How can you enter an emerging market – and improve the lives of millions?

In India, leading manufacturer Godrej & Boyce wanted to reinvigorate growth in its venerable household appliance business. We helped find a way to attract non-consumers—the more than 80% of Indian households that lacked basic appliances such as refrigerators.

Innosophit Impact Story

Godrej developed prototypes for feedback at "co-creation" events. In a straw poll of 600 women in the village of Osmanabad, the community voted to make the product red, the color of harmony and bliss.

From this effort came the ChotuKool, or "little cool" in Hindi. A disruptive innovation for the base of the economic pyramid, ChotuKool has been called "the Tata Nano of appliances," in a reference to India's super-compact car.

Instead of traditional compressors, ChotuKool is based on a thermoelectric chip that maintains a cool temperature on a 12-volt DC current or an external battery. The unconventional opening ensures cold air settles down in the cabinet to minimize heat loss and power consumption. The unit is highly portable, with 45 liters of volume inside a fully plastic body weighing less than 10 pounds.

Priced at $69, about half of an entry level refrigerator, ChotuKool creates a new product category, with a targeted value proposition that serves a new segment of customers.

The idea to address the basic refrigeration needs of rural families in India began in 2006 at a disruptive innovation workshop led by Professor Clayton Christensen of Harvard Business School through Innosight.

The Innosight team began its work by imagining living in a home without a refrigerator. Electricity is unavailable or unreliable in many rural parts of India, where families earning under $5 per day can't afford major appliances.

Could a community step up and help create a solution? Godrej Vice President G. Sunderraman led trips around rural India, observing the daily routines of villagers. Using our "jobs-to-be-done" approach, he and the Innosight team witnessed how rural consumers purchased, prepared and stored food and drinks.

Defining a simple but urgent "job"

We concluded that these homes didn't need cheap refrigerators. The "job" was much more basic. People needed an affordable way to keep milk, vegetables and leftovers cool for a day or two—both at home or away. This job is urgent in a country where a third of all food is lost to spoilage, according to the United Nations Commission on Sustainable Development.

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Developing the business model

Since ChotuKool is so unique, Godrej needed to evolve a new business model to fit the market. Innosight suggested options for a new kind of financing plan and low-cost distribution system that
generates profits.

Moving beyond a single-state test market, Godrej is now in the process of expanding distribution using community networks. The result is an innovation with impact. Godrej & Boyce is on pace to sell 100,000 ChotuKools in only its second full year on the market.

The early success of ChotuKool led to Godrej being named India's most innovative company of the year by Business Standard magazine in a ceremony conducted by the nation's Prime Minister. BusinessWeek and Fast Company named Godrej one of the world's "most innovative companies." ChotuKool was also awarded the 2012 Edison Award Gold prize for the Social Impact category. Most recently, Godrej redesigned and relaunched ChotuKool as a major consumer brand, with expanded distribution and a way for consumers to order personalized versions online.

Our Thought Leadership

Starting with Clay Christensen’s seminal book *The Innovator’s Dilemma*, we’ve pioneered a wide range of influential ideas and new approaches to business challenges.

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