TRAJECTORIES AND TWISTS:

PERSPECTIVES ON MARKETING AGILITY FROM EMERGING MARKETS

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Age-old ways of making marketing decisions—caricatured by annual plans, quarterly reports, and inflation-adjusted budgets—are being questioned today, and new, agile, and presumably more effective approaches are being pitched and embraced (see Brown and Eisenhardt 1998; Reis 2011). So it feels timely and right to focus on marketing agility as a research subject, especially as markets are changing dramatically and technology allows us to radically change the way we develop and market products and services. Given this reality, Kalaignanam et al. (2021, hereinafter Kalaignanam et al.) provide a valuable contribution to the field by offering a precise definition of a concept that is—like many concepts that attain buzzword status—too often fuzzily defined and loosely framed. By differentiating marketing agility from other related concepts and highlighting some its drivers and boundary conditions, they have also provided a means for practitioners to think clearly and comprehensively about the concept and to benefit from the insights of others who have implemented the idea.

In this commentary, we offer a perspective on Kalaignanam et al. by focusing on *digital products in emerging markets*. Why? Because just as automakers developing new vehicles assess their robustness and durability in extreme conditions of heat and cold, we aim to assess the robustness and durability of the Kalaignanam et al. perspective on marketing agility in extreme conditions of uncertainty and change. Digital products and emerging markets, for reasons we argue subsequently, represent such extreme conditions in which to assess the idea of marketing agility. Those making decisions in extreme conditions can serve as—to use the memorable phrase of Keynes (1932)—the "advance guard" for others seeking to make agile decisions in periods of great change. Having witnessed and (in the case of Nick Hughes) participated in the dramatic growth of digital products and services in Africa and Asia, we hope to contribute a perspective on marketing agility that assesses and complements Kalaignanam et al.

DIGITAL PRODUCTS IN EMERGING MARKETS:
COMPRESSED CHANGE AND THE AGILITY IMPERATIVE

If there is any context that demands marketing agility—the rapid iteration between making sense of markets and executing marketing decisions to adapt to changing market assessments—digital products in emerging markets represent such a context. As Kalaignanam et al. rightly note, marketing agility is especially appropriate in contexts where the environment is characterized by rapid change and market response is unpredictable. Many emerging markets are currently undergoing a process of change that can seem dizzying by Western standards. Consider the market environment facing the typical resident of East Africa compared with the typical American: electrical appliances, telephones, banking services, smartphones, and digital commerce all arrived more or less concurrently in East Africa, and brand-new highways are now connecting the rapidly urbanizing workforce to their rural families. Climate change and global warming are a living reality and are forcing large-scale changes to already fragile livelihoods and lives.

The changes that much of the contemporary West has experienced (or is yet to experience) was scattered over decades, even centuries. Emerging markets, in contrast, are undergoing change that is compressed in time (Chandy and Narasimhan 2015). In some ways, William Gibson's memorable quote "The future is already here—it's just not evenly distributed" (*Economist* 2001) could be restated as "The past, present, and future are already here—they're in emerging markets." Like rivers joining together to create unpredictable eddies and uncertain navigation, the confluence of technological, social, economic, and environmental forces amplifies unpredictability and creates uncertainty for digital businesses seeking to succeed in emerging markets (see Davies 2020). If agility should matter anywhere, it is here.

TRAJECTORIES AND TWISTS:
IMPLEMENTING AGILITY IN RAPIDLY CHANGING MARKETS

Our experience (as a practitioner and an academic, respectively) with digital products in emerging markets has been that agility in thinking and execution is crucial for successful marketing decisions in these rapidly changing markets. This experience also suggests areas for further conceptual and empirical development around the concept of agility.

Kalaignanam et al. propose four dimensions to marketing agility: sensemaking, iteration, speed, and marketing decisions. Of these dimensions, we focus on sensemaking and iteration in this commentary because (in our opinion) these dimensions are especially ripe for new insights.

