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International Studies with a bilingual mention in Foreign Trade.

**“Feasibility study for the commercialization of Blvish vodka in France,
Belgium and Netherlands.”**

Author:

Kenny Jeanpierre Encarnación Ullauri

Director:

Lcda. Gabriela Bonilla

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DEDICATED TO

To my parents, Valeria and Kenny for their support, affection and for always motivating me to move forward in spite of the obstacles that may arise.

To my uncle Yannik, for his constant and selfless support throughout my life, without him none of this would be possible.

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Resumen

El presente trabajo tiene como objetivo realizar un estudio de factibilidad sobre la introducción del vodka artesanal de la marca Blvish en los países europeos de Bélgica, Francia y Países Bajos. En primera instancia, se analiza a la empresa, su producto, sus objetivos, capacidad productiva con el objetivo de conocer si cuenta con los factores y condiciones para la internacionalización de sus productos. En segundo lugar, se estudian los mercados metas, gustos y preferencia de los consumidores, la competencia y las relaciones comerciales bilaterales que mantiene Ecuador con estos países. Las barreras arancelarias que existen, así como también los requisitos para poder vender el producto internacionalmente según la normativa que exija la Unión Europea, y finalmente un análisis acerca de los costos en los que se incurre en un proceso de exportación con el objetivo de calcular el precio de venta del producto en los mercados meta y conocer si este será o no competitivo. Con todo este análisis se concluye si es o no factible y aconsejable la venta del vodka artesanal de la marca Blvish en los mercados propuestos.

Palabras clave: Proceso de exportación, venta internacional, factibilidad, Unión Europea, PYME.

Abstract

The objective of this work is to carry out a feasibility study on the introduction of artisanal vodka from Blvish brand in the European countries of Belgium, France and the Netherlands. First, the company, their product, objectives, and production capacity are analyzed in order to determine whether it has the factors and conditions for the international sell for their product. Secondly, the target markets, tastes and preferences of consumers, competition and bilateral trade relations that Ecuador maintains with these countries are studied. The tariff barriers that exist, as well as the requirements to be able to sell the product internationally according to the regulations required by the European Union, and finally an analysis of the costs incurred in an export process in order to calculate the selling price of the product in the target markets and to know whether or not it will be competitive. With all this analysis, it is concluded whether or not it is feasible and advisable to sell the Blvish brand artisan vodka in the proposed markets.

Key Words: Export Process, Internationally Sell, Feasibility, European Union, SME.

Chapter I: Company analysis

Introduction

International trade is an economic catapult that allows the parties involved to mutually benefit from each other. On the one hand, the buyer, thanks to the globalized society in which we live, may be favored by finding a product that suits their customized needs, as well as their economic possibilities. On the other hand, the seller, thanks to globalization and international trade, benefits from having an infinite market of possibilities to sell his product.

In this chapter we will focus on the seller, which is the protagonist in this graduation work, Blvish is one SME which is trying to internationalize, we know that this is a long and arduous process, so we will start with the first analysis to determine whether a hypothetical sale of its product abroad is feasible, more precisely to countries that belong to the European Union, such as Belgium, France and the Netherlands: Belgium, France and the Netherlands.

1.1. Liquor Industry in Ecuador

Ecuador is a country where the production of alcoholic beverages has been growing in recent years. Historically, the country has always had a wide variety of locally produced alcoholic beverages, however, the lack of formality by which the industry was governed in the past delayed the evolution it could have had not only in the local market, but also in the international market, since foreigners have recognized their taste and appreciation for traditional alcoholic beverages of our country, such as: *aguardiente*, *guanchaca*, etc.

The production of alcoholic beverages in our country requires a sanitary registration that certifies that the product meets the quality standards that guarantee that its consumption does not generate adverse effects on the health of consumers, this certification is issued by the Ministry of Public Health after technical studies that must be carried out on the product.

In addition, in order for an alcoholic beverage to be freely marketed in the national territory in stores, retails and supermarkets, it must have the SIMAR seal, que corresponds to the System of Identification, Marking, Authentication, Tracking and fiscal traceability

of alcoholic beverages, beers and cigarettes of national production, this for its acronym in Spanish.

The legally constituted company that wishes to offer its products must have an operating permit granted by the Agencia Nacional de Regulación, Control y Vigilancia Sanitaria.

These are the 3 main requirements that the state demands for the free sale and distribution of this kind of products. On the one hand, we know that in our country the lack of strict controls in this area allows informal sales to take place, but in order for the product to be marketed in stores, mini-markets and supermarkets, it must have these permits, otherwise it will not be possible to sell the product formally at supply points fiscally regulated.

The alcoholic beverage industry in our country historically consists mostly of locally sourced products, from 2007 to 2018 91% of the alcoholic beverages produced and marketed were locally sourced, while the remaining 9% were part of imported alcoholic beverages. This demonstrates the high value placed on domestic products within this goods segment.

According to Internal Revenue Service data in 2019-The last 'normal' year of the market before the instability caused by the health emergency resulting from the pandemic- total alcoholic beverage sales were \$851 million. It should also be clarified that within this industry there are 3 main branches: malted beverages, which mainly refers to beers, accounting for the majority of the industry's sales with a 75% share, equivalent to \$636 million; the other sector refers to the distillation, rectification and blending of alcoholic beverages, which recorded total sales of \$194 million, representing 23% of the industry's total sales; and finally winemaking which had a sales turnover of 5 million pertaining to the remaining 2% of the total sales of the alcoholic beverage industry in 2019.(Andrade, Pisco, & Coronel, 2020)

1.2. History of the Company Blvish

The company Blvish was born in 2017, product of the ideas of its two co-founders, Matias Leon and Damian Leon, on April 19 of that year the company was born, after several conversations in which they had discussed the possibility of starting a company to market

the liquor that Damian had learned to make in his classes in the career of Chemical Engineering.

Finally, they agreed to create the company, which was called Blvish, a name that came about due to the color of the liquor, which was blue due to its bubble gum flavor, and the name of the company is the English translation of the word "azulado". However, the u was altered to a v, in order to give it more striking marketing features, and not simply be the translation of a word from Spanish to English.

When the brand was born, only the bubble gum flavor was available, which gave it the characteristic blue color that served to baptize the brand. Shortly after the company's inception, work began on the formula for a new flavor of vodka. After months of work it was possible to perfect a new flavor to give to the vodka, this is how the grape flavored vodka joined the Blvish catalog. By the beginning of 2018, the company already had what would be its flagship products, and since then Blvish has been recruiting several young people within its ranks to be part of the company as collaborators, in order to have personnel that can help the company in the production, packaging and distribution of the liquor.

Nowadays Blvish is composed of 14 young people, who are already permanent collaborators located in various parts of the country marketing the craft vodka, such as in the cities of: Cuenca, Quito, Loja, Tulcán, Machala, Pasaje, Sucúa, Macas, among others.

Since the Blvish brand secured all the necessary health permits to be sold to the end consumer in mid-2019, 17 production batches have been produced, each production batch consisting of 80 one-liter capacity bottles.

The company suffered drastically from the ravages of the pandemic, as did all productive sectors, resulting in delays in several marketing campaigns and sanitary regulations that prevented the commercialization of alcoholic beverages within public and private events, this slowed down the expansion of the brand; however, this year the planned campaigns will be retaken in order to make the brand known to new potential customers (León & León, 2022).

Currently, Blvish is a company that has the sanitary registration, but it still lacks the SIMAR seal granted by the Internal Revenue Service, which is a system of identification, marking, authentication, tracking and tax traceability that applies to cigarettes and

alcoholic beverages that have been manufactured inside the national territory. The purpose of this is to have verifiable information about the production, commercialization or aspects of tax interest of the product in question, and in turn to combat smuggling, under-invoicing, adulteration and dumping (SRI, 2015). The company is targeting the first quarter of 2023 to secure that document, which is the remaining permit for Blvish to be sold through liquor stores, supermarkets and high-end retail outlets.

1.3. Company Structure

1.3.1. Mission

To strengthen the locally produced alcoholic beverage industry through innovation in unexplored fields, while doing so through a good relationship with its collaborators and suppliers. (BLVISH, 2017).

1.3.2. Vision:

To establish itself in the market and become a local benchmark in the alcoholic beverage industry, also as an example of a sustainable company. (BLVISH, 2017).

1.3.3. Objectives:

- To grow in a sustainable manner while maintaining the values that characterize the company.
- Expand the Blvish brand within the national and international territory through campaigns and activations to attract more people to become interested in the company. (BLVISH, 2017).

1.3.4. Values:

- Environmental liability
- Work ethics
- Social commitment
- Fair treatment with suppliers and company collaborators. (BLVISH, 2017)

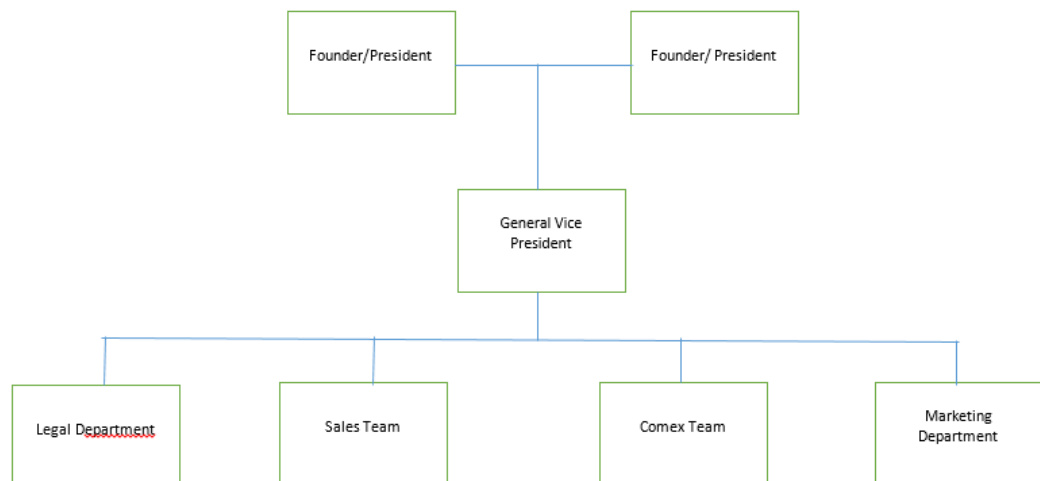
1.3.5. Organizational Structure

Table 1. Members of the company

Matías León	Presidente/Fundador
Damián León	Presidente/Fundador
Juan Diego Alvarado	Departamento jurídico
Juan Diego Alvarez	
Lorena Durán	Equipo de Comex
Jeanpierre Encarnación	
María José Orellana	Departamento de marketing
Paúl Chacha	
Jordy Cuesta	
Juan Zambrano	
David González	
Xavier Velez	
Rodrigo Ochoa	
Andrés Portilla	
Doménica Bermeo	
Ericka Pauta	

SOURCE: OWN ELABORATION

Graph 1: Organizational Chart of the Company



SOURCE: OWN ELABORATION

1.3.6. Product Features

Blvish is a handcrafted vodka liqueur, with two different flavors, bubblegum and grape, the flavor of its presentations is perfectly combined with the alcoholic concentration of each one of them, generating a pleasant experience for the consumer when drinking it.

The handcrafted vodka produced has an alcoholic concentration of 35 degrees, which makes it a strong alcoholic beverage. For a comparative reference with other alcoholic beverages on the market, beverages such as Smirnoff vodka have an alcohol concentration of 37.5 degrees, and Johny Walker Red Label whiskey has 40 degrees' alcohol. (CAVA ALTA, 2020)

Currently, the company does not have a factory per se; the infrastructure under which the product is produced is quite simple, since it is produced by hand, and the manufacturing process is carried out without the aid of machines. There is a small laboratory where production is carried out manually: preparation of the raw material, mixing and preparation of the ingredients, bottling and packaging of the final product.

