



**UNIVERSITY OF AZUAY**  
**FACULTY OF LAW**  
**SCHOOL OF INTERNATIONAL STUDIES**

**Internationalization Plan of the brand Don Antonio for the  
export of flavored liquors to the Costa Rican market**

**Graduation project prior to obtaining the degree in International Studies, with  
a major in Foreign Trade**

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## **DEDICATION**

I dedicate this work to my parents, Edmundo and Fernanda, for being my guides throughout my life as well as during my university career, for teaching me perseverance and to always give everything to achieve my goals, to my sister Gabriela for being my unconditional support. I also dedicate this work to my grandparents who will always be an unconditional pillar. To a special person, Mateo, my friends and all my family that have stayed by my side giving me support and making this an unforgettable experience.

Molina Sánchez, Ana Daniela

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## **SUMMARY**

The current degree project consists of a proposal on a Plan of Internationalization of a liquor at Finca Don Antonio located in the Province of Azuay, Canton El Pan, for the Costa Rican market. The first chapter will include the introduction which highlights the main characteristics of the Finca as well as the activities that carries out and will describe the theoretical basis that will be used.

Subsequently, various tools will be used to understand the current situation of the brand. Furthermore, pertinent information about the positioning of the brand, a marketing plan for improving the image of the product, and a benchmarking for finding out possible competitive liquors that Finca Don Antonio offers and threats, will be, based on a SWOT (strengths, weaknesses, opportunities, and threats) analysis.

At the end of this proposal, a plan and continuous improvement of internalization of Don Antonio liquors will be developed.

### **Key Words**

Finca, Internationalization plan, Marketing plan, Continuous Improvement



## INTRODUCTION

In Ecuador, the competent government, the Internal Revenue Service, names small and medium-sized organizations as PYMES, which, according to the number of employees, sales volume, experience in the market, have similar characteristics within their processes of development and growth, organizations that are regularly learning, to growth their market share size.

It is important to mention that the business environment involves a set of production environments and processes, that are related to business administration, dealing with customers, coordination with suppliers, management of human relations directly related to buyers, legal aspects, productivity in the production of the product, control of the budget production costs, and other aspects that must have a perfect link to achieve business objectives.

Quality control systems and natural evolution are measures that economic factors break down for their exponential and sustainable growth, developed over time. This contributes to the development of production in micro-enterprises, mostly seeking to satisfy the market, being increasingly broad and competitive. Micro-enterprises must seek to understand and manage communication between clients and business administration, using criteria and simple languages for all those companies that choose to adopt quality standards within their processes.

Implementing strategic marketing projects focused on the internationalization, allows to implement a methodology of analysis and knowledge of the market with innovative tools and processes within companies. By proposing a strategic marketing plan, the risks of decision-making in the short and long term are reduced, maintaining the stability of a micro-business.

The effective management of information, the formulation of guides that allow measuring, evaluating, knowing, supervising and controlling the market opportunities that micro-enterprises may have, promote the development of productive and competitive aspects, achieving a strategic and effective methodology in the management of business within organizations.

The opportunity to make the best decisions based on information management, regardless of the size of the company, allows opting for appropriate measures within its activities and creating different solutions that strengthen corrective actions against

administrative, financial, operational, legal, human and human risks, technicians within administrative management.

Internationalizing a product is a very important step for companies, since it allows their products to be known and promoted worldwide and far from their place of origin. By entering this path of competitiveness, the brand ensures prosperity and growth.

Due to the aforementioned, this work is focused on the development of small and medium-sized companies, paying special attention in “Don Antonio” farm, where an international strategic marketing plan is proposed. Through an analysis technical and investigative, a study is carried out of the possible steps to follow to achieve this project. In the same way, the opportunities and weaknesses that the project may have as such are analyzed, as well as all the competitors and possible obstacles that may arise throughout this work. Developing a research proposal for the internationalization of an artisan product. Allowing the commercial and international development of micro-enterprises.

The first chapter includes a study and description with a critical analysis of Don Antonio Farm, which will study how the Farm was born, grew up and develops today.

The second chapter covers a market study to know the acceptance of the liquor both in the local and international markets.

The third chapter, which is the object of this work, contemplates a proposal to create a plan for the internationalization and commercialization of “Don Antonio” liquor in the Costa Rican market, knowing the main characteristics, structures, domains, processes and procedures that implies exporting to Costa Rica. After that, the most important conclusions and recommendations of the study will be determined.

## **CHAPTER 1**

### **DESCRIPTION AND CRITICAL ANALYSIS OF “FINCA DON ANTONIO”**

#### **1.1 Introduction**

Agro-touristic farm “Don Antonio” allows the tourist to enjoy in an experiential manner all activities that take place within the compounds such as milking cows, feeding the animals, go horseback riding around the tourist sides of the site, planting and harvesting vegetables, seeding and sponsoring fruit trees. Furthermore, they can enjoy different artisan products traditionally manufactured such as liquors of different flavours (blackberry, peppermint, coffee, tamarind, “huarmi poleo”, tree tomato, fig and “uvilla”, yoghurt, caramelized condensed milk, marmalades of various types. It also allows the enjoyment of the typical gastronomy of the area with a gourmet touch. Other options that are offered for family enjoyment are BBQ’s, guitar playing, bonfires among others.

The Agro-touristic farm “Don Antonio” was initiated through the program “Empresa Turismo” sponsored by the Ministry of Tourism of Ecuador in which it competed among 468 participants and obtained the first place at the national level.

In the future “Finca Don Antonio” would like to strengthen its brand in order to position itself in the market and this way to increase its sales in “Cantón El Pan” and to make its brand international.

#### **1.2 Basics of the Farm**

“Finca Don Antonio” is located in the southern part of Ecuador, in the province of Azuay, “Cantón El Pan”, within the district of San Vicente, 500 mt. from the “Paute-Guarumales-Méndez route, fifteen minutes away from the city of Cuenca. “Canton El Pan’s population is 3075 (Pan,2011).

The Finca has a breeding ground and a large variety of animals such as guinea pigs, cows, ducks, geese, peacocks, hens, rabbits, cats, dogs, parrots, chickens, deer and pigeons. It has its own vegetable garden, garden centre and greenhouse in which most

of the raw material and supplies are grown for the manufacturing of its products. Additionally, it has a restaurant, an area for the production of food and liquors, lodging, customer parking area and reception for visitors.

The weather in the area of the Finca is variable due to its altitude as it is at 2,550 mt. above sea level. Because of being situated in the Andes mountains and the proximity of the Ecuadorian rainforest the temperature reaches 15 degrees C. (Miller, 2012).

Due to its location the Farm shows a beautiful scenery where everyone can view the best sunsets on the mountains and the prairies of “El Pan” as mentioned by “Ana Maria y Marianita”.

### **1.3 Historical Overview**

The idea of “Finca Don Antonio” and its business spin has been expressed since the beginning of Don Antonio Villavicencio’s life, as he wanted to propose the idea of a business for the future of his family, and as benefit for “Cantón El Pan”. He was a great entrepreneur, agronomist by vocation and this is the reason the Finca bears his name. Its activities have been increased throughout the time- In its beginnings La Finca started with specific activities, however, in July 2018, it started working in a comprehensive way with a range of products and services that will be described throughout this work.

By the initiative of his oldest daughter and current administrator, Ana Maria Villavicencio, a professional chef, the Finca has a catering service that started nine months ago as a request by fourteen people that wished to get to know and taste the typical food of the area. This prepared the way to adapt the site to offer the service. When tourists arrived, they were pleased to learn that most of the products came from the Finca itself. Customers inquired if the Finca had lodging service and the reply was negative so the founders were driven to include this service on site.

From its beginnings, Finca Don Antonio has offered tourist an ambiance of relaxation and harmony to enjoy the country side. Several of its activities are based on life experiences getting the tourists to connect with nature. It has various original activities such as milking cows, feeding animals, go horseback riding around the area, sponsor fruit trees and the harvest of the food that will be served during the visit. This way tourist leaves the daily routine in order to enjoy a different day.

#### 1.4 Current Organization of “Finca Don Antonio”

The Finca is divided into departments. As it is a family business each member has its own responsibilities which are described here below.

- Gastronomy. Production of liquor, marmalade. Ana Maria Villavicencio and Mariana Flores are in charge of local dishes.
- Vegetable garden production, Luis Miguel Villavicencio
- Animals, Veterinary, Juan Carlos Villavicencio
- Marketing/Country fairs, Ana Maria Villavicencio
- Social Networks, Luis Miguel Villavicencio

#### 1.5 Organizational structure

This is a family organization and it is structured as follows in Figure 1:

Figure 1: Organization chart of Finca San Antonio



- **General Manager**

It is the person to manage all income, invitations, reservations, all processes and resources of the Finca. Besides he/she is the Finca representative in public and private events. As well as coordination of all activities under his/her responsibility.

- **Chef**

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She is in charge of preparing all food products in the Finca, from local dishes to marmalades, caramelized milk, yoghurt and liquors that are offered. Furthermore, arrange the harvest and purchase of supplies and maintenance of the equipment to carry out its activities.

- **Veterinarian**

His responsibility is that of the care of the animals in the Finca, to offer them periodical veterinary care and make sure they are fed properly and have a healthy habitat. His main responsibility is to keep them healthy.

- **Advertising**

The activities of the person in charge is to promote the Finca throughout digital social media and the design of flyers that are distributed at country fairs.

- **General Support**

She gives support to the veterinarian and general manager. She is in charge of all controls and order within the compounds and have different activities such as cleaning, customer support, feeding animals, plague control and other activities that may require attention in the Finca.

## **1.6. Products**

The “Finca Don Antonio” has the following products in table 1.