Drawing Trajectories for Sensemaking

We propose that sensemaking for agility involves not only responding to "unexpected or ambiguous" developments (Kalaignanam et al., p. 7); it also involves drawing *trajectories*—simplified representations of patterns that underlie changing market phenomena. Trajectories can be contextual (involving patterns related to customers, competitors, and the macro-environment) and/or strategic (involving patterns related to a focal firm). Contextual trajectories could include trends in technology, demographics, regulations, or environmental factors. Strategic trajectories could include trends in thinking or actions on the part of decision makers in the focal firm or stakeholders such as investors or suppliers. Why is an understanding of trajectories important to marketing agility?

First, trajectories can help decision makers *anticipate* outcomes in fast-changing environments ("skate where the puck is going to be," as Wayne Gretzky famously said) and help them quickly prioritize decisions and actions. Trajectories offer direction to decision makers and help them aggregate across the many underlying forces that might cause a particular pattern of change. Moreover, trajectories help decision makers contextualize change and more easily understand which of the forces of change operating around the world are most relevant to their own context. By drawing trajectories, decision makers can not only make sense of unexpected or ambiguous new contextual developments, but also position these developments in the context of an evolving understanding of their own options regarding the future. Second, by *integrating* contextual and strategic trajectories, firms can make sense of entirely new developments, building confidence before investing substantial resources rapidly in new courses of action. Furthermore, by integrating trajectories, managers can narrate a story that helps external and internal stakeholders make sense of the need for change—and thus justify agile behavior in anticipation of or in response to change.

Beyond Iteration: Engaging in Strategic Twists

We propose that iteration involves not only “repeatedly refining marketing decisions” (Kalaignanam et al., p. 000); it also involves engaging in strategic *twists*: swift and substantial changes in the direction of activities. Unlike the generic notion of iteration, which involves the “repetition of a sequence of operations to yield results successively closer to a desired result” (Merriam Webster 1999), engaging in twists is a process that can require doing entirely different tasks from what is currently being done (and therefore not repeating a particular sequence of tasks). It involves *discovery* of new insights, possibilities, and goals relative to what is currently being understood or pursued. Moreover, rather than refining existing marketing decisions, it can involve actively seeking to *reframe* the marketing decisions that are warranted given changes in marketplace phenomena and communicating the ensuing changes in internal and external narratives.[1]

In the sections that follow, we illustrate these concepts and arguments by outlining two case studies of agility in marketing decisions. Both case studies are of digital products in Africa: the M-PESA mobile money service, and the M-KOPA solar energy service. One of the authors of this commentary— Nick Hughes—helped lead the development of each of these services; so we offer first hand insights that embody agility within a framework of trajectories and twists. We note that both cases followed somewhat analogous processes of sensemaking by *anticipating* and *integrating* trajectories. Moreover, both cases involved *discovering* unexpected market insights and *reframing* ideas to implement twists.

M-PESA IN KENYA

The M-PESA mobile money service is responsible for financial transactions equivalent to almost half of Kenya’s gross domestic product. This financial service contributed over $787 million in 2019–2020 revenues to Safaricom, the Kenyan mobile telephone company and affiliate of UK-based Vodafone; it now contributes more to Safaricom’s revenues than traditional mobile services such as texts and mobile data, and close to its revenues from voice

[1] Others have used phrases such as “pivots” (Reis 2011) and “dynamic course corrections” (Geisen et al. 2010) to refer to ideas similar to what we mean by twists. We prefer the latter term because it (1) allows for changes in mental models and narratives (e.g., “twists in the tale”), not just actions, and (2) it implicitly acknowledges that there may be a cost to engaging in twists (i.e., twists can be injurious as well).

calls (Russel 2020). But just 15 years ago, M-PESA was a prototype, and the team working on it was pursuing an application that was—to their surprise—not what very many customers wanted. We illustrate the trajectories and twists involved in marketing agility by first describing the M-PESA case.

Trajectories

M-PESA was created in part because Nick Hughes and his team were able to anticipate and integrate multiple trajectories.

Anticipating. Despite the obvious need for financial services, the availability of formal financial services had been limited for most of those living in emerging markets. Almost three-fourths of Kenyans had no access to formal financial services in 2006 (FinAccess 2019). At the same time, micro-credit was growing in prominence thanks in part to Muhammad Yunus's Nobel Prize–winning work in Bangladesh. Further, the trajectory of mobile phone penetration in many emerging markets including Kenya was steep and positive. The original logic for M-PESA was therefore based on the anticipation that the micro-finance and mobile penetration trajectories could be applied to address the need for financial services in emerging markets.