The company has two presentations for the commercialization of its product, the small 450 ml bottle which is priced at \$5 and the large 750 ml bottle which is priced at \$10, Nevertheless, we have noticed that the most demanded presentation is the large bottle, since, out of every 10 bottles sold, eight correspond to the large presentation and two correspond to the small bottle. On the other hand, in terms of flavor demand, the most popular among the public is grape flavor; however, chewing gum flavor also records very good sales. The company's target market is quite broad, since due to its flavor-alcoholic concentration-price ratio, it is an attractive product for a population segment between 20-40 years of age, belonging to a medium and medium-high socioeconomic level. Both young adults and adults over the age of 30 have expressed that the distinctive factor of Blvish that has captured their attention is the soft flavor, like bubble gum or grape, that it generates when savoring it, and that regardless of its strong alcohol concentration, the taste of Blvish makes it enjoyable to drink it without the need to mix it with juices or other products that enhance its flavor, as is the case with other alcoholic beverages, which is an important differentiating factor that the brand has with respect to the competition.

The distribution of the product is carried out by the company's personnel in case the buyer is located inside the city of Cuenca, and if the product is requested outside the city, it is

sent through *Servientrega*, or any other transport company, the shipping cost is assumed by the final customer.

1.4. Company SWOT Analysis

Strengths

- The product offered by the company is handmade, something that is appreciated by the target market in which we aspire to sell.
- Blvish has qualitative properties that make it quite attractive to the consumer.
- Competitive price for the relationship between quantity and alcoholic percentage offered by the product for its consumers.

Weakness

- Not having the SIMAR seal does not allow the product to be freely marketed within Ecuadorian territory.
- Not having a high historical presence in the local market may generate distrust in the brand.
- Not managing the company's finite resources in the right way.

Oportunitys

- Blvish flavors are appealing to consumers because of their soft touch of grape or chewing gum taste.
- With a good storytelling, knowing how to sell the company to the consumer, you can generate a lot of interest in potential buyers.
- The company has characteristics that allow it to carry certain labeling standards and certifications that appeal to consumers, who are increasingly looking for products with sustainable development.
- - The trade agreement between Ecuador and the European Union

Threats

- High degree of competition in the alcoholic beverage industry
- Costly price compared to substitutes in the same market segment

1.5. Plans for international expansion

From the day of its foundation, the company's objective has been to internationalize and expand the brand name. After the curious case of Pacari, the company seeks to replicate the success achieved by the Ecuadorian chocolate company through a similar mechanism, by gaining presence in the international market in order to be recognized and appreciated in the local market as well. This is not as simple as selling the product abroad and gaining brand prestige solely through sales. Throughout its short history, Pacari was recognized and appreciated in the foreign market for the added value that it gave to the different aspects that make up their product.

A great example is the recognition that Pacari received for their marketing strategy in the 'Most Innovative Marketing Strategy Awards' in the LATAM Internationalization category, which as its name suggests is aimed at Latin American companies. The award is conferred by the Marketing Association of Spain, which every year brings together 20 experts in the area, in order to analyze and reward brands whose performance generated positive results and high impact on the Spanish market (Sanmartín, 2018).

Even though Pacari's line of business is to sell chocolates, the company takes great care of their image, values and history that it sells to the end consumer. As previously mentioned, the case of marketing is important, but above all how the company has been able to sell itself to the world and find a perfect target for the product that they offer.

The chocolate company sells itself under the following slogan: "We don't want to be the best chocolate in the world, we want to be the best chocolate for the world" and, if there is one characteristic that has served to attract the attention of European consumers, it is precisely the fact that it is 100% organic and that it is the only biodynamic chocolate in the world. This means that they are grown on the basis of organic products that do not contain chemicals or pesticides. If there is a market in the world that values this type of issues, it is the European market, which has the purchasing power to pay a little more for products that have that added value to the planet, as well as the payment and fair treatment with suppliers and workers involved in the entire production process of the brand.

Commercial legitimations such as the 'Fair Trade' seal become a giant commercial springboard for selling products in foreign markets, because the Fair Trade seal is currently one of the most valued ethical certifications worldwide and symbolizes that the

products were produced and traded fairly with the farmers and workers who were part of the production process of the product.

In order to access this certification, social, environmental and economic criteria must be met, which are agreed upon by the members of Fairtrade International, which is in charge of carrying out the corresponding inspections in order to issue or not the certification to the company that requests it (Fairtrade International, 2019).

This is how Blvish could access to this certification, and in turn give added value to the product in the market, demonstrating that it respects all parties involved in the production process of vodka. As a small company, it would not be a problem to demonstrate the company's commitment to their workers, associates and suppliers, something highly valued within the target to which we are aiming to sell our product.

Another of the certifications that are booming and are increasingly valued by consumers is the 'Green Seal', this certification serves as a guarantee that the company under evaluation by the regulatory body meets certain quality standards in favor of the environment, guaranteeing that the company within its operations, functioning and production process seek to mitigate pollution within the functions of the company (Collaguazo, 2018).

In Ecuador, this certification is known as 'Punto Verde' and is granted by the '*Ministerio del Ambiente, Agua y Transición Tecnológica*' To access this certification, a series of bureaucratic requirements must be completed, but the most important point is to present cleaner production projects in which the reduction in the consumption of water, energy, fuels, raw materials are demonstrated (Ministerio del Ambiente, Agua y Transición Tecnológica, 2021).

1.6. Company's financing and productive capacity

Going from being an SME that sells locally to becoming an exporting company affects the company's regulations since it will have to adapt to the challenge of international sales. One of the situations that must be clear in this regard is the financial aspect and the productive capacity of the company to face exports of their product to another country.

The financing aspect is extremely important, because, if there is a large order, the company must have the productive capacity to be able to ship the order required from the

buyer, so it must be able to assume the costs arising from the purchase of raw materials and production processes, as well as to be able to ship the goods to the port.

For SMEs it is advisable to ask for payment in advance, considering that they do not have the economic support of large companies to be able to wait for payment, or even the credit to which suppliers aspire to have. Although it is recommended for small and medium-sized companies, there is also another party involved, the buyer, who generally will not agree to make an advance payment, but will wait until the goods arrive at their destination to disburse the payment.

This means that SME companies must seek external resources to support their cash flow and have the capacity to meet the required exports. In any case, the terms of delivery and method of payment should be defined before signing a contract.

As mentioned at the beginning of this chapter, the company's production capacity does not have an industrialized infrastructure, and the product is 100% handmade, giving it that characteristic handmade feature. A production batch of 50 liters of Blvish-regardless of the flavor-takes about 6 hours of production between 3 people, this time includes: the production, processing, bottling and packaging of the final product.

Since an international sale could mean a large order of bottles, the company must have a rigorous planning that allows the company's collaborators to produce the indicated quantity in the requested time.

For the beginning of a possible internationalization, the company could continue to produce in its current installations, due to the fact that the first purchase orders that could exist would not be extremely high, since, whenever an international sale-purchase is made, the first purchase will be of small quantities, since it is a new product and it is a new commercial relationship that is being forged. But if orders start to grow, the company will have to analyze the possibility of improving their infrastructure in order to have the production capacity to satisfy large purchase orders.

Conclusion

In this chapter, the main characteristics of Blvish, how it was founded, the products it has, the company's organizational structure, as well as its expansion plans, among other minor ones, were analyzed. This study is necessary to perform an objective analysis of the

company's capacity in their intentions to make an international sale, since previous to the market study or internationalization plan that a company may have planned, an internal analysis of the company is required, analyzing and understanding the possibilities that the product may have in an international scenario, and in turn the company to face the productive capacity, costs and expenses that must be assumed for a sale abroad. In addition, it is necessary to gather information on the products marketed by the company, making a SWOT analysis to summarize the strengths of the product, as well as what needs to be worked on to continue improving as a brand in order to achieve greater growth.

Finally, the conclusion reached in this chapter is that the company has an attractive product for the alcoholic beverage market, which comes from a company that maintains an ethic of sustainable production with values that are transmitted to the production of their products, these characteristics being seductive for the consumers of the target markets proposed in this degree work. In addition, the company's production capacity is able to cope with an export, only the production times should be properly defined to be able to complete the production objectives without setbacks.

Chapter II: Analysis of target markets.

Introduction

Every company that wants to internationalize must carry out a complete study of the market to which they want to export their product, because it is very easy to have the idea of wanting to sell a product abroad, but in fact it is very difficult to succeed without a previous analysis evaluating the real probability of success that the export can have. The first thing to understand is that no market behaves in the same way as another, consumers have different tastes, needs, purchasing power and values, therefore, it must be understood that just because a product works and is successful in a certain geographical location, it will not have the same level of success in another city in the same country, and even worse in another country where, besides all the differences already mentioned, there are also cultural differences that may exist. That is why the first thing to do when you intend to undertake an international sale will be to analyze and understand the consumer of the place where you want to export, acquire knowledge about the market to facilitate business decisions regarding the sale, increasing the probability of success and avoiding failure.

In the process of internationalization of a product, we must study in detail all the factors that may affect the success or failure of the product, paying close attention to the perception that the product generates in our target audience, analyzing the competition in the sector to which the business belongs, in this case the alcoholic beverage industry, and looking for differentiating factors that would make us competitive (Fernandez, 2017).

Due to the great influence that market research has on the success or failure of an international sale, in the following chapter we will discuss information and an analysis of the target markets proposed in this degree project. This in order to know how these markets behave in order to analyze the impact that Blvish could have, learn about the trade balance of the countries, main allies, imports in dollars in the alcoholic beverage industry and main competitors with which our brand will face, these are the main points to develop in this chapter.

For the market analysis of the different countries that have been set as target markets for this degree work, several secondary sources will be used, one of them is the digital platform Cobus Group, which is a professional organization that provides business information for Latin America and the world. Through the information compiled by this

platform you can access information regarding imports and exports of various countries, allowing us to analyze the international market, the main competitors according to the product industry, as well as identify new and potential customers to sell our goods abroad. Cobus has updated information until the year 2021, so we will be able to make a real analysis of the trade balance of the countries after the uncertainty and ups and downs in the market that occurred due to the global health crisis caused by the Covid-19.

2.1.1 Analysis of the Netherlands market

Netherlands is a European country located in the west of the old continent, it has an area of 41 500 km² and is a flat country, with very few mountains, most of the geographical space is flat. The strategic geographical location within the European continent and its proximity to the African and Middle Eastern markets have turned the country into a major industrial power, which is one of its main economic activities, together with the tertiary sector.

According to World Bank data referring to the year 2019 the nominal GDP of Netherlands increased with respect to previous years, becoming the twenty-sixth economic power in the world with a total GDP of 810 247 million euros, this also places it as the sixth largest economic power in the European Union, and it is the fifth since the exit of the United Kingdom from the European Community. At the same time, it has historically demonstrated a great openness to international trade, and is therefore exposed to the ups and downs that may fluctuate in the world economic situation (BANCO MUNDIAL, 2020).

Historically, Netherlands ranks in the top ten positions in international rankings that compile and analyze variables such as economic development, level of education, quality of life, ease of doing business, among others.

The Randstad region, comprising a number of cities and urban agglomerations in the west of the country, constitutes the commercial and economic core of the country, as it is not only home to more than half of the population, but has also become the main destination for foreign companies setting up in the country and where most of the state's GDP is forged (Dirección General de Comunicación, Diplomacia Pública y Redes, 2021).

Netherlands is presented as an accessible country to do business, it is ranked 36th in the Doing Business ranking, which measures the ease of doing business in a country, this data corresponds to the year 2020, which is the last record that is maintained about this item.

Another important factor to take into account when building a new international business relationship is to analyze the political and commercial risk that may exist within the countries with which I will be doing business. In this context, Netherlands has a corruption index that places it in eighth place on this scale, which measures and analyzes data from 190 countries. This means that Dutch inhabitants have the perception that corruption on the part of public and private officials is very low.

A market analysis will be presented below, based on the information obtained from the Cobus platform, which will be divided into two key parts: the first is a general analysis of the entire alcoholic beverage industry imported by the countries studied, and the second part will focus on the analysis of the alcoholic beverages of the vodka category that exist in the country through imports.

Netherlands annually has a large amount of imports in the alcoholic beverage industry, in 2021, once the market and the financial situation managed to enjoy some stability after the wave of irregularity that occurred in the market due to the global crisis caused by the coronavirus, the Dutch country recorded a total of \$51,084,990.00 in imports for alcoholic beverages (COBUS GROUP, 2022). The HS Code that represents this data is '2208' which refers to "Undenatured ethyl alcohol or of an alcoholic strength by volume of less than 80%, alcohol, spirits and other spirituous beverages". However, by using only the first 4 numbers of the tariff heading as a search filter, the results yield information on the entire alcoholic beverage industry, including beverages such as: whiskey, tequila, vodka, rum, brandy, etc. As a result, the most imported beverage in this segment is whiskey, for which a total of 197,579 international purchase orders were placed, with a commercial value of close to US\$7 million, exactly \$6 956 273.00 (COBUS GROUP, 2022).

