms to thrive in complex, pluralistic environments. The conceptual and practical contributions of this paper speak to a new generation of strategy: one that balances profit and participation, scale and sensitivity, design and democracy. As inequality continues to destabilize economies and fracture social cohesion, the future of market strategy must lie in frameworks that unify rather than divide—where boardrooms design not only for shareholders but in conversation with street vendors, rural artisans, and gig workers. This paradigm shift does not demand the abandonment of efficiency or growth, but the broadening of their definition to encompass dignity, access, and co-ownership. In doing so, firms move from being distant economic agents to becoming embedded community partners. This research offers both a roadmap and a provocation—calling on scholars, strategists, and policymakers to treat inclusion not as a rhetorical flourish but as the foundation for a new kind of capitalism: one that grows not by extraction, but by collaboration; not by dominance, but by shared design. In that vision, the distance between boardrooms and bazaars is no longer structural—it is strategic, relational, and ready to be bridged.

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