Integrating. To integrate these distinct trajectories and conceive of profitable products from them, Nick and his team used the analogy of the last mile problem in transportation: suburban commuters often need more time getting from their nearest train station to their homes a mile away than for getting from the station to a city center much farther away. Similarly, there were many hassles (and high costs) in moving cash between customers and micro-loan branches. "What if customers and their micro-loan providers could simply text their payments to each other?" was the original idea. Just as commuter parking lots could solve the last mile problem in suburban transportation, could mobile payments solve the last mile problem in microfinance?

To take forward the idea of using mobile telephony for financial services, Nick had to integrate the new idea with the strategic trajectories of the company as well as external allies. Within Vodafone, he pitched the idea as a growth platform that matched its emerging market aspirations. To external funding agencies, he noted its potential to improve the trajectory of financial services for the unbanked. His first major break came when he won a grant from the UK government to conduct a pilot of a mobile-based micro-credit platform. Thanks in part to this funding, Safaricom, then a young company within the Vodafone Group —and one that was fast establishing a strong, trusted brand in Kenya and a dominant (>60%) market share—agreed to implement the idea in a Kenyan test market. Nick's team built and deployed a prototype mobile loan disbursement and repayment scheme, and started receiving a stream of transaction data related to customer accounts, balances, and transactions.

Twists

The pilot revealed surprising lessons: customers were behaving very differently from what the team had expected. By sketching out patterns of customer behavior, they made an unexpected discovery that led to a conceptual twist that reframed their product and market strategy.

Discovery. Nick and his team discovered from the pilot data that customers were doing unexpected things. For example, some loan group members started sending other group members money that did not relate to a loan repayment; many customers were loading more funds into their accounts than was required to repay their loans and leaving these funds in their digital wallets for extended periods. These unexpected applications of the product were clearly valued by customers—storing funds safely in electronic form and having a convenient, low-cost way to send electronic money to friends, family, and business contacts. Importantly, the M-PESA team discovered that when customers had the opportunity to borrow easily from family, friends, and acquaintances, they were less keen to borrow from a micro-finance company. This behavior on the part of customers also alerted the team to a trajectory that they had not emphasized before: the rapid increase in urbanization in Kenya, which involved migration to cities by those who would then contribute through remittances to those "back home" in villages.

Reframing. The M-PESA team quickly engaged in a strategic twist. The grant funding from the UK government meant that Nick's team had the autonomy to change strategy quickly in response the market insights. They abandoned the complexity of a micro-credit platform and launched M-PESA under the marketing banner “send money home.” Safaricom’s leadership accepted the new framing of the M-PESA proposition, and contributed their in-market resources—their brand, market presence, and distribution—to the new proposition. Their chief executive officer and chief financial officer provided the strong operational drive once the reframed proposition was clear and compelling. The product tapped into a very rich vein of demand; customers signed up by the thousands per day, and usage took off at a rate that was both unexpected and unprecedented. M-PESA is now used in 96% of Kenyan households (Suri and Jack 2016).

M-KOPA IN EAST AFRICA

M-KOPA’s foundations lie in the pay-as-you-go solar energy space, pioneering what is now an established sector for financed energy access across Africa. It counts over one million customers for its digital products and services across East Africa. In our view, this case provides another illustration of the trajectories and twists involved in marketing agility.

Trajectories

M-KOPA was also created in part because the company could anticipate and integrate multiple trajectories.

Anticipating. Over 600 million people—or almost two-thirds of the inhabitants of sub-Saharan Africa—lack access to reliable grid electricity. They use dirty, expensive, and potentially dangerous fuels like kerosene for lighting. Despite the intense need for energy, this trajectory has been stubbornly flat. Other trajectories offered cause for optimism and opportunities for innovation. The price of solar energy per kilowatt hour has fallen by a factor of three since 2010. The rapid rise of electric vehicles and portable consumer electronics meant that batteries have become better and cheaper. Mobile signal coverage is increasingly ubiquitous and can be used to create an “internet of things.” And, of course, the emergence of digital payment services such as M-PESA has meant that consumers can engage in financial transactions easily and cheaply.