Picture 1: Imports of alcoholic beverages from the Netherlands in the year 2021

> DETALLE CONSULTA

> 2208 UNDENATURATED ETHYL ALCOHOL OF AN ALCOHOLIC STRENGTH OF < 80%; SPIRITS, LIQUEURS AND OTHER SPIRITUOUS BEVERAGES (EXCL. COMPOUND ALCOHOLIC PREPARATIONS OF A KIND USED FOR THE MANUFACTURE OF BEVERAGES)

> Período 01/02/2022 - 28/02/2022

Resultados: 53, Mostrando: 20

Página de resultados: 1 2 3

		POSICIÓN ARANCELARIA	TOTAL FOB EURO	TOTAL KGS	TOTAL CANT
		2208.30.30	13.756.004,00	687.044,00	373.142,00
		2208.70.10	10.101.714,00	1.535.475,00	771.940,00
		2208.30.71	9.315.857,00	1.593.477,00	694.209,00
		2208.90.69	8.717.490,00	2.533.552,00	725.942,00
		2208.50.11	6.506.548,00	1.054.737,00	528.348,00
		2208.30.19	5.454.295,00	1.099.578,00	544.330,00
		2208.60.11	5.123.413,00	1.141.198,00	540.092,00
		2208.30.41	4.686.909,00	575.364,00	343.858,00
		2208.40.31	4.579.484,00	736.369,00	315.189,00
		2208.30.82	3.779.340,00	483.166,00	272.371,00
		2208.30.11	3.236.713,00	333.117,00	181.331,00
		2208.40.11	3.167.837,00	2.184.614,00	280.800,00

Source: COBUS GROUP (2022)

This is a large volume of purchases of alcoholic beverages that was maintained in Netherlands during 2021, because although the Dutch economy has not fully recovered from the contraction suffered in 2020 by the COVID 19 pandemic, it is already in a position to spend more heavily on imports of these beverages, which are not indispensable for a country and which in times of austerity are easily dispensable, as for example happened in the year 2020, In the first 8 months of the pandemic in Europe there was a mandatory quarantine, which meant a contraction in the economy of the countries, a decline in GDP, and therefore forced state governments and the private sector to reevaluate the needs that were maintained at that precise moment, this made the main focus of attention for imports to be instruments and tools belonging to the health sector to mitigate the virus, leaving in the background several sectors, as precisely was the alcoholic beverage industry.

Below, we have the 2020 import data for the first 9 months of the year which were the hardest for the European countries where the pandemic hit hardest the health and economy of most of them. From January to September, Netherlands spent a significant amount of \$579 900 530 euros on imports of alcoholic beverages (COBUS GROUP, 2022). If we take into account the previously mentioned: the health emergency, the worldwide economic contraction, in addition to the low number of people in nightlife centers where these beverages are mainly consumed due to the mobility restrictions

caused by the quarantine, we find that this is a great figure, and that the purchases of these beverages did not stop despite the complex economic and living situation experienced during the first 9 months of the year 2020, thus demonstrating that the population of Netherlands has a close relationship with the alcoholic beverage industry.

Now, as we can see from the analysis carried out, the alcoholic beverage industry involves a large number of beverages, so in order to make a more precise analysis of the target market to which we aspire to reach, we must specifically investigate the Blvish category, which is vodka.

For this research purpose, we use the HTS Code '2208.60.11' which belongs to the category of alcoholic beverages, within the segment of vodka with an alcoholic concentration of less than 45 degrees with a capacity equal to or less than 2 liters, being that it is the correct tariff item for Blvish which has 35 degrees of alcoholic concentration and its presentations fall into the category of 500 milliliters or 1 liter.

Throughout 2021, vodka imports into Netherlands totaled €2,567,258, with Germany and Belgium being the main suppliers in this area, since between the two countries they account for nearly 35% of total imports of vodka from the Netherlands (COBUS GROUP, 2022). Germany sold to Netherlands a total of \$442,500 euros in vodka alone, demonstrating that the drink is very well received by the inhabitants of the western country, not only because of the high purchase figures recorded for vodka but also taking into account the quantities of imports, which totaled 270,024 vodka imports last year, from different suppliers, sizes and presentations; Considering that the population of Netherlands is about 18 million inhabitants, and the number of people old enough to consume alcoholic beverages is about 10 million, it is safe to say that 1 in 37 Dutch people choose to buy a bottle of imported vodka during the year.

Picture 2: Imports of Vodka from the Netherlands with an alcoholic concentration of less than 45°

> DETALLE CONSULTA

> 2208.60.11 VODKA OF AN ALCOHOLIC STRENGTH OF <= 45,4% VOL. IN CONTAINERS HOLDING <= 2 L

> Período 01/02/2022 - 28/02/2022

Resultados: 40, Mostrando: 20

Página de resultados: 1 2

	POSICIÓN ARANCELARIA	REGIMEN	PAÍS DE PROCEDENCIA	TIPO UNIDADES FÍSICAS	FOB EURO	KGS NETO	CANTIDAD
	2208.60.11	NORMAL	France	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	217.037,00	73.141,00	32.190,00
	2208.60.11	NORMAL	Germany	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	808.910,00	200.515,00	91.888,00
	2208.60.11	NORMAL	Italy	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	156.363,00	39.533,00	16.555,00
	2208.60.11	NORMAL	United Kingdom	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	59.409,00	9.385,00	3.879,00
	2208.60.11	NOT RECORDED FROM CUSTOMS DECLARATIONS	United Kingdom	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	5.108,00	299,00	115,00
	2208.60.11	NORMAL	Ireland	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	39.998,00	8.932,00	12.231,00
	2208.60.11	NORMAL	Denmark	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	30.195,00	5.098,00	3.568,00
	2208.60.11	NORMAL	Greece	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	3.040,00	1.084,00	474,00

Source: COBUS GROUP (2022)

2.1.2. Trade relations between Ecuador and the Netherlands

The trade relations that exist between Ecuador and Netherlands are positive, the trade agreement between our country and the European Union signed in 2017, facilitates that trade relations flow in a good way with the countries that make up the European Union. The Trade Agreement opens many doors for relations between countries to strengthen and forge trade links that are important for both parties.

Netherlands represents a very attractive market for Ecuador, and historically has always been among the main trading partners of our country for non-oil products. Moreover, it is an international cooperation that constantly tries to strengthen even more, and the trade flow is growing every year, as it happened in the year 2021, in which Ecuador's exports to the Netherlands were \$685 million, which is the highest figure of the last 5 years (El Universo, 2022).

2.1.3. Cultural characteristics of the Dutch consumer

The following analysis of the cultural characteristics of the inhabitants of Netherlands was carried out taking as a reference the Hofstede cultural differentiator, which measures how the basic values of each country's society influence the general behavior of their inhabitants. Among his measurement scale Hofstede compiled 5 dimensions: power distance, uncertainty aversion, collectivism vs. individualism, masculinity vs. femininity and long-term orientation.

- **Power Distance:** Netherlands has a score of 38 in power distance, one of the lowest scoring societies in this aspect, indicating that within the Dutch country, independence, equal rights and opportunities are a priority, this indicates that in Netherlands, independence, equal rights and opportunities, as well as accessible superiors who promote equality among employees, are of big importance. On the employers' side, their attitude towards their superiors is informal, without being disrespectful, but they show a certain closeness and communication tries to be direct and participative among those who make up the company.

The fact that the Netherlands has a low score in this category is good for the export case study we are conducting, since it reflects that negotiations will be conducted in a fairly direct manner, that there will not be much bureaucracy in the sense that it will not be necessary to talk to each representative of each level of hierarchical power within the company, but rather to have direct access to the top management of the distribution companies to make the marketing proposal, accelerating the time of negotiations, preventing them from stagnating before reaching an agreement.

- **Aversion to uncertainty:** This area refers to the way in which a society deals with the fact that the future is unknown and it is not known what will happen next. In this area, the study reveals that Dutch society has a very slight preference for avoiding uncertainty, as this aspect is so divided among the Dutch community it is quite variable depending on the region, but in general, the behavior is to prepare slightly for the possible variables that the future may generate, however, there is openness to unorthodox ideas caused by modernity, not much openness, but modernization is not resisted either.

In this case, the divided score gives us the guideline that in much of the population there is an openness on the part of consumers to try new products, this aspect being favorable for our cause of study.

- **Collectivism versus Individualism:** This point refers to the degree of personal interdependence that exists within a society. In other words, it refers to whether the inhabitants of a collectivity perceive themselves in terms of "I" or "we". Netherlands community scored 80, a fairly high score that denotes the great individualism under which this society lives, a collectivity that assumes that everyone will look out for themselves and their families, and will be governed by what is best for each of them. In the business environment, hiring decisions and promotions within the company are based on the merits of each individual, and are sought for the mutual benefit of both parties, the employer and the subordinate.

This aspect in the introduction of a brand and a new product in a foreign country is important to know how the consumption of the inhabitants is, as it serves as a guide to whether a society prefers to have a more intimate consumption or if it is done collectively among friends. In this case, being a more individualistic society, this gives us a guideline on how to focus the advertising strategy to attract the attention of the local buyer. For the specific case of the Netherlands, marketing and branding should be directed to be a more personal and intimate experience.

- **Masculinity versus femininity:** In this case a high score is related to masculinity, symbolizing that the main values within that society are achievement, competition and success. On the other hand, a low score is related to femininity in which the primary values of that society are caring for others and quality of life. Netherlands has a fairly low score of 14 out of a possible 100, fitting the scheme of a feminine society socially preferring a high quality of life for its inhabitants. In the labor aspect, companies seek the consensus of their employees as a whole in order to achieve greater business efficiency for everyone in the company. Equality and quality of working life are valued, and conflicts are resolved through negotiation and compromise.

This category allows us to better understand the buyer's behavior during the negotiation and in case of conflicts. A society where femininity prevails will try to avoid conflicts and resolve them quickly, seeking the common good and persevering respect between the parties, as in this case the society of the Netherlands shows according to the present analysis.

- **Long-term orientation:** In this section we try to measure how deeply rooted the society is with respect to their future, there are 2 major divisions, if you have a low score we say that it is a normative society, which likes to maintain the traditions of the past, and look askance at modernization and social change that it implies. On the other hand, a high score relates it as a pragmatic society, in which traditions and customs are adapted to modern times, and which is so intent on controlling what will happen in the future. Netherlands has a score of 67 on this dimension, which means that it is a pragmatic society with a strong tendency to invest and do things with perseverance until it seeks and obtains the expected results. (Hostede Insights, 2022)

In the business aspect, this point is related to the durability of the commercial relations with the suppliers, giving the counterpart the security of doing stable, safe, reliable and long-lasting business, as shown by the preference of the Dutch society in this way.

2.1.4. Geographical Distance

The geographical distance between Ecuador and Netherlands is 9905 kilometers, but this measure is not the one we need for our case study, or perhaps it could serve to have a reference in terms of air transport services such as loose cargo because it takes the distance from the center of each country, the appropriate measurement scale would be the distance between the seaport of Guayaquil and one of the ports of the Netherlands. Netherlands has a few ports, 4 to be exact, however, the two main ports are the Port of Rotterdam and the Port of Amsterdam.

The seaport of Rotterdam was once the most used port for global international trade due to the large facilities, location, proximity to several countries and high level infrastructure. Although today it is no longer the most used port worldwide, it is the most used port in the Netherlands and one of the busiest in Europe (Coneo & Florez, 2022). That is why for this case we will use the distance measurement from the port of Guayaquil to the port of Rotterdam, which is 9794 kilometers with a maritime transit time of approximately 20 to 25 days.

2.1.5. Tariff and non-tariff barriers to entry into Netherlands

Netherlands is one of the countries that is most enthusiastic about establishing trade relations with other states. It is a free trade nation and is a member of trade forums and organizations that are in favor of this cause, such as the World Trade Organization (WTO)

and the Organization for Economic Cooperation and Development (OECD). That said, there are no barriers to investment or trade barriers that could stop or affect possible trade relations with the Dutch country, as the Western European country is extremely open to international trade with all countries.