Table 1: Liquors and Desserts

Liquors	Marmalades	Sweets
Blackberry	Fig	Beans
Peppermint	Uvilla	Fig
Tamarind	Pineapple	Rice with milk and coconut
Coffee	Babaco	Caramelized milk
Huarmi poleo	Strawberry	Caramelized milk with coconut
Uvilla	Blackberry	Plum
Tree tomato	Sacsuma	Peach
Fig	Chinese Plum	Apple
Cedar		Pear
Quince		Ecuadorian cherry

Table 2: Gastronomy and dishes

BREAD	TYPICAL FOOD	GARNISHES	DESSERTS
Cornbread	Tradicional chicken broth	Mote Pillo	Uvilla Mousse
Colada Morada with guaguas de pan (November)	Don Antonio farm chicken broth	Llapingachos	Fig mousse
Carnival mongrel (February)	Changrillo/ Locro Minga/ Married Mote soup	Ensalada	Tomato in syrup
Corn Tortilla	Puchero	Rice	Babaco in syrup
Bread with pumpking and zambo	Mote pata		Chamburro in syrup
	Tender zambo loco with corn		Arroz con leche
	Potatoes with chaucha cabbage		Sweet squash
	Creole chicken dry		Zambo de dulce
	Chicken in pepa sauce		Limeño de dulce
	Sancocho		Tiramisu
	Blackberry coulis ribs		Cake portions
	Potato with leather		
	Roasted cuy		
	Dry guinea pig		

### 1.7. Mission of “Finca Don Antonio”

Finca Don Antonio is a family entrepreneurship dedicated to gastronomy and the production of artisan products with agroecological materials produced in the Finca grounds. (Villavicencio, Ana María, Molina, Daniela, 2020).

### **1.8. Vision of “Finca Don Antonio”**

“Finca Don Antonio envisions to be known at a local level, national and international due to the high quality of its products, its contribution to the agroecological development, touristic and its social responsibility and generating solid alliances with its local suppliers and strategies with its local competitors. Furthermore, it strengthens the income of its allied agroecological producers”. (Villavicencio, Ana Maria, Molina, Daniela, 2020).

### **1.9. Objectives of “Finca Don Antonio”**

Its objectives are mentioned here below.

- To introduce its products in the national market of liquors with artisan flavours, maintaining a variety of flavours.
  - To differentiate its products vis-à-vis the competition of liquors with artisan flavours, keeping natural ingredients without preservatives.
  - To maintain the quality of its agroecological products throughout the times by means of a quality process.
  - To promote training and information for tourists about a production plant of artisan liquors.
  - To expand to new markets of liquors of artisan flavours through multinationals.
- (Villavicencio, Ana Maria, Molina, Daniela, 2020).



## **CHAPTER 2**

### **MARKET STUDY DEVELOPMENT TO GET TO KNOW THE LIQUOR ACCEPTANCE**

#### **2.1. Structural analysis**

As a starting point of the market study to learn the acceptance of the liquor “Finca Don Antonio” is necessary to establish and present current information in the market. This way we will learn how liquor “Don Antonio” would be accepted in the market.

##### **2.1.1. Internal Data**

The cost of the product for the consumer as well as the presentation has two options, a 500 ml bottle at a cost of USD 5.0 and a one litre at a cost of USD 1.00.

The “Don Antonio” artisan liquor is commercialized in artisan fairs, upon request, door to door sales in Cantones El Pan, Paute and Sevilla de Oro. Another type of sale is done at “Finca Don Antonio”. The monthly demand at “Finca Don Antonio” is 40 litres of yoghurt, 60 units of marmalade and “manjar”, about 1,200 bread buns and 50 bottles of liquor. They also have an average of 40 reservations in their restaurant. It is assumed that their brand is accepted in the above-mentioned localities. The monthly production of liquor for each flavour is 20 bottles.

Their production schedule is from Monday to Friday, from 08:00 AM to 2:00 PM. and two people are in charge of the liquor production.

According to the original table of “BCG Finca Don Antonio” the following results are shown in Table 3.

Table 3: Matrix BCG “Finca Don Antonio”

MATRIX BCG			
PRODUCTS	MONTHLY SALES, USD	PERCENTAGE	MATRIX BCG
LIQUOR	400	13%	VACA
BREAD	180	6%	PERRO
JAM/ MANJAR	150	5%	INCOGNITO
GASTRONOMY	2.400	77%	STAR
TOTAL	3.130	100%	

Figure 2: Graph Matrix BCG



According to an analysis of matrix BCG which allows the investigation of the portfolio of “Finca Don Antonio” in order to take strategic decisions indicates that the star products that generate the most liquid assets for the firm and that require a considerable investment in order to maintain this position, the star product is Gastronomy as their menu is very extensive and diverse generating consumer expectation. The “cow” products generate cash and liquid assets without the need of a large investment for its production. In our case study, this product is Artisan Liquor which is consolidated in the markets of localities El Pan, Paute and Sevilla de Oro. The product “perro” also known as “disaster” generate insignificant liquidity for the “Finca” and has a few sales

in the market and a low growth. Lastly, the “Incognito” product needs an extra investment to be positioned in the market. “Finca Don Antonio” has the marmalade and “manjar” as Incognito products. The probable investment that these products require may be a change in distribution packaging as well as an extension of their shelf life.

### **2.1.2. Competitor Data**

The main competitors and their locations will be analyzed under this section. Finca Don Antonio” among the artisan liquors has competitors such as Corvel, Quinta Mama Yova, Licores de Sevilla, Licores de la Asociación de la Nube y Frutilan. They are located in Canton El Pan y Paute. Similar to “Don Antonio” they offer a variety of liquors and local dishes. However, “Finca Don Antonio” has a very good position in a wide market focussed on family and friend groups, educational institutions for technical visits, associations of producers and enterprises in the “Austro” region. According to owner Ana Maria Licores Frutilan has an inferior flavour compared to those of “Finca Don Antonio”.

### **2.1.3. Research Data**

Data such as information and ideas on how to increase its participation in the market has been collected in “Finca Don Antonio” in order to expand its brand.

According to owner Ana Maria, the certifications that they hope to obtain at “Finca Don Antonio” are as follows.

- BPM
- Customer Service
- Health Records
- INEN

“Finca Don Antonio” expects to win over the competition by continuous product improvement, maintaining its natural flavour, improving the presentation of the product, expanding local and international markets, creating new ways of advertising and obtaining health records for all flavoured liquors.

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To position itself in the market Artisan Liquors “Don Antonio” will be carrying out advertising campaigns in social media, product sales promotions and fairs looking to expand the liquor market.

For the future “Finca Don Antonio” is looking to position itself in the local, national and international market with its artisan liquor, as well as being recognized for the flavour variety. The “Finca Don Antonio” artisan liquors differentiate from those of the competition for the flavour variety and product quality. “Finca “Don Antonio” would like to improve the presentation of its products with a wooden packaging and with each purchase they would deliver a Panama hat (Toquilla straw hat) as an additional value.

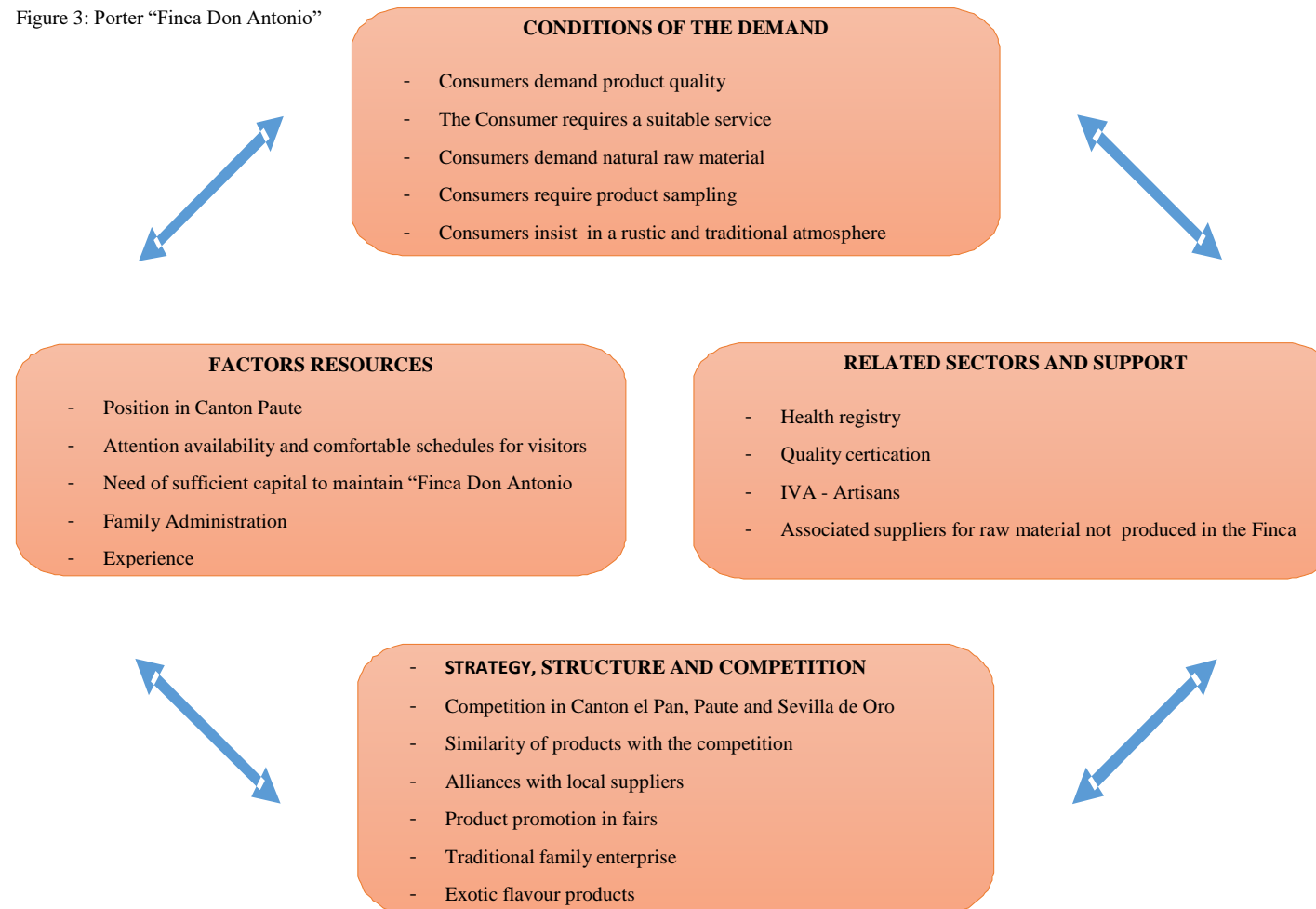
## **2.2. Market analysis**

The position of “Finca Don Antonio” in the market will be analyzed under this section. Various analysis tools will be used as follows.