Integrating. M-KOPA's initial concept was to sell connected solar home power systems that customers could pay for using digital money over the course of 12 months. By remotely controlling the solar home system and only allowing it work on receipt of a digital payment, M-KOPA was effectively operating a "coin-in-the-meter" model to allow access to clean energy. The company could risk taking the hardware onto its balance sheet and "micro financing" access to this asset for customers with sporadic household income. To the customer, the proposition is simple: "spend 50 Kenya Shillings (roughly US$.50) a day with M-KOPA instead of spending that amount on kerosene and you'll get clean, safe power—plus you are buying your household an asset that once paid for, will bring clean energy for nothing." M-KOPA's analysis suggests that the typical household saves around $650 over the lifetime of the solar home system.

The promise of profitably fulfilling an intense customer need by applying the powerful trajectories outlined in this section meant that the founders could credibly integrate the M-KOPA concept with the strategic objectives of a variety of impact-oriented investors. These included investors with a particular interest in addressing the trajectory of environmental degradation and global warming, charities seeking to improve the trajectory of social impact, clean energy focused charities, and the UK government, among others.

Twists

Very quickly after launch, a competitive trajectory became evident as well. Other players, who were able to manufacture lower-cost hardware, began to match M-KOPA on cost and on the product bundle (e.g., number of lights, accessories). M-KOPA had to find a way to differentiate. A twist involving an unexpected discovery and a reframing of the product idea and market approach emerged.

Discovery. The M-KOPA team discovered that customers who had built a digital payment relationship with M-KOPA were demonstrating unique behavioral trajectories. Because M-KOPA can observe the payment history of each customer, the team was able to determine that many customers were paying off the M-KOPA system more quickly than expected. Because each solar home system is always connected to a mobile network, the team is able to assess the load on each battery, which indicates which customers use their systems most heavily. The payment and usage history of each customer provided M-KOPA with data to segment customers into those who might be profitably served (as described subsequently) by loans that used the solar home system as collateral.

Reframing. This discovery has meant that M-KOPA has gone from offering just a solar home system to offering a financial service. While the initial offer still involves a hardware product(s) in the form of the solar home system (comprising, e.g., a photo voltaic panel, battery, LED lights, DC TV), M-KOPA has engaged in a strategic twist of its model toward a financial service that uses the payment and usage profile of each paying customer to offer customized loans. Today, more than 50% of M-KOPA's customers have taken a second or third digitally enabled loan from M-KOPA, collateralized against their solar power system. Loan types range from "cash back" to school fee loans, from credit for water tanks to fertilizer for small farms. This twist is predicated on maintaining a payment relationship and offering relevant, timely credit products. It would not have been possible if M-KOPA did not have information on customer trajectories for segmentation and offer (as well as finance) an ever-changing set of products and services for the "connected African home." The company is now building AI tools to help it profile customers as early as possible in their relationship and thus move quickly to grow lifetime customer revenue opportunities where margins are higher.

CONCLUSION

Kalaignanam et al. have provided a valuable contribution to research and practice. As with many thought-provoking papers—and especially so for papers that promote a new research area—their framework raises even more questions than it answers directly. The qualitative insights in the paper are largely based on input from large firms in the U.S. market. Our assessment, which is based on the somewhat "extreme" context of digital products in emerging markets, suggests that the definition and framework of agility that they provide could be widely applicable across contexts.

We seek to complement the Kalaignanam et al. perspective by introducing the concepts of trajectories and twists as a way of framing how firms might apply marketing agility in fast-moving environments. We present M-PESA and M-KOPA as two cases of new digital services that embody elements of marketing agility, the need for which is made acute by being set in the context of emerging markets. In both cases, decision makers *anticipated* multiple market trajectories, *integrated* market trajectories with the strategic trajectories of the firm and its partners, and engaged in strategic twists that involved *discovery* of new market insights and *reframing* of problems or opportunities based on these insights.

Given the dramatic changes that are evident throughout the world today, we are hopeful that the early signals of interest in marketing agility will yield a steep trajectory of new research and informed practice.

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