The requirements for exporting to the Netherlands are those commonly requested in formal international transactions, such as the following documentation:

- Commercial Invoice
- Bill of Landing
- Packing List
- Single Administrative Document
- Customs value declaration

The HS Code used was '2208601100' which includes the following product description 'Vodka with an alcoholic concentration of less than 45.4% in presentations of less than 2 liters'. This tariff item has no quotas for Netherlands.

2.1.6. Exports of alcoholic beverages from Ecuador to Netherlands

In the following section we will make a small compilation of the amounts of exports of alcoholic beverages from Ecuador to the Netherlands in the last 5 years. We will first segment the exports of the product as such, in this case vodka, and then a compilation of the exports of the industry, including all types of alcoholic beverages.

By way of summary, according to data from the Central Bank of Ecuador, no vodka has been exported in the last 5 years, which corresponds to the tariff subheading 2208601100, which includes alcoholic beverages of a vodka character, whose alcoholic concentration is less than 45° and whose packaging is less than 2 liters.

On the other hand, speaking properly of the whole industry segment, it is also quite new for Ecuadorian entrepreneurs, since taking the exports made by Ecuador under the tariff item 2207100000 (Ethyl alcohol with an alcoholic strength by volume of less than 80°) to Netherlands are nil, since the main trading partners in this untapped industry are Colombia, Peru and Guatemala.

This means that it is an untapped industry for entrepreneurs in our country who have not yet taken the step forward to be able to monetize this industry that is so profitable,

however, it is also necessary to emphasize that, just as it is an industry that is not being exploited, it is also true that it is an industry of which there is no experience, since the total exports of the industry in our country are not very high.

2.1.7. Competition

The Netherlands is known for strong investment in the alcoholic beverage industry, and it has some of the most recognized companies in the world. Companies such as Heineken or Amstel are highly recognized multinationals, and are Dutch companies whose success has turned them into benchmarks in the field of the alcoholic beverage industry. However, although they belong to the same product industry, we must look for a comparison with similar products, in this case, vodka

As part of the European commonwealth, the Netherlands has great commercial benefits with the other countries that are part of the European Union, becoming strong commercial partners among themselves, which is why the main suppliers of this industry in the case of the Netherlands are Poland, Germany, France, Sweden and Russia.

Below are 2 of the most consumed imported vodkas in Netherlands:

- Grey Goose: It is one of the best-selling brands of vodka worldwide, and has a great acceptance in Netherlands, being one of the preferred by the Dutch. This brand originates from France and has an alcoholic concentration of 40°.

Picture 3: Vodka Grey Goose:

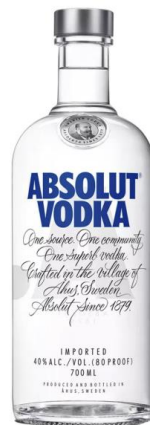


SOURCE: AMAZON (2022)

The preferred presentation in that brand is the one that can be seen in the image, 700 ml, as you can see it is a rather elegant bottle and presentation that stands out visually. The retail price is 32.40 euros.

- Absolut Vodka: This vodka is one of the most consumed imported vodkas in Netherlands. It comes from Sweden and has 40° of alcohol.

Picture 4: Absolut Vodka:



SOURCE:AMAZON (2022)

The most preferred presentation for Dutch buyers is as shown in the image, a 700ml presentation which has a retail price of 20 euros.

In Netherlands, there is a particularity in the distribution channel; every day online purchases are becoming stronger and are taking a large part of the market, although the Dutch buyer does not have a single purchase channel, but varies constantly between purchasing alcoholic beverages in supermarkets, liquor stores or online purchases.

2.2.1. Belgium market analysis

Belgium is located in western Europe and is one of the geographically smallest countries in the European Union, since it only has a territorial extension of 30 530 Km², for comparison, Ecuador has a land area of 256 370 Km², so we can clearly see that our national territory is much larger than the Belgian state. Although its geographic extension is not so large, it has a population of approximately 12 million inhabitants, although it could be considered a small economy due to the small size of its territory and a not so

large population density. The truth is that Belgium's economy is very open to international trade and is ranked 25th in terms of GDP volume, from the same statistics we find that the quality of life and purchasing power of Belgian citizens is very good. The GDP per capita is a good indicator of the standard of living that exists within a country, for the case of Belgium the GDP per capita was 43 770 euros per inhabitant in the year 2021, this places the Belgian state in the 18th place of the ranking, showing that their inhabitants have a very good standard of living, This goes hand in hand with the Human Development Index developed by the United Nations, which analyzes the progress of a country, in turn trying to measure the standard of living of its inhabitants, the index also places Belgium as the countries that provide the best quality of life for their citizens.

Another important indicator to take into account is the 'Doing Business' indicator, which is a tool that helps to evaluate the difficulty or ease of doing business or trade relations with a country. Doing Business organizes countries into a ranking that seeks to measure 10 main indicators: the time it takes to start a business, obtaining electricity, ease of accessing credit, cross-border trade, paying taxes, handling construction permits, registering property, enforcing contracts, protecting investors and dispute resolution capacity. This indicator places Belgium in 45th place out of the 190 countries that make up the ranking, which places it within the range of countries with which it is easy to do business.

Analyzing the foreign trade aspect of the European country, we have that their foreign sales represent 80% of GDP, but it is not only a seller country or only interested in selling their products in the international community, it is also a big buyer, importer of products, last year -2021- accounted for a total of 431 175 million euros spent on imports, worldwide Belgium is one of the countries with the highest volume of imports, in 2021 although imports had a significant increase, the Belgian country recorded a surplus within their trade balance, precisely because of the great relevance that exports have within the state economy (Expansión, 2021).

The following is a market analysis based on the information obtained from the Cobus platform, which will be divided into two key parts: the first is a general analysis of the entire alcoholic beverage industry imported by the countries studied, and the second part will focus on the analysis of the alcoholic beverages of the vodka category that exist in the country through imports.

As we saw in the previous analysis of the Netherlands market, Belgium is a major producer in the alcoholic beverages industry, positioning itself as the second largest exporter of vodka or alcoholic beverages for the Dutch country, and at the same time it registers a large amount of exports worldwide within this industry.

In 2021, Belgium recorded high exports of alcoholic beverages, a total of €595,846,786.00. This figure highlights what we mentioned previously, the great influence that exports have on the western country's state GDP. The high sales of Belgian alcoholic beverages in the international market are an indicator of their high quality, as well as the recognitions and awards obtained for their quality have made whiskeys produced in Belgium to be highly appreciated in Europe, so much so that the Belgian Federation of Wines and Spirits maintains a project to obtain a PGI for whiskeys produced within the Belgian territory. The PGI (Protected Geographical Indication) is a form of European identification that certifies the quality of beverages or food products produced in a certain geographical region. (L'Echo, 2021)

In 2021 Belgium's total imports for alcoholic beverages-excluding wines and beers as they do not constitute part of the tariff heading used for the search-were €398,688,577.00, a very high amount if we take into account that within the country there is a large quantity of these beverages. However, there are nuances to determine that the beverages are different, for example, the most exported beverage was Belgian whiskey, on the other hand, the most imported alcoholic beverage was gin.

Picture 5: Imports of alcoholic beverages from Belgium in 2021

> DETALLE CONSULTA

> 2208 UNDENATURATED ETHYL ALCOHOL OF AN ALCOHOLIC STRENGTH OF < 80%; SPIRITS, LIQUEURS AND OTHER SPIRITUOUS BEVERAGES (EXCL. COMPOUND ALCOHOLIC PREPARATIONS OF A KIND USED FOR THE MANUFACTURE OF BEVERAGES)

> Período 01/02/2022 - 28/02/2022

Resultados: 52, Mostrando: 20

Página de resultados: 1 2 3

	POSICIÓN ARANCELARIA	TOTAL FOB EURO	TOTAL KGS	TOTAL CANT
>	2208.90.69	5.306.635,00	1.418.130,00	320.667,00
>	2208.70.10	5.256.606,00	959.757,00	416.557,00
>	2208.40.31	3.465.259,00	660.700,00	252.840,00
>	2208.50.11	2.794.043,00	424.386,00	229.178,00
>	2208.60.11	2.506.066,00	893.546,00	332.389,00
>	2208.20.12	2.217.158,00	7.727.427,00	29.650,00
>	2208.30.41	2.194.706,00	178.188,00	163.001,00
>	2208.30.71	2.065.324,00	564.284,00	195.967,00
>	2208.30.30	1.744.689,00	68.571,00	29.648,00
>	2208.40.11	1.439.867,00	223.356,00	139.409,00
>	2208.30.82	1.101.547,00	99.467,00	44.576,00
>	2208.30.11	985.044,00	134.648,00	71.522,00

SOURCE: COBUS GROUP (2022)

The large amount of money spent on the purchase of alcoholic beverages shows how coveted this industry is for the inhabitants of Belgium, who do not exceed 12 million inhabitants but show a great consumption and purchasing power when it comes to buying liquor. This is reaffirmed when in times of pandemic during 2020, when their economy declined, as for most countries in the world, they did not stop importing large quantities of alcoholic beverages, registering a total of \$344,896,283.00 euros for foreign purchases of liquor. 'Only' half a million less than when the economy managed to regularize after overcoming the health emergency caused by the coronavirus. The Belgian population is a high consumer of alcoholic beverages, reaffirming previous market research that placed Belgians in the top 20 countries with the highest per capita consumption of alcohol worldwide.

Well, we have analyzed that Belgium is a great international buyer and seller of the alcoholic beverages industry, being that one of the most sold beverages is whiskey, and one of the most desired for import is gin, but what is the position of vodka in this country? The response is favorable for sales intentions as the proposed target market, vodka occupies the fourth position within the most imported alcoholic beverages within the European country. In 2021, international purchases totaling \$31,827,561.00 were recorded, which are distributed to a total import quantity of 5,166,340.

Picture 6: Imports of Vodka from Belgium with an alcoholic concentration of less than 45°

> DETALLE CONSULTA

> 2208.60.11 VODKA OF AN ALCOHOLIC STRENGTH OF <= 45,4% VOL, IN CONTAINERS HOLDING <= 2 L

> Período 01/02/2022 - 28/02/2022

Resultados: 16, Mostrando: 20

	POSICIÓN ARANCELARIA	REGIMEN	PAÍS DE PROCEDENCIA	TIPO UNIDADES FÍSICAS	FOB EURO	KGS NETO	CANTIDAD
	2208.60.11	NORMAL	France	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	636.691,00	427.819,00	129.127,00
	2208.60.11	NORMAL	Netherlands	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	429.317,00	72.533,00	40.937,00
	2208.60.11	NORMAL	Germany	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	436.165,00	269.462,00	79.412,00
	2208.60.11	NORMAL	Italy	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	45.781,00	5.072,00	2.302,00
	2208.60.11	NORMAL	United Kingdom	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	1.492,00	720,00	310,00
	2208.60.11	NORMAL	Portugal	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	7.829,00	303,00	121,00
	2208.60.11	NORMAL	Luxembourg	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	577.215,00	30.177,00	37.183,00
	2208.60.11	NORMAL	Sweden	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	201.140,00	53.087,00	21.028,00
	2208.60.11	NORMAL	Austria	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	487,00	22,00	10,00
	2208.60.11	NORMAL	Poland	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	71.305,00	14.835,00	6.214,00
	2208.60.11	NORMAL	Czech Republic	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	347,00	138,00	59,00
	2208.60.11	NORMAL	Croatia	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	49.743,00	13.275,00	13.275,00
	2208.60.11	NORMAL	United States of America	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	888,00	40,00	14,00
	2208.60.11	NORMAL	Denmark	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	47.168,00	6.050,00	2.392,00

SOURCE: COBUS GROUP (2022)

Belgium has an extensive list of suppliers for their vodka imports, with France, the Netherlands and Germany being their main sellers within this specific segment of alcoholic beverages.