### **2.2.1. Porter Diamond analysis**

The Porter Diamond will allow us to analyze the way “Finca Don Antonio and its products are present in the market and maintaining its competitiveness. This analysis will show the factors that generate a competitive advantage and its consolidation in which see in Figure 3”Finca Don Antonio” participates

Figure 3: Porter “Finca Don Antonio”



### 2.2.2. SWOT Analysis

The SWOT Analysis will allow “Finca Don Antonio” to learn in detail its current position in the market. In order to do this, I will start by identifying strengths, weaknesses, opportunities and risks together with owner Ana Maria Villavicencio. Once these parameters are identified, I will proceed to a thorough analysis in order to identify the business model that is followed in table 4.

Table 4: SWOT Analysis “Don Antonio”

STRENGTHS			
I	WEIGHT	VALUE	WEIGHTED WEIGHT
Family enterprise	20%	5	1
Raw material produced by the finca	20%	5	1
Low Production Costs	15%	4	0.6
Artisan Products	8%	4	0.32
Owned Installations	15%	5	0.75
Experience	15%	4	0.6
Quality of products	7%	5	0.35
TOTAL	100%		4.62
WEAKNESSES			
I	WEIGHT	VALUE	WEIGHTED WEIGHT
Resistance to change	20%	4	0.8
Products with a high Predictability	15%	5	0.75
Lack of knowledge	10%	4	0.4
Poor advertising management	15%	4	0.6
Lack of storage for sales	15%	3	0.45
No health registration	20%	5	1
No standardized procedure	5%	2	0.1
TOTAL	100%		4.1
OPPORTUNITIES			
I	WEIGHT	VALUE	WEIGHTED WEIGHT
Appealing product	20%	5	1
Local Acceptance	15%	4	0.6
High Sector Participation	10%	4	0.4
Income stability	15%	5	0.75
Artisan business model	15%	4	0.6
Local authorities' recognition	25%	4	1
TOTAL	100%		4.35
RISKS			
I	WEIGHT	VALUE	WEIGHTED WEIGHT

Competitiveness in the liquor, local gastronomy market, etc.	20%	4	0.8
Impact on political and economic measures	20%	3	0.6
Presence of plagues in the Finca	20%	4	0.8
Sanitary crisis	15%	4	0.6
Weather conditions	25%	5	1.25
TOTAL	100%		4.05

Table 5:Rapport **FD and OA**

x	0.52	F-D
y	0.3	O-A

Figure 4: Positioning “Finca Don Antonio”

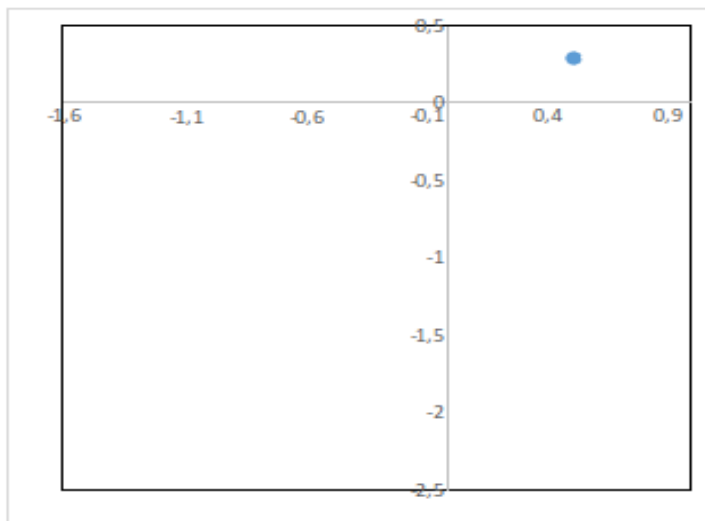
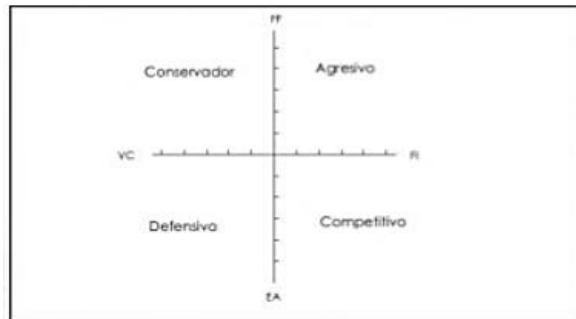


Figure 5: Quadrant Interpretation SWOT



The SWOT analysis has allowed to identify that “Finca Don Antonio” is in the Aggressive Quadrant as indicated in the Figure 4. Thus, the model of the Finca is to capture the opportunities with its strengths. It is necessary to stipulate that the strengths and opportunities of the Finca are slightly superior to its weaknesses and risks. This tells us that the Finca should focus much more on its positive elements and not to miss opportunities.

### 2.2.3. Lienzo Canvas

Lienzo Canvas will allow a deep analysis on the way the firm operates with its market positioning to structure an idea and transform it into a profitable idea with growth strategy for “Finca Don Antonio”, perceive in table 6.



Table 6: Analysis Lienzo Canvas “Finca Don Antonio”

<b>KEY PARTNERS</b>	<b>KEY ACTIVITIES</b>	<b>VALUABLE PROPOSALS</b>	<b>CUSTOMER RELATIONSHIP</b>	<b>ACCOUNT SEGMENTS</b>
Local Producers	Administration Improvement. To implement a Product delivery System. To provide a better customer service	To improve Presentation of Product. To add a souvenir To its products. Emphasis in Manufacturing Products. Improvement in Brand positioning	To deliver tasting Sampling. To allow sales in Stores. Guided tours in Finca.	Residents of Cantons El Pan, Paute, Sevilla de Oro. National Sales. International Sales Plan.
National Sponsors	<b>KEY RESOURCES</b>		<b>CHANNELS</b>	
Strategic Partners	Strategic Alliances Good Planning of a project		Advertising in local radio. Social Media Promotions Promotions in National fairs	
<b>COST STRUCTURE</b> Investment on packaging improvement And health registry		<b>INCOME SOURCES</b> Strategic Partners, Local Promotions, Government Assistance.		

According to this analysis “Finca Don Antonio” has numerous opportunities for innovation in the local and national market and a future plan for internalization which is a plan that is adaptable and flexible to answer opportunities and needs of “Finca Don Antonio”.

#### 2.2.4. Strategic Analysis 5C’s created by Jerome McCarthy

The 5C analysis model has the main objective to answer the needs that must be covered at the Finca in order to establish a business model demonstrate in table 7.

Table 7: Strategic Analysis “Finca Don Antonio”

5 C's Strategic Analysis	
Customers	Defined mission and vision Developed strategies Communication through social media
Competitors	CORVEL “Quinta Mama Yova” “Licores de la Asociacion de la Nube” Frutilan “Licores de Sevilla”
Collaborators	Local Customers Private Advertising Advertising in Social Media External Customers (National and International)
Context (Weather)	Most members are Catalan Account transparency, honesty

According to the analysis conducted we can demonstrate that “Finca Don Antonio” has more opportunities for growth in the local and national market.

### **CHAPTER 3**

#### **PROPOSAL FOR THE INTERNATIONALIZATION AND COMMERCIALIZATION OF LIQUOR “DON ANTONIO” IN THE COSTA RICAN MARKET**

##### **3.1. Investigation on the development of similar brands that have achieved international positioning.**

Within the different brands of liquors, I have been able to learn that some of them have an established positioning within the market of alcoholic beverages due to different factors in their products, such as the time they have been in the market and strategic alliances with different international companies. These brands have participated in great events under a patronage, causing that their products reach a larger number of consumers.

Some of the brands that have achieved an important position in the market and that have served as a study for the production of this proposal have been Johnnie Walker Whisky which started in Scotland in 1820 and slowly increased its international participation in the market until it reached the world positioning that it has today according to Johnnie Walker company (Johnnie Walker company) On the other hand, brand “Don Julio”, specialized in tequila has positioned itself in a regional way as a premium product and have managed to differentiate itself from the competition in Mexico. Finally, I analyzed a brand known locally that achieved international reputation is Zhumir as it began as an artisan liquor in Canton Paute and it rapidly expanded to Canton Cuenca. This brand is now recognized nationally with a good positioning and has expanded to USA and European markets.

Considering the trajectory, strategies and gains achieved by these brands and particularly their positioning in different markets, regionally as well as internationally, what we envision with this proposal is that brand “Don Antonio” can start positioning itself in different markets gradually.

With this in mind, I will present a brief review on each of the brands with the purpose of retrieving what is best and adapt them to the internationalization of brand “Don Antonio” for the exportation of flavoured liquors to the Costa Rican market

### **International brand: Johnnie Walker Whisky**

It is one of the most commercialised whiskeys in the world. Its history analyzed by Emma Briones (Briones, 2014) indicates that its beginnings started in 1820 by its founder John Walker at a corner store in Kilmarnock, West Scotland in which he commercialized a broad gamma of distilled products. Its market boom was in 1850 with “Walker’s Kilmarnock Whisky”, at the time of its founder’s death in 1857 his son Alexander Walker took over focussing on whiskey.

He created his first brand “Walker’s Old Highland” which is now “Black Label”, a novel model that was used to sell this product was the presentation of a square bottle that attracted the attention at the local and international level.

Due to the product demand, Alexander decided to acquire the Cardhu distillery in 1893. At the beginning of the 20th C, John Walker’s heirs expanded their gamma of products to “Red Label” introducing in their products derivative names of colours, at the same time they changed the name of the brand “Walker’s Kilmarnock Whiskies” to “Johnnie Walker Whiskey”. In 1820, they project their first slogan “Still Going Strong” created by illustrator Tom Browne who also designed the iconic walker slogan which distinguished this brand among other whiskeys allowing its sales to more than 120 markets in 1920.