2.2.2. Trade relations between Ecuador and Belgium

The commercial relationship that exists between Ecuador and Belgium is quite good product of the fact that Belgium is part of the European Union, and Ecuador signed a Trade Agreement with the Union at the end of 2017. This Trade Agreement allows the strengthening of a bilateral relationship between states due to the facilities it provides at the time of entering into negotiations. An example of the great trade relationship that exists between the two countries is that during 2021 about 4 tons of organic cocoa were exported to the Belgian country, this is a fairly significant amount that was produced in Zamora Chinchipe by the Association of Small Agricultural Exporters of the Southern Ecuadorian Amazon (Apeosae) since this agricultural organization has the support of public institutions that implement the Amazonian Integral Program of Forest Conservation and Sustainable Production. This governmental support increases the value given by the European buyer due to the organic and sustainable nature of the product for the environment. This aspect is very important because the 3.8 tons of cocoa exported were purchased by Silva Cacao, a Belgian company that is known for buying and producing products with the best cocoa beans in the world (El Comercio, 2022).

In addition, it should be noted that Ecuador's commercial relevance with Belgium is tremendous and has increased due to the maritime influence of the Belgian port, Antwerp, one of the most important in Western Europe because through it ships and goods are moved to countries in the heart of Western Europe as part of the German market, and to France, Switzerland, Luxembourg, Switzerland, Austria, among others. Pieter Embo, economic and commercial counselor at the Belgian embassy, acknowledges that one of the biggest collaborations the Flemish country seeks to have with developing countries is to help people who are exporting find their way - referring to the port of Antwerp - to use it as a gateway to Europe (Cámara Marítima del Ecuador, 2019).

2.2.3. Cultural characteristics Belgium

The following analysis of Belgium's cultural characteristics was carried out using Hofstede's cultural differentiator as a reference, which measures how the basic values of each country's society influence the general behavior of the population. Within his scale of measurement Hofstede compiled 5 dimensions: Power distance, uncertainty aversion, collectivism vs. individualism, masculinity vs. femininity and long-term orientation.

- **Power Distance:** Belgium in this category has a score of 68 out of a possible 100. This high score on power distance indicates that Belgian society accepts inequalities in the power scale. In terms of the business world, the hierarchy of power inside companies or workplaces is quite formal and the flow of information throughout the company is passed hierarchically among members. There is a perception within Belgian society that such inequality between employees is understood to be due to the hierarchy of power and is considered key to efficiency.

The high score of Belgium in this category is not very encouraging for the export case study we are conducting, as this reflects the fact that negotiations will be conducted in a rather indirect way, since, being a new foreign supplier of an unknown brand, it will be necessary to talk to each representative of each level of hierarchical power inside the company until the negotiation can be definitively consolidated and an agreement can be defined.

- **Uncertainly Aversion:** This dimension seeks to analyze and try to determine how a society deals with the fact that the future is uncertain and that it can never be 100% prepared for what the future holds. In this aspect, the collective score obtained by the Belgian society was 94, one of the highest in this regard, this is explained from the social sphere because throughout their history they were a colony governed by third countries. That being said, they seek to maintain a great deal of planning as a society for the future for potential problems that could arise so planning is highly valued, and on the other hand, policies that include change are seen as stressful within the community.

In the area of negotiations with new suppliers, this aspect of the Belgian company can be detrimental, since it indicates that there is not a very wide openness on their part to try out new suppliers, which are unknown to them.

- **Collectivism versus Individualism:** This point refers to the degree of personal interdependence that exists within a society. In other words, it refers to whether the inhabitants of a collectivity perceive themselves in terms of "I" or "we".

The Belgium community has a score of 75 in this area, according to this part of the study points out that in Belgium they have a rather individualistic way of thinking in which their priority is not to be part of a group or in the collective good, but rather they focus on themselves and their own family.

In this case, being a more individualistic society, this gives us a guideline on how to carry out the advertising strategy to attract the attention of the local buyer. In the specific case of Belgium, in order to attract the attention of the consumers, the advertising should be aligned with the individualistic mentality that exists in the Belgian population.

- **Masculinity versus femininity:** In this situation, a high score is related to masculinity, symbolizing that the main values within that society are achievement, competition and success. On the other hand, a low score relates to femininity in which the primary values of that society are caring for others and quality of life. Belgium has a score of 54, an intermediate score in this dimension, which indicates that it is not inclined to any of the aspects mentioned above. But for Belgian society it is generally preferable to reach a mutual agreement than to win an argument or conflict, for example, labor disputes.

Belgian society is so divided on this aspect that it cannot be said that there is a stable behavior as a society where femininity or masculinity prevails, so that the resolution of conflicts, for example, will be subject to the behavior within each company where there may be a greater masculinity or femininity in the aspect of conflict resolution and dispute avoidance.

- **Long Term Orientation:** In this section we try to measure how deeply rooted the society is with their past, there are 2 major divisions, if you have a low score is said to be a normative society, which like to maintain the traditions of the past, and look askance at modernization and social change that this implies. In contrast, a high score relates to it as a pragmatic society, in which traditions and customs are adapted to modern times. In this dimension the Belgian community registers a score of 82, showing that it is highly pragmatic, demonstrating a facility to adapt traditions to modern conditions of society.

When it is a pragmatic society, great importance is given to the context of the situation, in addition to saving and investing in the long term to secure themselves economically and socially for the future. In the workplace, the general thought of the society is that the results are achieved through perseverance (Hostede Insights, 2022).

In the business aspect, this point is related to how long-lasting they see the commercial relations with their suppliers, giving the counterpart the security of doing stable, safe, reliable and long-lasting business, as shown by their preference in this way by the Belgian company, which has a fairly high score and a preference for maintaining long-lasting relations in the commercial case.

2.2.4. Geographic distance from Ecuador to Belgium

The geographical distance between Ecuador and Belgium is 9646 kilometers, which is equivalent to 5994 air miles, however, this distance is equivalent to the distance from the geographical center of Ecuador to the geographical center of the Flemish country. For a more accurate estimate, the distance between one port and the other must be analyzed. Belgium has 8 seaports and some extra sub-ports that make up the commercial maritime mobility network of the European country (LEGISCOMEX, 2016). In Ecuador there are some seaports, however, 70% of the cargo is moved through the port of Guayaquil, so the precise consideration to know the geographical distance between countries would be between the seaport of Antwerp -which is the main port of Belgium- and the seaport of Guayaquil, such sea distance is 9804 kilometers and a shipping time of approximately 20 to 25 days.

2.2.5. Tariff and non-tariff barriers to entry into Belgium

Belgium is a country very open to international trade, as we saw in the previous analysis, the economy is largely linked to international trade. Due to the Trade Agreement in force between Ecuador and the European Union, there are no tariff barriers for trade between these two countries; however, there are some non-tariff barriers to be taken into account when exporting to these countries.

For example, companies wishing to export their products to Belgium must translate their product labels and all the necessary export documentation.

The requirements for exporting to Belgium are those commonly requested in formal international transactions, such as the following documentation:

- Commercial Invoice
- Bill of Landing
- Packing List
- Single Administrative Document
- Customs value declaration

The HS Code used was '2208601100' which includes the following product description 'Vodka with an alcoholic concentration of less than 45.4% in presentations of less than 2 liters'. This tariff item has no quotas for Belgium.

2.2.6. Exports of alcoholic beverages from Ecuador to Belgium

In the following section we will make a small compilation of the amounts of exports of alcoholic beverages from Ecuador to Belgium in the last 5 years. First, a segmentation of the exports of the product as such, in this case vodka, and then a compilation of the exports of the industry, including all types of alcoholic beverages.

By way of summary, according to data from the Central Bank of Ecuador, no vodka has been exported in the last 5 years, which corresponds to the tariff subheading 2208601100, which includes alcoholic beverages of a vodka character, whose alcoholic concentration is less than 45° and whose packaging is less than 2 liters.

On the other hand, speaking properly of the industry segment, it is also quite new for Ecuadorian entrepreneurs, since Ecuador's exports to Belgium under tariff item 2207100000 (ethyl alcohol with an alcoholic strength by volume of less than 80°) are nil, and the main trading partners in this untapped industry are Colombia, Peru and Guatemala.

This means that it is an untapped industry for entrepreneurs in our country who have not yet taken the step forward to be able to monetize this industry that is so profitable, however, it is also necessary to emphasize that, just as it is an industry that is not being exploited, it is also true that it is an industry of which there is no experience, since the total exports of the industry in our country are not very high.

2.2.7. Competence

Belgium has a diverse variety of alcoholic beverages produced domestically, their beer is famous and highly prized around the world, as well as some of their wines. Despite having a large production within this industry, it is also a large importer of alcoholic beverages, so it acquires large quantities through international trade and this is where we should pay attention, since our real direct competition in this case would be the rest of the imported vodkas, in order to make a comparison between what they and we offer in: size, presentation, flavor and price.

Being part of the European commonwealth, it has great commercial benefits with the other countries that are part of the European Union, becoming strong trading partners with each other, which is why the main suppliers of this industry in the case of Belgium are Germany, France, the Netherlands, Poland and Russia: Germany, France, the Netherlands, Poland and Russia.

Below we list 2 of the most consumed imported vodkas in Belgium:

- Absolut Vodka: This vodka is one of the most consumed imported vodkas in Belgium. It comes from Sweden and has 40° of alcohol.

Picture 6: Absolut Vodka



SOURCE: AMAZON (2022)

The most preferred presentation for Belgian buyers is as detailed in the previous image, in a 700ml presentation, with a retail price of 20 euros.

- Vodka Eristoff: This alcoholic beverage is another of the most imported beverages that the country of Belgium has. It is produced in Georgia as part of the 'Bacardi' group and has an alcoholic concentration of 37.5°.

Imagen 7:Eristoff Vodka



SOURCE: AMAZON (2022)

The most preferred presentation for Belgian buyers is as detailed in the image, in a 700ml presentation, with a retail price of 14.39 euros.

The preferred distribution channel for Belgian consumers to purchase these products is through local supermarket chains. Although the testimony we were given was from a girl who lives in Leuven (Belgium), she told us that there are not many liquor stores, the Belgian mentality prefers the security and comfort of acquiring their products in large supply centers.

2.3.1. Analysis of the French market

France is located in Western Europe and is one of the economic, social and political references not only in Europe but worldwide, despite the ravages suffered by the world economy as a result of the pandemic caused by the coronavirus, France has now recovered

from those contractions in GDP and recorded the highest annual growth of Gross Domestic Product in 52 years. That is why the French economy has become an example of how to have a resurgence after the global health crisis, so great is the case of economic recovery that the minister of economy declared that "the French economy currently exceeds in wealth the one it possessed in 2019"(El País, 2022).

The main economic industries of France are the chemical, biopharmaceutical, agri-food and automotive industries, with Germany, Italy, Belgium, Spain and the United States as its main trading partners, with these five countries accounting for slightly more than 50% of its total exports in 2021. On the other hand, imports also come mainly from European countries, with 66% of their imports coming from European Union member countries, mainly Italy, Germany, Belgium and Spain.

The GDP per capita of the French country in 2021 was 36 520 euros, so it ranks 25th out of 196 countries in the ranking of GDP per capita, which indicates the good level of purchasing power they have in the country. Another important factor to take into account for our analysis is the position of the country in the Doing Business ranking, which classifies and ranks countries according to the ease of doing business, in the case of France it is ranked 32nd out of the 190 countries that make up the list. This places France in the category of countries with which it is possible to generate a commercial link due to the openness and facilities it offers to establish a commercial relationship. (Expansión, 2021)

The following is a market analysis based on the information obtained from the Cobus platform, which will be divided into two key parts: the first is a general analysis of the entire alcoholic beverage industry imported by the countries studied, and the second part will focus on the analysis of the alcoholic beverages of the vodka category that exist in the country through imports.

The Gallic country and their people are traditionally big consumers of the alcoholic beverage industry, although France is well known for the wines produced in their vast fruit plantations, the French prefer other types of beverages with alcoholic content, and it is surprising the amount that is invested in this productive sector.

In the year 2021 France recorded a total of \$ 1,208,769,399.00 euros in FOB price purchases of alcoholic beverages, although the item may seem exorbitant, we must remember that France is one of the largest economic powers in the world, with a huge

purchasing power among their people, which are more than 68 million, allowing imports in an expendable good are so high.

Not any European country could afford to spend so much on a good that is not essential, much less a developing country such as ours, but due to the demand that exists for this sector in the European country, it is totally understandable that there are heavy expenses to satisfy the consumers of an industry that is highly coveted in that society. Even though the pandemic affected the popular economy of the inhabitants, not being an essential good, it would be believed that the purchases of beverages belonging to this sector will drop drastically with respect to the rest of the years in which the market did not have calamities such as those that were seen in 2020. However, there were also high purchases and sales of alcoholic beverages within the French trade balance in the year in which the coronavirus detonated, being that the total imports for the alcoholic beverage industry were of \$ 1. 024,396,929.00, there is practically not much difference between the value of purchases from one year to another. This great data can help us to identify that the mentality of the French inhabitant is to spend money on bottles of imported liquor, since in the worst moment of the global economy originated by the causes previously mentioned, the French did not stop consuming alcoholic beverages, and the margin with respect to other years is quite small, so although it is not a sector of essential products, it is highly valued among the Gauls and it could be said that it is a fixed expenditure that they have for this sector of beverages.

Picture 8: Imports of vodka from France in 2021

[DETALLE CONSULTA](#)

> 2208.60.11 VODKA OF AN ALCOHOLIC STRENGTH OF <= 45,4% VOL. IN CONTAINERS HOLDING <= 2 L

> Período 01/02/2022 - 28/02/2022

Resultados: 16, Mostrando: 20

	POSICIÓN ARANCELARIA	REGIMEN	PAÍS DE PROCEDENCIA	TIPO UNIDADES FÍSICAS	FOB EURO	KGS NETO	CANTIDAD
	2208.60.11	NORMAL	France	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	636.691,00	427.819,00	129.127,00
	2208.60.11	NORMAL	Netherlands	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	429.317,00	72.533,00	40.937,00
	2208.60.11	NORMAL	Germany	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	436.165,00	269.462,00	79.412,00
	2208.60.11	NORMAL	Italy	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	45.781,00	5.072,00	2.302,00
	2208.60.11	NORMAL	United Kingdom	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	1.492,00	720,00	310,00
	2208.60.11	NORMAL	Portugal	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	7.829,00	303,00	121,00
	2208.60.11	NORMAL	Luxembourg	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	577.215,00	30.177,00	37.183,00
	2208.60.11	NORMAL	Sweden	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	201.140,00	53.087,00	21.028,00
	2208.60.11	NORMAL	Austria	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	487,00	22,00	10,00
	2208.60.11	NORMAL	Poland	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	71.305,00	14.835,00	6.214,00
	2208.60.11	NORMAL	Czech Republic	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	347,00	138,00	59,00
	2208.60.11	NORMAL	Croatia	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	49.743,00	13.275,00	13.275,00
	2208.60.11	NORMAL	United States of America	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	888,00	40,00	14,00
	2208.60.11	NORMAL	France	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	47.158,00	6.050,00	2.392,00

Source: COBUS GROUP (2022)

Moreover, in the alcoholic beverages segment, vodka is also a drink coveted by the French, who, although they prefer whiskey and imported wines, vodka is not far behind these other products, and in 2021 recorded total foreign purchases of \$ 10,461,877.00 (COBUS GROUP, 2022).

Thus, vodka is the third most popular beverage - within the alcoholic beverages segment - in France. The French have a great love for this beverage, with a total of 758,100 imports of vodka alone during the previous year. The main suppliers in this segment are mainly Poland and Sweden, although the list of countries to which France imports this type of beverages is very long and includes countries such as Singapore, Georgia, Bermuda, among others.

Picture 9: Main imports from France in the year 2021

> DETALLE CONSULTA

> 2208.60.11 VODKA OF AN ALCOHOLIC STRENGTH OF <= 45.4% VOL, IN CONTAINERS HOLDING <= 2 L

> Período 01/02/2022 - 28/02/2022

Resultados: 21, Mostrando: 20

Página de resultados: 1 2

	POSICIÓN ARANCELARIA	REGIMEN	PAÍS DE PROCEDENCIA	TIPO UNIDADES FÍSICAS	FOB EURO	KGS NETO	CANTIDAD
	2208.60.11	NORMAL	Netherlands	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	437.705,00	99.974,00	14.557,00
	2208.60.11	NORMAL	Germany	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	154.415,00	95.305,00	42.374,00
	2208.60.11	NORMAL	Italy	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	289.801,00	61.862,00	23.999,00
	2208.60.11	NORMAL	United Kingdom	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	54.157,00	13.810,00	5.221,00
	2208.60.11	NORMAL	Ireland	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	500,00	42,00	42,00
	2208.60.11	NORMAL	Spain	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	2.380,00	436,00	132,00
	2208.60.11	NORMAL	Belgium	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	29.204,00	12.678,00	3.866,00
	2208.60.11	NORMAL	Sweden	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	1.366.108,00	323.256,00	133.545,00
	2208.60.11	NORMAL	Finland	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	71.739,00	13.879,00	5.856,00
	2208.60.11	NORMAL	Austria	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	6.174,00	445,00	261,00
	2208.60.11	NORMAL	Switzerland	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	1.090,00	109,00	44,00
	2208.60.11	NORMAL	Latvia	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	275.235,00	34.073,00	7.607,00
	2208.60.11	NORMAL	Poland	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	7.562.220,00	1.444.365,00	504.719,00
	2208.60.11	NORMAL	Ukraine	TILL 1992: HL. PURE ALCOHOL; FROM 1993: LITRE PURE (100%) ALCOHOL	9.673,00	3.425,00	1.368,00

Source: COBUS GROUP (2022)

2.3.2. Trade relations between Ecuador and France

Trade relations between Ecuador and France are positive, the trade agreement between our country and the European Union facilitates that trade relations flow in a good way between the countries that make up the Union. The Trade Agreement provides many opportunities for relations between countries to strengthen and forge trade links that are important for both parties. In the case of France, some of the most important internal

mobility contracts in the most important Ecuadorian cities were awarded to French construction companies - the tramway in Cuenca and the airway in Guayaquil. Ecuadorian authorities are constantly trying to engage in talks with French President Emmanuel Macron to seek an increase in investments by the French country in Ecuadorian soil. In 2019, still during Lenin Moreno's presidential term, he met with Macron to discuss the possibility of strengthening economic, commercial, cultural and cooperation ties between the two countries (El Telegrafo, 2019). Something similar to what the current Ecuadorian president Guillermo Lasso did at the end of 2021, when he met with the Minister of Foreign Affairs Frank Riester, the French ambassador and several French representatives and investors who accompanied the minister to his meeting at the Carondelet palace. The purpose of this meeting was to persuade French authorities and investors to invest in the country through the "Ecuador Open for Business 2021" project, which presented a portfolio of possible investment projects in the mining, energy, hydrocarbons, telecommunications and infrastructure sectors (Gobierno de la República de Ecuador, 2021). This type of constant dialogue seeks to improve the existing bilateral relationship, although the current one is good, Ecuador knows about the economic power that the French country has, so it will always seek ways to improve the current relationship between the countries in order to have more investment and support in the social and economic aspect of the government of the European country.

2.3.3. Cultural characteristics France

The following analysis of France's cultural characteristics is based on Hofstede's cultural differentiator, which measures how the basic values of each country's society influence the general behavior of their inhabitants. Within his measurement scale Hofstede compiled 5 dimensions: Power distance, uncertainty aversion, collectivism vs. individualism, masculinity vs. femininity and long-term orientation.

- **Power Distance:** France in this aspect has a score of 68 out of a possible 100, this high score in power distance refers to the fact that French society is accustomed to a high degree of inequality in the hierarchy of power. One example that stands out is that this inequality in the concentration of power is not only limited to the business or governmental sphere, but also geographically, as can be seen in the fact that in France, within the road network, most of the highways lead to Paris. Within the Gallic country the companies have one or two more hierarchical levels than for example companies in

the United Kingdom or Germany, in the same way the superiors or important people, whether businessmen or politicians, have privileges inaccessible to the average inhabitant.

The fact that France has a high score in this category reflects the fact that negotiations are conducted in a rather gradual manner, due to the fact that the levels of power are quite divided because of the hierarchy that exists within French society. There will be a lot of bureaucracy in the negotiations until a business relationship agreement can be formalized.

- **Uncertainty Aversion:** This area refers to the way in which a society faces the fact that the future is unknown and we do not know what will happen ahead. In this area, the study reveals that French society obtained a maximum score of 86 out of a possible 100. This indicates that French society does not like surprises; on the contrary, they seek to maintain a structure and plan for everything that may happen in the future. In business, for example, they like to get all the facts and information about the negotiation before the meetings or business rounds begin.

In this case, France's score in this aspect is quite high, as in the case of Belgium, which indicates that there is not a great openness to try new brands or products; it must be something that captures the French consumer's attention enough to make him decide to give a chance to a brand that is just being introduced in the market.

- **Collectivism versus Individualism:** This point refers to the degree of personal interdependence that exists within a society. In other words, it refers to whether the inhabitants of a collectivity perceive themselves in terms of "I" or "we". The community of France has a score of 71 according to the study, this indicates that it is a rather individualistic society in which one should only take care of oneself, and in case of maintaining a family, of it, but without further concern for the rest of the external members that make up their society.

French society denotes a greater individualism among their inhabitants, this indicator, as in the case of Belgium, shows us the line that the marketing of our company should follow in order to attract the attention of consumers, and enter these markets in which there is a more individual perspective of life and the 'I' is more important than the 'we'.

- **Masculinity versus femininity:** In this case a high score is related to masculinity, symbolizing that the main values within that society are achievement, competition and success. On the other hand, a low score is related to femininity in which the primary values of that society are caring for others and quality of life. France has a score of 43, demonstrating a certain femininity in their society, this is closely related to their quality of life and welfare system, popularly known as *securité sociale*, with a 35-hour work week and 5 weeks of vacation per year.

French society in this aspect is somewhat divided, however, it slightly denotes a greater femininity as a society giving openness to mediation for conflict resolution and trying to seek the common good within international negotiation.

- **Long-Term Orientation:** In this section we try to measure how deeply rooted the society is with respect to the past. There are two major divisions: if the score is low, it is said to be a normative society, which likes to maintain the traditions of the past, and looks askance at modernization and the social change that this implies. In contrast, a high score relates it as a pragmatic society, in which traditions and customs are adapted to modern times.

In the case of France, which has a score of 63 on this dimension, it is classified as a pragmatic society. (Hostede Insights, 2022).

In the business aspect, this point is related to how long-lasting they see the commercial relations with their suppliers, giving the counterpart the security of exercising stable, safe, reliable and long-lasting business. France slightly prefers a long-term orientation, that is to say, to maintain long-lasting business relationships that are fruitful for both parties.

2.3.4. Geographic distance from Ecuador to France

The distance between Ecuador and France is 9572 kilometers, this measurement corresponds to the distance between the central point of both countries, but for the present case of feasibility study that may exist in a possible export, it is necessary to take the distance measurement between the ports of both countries. France has 5 major ports: Le Havre, Rouen, Dunkerque, Marseille and the seaport of Paris which is internationally known as Haropa. These 5 seaports account for 65% of the maritime vessels transiting through France.

For the purposes of this work we will use the distance between the port of Guayaquil and the port of Le Havre, which is located in the northern region of France, this port is widely used in international trade with a large influx of container traffic of French imports and exports. (INVEST HUB, 2020). The distance between the aforementioned ports is 9479 kilometers and their maritime transit is between 20 to 25 days.

2.3.5. Tariff and non-tariff barriers to entry into France

France is a member of the World Trade Organization, has a very high economic capacity and is in favor of free trade between countries, is open to international trade and seeks to ensure that trade relations prosper with productive partners. Due to the complex climate in France, this country is a constant importer of raw materials and organic products, which is why it has no major trade barriers, and in the specific case of our country, Ecuador, there are no tariff barriers that complicate the possibility of establishing a prosperous trade relationship.

Moreover, France offers a facility for those who want to sell their products in the country, since for goods with a commercial value of less than 1,000 euros or 1,000 kilograms, only a verbal customs declaration with the invoice is required for the goods to enter the country. But in case the international sale exceeds the amount or weight referred to above, it will be necessary to present all the documentation to customs so that the merchandise can be nationalized. The customs requirements for the merchandise to enter the Gallic country are those commonly requested in formal international transactions, documentation such as:

- Commercial Invoice
- Bill of Landing
- Packing List
- Single Administrative Document
- Customs value declaration

The HS Code used was '2208601100' which includes the following product description 'Vodka with an alcoholic concentration of less than 45.4% in presentations of less than 2 liters'. This tariff item has no quotas for France.