As a result of First World War, the Johnnie Walker production became limited, surpassing its stellar product “White Label” then, which was not longer produced. In 1932 the production of “Johnnie Walker Swing” began, a liquor designed for travellers that came in a bottle that could be balanced. Thanks to this and “Johnnie Walker Odyssey” the brand receives a real recognition by King George V.

The “Blue Label” is originated in 1992 with great success in the Market. In 1995 the “Gold Label” is born the same way, based on instructions left by Alexander II for the creation of this centenary blend.

In 1997, Johnnie Walker became part of the Diageo brand and remains as such to this date. It has become the whiskey with most sales at the world level with a gamma of 8 expressions without taking into account all special editions.

In 2009 its slogan changes to “Keep Walking” that was originated with the intention of inspiring men to prosper.

Once I have analyzed the history of Johnnie Walker, I will be able to observe the different distinguishing features and factors that gave popularity, enhancement and acceptance of this type of liquor in the market. Considering what has been mentioned, the Johnny Walker model share in its beginnings some similarity with the current Don Antonio liquors that would allow to use strategies such as names by colour, packaging forms among others in order to stand out in the market and to capture new markets. (Briones, 2014; Rugeles, 2013)

#### **Regional Brand: “DON JULIO”**

The history of this brand began with Julio Gonzalez’s birthday in 1925 who at the early age of 17 created his first tequila. After perfecting it, he achieves to launch a brand with his own name creating a premium product “Don Julio”

Known as the tequila that revolutionized the world, its creator Julio Gonzalez did not get to taste his last mix of tequila; however, as a good “tequilero” he managed to approve the product. Don Julio marked new rules and traditions on the production of tequila which is a unique production based on settled aging and has an additional process of distillation which is characterized by yellowish tones and sweeter flavours besides being settled in barrels. Don Julio always aspired to be a premium brand in the tequila market and sought to differ from the competition that exists in Mexico a country that gives priority to different beverages as beer.

Its current owner Diageo, positioned it as a sales phenomenon as the production of a special edition named “Don Julio 70” ran out in 2012 when it was launched. Production of Don Julio is a million bottles a year. This brand came into the market in 1987 and in 1999 a contract was signed with Seagram, a firm dedicated to the commercialization and production of liquors in particular Tequila and which became Diageo that sold 50% of the brand to José Cuervo.

Molina Sánchez, Ana Daniela

In 2015 Diageo recovered 100% of the brand, expanded production capacity and bottling in the state of Jalisco.

This tequila is commercialized in 60 countries but the majority of sales are in the USA and Mexico. At the same time, they aim to send the product to traditionalist countries in South and Central America where traditional and organic beverages are consumed.

Don Julio is processed from blue agave which is obtained, thanks to the Jimadores (agave farmer) who make exact cuts to get the heart of the plant. Diageo owns 7 million plants to be transformed to Tequila Don Julio.

To conclude, the Don Julio brand had various inconveniences, however it was able to ratify itself in the market applying different methodologies and strategies to maintain its tradition, mass production and acceptance in most of the region. Considering what has been stipulated, I could consider some of these features so that “Don Antonio” can position itself and undergo various positive changes in order not to risk traditions and inheritance. (Escamilla, 2016; Alejandro Macias Macias, 2009)

#### **National Brand: ZHUMIR**

Zhumir was originated in Canton Paute, province of Azuay, located in the southern part of Ecuador in 1780 when an artisan liquor started to be produced and throughout the years it became an iconic brand in Ecuador. As time went by the production of this liquor became established with a cane sugar production, creating not only Zhumir but also liquors El Pauteño and Ron Cholita. Consumption of liquor started to grow in the most populated city near Paute, Cuenca with the opening of the Zhumir distillery in 1966 giving a proper name for the city “Pecho Suco”. Presentation of the product comes in different forms, from a 125 ml bottle known as “tocha” and a 1,500 ml bottle known as “pata de elefante” (elephant foot).

Nowadays the production of this liquor is 7,000 boxes of “pecho suco” a well-known distilled liquor of sugar cane and 4,000 of Seco and Extra-seco presentations. Zhumir is a brand that is produced by the firm Azende CIA Ltda. Azende is a national firm that covers most of the national territory and with monthly exports to the USA and Europe with containers of 1,200 boxes of products each. Azende is looking to expand

its market exporting Zhumir to Bolivia as well as to maintain its 66,000 points of sales in Ecuador. It is a family firm of the Crespo Group

The brand has positioned itself in the province of Azuay and has been acknowledged in a well-known song, “Por eso te quiero Cuenca” (That is why I love Cuenca) composed by Carlos Ortiz and in which is mentioned “This my pretty land with thousands of doctors, everyone has admired the poets that exist by dozens, Cuenca is the lad of good Zhumir and hot water. That is why.....that is why I love Cuenca!”

As a replica of this experience and getting the most of it, we can point that Don Antonio uses products grown in Canton “El Pan” and using the positioning of Zhumir which emphasizes that it is produced in Canton “El Pan” and be able to position the flavoured artisan liquor. Don Antonio can acquire the business model of the Azende firm as these are liquor strategies that are positioned at the local level and known worldwide, and be able to gain the national market and initiate the international market. (Zhumir, 2014),

### **3.2. Market liquor study in Costa Rica**

The following survey was conducted in the city of San Jose Costa Rica through the google forms computer application. This survey was done with the purpose of analyzing and studying the liquor in Costa Rica as well as the acceptance of the “Don Antonio” product.

The survey format as follows and which was applied as part of the development that allows the author to demonstrate the viability of the internationalization plan of brand “Don Antonio” for the exportation of flavoured liquors to the Costa Rican market.

**University of Azuay**

**Faculty of Law**

**School:** International Studies

The objective of the current survey is the introduction of artisan flavoured liquors of the “Don Antonio” brand in the Costa Rican market and thank you for allowing me a few minutes of your time.

This survey is confidential and the success of our investigation depends on the truthfulness of your answers.

**Introductions:** Please read the questions thoroughly and answer.

1. What is your age range?

- |             |              |
|-------------|--------------|
| a) 18 to 25 | e) 56 to 65  |
| b) 26 to 35 | f) 66 to 75  |
| c) 36 to 45 | g) 76 to 85  |
| d) 46 to 55 | h) 86 and up |

2. What is your gender?

- a) Male
- b) Female

3. How often do you drink alcohol?

- a) Never
- b) Occasionally
- c) Frequently



4. Do you know about artisan flavoured liquors?

Yes

No

\*\*\*If your answer is Yes go to question 7

5. Would you try an artisan flavoured liquor? Justify your answer.

Yes

No

6. What do you look for in an artisan flavoured liquor?

- a) Exotic flavours
- b) Accesible prices
- c) Strong liquor
- d) Weak liquor
- e) Presentation
- f) Nutritional information

7. How much would you be willing to pay for a litre bottle of artisan liquor?

- a) 5000-7000 colones
- b) 7000-9000 colones
- c) 9000-11000 colones

8. On what occasions do you like to purchase liquor?

- a) Social events
- b) Birthdays
- c) Special reunions
- d) Christmas

9. What flavour of artisan liquor do you prefer? (You may choose more than one answer)

- |                 |                  |
|-----------------|------------------|
| a) Blackberry   | f) Uvilla        |
| b) Mint         | g) Tamarillo     |
| c) Tamarind     | h) Fig           |
| d) Coffee       | i) Lemon verbena |
| e) Huarmi Poleo | j) Quince        |

10. What product presentation would you prefer?

- a) Glass bottle
- b) Plastic bottle
- c) Tetra Pack

11. ¿Where would you prefer to find artisan liquors?

- a) Shops
- b) Supermarkets
- c) Liquor stores
- d) Internet

12. If you find an artisan liquor how often would you buy it?

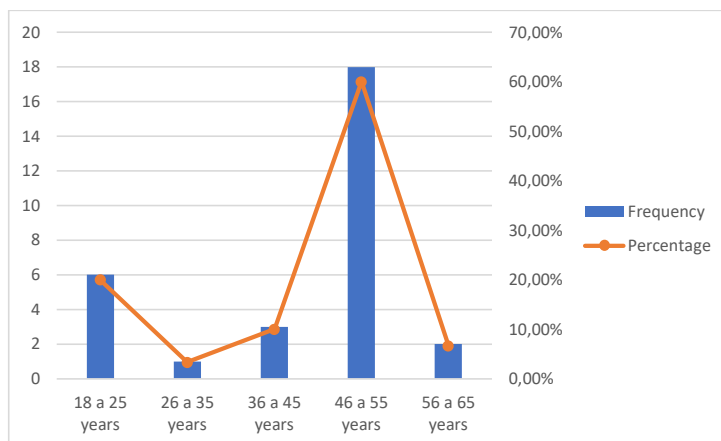
- a) Daily
- b) Weekly
- c) Bi-weekly
- d) Monthly

The survey was answered by 30 people from Costa Rica, and the author of this work analyzed each of the questions given in order to examine the market factibility of liquors in Costa Rica.

Table 8: Age range liquor market survey Costa Rica

Age range	Frequency	Percentage
18 a 25 years	6	20,00%
26 a 35 years	1	3,33%
36 a 45 years	3	10,00%
46 a 55 years	18	60,00%
56 a 65 years	2	6,67%
<b>Grand Total</b>	<b>30</b>	<b>100,00%</b>

Figure 6: Age range of respondents



According to the information compiled on the first question, I observe that 60% of the population is found within the age range of 46 to 55, therefore a wide category for “Don Antonio to penetrate as they can be considered as potential clients when trying to blend their experience in the world of artisan liquor. The results also generate that 20% are found in mid age as their curiosity to try the world of liquors can give us an advantage to penetrate with the “Don Antonio” artisan beverages, a reason for having a wide market projection for the “Don Antonio” artisan liquors

Table 9: Sex of respondents

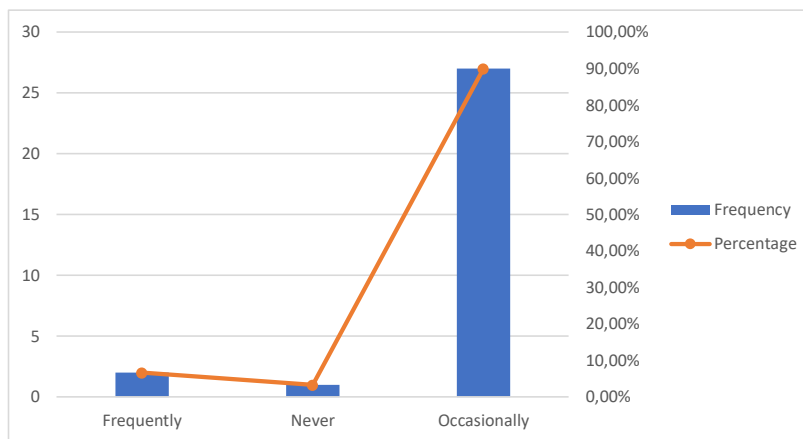
Gender	Frequency	Percentage
Male	15	50,00%
Female	15	50,00%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

The survey was strategically given to an equal number of males and females, with the purpose of finding out the liquor acceptance and consumption for both genders, and it was evidently shown in the questionnaire given that the liquor acceptance was the same for males and females.