2.3.6. Exports of alcoholic beverages from Ecuador to France

In the following section we will make a small compilation of the amounts of exports of alcoholic beverages from Ecuador to France in the last 5 years. By first segmenting the exports of the product as such, in this case vodka, and then a compilation of the industry's exports, including all types of alcoholic beverages.

By way of summary, according to data from the Central Bank of Ecuador, no vodka has been exported in the last 5 years, which corresponds to the tariff subheading 2208601100, which includes alcoholic beverages of a vodka character, whose alcoholic concentration is less than 45° and whose packaging is less than 2 liters.

On the other hand, speaking properly of the industry segment, it is also quite new for Ecuadorian entrepreneurs, since Ecuador's exports to Belgium under tariff item 2207100000 (ethyl alcohol with an alcoholic strength by volume of less than 80°) are nil, and the main trading partners in this untapped industry are Colombia, Peru and Guatemala.

This means that it is an untapped industry for entrepreneurs in our country who have not yet taken the step forward to be able to monetize this industry that is so profitable, however, it is also necessary to emphasize that, just as it is an industry that is not being exploited, it is also true that it is an industry of which there is no experience, since the total exports of the industry in our country are not very high.

2.3.7. Competence:

France is a major producer in the spirits industry, their wines are coveted worldwide, and their beverages have won multiple awards. It has great brands that produce their concoctions within French borders, for example, Grey Goose is one of the leading vodkas worldwide, the taste and elegant presentation have made this brand to be recognized and valued worldwide. Despite having great brands and products of alcoholic beverages, France is not reluctant to import more brands and products of this industry.

Being part of the European commonwealth, France has great commercial benefits with the other countries that are part of the European Union, becoming strong trading partners with each other, which is why the main suppliers of this industry in the case of France are Belgium, Germany, the Netherlands and Russia.

Below are 2 of the most popular imported vodkas consumed in France:

- Moskovskaya: Before the outbreak of the war with Ukraine and the strong economic and trade sanctions received by the international community, this was one of the most imported vodkas in France. It comes from Russia and contains an alcoholic concentration of 38°.

Picture 10: Moskovskaya Vodka



SOURCE: AMAZON (2022)

The presentation preferred by the inhabitants of the Gallic country is, as shown in the image, the 700ml presentation, whose retail price is 18.70 euros.

- Nemiroff Vodka: Curiously, due to the war situation, another of the brands of alcoholic beverages categorized as vodka that France imports the most is Nemiroff from Ukraine, whose alcoholic concentration is 40°.

Picture 11: Nemiroff Vodka:



SOURCE: AMAZON (2022)

The bottle and presentation are not aesthetically pleasing, or at least not to the personal preference that I may feel. However, in France the bottle is one of the most popular as shown in the one-liter presentation and has a retail price of 20.67 euros.

The sales channels generally preferred by French consumers for this type of goods are liquor stores, since supermarkets generally increase the cost of sale and there is a greater variety of beverages and brands in alcoholic beverage stores than in food outlets.

2.4 International SWOT:

Strengths:

- It is part of an industry (alcoholic beverages) appreciated and valued by the markets analyzed.
- Competitive pricing in target markets.
- Being a product of an SME, from a developing country, it gives a boost to the esteem it can generate on the European consumer.
- Blvish's distinctive taste is a new option for spirits consumers in Europe.

Weakness:

- Being a new company in an established market
- Not having the production capacity to work on several export orders at the same time.
- Not having a strong presence in the local market

Opportunities:

- Blvish can achieve certifications and labeling standards that increase the value to the European consumer.
- The countries studied have low uncertainty avoidance, so they are open to trying new things

- The trade agreement signed between Ecuador and the European Union makes it easier for the product to enter the market.

Threats:

- High level of competition in the industry
- That the potential buyer/distributor does not wish to enter into FOB negotiation terms, or derivatives that facilitate the seller's tasks and responsibilities.

Conclusion

In relation to Netherlands, the good commercial relationship that has historically existed between Ecuador and this country is the starting point for the analysis of how beneficial an export plan to the Dutch country could be. The market analysis carried out exposes key points about this market, which is quite interesting since the country has a strong expenditure in the alcoholic beverage industry, having a great variety of brands and types of alcoholic beverages. The characteristics of the Dutch consumer set the tone for our product to initially capture their attention and open them up to a commercial relationship. It should be noted that although there is a great bilateral trade relationship between the parties involved, Ecuador has little experience as an exporter within this industry, this could negatively influence the possibilities of forging a trade relationship since this inexperience within the industry can be seen as a major disadvantage.

From the characteristics of the market, Netherlands appears as a quite plausible alternative for the brand to internationalize, it could be a destination in which Blvish could be welcomed.

The Belgian market is a little more complicated, because the market analysis shows considerable differences with respect to the Dutch market, which is more open to the idea of trying new brands and products; by contrast, the Belgian consumer is more closed in this respect and prefers the products and brands he already knows.

Although trade relations between Ecuador and Belgium are good and the Trade Agreement provides more facilities for a bilateral negotiation, Belgium is not presented as a great optimal target market, mainly because of what we mentioned above about the opening that can be given to new brands and products, but not purely because of this, but in addition to the Ecuadorian inexperience that exists in the alcoholic beverages industry.

As new exporters, and not having experience in the industry on a large scale, it could be difficult to introduce a new brand and product to the Belgian market.

The French market is somewhat particular, and in the market analysis that was carried out, there are several points in favor and against an export plan to France. Starting with the good commercial relationship that exists between Ecuador and France and the Trade Agreement that our country has signed with the European Union; the great competition on the other hand, added to the inexperience that we have on the exports of this industry are shown as the weaknesses that our export project presents. Through the information gathered from the French consumer in the last chapter, once the price at which we will compete in the French market has been obtained, a better conclusion can be reached as to whether or not it would be viable to try to export this new brand to the French market.

Chapter III: Export Analysis

Introduction:

In this chapter we will proceed to analyze an important factor that has a direct bearing on the success or failure of the export project. In the previous chapters we talked about the productive capacity of the company, the differentiators from the competition, the market study and how the company plans to face the entry into a new and unknown market. All these points are quite important when carrying out a feasibility study for an export, however, it is still necessary to analyze something very significant such as the cost that would represent to assume the whole process of exporting the goods to the target countries set as an objective.

It should be taken into account that although it depends on the type of international negotiation (INCOTERMS) that you decide to carry out within the purchase and sale process, the costs of making an international sale are quite high due to the logistical structure that must be followed, since it will require a much more organized packaging and dispatch than what is done for a national sale. In addition, the transportation cost will be much higher this time and the coordination of the dispatch to meet delivery times must be precise and coordinated so that the goods can be loaded on the truck, delivered to the vessel and received at the port of destination.

As previously mentioned, the costs of the above factors and others such as insurance, paperwork and international freight costs, as well as the risks on the cargo, are determined by the INCOTERMS. Which are three-letter codes that indicate the responsibilities, rights and items to be paid by each of the parties in the process of buying and selling the merchandise. Although these rules are not binding, they make things clear for the negotiation, so that each party is aware of its commitments within the operation.

Although the items mentioned above are the most expensive, there are also other costs and procedures that must be taken into account, speaking clearly of the seller of the merchandise, since he will have to have the certificate of origin of the merchandise and must also have in order all the documentation required by the customs of the country that is acquiring the product.

3.1. Requirements for export process

The European Union has been known for being very demanding in terms of the requirements that products must meet in order to enter its market.

One of the control agencies to which the European Union is most committed is the SPS (Sanitary and Phyto-Sanitary) organization in charge of establishing the sanitary and phytosanitary measures that a food product must comply with to protect human, animal and plant life and health. These measures guarantee consumers that the food or beverages ingested are safe for their health.

These measures have 2 control scales:

- **Horizontal Legislation:** Generally, for all food products, it regulates aspects such as labeling, additives and hygiene that a product must comply with in order to be marketed. In the case of alcoholic beverages, it is mandatory to have the appropriate labeling (official language of the country where the product will be marketed), information corresponding to the sanitary registration that includes all the ingredients that are part of the product in the official language of the country where the product is purchased.
- **Vertical Legislation:** These are specific regulations for specific product groups, such as, for example, regulations on dairy products or refrigerated products.

Another of the requirements that a product must meet in order to be imported into the European Union are the standards regarding the healthiness of official food controls. These standards distinguish 3 categories of food products; however, we will focus on the one related to the present work:

Food of non-animal origin: Within this category are foods such as fruits, vegetables, nuts, beverages, mineral foods and spices.

In the first instance, products in this category may enter the European Union without the application of prior certifications or notifications, but it is essential that they comply with all hygiene requirements, proper import processes and plant health requirements.

With respect to the processes to be complied with in relation to food safety, the following should be taken into account as mentioned by the European Food Safety Authority (EFSA):

- Food of non-animal origin may be subject to inspections and controls according to the possible potential risks that they may pose to the health of their consumers according to the policies implemented by the Member States as stipulated in each of their national legislations.
- There are certain plants and vegetables that must be accompanied by a phytosanitary certificate, and these plants or products must be subjected to plant health inspections, identity and documentary controls to ensure their healthiness (Banco Interamericano de Desarrollo, 2010).
- Finally, EU community legislation makes it clear that, if necessary, specific requirements may be applied for certain specific products, such as maximum levels of pesticide residues, contaminants, addition of preservatives, radioactivity of the product, etc.

In order for a product to be sold more easily within the European Union, it may choose to use quality certifications that guarantee the condition of the product, while certifications are optional, some of the products need to have mandatory certifications. Such as EC Marking. EC Marking is the abbreviation of the French phrase 'Conformité Européenne', which means 'European Conformity'. As approved by the European Parliament and the Council of the European Union, the following provisions must be taken into account:

- It is the manufacturer's responsibility to include the CE marking within their products, since this market does not require any external certification by the control bodies of the European Union, however, it must meet certain requirements to be able to circumscribe the CE marking:
- Prepare the technical documentation before introducing the product on the market.
- Make the technical documentation available to the market surveillance authorities (should they request to see it) as soon as the product is placed on the market
- Retain the technical documentation for ten years from the date of introduction of the product on the market-unless expressly stated otherwise.

These requirements are part of the technical documentation necessary to demonstrate that the product meets the essential requirements, thus supporting the European Union declaration of conformity. This opens the way for the product to be CE marked (YOUR EUROPE, 2022).

The requirements to be able to export are to comply with certain guidelines that endorse the company that wishes to sell its products abroad.

The steps to export are quite simple, since the government provides all possible facilities for Ecuadorian products to go abroad and increase the state's GDP.

First of all, it is necessary to have the digital certificate for electronic signature, with the obtaining of the token, we consider the token as the best way to carry the electronic signature due to the physical practicality of the device, which is the size of a memoryflash and provides the necessary security so that only the owner of that electronic signature can carry it with him. The token costs \$47.04 and is valid for one year.

The next step is to install Ecuapass, which is the Ecuadorian customs system that gives both exporters and importers access to the customs software allowing them to perform all operations regarding the loading or unloading of their goods (Endara, 2019). We must install Ecuapass and register in it as exporters, the steps are pretty simple and the system can be downloaded free of charge from the customs website.

Once registered as exporters within Ecuapass, the only thing left to do would be to obtain the certificate of origin of our products to be exported, this procedure is relatively easy and is done online through Ecuapass, it has a cost of \$10. (SENAE, 2021)

3.2. Export Costs:

Packing and Packaging: Product packing refers to the way in which the product will be stored in order to comply with the international journey without suffering damages or alterations in their structure. As glass bottles are a very delicate material, the package containing the bottles must be sufficiently safe to provide security for the bottles during their travel and shipment.

Although Blvish does not have a standardized packaging system for the distribution, currently, due to a marketing promotion that is maintained in conjunction with the 'Ecuawave' website, special editions of Blvish have been produced, which come with special packaging, which can be seen in the image below:

Picture 12: Blvish 700ml special edition 'Ecuawave' package'



SOURCE: BLVISH

As can be seen in the reference image, the cardboard box in which the bottle is packed protects the bottle to withstand international travel. The dimensions of the box are the following: 8cmx8cmx24cm. The bottle is protected against possible impacts that may affect the structure of the glass container that holds the liquid. As we mentioned previously, this cardboard box for packaging was something that was innovated for the limited edition currently marketed by Blvish, so the unit price at which we got each cardboard box with the company's design already applied was \$1,90. It is worth noting that this cost already includes the design of the box, so it should only be modified so that its content is translated into each of the languages of the target countries as required by European Union labeling standards. We would even believe that this cost could decrease due to an increase in the number of boxes ordered, and since this number is quite high, we could negotiate with the company that supplies us with the boxes so that the unit price of each carton is \$1.60 per box.