Table 10: Frequency of Liquor Consumption

Consumption frequency	Frequency	Percentage
Frequently	2	6,67%
Never	1	3,33%
Occasionally	27	90,00%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Figure 7: Liquor consumption frequency

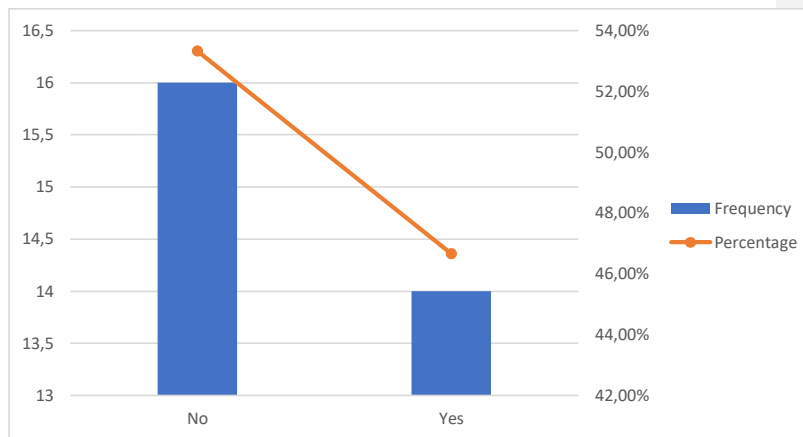


I can observe that 90% of the population in San Jose, Costa Rica occasionally consume liquor, giving an opening for probable buyers of “Don Antonio” liquors. Consumption is not only on special occasions but on a normal day providing an ample market opportunity to include this liquor in the Costa Rican consumer.

Table 11: Knowledge of artisan spirits

Market knowledge	Frequency	Percentage
No	16	53,33%
Yes	14	46,67%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Figure 8: Knowledge of artisan spirits

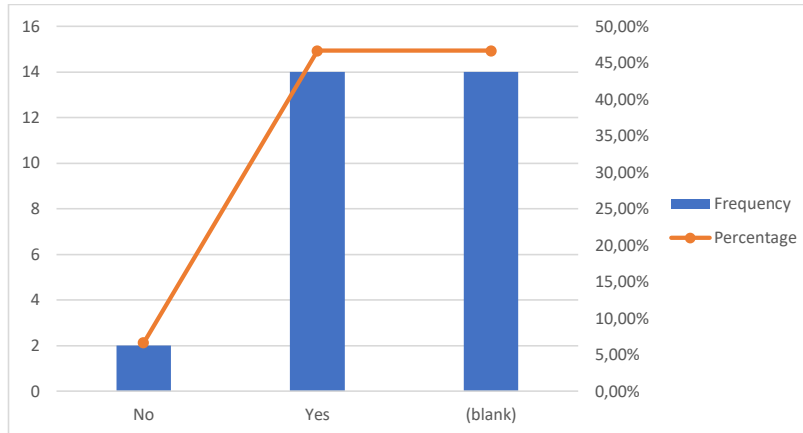


In San José, the Costa Rican capital, few people know about artisan liquors and this is replicated in other cities in the country, creating a barrier to introduce the product, however, it can be of great advantage of being a new product and be able to attract new consumers.

Table 12: Probability of tasting artisanal flavored liquor

Interest/Preference	Frequency	Percentage
No	2	6,67%
Yes	14	46,67%
(blank)	14	46,67%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Figure 9: Probability of tasting artisanal flavored liquor



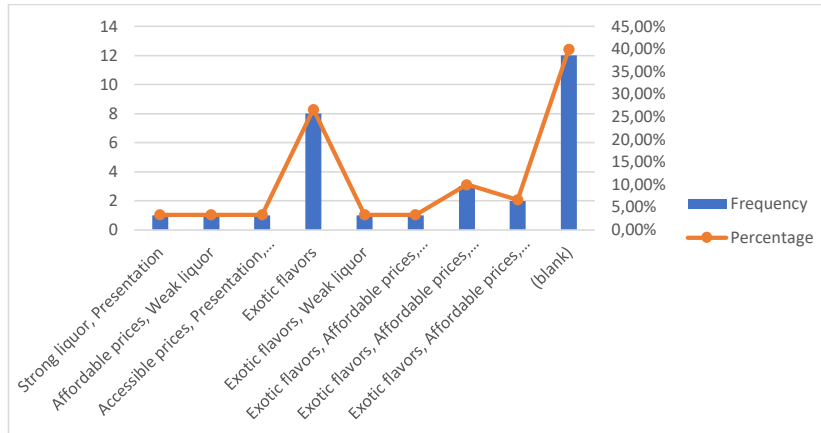
On this question is shown that people are willing to try a new artisan product, and at the same time there is a similar percentage of blank answers which can be considered as an entry opportunity through consumer curiosity.

According to the reasons why people would try a new artisan product, 60 % answer with no reason, however this could be a clear market factor as they are reliable consumers; 6.6 of survey respondents explained that they would know if they like it by trying it, showing a way to promote “Don Antonio” liquors in San Jose, Costa Rica. The results always generate that 6.67% enjoy a flavour variety. The rest of the results is shared by “I would like to try” and “I support artisan products”, among others.

Table 13: Preferences in a craft liquor

Preference	Frequency	Percentage
Strong liquor, Presentation	1	3,33%
Affordable prices, Weak liquor	1	3,33%
Accessible prices, Presentation, Nutritional information	1	3,33%
Exotic flavors	8	26,67%
Exotic flavors, Weak liquor	1	3,33%
Exotic flavors, Affordable prices, Weak liquor, Presentation	1	3,33%
Exotic flavors, Affordable prices, Strong liquor, Presentation, Nutritional information	3	10,00%
Exotic flavors, Affordable prices, Presentation	2	6,67%
(blank)	12	40,00%
<b>Total general</b>	<b>30</b>	<b>100,00%</b>

Figure 10: Preferences in artisan liquor

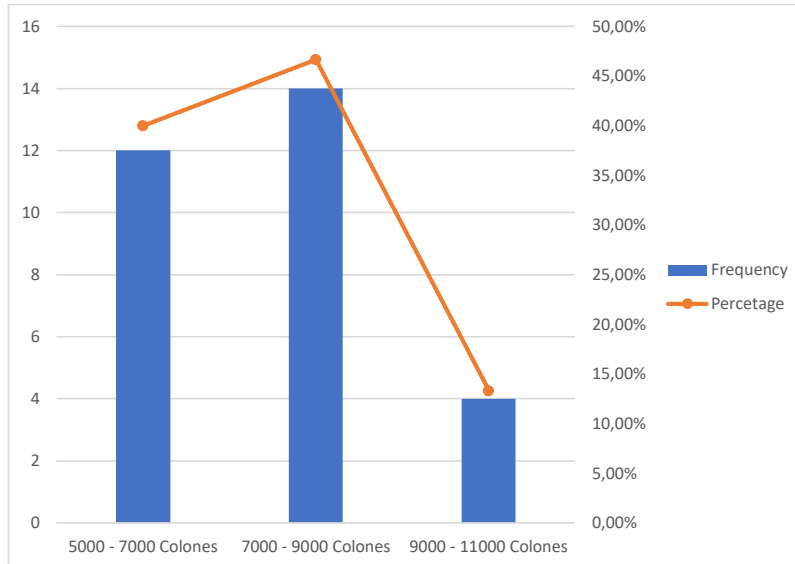


While the survey respondent preferences at the moment of purchasing or trying an artisan liquor are not totally clear, they alert us that the brand of “Don Antonio” liquors are set apart by its flavours and able to win over 26.67% of those who look for exotic flavours and why not a high 40% that was able to define and another percentage of those who decided for affordable prices, as the production cost of an artisan liquor is not high, being this a viable way to commercialize the product.

Table 14: Price range to pay for artisanal liquor

Price	Frequency	Percentage
5000 - 7000 Colones	12	40,00%
7000 - 9000 Colones	14	46,67%
9000 - 11000 Colones	4	13,33%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Figure 11: Price range to pay for artisanal liquor



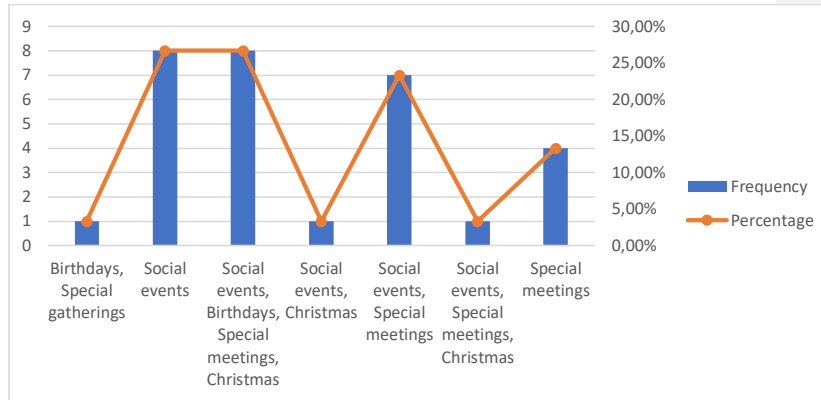
This question allows us to draw up a field so that the “Don Antonio” products could calculate a possible market price considering the necessary margins. To the date the survey and the development of this work 46.67%, 14 of survey respondents, indicated that they would pay from 7,000 to 9,000 colones (from US\$12 to \$15)

Table 15: Occasions for drinking liquor

Consumption occasions	Frequency	Percentage
Birthdays, Special reunions	1	3,33%
Social events	8	26,67%
Social events, Birthdays, Special reunions, Christmas	8	26,67%
Social events, Christmas	1	3,33%
Social events, Special reunions	7	23,33%
Social events, Special reunions, Christmas	1	3,33%
Special reunions	4	13,33%
<b>Total</b>	<b>30</b>	<b>100,00%</b>



Figure 12: Occasions for drinking liquor



Costa Ricans consume more liquor in special events, Christmas parties as well as special reunions. On each occasion the survey respondents indicated a considerable percentage for an opportunity to introduce and distribute the branded “Don Antonio” liquor products in the Costa Rican market.

Table 16: Craft Liquor Flavor Preference

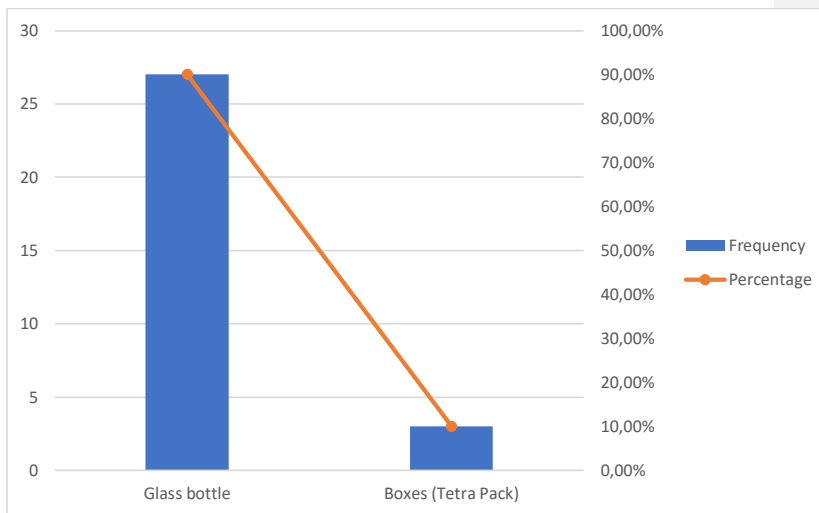
Flavour preference	Frequency	Percentage
Coffee	11	36,67%
Coffee, Lemon verbena	1	3,33%
Coffee, Fig, Quince	1	3,33%
Coffee, Tree tomato	1	3,33%
Fig	1	3,33%
Café, Tree tomato, Lemon verbena	2	6,67%
Quince	1	3,33%
Blackberry	1	3,33%
Blackberry, Tamarind, Coffee, Uvilla	2	6,67%
Blackberry, Tamarind, Fig	1	3,33%
Blackberry, Tamarind, Uvilla	1	3,33%
Blackberry, Tree tomato, Fig	1	3,33%
Tamarind, Coffee	1	3,33%
Tamarind, Uvilla	2	6,67%
Uvilla	2	6,67%
Uvilla, Tree tomato, Quince	1	3,33%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Flavour preference varies, 36.7 % prefer coffee, and 6.67% would consume lemon verbena, and 6.67% preferred blackberry, tamarind, coffee and uvilla. I can conclude that Costa Rican people prefer a variety of flavours when buying the product.

Table 17: Presentation of the product

Preferred packaging	Frequency	Percentage
Glass bottle	27	90,00%
Boxes (Tetra Pack)	3	10,00%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Figure 13: Presentation of the product

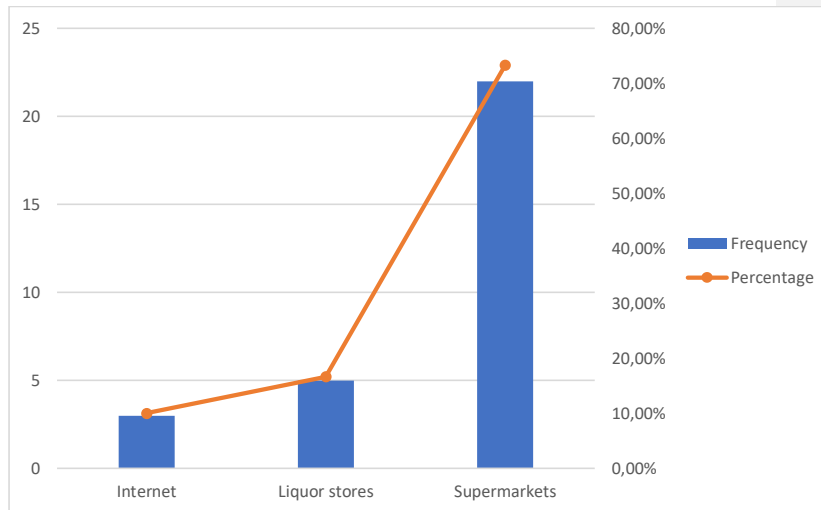


90% of probable consumers would prefer that the product be sold in glass bottles as this packaging is friendlier to the environment, less pollution and bottles could be reused, as well as product can be preserved and transportation would be simpler.

Table 18: Place of preference for the purchase of liquor

Distribution place	Frequency	Percentage
Internet	3	10,00%
Liquor stores	5	16,67%
Supermarkets	22	73,33%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Figure 14: Place of preference for the purchase of liquor

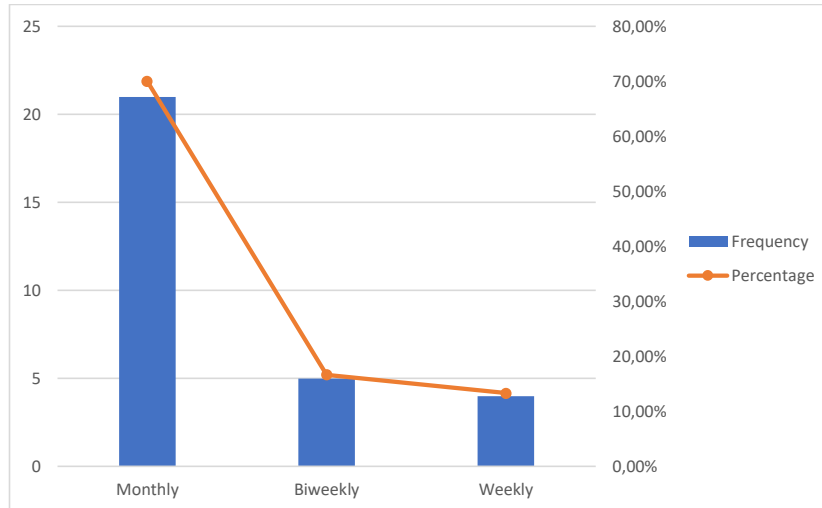


73,33% of future Costa Rican consumers would prefer to find the product in supermarkets as the purchase would be more appealing, more comfortable and reliable, a 20% would prefer to find it in liquor stores and a 10% through the internet.

Table 19: Frequency of consumption of artisanal liquor

Consumption		
frequency	Frequency	Percentage
Monthly	21	70,00%
Bi-weekly	5	16,67%
Weekly	4	13,33%
<b>Total</b>	<b>30</b>	<b>100,00%</b>

Figure 15: Frequency of consumption of artisanal liquor



Purchase frequency of “Don Antonio” liquors would be 70% monthly providing an excellent sales market

### 3.2.1. Interview “Liquor consumption in Costa Rica”

Another point of analysis was preceded with an interview with Ing. Mauricio Granados who holds the position of Manager in the liquor line at the Eljuri firm in Cuenca. He was born in Costa Rica and lived there during his childhood, teenager years and part of his young adult life. He has lived in Cuenca in the past couple of years.

According to Ing. Granados consumption of alcoholic beverages in the Central American countries is very similar to consumption in Ecuador, particularly with beer. One of the beverages that is most consumed in Costa Rica is “Guaro Casique” which is a sugar cane national liquor owned by the state. Casique is a typical Costa Rican liquor that could be compared to Zhumir here in Ecuador, however, it has a neutral flavour and not as strong as the Ecuadorian liquor. In the year 2000, they produced 2 million of boxes per year and nowadays they produce 500,000 boxes

Comentado [MV1]: Engineer

The liquors most commercialized in Costa Rica are rum “Flor de Caña”, “Centenario”, produced in Costa Rica and Bacardi rum among the most consumed. Similarly, the vodka consumption is quite high and among the most exhausted are Smirnoff and Absolute. Lastly, the consumption of whiskey with their brands well positioned in the local market are Johnnie Walker, Old Park, Chivas and Something Special. Costa Rica does not have an ample market and consists of a positioned market with international brands for the liquor consumption. Consumption in bars and restaurants where “Ticos”, frequent is of brands already positioned as mentioned above and not new brands of artisan liquors which makes difficult the selling of an artisan product.

The consumption market of an artisan product is that of a high middle class; however, the product must have a good presentation and be a quality product and in order to reach a high target it must have an added quality. The lower class consumes more economical liquors and “Casique”.

Liquor consumption in Costa Rica extends from 17-18 years of age to the 50’s among the population which makes it similar to the ages of liquor consumption in Ecuador.

Mauricio mentioned that the best way to distribute the “Don Antonio” artisan liquors would be through specialized liquor stores in which they could offer product tasting as well as in international fairs in order to attract the attention of new customers and brand seekers who could distribute the product in the whole country.

The way to advertise the product in a massive way according to Granados would be through tasting with a stand at a high traffic point and through social media as an advertising investment would be very costly in Costa Rica as well as in Ecuador due to the many restrictions to advertise alcoholic beverages. The cost of the “Don Antonio” product would be from \$14 to \$18 (8,142.10-10,468.41 colones).

The culture in Costa Rica as well as in Ecuador includes alcoholic beverages in all social celebrations regardless of social class. Feasibility of alcoholic beverages in Costa Rica has two big problems, one of them is customs duty and taxes that the country impose to foreign products including the market of known and positioned brands. However, Mauricio mentioned that the typical Colombian liquor “Antioqueño” has a positioned market in Ecuador and Costa Rica as it has an added value which is needed in the Costa Rican market and a necessity to achieve product consumption, flavour and strong sugarcane liquor scent peculiar to Colombia.

Mauricio with his experience advises that the “Don Antonio” liquors focus on packaging which can be a square glass bottle with an engraving of the fruit that the liquor is made from in the same way the Panama hat that is typical of Ecuador; to start the market with an affordable price for the consumer and to keep a variety of flavours. He explained these are the three key points to position the product in the Costa Rican market and added that these are the variables that attract the consumer. He also advised to look for a brand collaborator and to always innovate the product. He added that consumption would be higher at home rather than special occasions as an artisan liquor attracts family groups.

(Granados, 2020)

### **3.3. Proposal of an international marketing plan**

An international marketing plan for artisan liquor “Don Antonio” will be developed in this section, which will offer guidelines starting with the explanation and development of concepts that will include the plan proposal.

#### **3.3.1. Marketing concept**

Marketing is a science that investigates market behaviour as well as those of consumers. It carries out the client needs meeting company needs. It is a necessary instrument to obtain success in a national and international market. According to the American Marketing Association (AMA), marketing is a way to establish an ensemble of actions in order to introduce a product delivering a value to the client’s needs, to create relationships and to benefit the company as well as the clients (Colmont Villacres Maria, 2014).

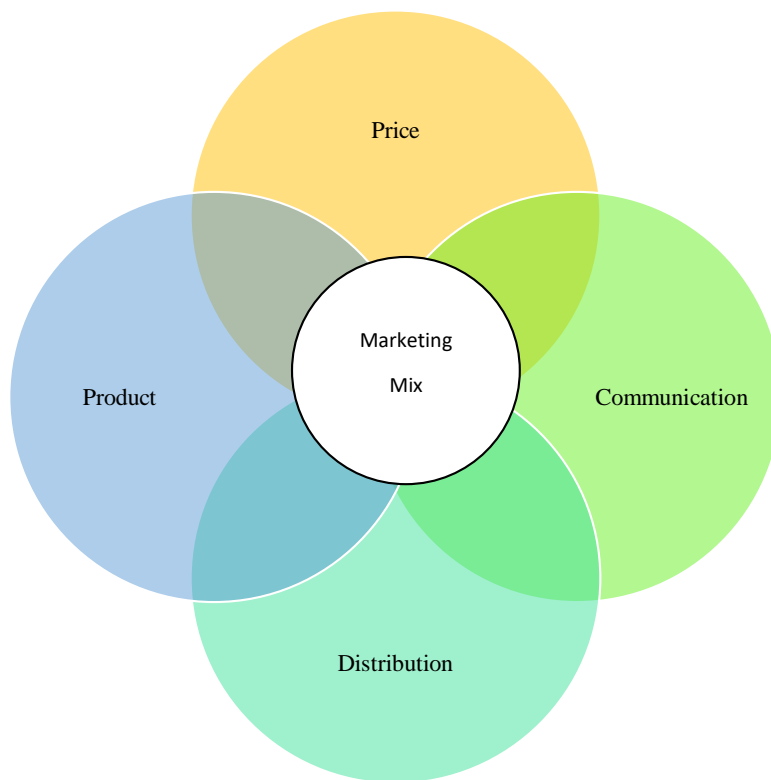
#### **3.3.2. Strategic Marketing Concept**

Strategic marketing looks to analyze current and future needs of clients, as well as new market niches and to direct companies to look for new opportunities and to create action plans to obtain set out objectives. (Marketing XXI, 2018) (Lambin, 1987).

### 3.3.3. Marketing Mix Concept

Marketing mix is a concept created by McCarthy in 1960 and which looks to analyze the 4 P's with its acronyms (Product, Price, Place, and Promotion). These variables must be considered in order to reach the commercial objectives of each company where the analysis is applied. (Espinoza, 2015; Vera, 2013).

Figure 16: Marketing Mix



Source: (Espinoza, 2015)

“Don Antonio” does not have an established market niche at the moment, however being an artisan liquor with an ample variety of flavours, the target to reach is young people between the ages of 25 and 30 and adults as well. “Don Antonio” is seeking

that its liquor be consumed and appreciated by all families for being an artisan liquor in order to maintain, rescue and preserve the traditional products of “Canton El Pan”. That is the reason for having exotic flavours such as “Huarmi Poleo”, a medicinal plant that is hardly known.

### 3.3.4. Strengths /Opportunities

Table 20: “Don Antonio” Strengths/Weaknesses

STRENGTH	OPPORTUNITY	ANALYSIS
Family Enterprise	Local Acceptance	Being a known family enterprise in “Canton El Pan” with a great acceptance of liquor Don Antonio Antonio in Cantón El Pan Paute, Sevilla de Oro and their surroundings
Quality products	Attractive Product	Being an artisan product demands a high quality. That is the reason why its products are produced in the Finca itself with the purpose of obtaining a high quality product.
Artisan products Low production costs Own installations	Artisan business model	All these strengths help “Finca Don Antonio” obtain a traditional and family business model for the sale and distribution of its products.
Experience	Income stability	Having experience in the manufacturing of artisan liquors, “Finca Don Antonio” has been able to obtain a niche of permanent clients, which are a monthly income stability.

Prepared by the Author



### 3.3.5. Weaknesses/Threats

Table 21: “Don Antonio” Weaknesses/Threats

WEAKNESSES	THREATS	ANALYSIS
Change Resistance	Affectation to political and economic measures	Having a resistance to change, it is difficult to join to new requirements for improvement.
Products with low expiration	Weather conditions	These products contain natural products without preservatives and are produced in the Finca itself. This is the reason why weather conditions are very important for the production of above Mentioned products.
Do not have sanitary registration	Presence of plagues in the Finca. Sanitary Crisis	For being natural products and with a high possibility of plagues, it has become difficult to have sanitary records of its products.
Lack of knowledge. Poor Advertising management. Do not have a sales warehouse	Competition in the artisan liquor market, and local gastronomy, etc.	The Finca has its own weaknesses that include a great threat, which is the competition. That is the reason for the Finca to focus its products with a distinctive feature in order to set apart from its competition.

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Finca “Don Antonio” must improve and look for the possibility of broadening its human talent as aiming to export its liquors to Costa Rica, they must cover a greater demand from what they currently have, as well as to improve attention to the customer.

### 3.3.6. “Blue and Red Ocean” Strategies

According to W. Chan Kim and Renée Mauborgne in their book “The strategy of Blue Ocean” which explains the value of distinguishing products or services in the existing markets. According to the authors the market is divided into red and blue oceans.

Describing the red ocean as a competition between a positioned and existing market. While the blue ocean is looking to create a new market to differ from a competitor’s product in different ways, either by added products or with a different marketing creating a new demand.

**Comentado [MV2]:** Proper citation requires the year of publication and needs to be in the references list.

Some examples on the use of blue ocean are “Cirque du Soleil” and Apple with its iTunes store as these companies looked to create a new strategy causing a new type of demand. “Cirque du Soleil” focused on an adult market eliminating humour and animals characterized by a traditional circus, offering its clients a completely different performance full of colour, music and choreography with performers on stage. While Apple looked to fight cyber piracy creating an anti-piracy software which offers security to its buyers as it has no viruses and creating a virtual and secured library for its consumers. (Bilbao Business School, 2010; Farro, 2013).

“Finca Don Antonio” must look for a possibility to include its product in a blue ocean which is possible because it is a new, natural and attractive product for the consumer. As being focussed to a market niche of young adults and older the product must look for an extra profit for the distribution of its products by adding a feature to the bottle of liquor “Don Julio”. This can be something traditional to the country as a Panama hat which would set the product apart from the national and international competition. This way “Finca Don Antonio” could create a different type of demand for being a natural and quality product.

### 3.3.7. Distribution strategies

A product must follow different trajectories in order to reach the final consumer. It is the channel that a product or service must follow before it is commercialized. The chain starts with the producer who is in charge of manufacturing and commercialization of the product with wholesaler or retailer examining his needs or the market niche that is focussed to.

Distribution strategies help to improve product or service delivery, having a better control of it, however, it can alter product delivery capacity to more clients, as well as allocation of product or service in the market. (Figuera, 2012; Jimenez, 2012).

There are two types of distribution channels, direct and indirect which help the merchant improve the logistic process and product transport.

- **Direct channel:** it implies a direct channel as its name suggests and in which the merchant directly delivers to the consumer without using any

intermediaries. An example of this type of distribution could be the sale of vehicles as dealerships sell a vehicle directly to the client according to his needs

- **Indirect channel:** it is a longer channel for the product to reach the end user as a third person or distributor is needed. In this process, the producer sells his products to a wholesaler or retailer who makes the product reach the distribution points to finally get to the client.

(Figuera, 2012)

“Finca Don Antonio” should use both distribution channels as local distribution can be done directly and the possible buyers could go to the Finca and purchase the product, but for national distribution an indirect mode is required as a merchant must distribute the product to the various supermarkets in the country. Similarly, for the exportation to Costa Rica a local buyer is needed, who knows the mobilization and distribution of artisan liquor in the Costa Rican market to be able to reach the distribution points of the product establishing a possible market niche.

### 3.3.8. Transportation, storage for distribution

Costa Rica is a tax-free zone both for imports and exports and it is called a free trade area. For exports it has a law that eliminates taxes; however, there are some products that must pay taxes. Costa Rica has various taxations for the exportation of products

- The exporter must be registered in PROCOMERE
- All products to be exported must have a Certificate of Origin which will be reviewed by Origin Unit in Costa Rica.
- To obtain all export documentation, including permits and licenses for product commercialization.
- The logistics of product exportation and storage must be coordinated with the buyer in Costa Rica. (Smith, 2018)

This way “Finca Don Antonio” would need to create an alliance with the merchant in Costa Rica who could indicate the best way and most economical way of transporting the artisan liquor and be able to distribute it to the different places in Costa Rica and then start exporting.

In our surveys, people prefer that the product be sold in supermarkets. It would be interesting that “Finca Don Antonio” could get in touch with a national supermarket in order to offer the product to be sold.

### **3.3.9. Strategy to involve the product**

According to an interview with Mauricio Granados, the commercialization of a product in supermarkets could create a family consumption target which is what “Finca Don Antonio” is looking for, being an artisan liquor its consumption target is that of a family or adults. He also mentions that an investment in advertising in Costa Rica is very costly. To carry out a social media campaign or advertising in mass would be a high and strong investment for “Finca Don Antonio”. Therefore, a market strategy would be to include the product in supermarkets because that is where Costa Ricans purchase basic need products. Being an artisan liquor exhibited in supermarkets, it will become a mass consumption product. Mauricio indicated that it is important to use the technology that we have and recommends to conduct promotions and discounts that can attract possible clients through social media as this is the fastest and easiest way to commercialize new products.

### **3.3.10. BTL Marketing (Below-the-line)**

According to a dictionary related with the subject, this is a Marketing instrument that looks for innovation in product advertising. It looks to start creative campaigns that cause surprise or a novelty in possible clients in order to raise consumer interest. (Diccionario de Marketing, 2017; Administración, 2018).

“Finca Don Antonio” could use the advantage of being a novelty product that can attract the attention of many consumers. Being a product manufactured with natural products and of such a good quality using Below the line techniques, “Finca Don Antonio” can target an ample market.

### 3.3.11. Difference between national and international distribution

- **National Distribution:** for national distribution surface transportation could be used as commercialization of the product can be transported in trucks. Storage could be done in the merchants' warehouses, wholesalers or retailers. This way clients and sellers will be always with stock.
- **International Distribution:** Commercialization to Costa Rica must have several changes. First of all, a consolidated Customs agent is needed, one that will conduct all Customs procedures for the exportation of the product to Costa Rica. Transportation must be done by sea as this is the most economical way. Once in Costa Rica, "Don Antonio" needs to create an alliance with a merchant who will store and distribute the product once it reaches the port in San Jose.

### 3.3.12. Trademark

Because the slogan that "Finca Don Antonio" used was dull and did not catch consumers' attention, a new and striking slogan was created in order to show "Finca Don Antonio" artisan and quality products.

Figure 17: Current Logo of “Finca Don Antonio”



(Villavicencio F. )

Figure 18: “Finca Don Antonio” Proposed Logo 1



Figure 19: Finca Don Antonio” Proposed Logo 2



Figure 20: “Finca Don Antonio” Proposed Logo 3



(Villavicencio A. )

The new models of logos were proposed and designed by the author of this work and the administrator of “Finca Don Antonio”, looking for clients to find out about the tradition of the Finca and attract possible consumers.

### 3.3.13. Improvement of product presentation

As author of this work, I propose an improvement on the product image presentation in order that “Finca Don Antonio” attract the attention in the liquor market. To start the label is the introduction card of the liquor and the Finca. Printing of the labels must be on embellished paper to attract the buyer’s attention.

As the Finca manufactures its liquors with natural and non-perishable, this important quality must stand out on its bottles. The image of the product that is used to manufacture the liquor must be engraved. Thus, if it is fig or uvilla, its image must be engraved on the glass bottle and elegance is added to the container of the “Don Antonio” artisan liquor

The same way to set the product apart from the competition, the lids must show their origin, Ecuador. A Panama hat could be manufactured for the lid of the product, adding an extra value and showing that is an Ecuadorean artisan product. This way we are looking to attract the buyer’s attention, adding a distinctive feature in the national and international liquor market.

#### **3.3.14. Financial Plan**

A financial analysis helps enterprises, micro enterprises and entrepreneurships to study the possible financial consequences, such as the risks when making a decision and draw out conclusions if it is possible and attractive for the business. (Roldán, 2018)

Hereunder, a financial analysis will be conducted to learn if the project of exportation of “Don Antonio” liquors to the Costa Rican market is an attractive project for the Finca. This projection was conducted with The Finca owner, Mrs. Ana Maria Villavicencio according to opportunities that may be projected for the next five years, see Table 22.



Table 22: Financial analysis, liquor exportation project to Costa Rica

FINANCIAL ANALYSIS OF DON ANTONIO'S LIQUOR EXPORT PROJECT TO COSTA RICA						
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ANNUAL PROJECTED AMOUNT		600	1200	1500	1800	1800
SALE PRICE EX WORKS		12,00	14,00	15,00	15,00	15,00
PRODUCT COST		7,00	7,00	7,00	7,00	7,00
BANK LOAN	5.000,00					
INITIAL INVESTMENT	10.750,00					
TRAVELS	3.000,00					
VISIT SPECIALIZED FAIR	3.000,00					
INVESTMENT IN PAYMENT PROCOMER	150,00					
INVESTMENT IN LABEL DESIGN	500,00					
INVESTMENT IN MARKETING	2.000,00					
WORKING CAPITAL 600 U. PER YEAR (2 SHIPMENTS, THE FIRST SHIPMENT IS FINANCED)	2.100,00					
SALES REVENUE		7.200,00	16.800,00	22.500,00	27.000,00	27.000,00
SALES COST		4.200,00	8.400,00	10.500,00	12.600,00	12.600,00
GROSS PROFIT		3.000,00	8.400,00	12.000,00	14.400,00	14.400,00
EXPENSES						
CUSTOMS BROKER		2.000,00	2.000,00	2.000,00	2.000,00	2.000,00
OPERATING INCOME		1.000,00	6.400,00	10.000,00	12.400,00	12.400,00
FINANCIAL EXPENSES						
CAPITAL PAYMENT		1.000,00	2.000,00	2.000,00		
PAYMENT INTEREST		665,00	490,00	490,00		
TOTAL FINANCIAL EXPENSES		1.665,00	2.490,00	2.490,00	-	-
NET FLOW	- 10.750,00	- 665,00	3.910,00	7.510,00	12.400,00	12.400,00
TIR	37%					

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As an extra analysis the forms of the loan payments to be requested by “Finca Don Antonio” were carried out and are presented here below in Table 23.

Table 23: Bank financing for the exportation project edit figures to show , for thousand and . for decimal figure

BANK FINANCING FOR THE IMPORT PROJECT						
INITIAL CAPITAL	5.000,00					
ANNUAL INTEREST	14%					
TERM	36 MESES					
WAY TO PAY	SEMESTRAL					
PAYMENT	YEAR 1	YEAR 2		YEAR 3		
	SEMESTER 1	SEMESTER 2	SEMESTER 3	SEMESTER 4	SEMESTER 5	SEMESTER 6
INITIAL CAPITAL	5.000,00	4.500,00	4.000,00	3.000,00	2.000,00	5.000,00
INTEREST	350,00	315,00	280,00	210,00	140,00	350,00
CAPITAL 10%	500,00	500,00	1.000,00	1.000,00	1.000,00	-

Prepared by the Author

After conducting this analysis, the author considers that having an Internal Rate of Return (IRR) of 37% the project risk is attractive as a 14% interest must be met with a bank loan debt of US \$5,000, assisting “Finca Don Antonio” to grow. As a recommendation, it is an attractive project that deserves the investment risk.

## GENERAL CONCLUSIONS

The international business plan proposed for the internationalization of “Don Antonio” artisan liquors is based on the theory collected in reference to strategic marketing, with adjustments strengths and weaknesses of the small and medium size enterprises for short and long term decision making.

The survey results applied to thirty Costa Ricans in San Jose de Costa Rica by the convenience method, revealed that the majority of citizens do not know an artisan liquor, however, they would be willing to try it. The implementation of the proposed model may contribute to a correct internationalization process of “Don Antonio” artisan liquor, besides being the process and indicators adequate for the presented plan.

The proposed plan is based on the internationalization of artisan liquors to Costa Rica, specifically to gain market and niche markets in the future. Similar brands were analyzed and observed that achieved an opening and positioning within the international market which can be included in the process that “Don Antonio” will follow for the internationalization of artisan liquor. After conducting the interview and survey, possible ways of commercialization of the product were analyzed, and the launch of a marketing campaign as well as obtaining a consumption market between 25 and 45 years.

I recommend that at the moment of implementing the proposed marketing plan, the application of the presented tools within this plan. The competition information collected thoroughly and structurally must be prioritized, as well as of the possible buyers and distributors of artisan liquor and subjective results will be obtained for a correct detection of errors allowing rectifying and protective measures oriented to an effective, efficient and correct operability.

The methodology utilized in this research will consider a primary selection of opportunities and adequate planification on the implementation of quality standards and exportation of national artisan products.

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This proposal is designed thinking of an exportation and consumption of “Don Antonio” artisan liquor at long term, facilitating future exportations to new international markets, allowing a higher efficiency and effectiveness in its distribution.

## **GENERAL RECOMMENDATIONS**

Organizations, for an adequate data collection, must analyze and develop indicators that will allow them to evaluate goals and objectives proposed in the organization. It is recommended that they must implement those processes of memory organizational in order to improve the internationalization process of their products.

The services process of the companies must detail solid procedures for the correct process of information and customer support for a better effectiveness in these organizations, maintaining planification, orientations, strategy design according to competitiveness, using internal guidelines for the projected growth. Furthermore, the service quality must be observed as improvement opportunities in services processes of the institution as well as in distribution processes.

Implementation of the recommended plan will strengthen those errors or weaknesses of the organizations that have not been discovered by the current processes and have prevented organization growth. Because of this, as a starting point, an organization in this sector must identify its poor or critical processes in production and distribution that prevents them to reach its goals.

Raise awareness of the internationalization model with its members before its application in order to train them, as it has been identified in a market study that many times the lack of adoption and process management for the internationalization of the product is necessary for obtaining sanitary records and exportation permits to establish short, medium, and long term goals in order to execute the diagnostic phase, an evaluation by measurements and indicators that will allow a calculation of the organizational objectives. Thus, establishing actions of continuous improvement.

The designed marketing plan has been created for all types of micro companies that wish to export their products with the purpose of generating a greater competitiveness within the changing market and obtaining short and long term sustainability.

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