The boxes that will carry the product for the handling of the pallets, in which the product will be packed, will also be cardboard boxes that are strong enough to protect the product from handling by the forklift when it enters the containers.

3.2.1 Quantity of product:

Each packing box will be: 32cmx48cmx27cm, and will be able to store a total of 24 bottles properly packed in their individual boxes. These boxes will be placed in a cardboard box

measuring 65cmx98cmx29cm to further protect the product and be more practical for loading and unloading the pallets.

These additional boxes would generate an extra cost of \$1.45 and \$1.90 respectively, which would have to be added to the expenses generated by the packaging.

The 20 feet container could be filled with a total of 6912 units packed in 144 boxes measuring 65cmx98cmx29cm. That will store the 288 32cmx48cmx27cm boxes with the previously mentioned units inside their individual carton.

The value of packing and packaging would be calculated as follows:

- 6912 unit's x \$1,60= \$11 059,92 cost of individual boxes
- 288 unit's x \$ \$1,45=\$417,60 the cost of boxes to store 24 bottles.
- 144 unit's x \$1,90= \$273,60 the cost of boxes to be handled by pallets.

The total cost of packing and crating would be \$11,751.12 for the units transported in a 20-foot container.

3.2.2. Transportation:

For the transportation aspect, it should be taken into account that the transportation will have to comply with a wide transit route, and 3 different types of mobilization will be needed: inland transport from the seller's warehouse to the port, international freight which will be a sea type transport, and inland transport from the port of destination to the buyer's warehouses.

The transportation company Transdyr offers us the service of land transportation from the city of Cuenca to the port of Guayaquil for a value of \$560 in the case of a 40 feet container and a value of \$480 in the case of a 20 feet container. As our export project is intended to be sold in the first instance through a 20-foot container, our internal transportation cost is \$480.

As we know the costs of international freight are variable according to the behavior of the world market, to have the value as close to reality it has been decided to quote directly with Forwarders that offer the service of international transportation of goods, from getting the container to be the point of contact between sellers and buyers during the shipment and clearance of goods.

The quotation offered by Alexandra Rodriguez, sales representative of Forwarder 'Asia Shipping' was as follows for 20-foot containers for the ports of destination from the port of Guayaquil:

Table 2: International freight costs to target markets:

Port	Amberes	Le Havre	Rotterdam
Freight Value	\$4500.00	\$6400	\$5800
Local Expenses	\$730	\$730	\$730
THC	\$180.00	\$180.00	\$180.00
BL	\$140.00	\$140.00	\$140.00

SOURCE:ASIA SHIPPING (2022)

3.2.3. International Insurance:

For the insurance of the merchandise we will use a quote provided by the insurance company Vazseguros in order to manage accurate costs and real numbers.

Vazseguros is an insurance company that offers insurance on cargo that has to be transported internationally and covers the cost in case of cadasters that could damage the cargo during transportation.

The amount charged by the insurer is based on the total CFR (FOB+Freight) multiplied by a premium rate of 0.2% on the insured value.

- In the case of Belgium, this would be the total of the container of goods that fits in the 20-foot container + the value of the freight, and this result would have to be multiplied by 0.2%.

FOB value of a 20-foot container:

6912 unit's x \$12= \$ 82 9440.00

The cost of freight to Amberes is: \$4500.00

To determine the insurance value to be paid, the sum of the freight value and the Fob should be multiplied by 0.2%.

$$\$87\,444,00 \times 0.2\% = \$174,80$$

- In the case of France, it would be the total of the container of goods that fits in the 20-foot container + the value of the freight, and this result would have to be multiplied by 0.2%.

FOB value of a 20-foot container:

$$6912 \text{ units} \times \$12 = \$82\,944.00$$

The cost of freight to Le Havre is: \$6400

To determine the insurance value to be paid, the sum of the freight value and the Fob should be multiplied by 0.2%.

$$\$89\,344 \times 0.2\% = \$178,68$$

- For the case of the Netherlands it would be the total of the container of goods that fits in the 20-foot container + the value of the freight, and this result would have to be multiplied by 0.2%.

FOB value of a 20-foot container:

$$6912 \text{ units} \times \$12 = \$82\,944,00$$

The cost of freight to Rotterdam is: \$5800

To determine the insurance value to be paid, the sum of the freight value and the Fob should be multiplied by 0.2%.

$$\$88\,744 \times 0.2\% = \$177,48$$

3.2.4. Tariffs:

This year, 2022 marks the sixth anniversary of the signing of the trade agreement between Ecuador and the European Union, and as part of this agreement, nearly 1,300 tariff items were exempted this year and became zero tariff since January 1 of this year. One of the tariff items that will have no tariffs to enter the countries that make up the European Union is precisely that of alcoholic beverages, so this export would enter free of tariffs (Angulo, 2021).

3.2.5. Summary of costs

Table 3: Summary of Costs:

National procedures	\$57,04
Packing and Packaging	\$11 751,12
FOB	\$82 944,00
Internal Transportation	\$480
TOTAL	\$95 232,16

SOURCE: OWN ELABORATION

This table shows a summary of the costs with which we must comply with the purchase and sale contract, having agreed under the FOB Incoterm.

With a total cost of \$12,288.16, dividing this cost by the total number of bottles (6912 units) would give a unit cost of \$1.78 in export expenses.

This value should be added to the production cost of each unit, which is \$5.

3.3. Analysis of price competitiveness:

In order to analyze the competition, we must have an estimate of the total expenses incurred in the entire buying and selling process in order to obtain the cost of the product, and at the same time calculate a profit margin of approximately 30% to be able to make a comparative analysis of the probability of competing against other brands already established and appreciated by consumers in the target countries that we have considered. For this purpose, we will use the following table to calculate the unit value of the product already on European soil:

3.3.1. Belgium

Table 4: Summary of export costs to Belgium

National procedures	\$57,04
Packing and Packaging	\$12 288,16
FOB	\$82 944,00
Internal Transportation	\$480
International Freight	\$4500,00

International Insurance	\$174,80
CIF	\$87 618,80
Tariffs	0
Taxes	\$17 523,76
Internal transportation at destination	\$300,00
TOTAL	\$105 442,56
Cost of the product in the target market (Total / number of bottles entering the container)	\$15,26

SOURCE: OWN ELABORATION

The cost price of each bottle of Blvish for Belgium would be \$15.26 if we take into account a 30% retail mark-up, the retail price to the Belgian public would be approximately **\$19,84**.

Since we are not in Europe, we cannot make a very broad comparative analysis to know if we can be competitive in terms of price. In order to carry out this analysis, we took as a reference to enter Belgian e-commerce websites to observe the reference prices they pay for alcoholic beverages.

For the case of Belgium, we went to the website 'The Brussels South Charleroi Airport Shop' and saw some of the alcoholic beverages that are traded within the region with reference prices of drinks ranging from \$13.00 to \$65.00.

This shows us that the product could be competitive in terms of price, and if we take into account the certifications we plan to implement on the product, the Belgian consumer could be very interested in acquiring our product.

3.3.2. Netherlands

Table 5: Summary of export costs for the Netherlands

National procedures	\$57,04
Packing and Packaging	\$12 288,16
FOB	\$82 944,00

Internal Transportation	\$480
International Freight	\$5800,00
International Insurance	\$177,48
CIF	\$88 921,48
Tariffs	0
Taxes	\$18 673,51
Internal transportation at destination	\$300,00
TOTAL	\$107 894,99
Cost of the product in the target market (Total / number of bottles entering the container)	\$15,61

SOURCE: OWN ELABORATION

The cost price of each bottle of Blvish for the Dutch market would be \$15.61, in order to determine the retail price in the Netherlands we must add the 30% profit percentage that the retailer will obtain. The retail price in the Netherlands for each bottle of Blvish would be **\$20,30**.

Similarly, as we are not in the Netherlands we cannot make a great analysis of the competition, but to take reference prices of what the Dutch consumer pays for alcoholic beverages, we will take the information from e-commerce websites in which these products are marketed.

In the case of the Netherlands, we went to the website 'Dutch Expat Shop' and saw some of the alcoholic beverages that are traded within the country. In this case we were able to make a further segmentation by searching for the type of alcohol that our product is part of, and against which it will compete: vodka.

In the specific case of the Netherlands we were able to find from the e-commerce site a large reference of imported vodkas ranging in price from \$13 to \$70. Within this range we find big brands of the liquor industry such as Smirnoff whose cost in the Netherlands is \$27.34 euros, and less known brands from our side of the continent such as Eristoff Vodka which costs \$10.77 euros, but here we must point out that this particular bottle is

400 ML, so we can see that a good monetary value is given to the liquors consumed by the Dutch consumer.

This shows us that the product could be competitive in terms of price, and if we take into account the certifications we plan to implement on the product, the Dutch consumer could be very interested in acquiring our product.

3.3.3. France

Table 6: Summary of export costs to France

National procedures	\$57,04
Packing and Packaging	\$12 288,16
FOB	\$82 944,00
Internal Transportation	\$480
International Freight	\$6400
International Insurance	\$178,68
CIF	\$89 552,68
Tariffs	0
Taxes	\$17 904,54
Internal transportation at destination	\$300,00
TOTAL	\$107 757,21
Cost of the product in the target market (Total / number of bottles entering the container)	\$15,59

SOURCE: OWN ELABORATION

For France we will use the same calculation, giving a profit percentage of 30%, so the cost price for France would be \$15.59 and the retail price would be **\$20,27**.

In the case of France, we went to the website 'Whisky.fr' whose name is 'LA MAISON DU WHISKY' and saw some of the alcoholic beverages that are traded within the country. Just as in the case of the Netherlands, we were able to make a greater segmentation by looking for the type of alcohol that our product is part of, and against which it will compete: vodka.

In France there is a great variety of alcoholic beverages, within the referential web page we visited to have a reference of the prices, the value of the bottles of vodka ranged from \$21 euros to \$135 euros. One of the cheapest brands is 'Zubrowka Bisson Grass Vodka' whose cost is \$21.50 euros, but the vast majority of vodka bottles are marketed at over \$27.00.

Inside the French market, Blvish's entry could be possible through price and a good story to sell the brand, as it needs to stand out amidst the multiple brands and types of alcoholic beverages.

3.4. Total Expenses:

Currently, according to the study carried out in this degree work, the cost of assuming this export would be \$12,288.16 plus the expenses generated by production. For the company would currently be an amount payable through the sales generated and money that can be obtained from the managers, who have the capital to generate the investment to be able to explore the market there. However, it would be advisable to make a small introduction to the European market and try it for one country at a time and not in several at the same time because in that case, the production capacity could not supply so much production in the time that the customer may require, in addition to the high costs that would be incurred in carrying out several export processes at the same time.

Another recommendation could be to first look for sales that are shipped as LCL (Less than Container Load) so that little by little the company's productive growth is not so abrupt, avoiding risks of delays or non-compliance in delivery times.

Conclusion:

In conclusion, this chapter helped us to explore with real world quotations the costs generated by the whole process of an international sale, the adjustments that the product or its packaging should undergo to meet the requirements to be exported and the permits or regulations that must be complied with in order to reach the foreign countries that we have set as our objective. Although it is complicated to introduce a product in a new foreign market, at least in the economic issue we have been able to verify that it is within something possible, and are payable expenses that can be assumed by the company, however, it is known that the success or failure of a brand introduction does not depend

solely on the economic aspect, but what this study does show is that if the company is in economic and productive capacity to export, it could work on an internationalization plan so that the brand can be sold and be attractive to the new target consumer who is not familiar with the product.

The present study reaffirmed that there is a great business idea with a great product and the company's leaders have the economic power to invest in the necessary adjustments and expenses that will incur an export of this caliber, but there is still a need to define appropriate strategies to introduce the brand in an unknown market.

In terms of price, Blvish is able to compete against other brands that are shown as direct competitors according to the market segment, both in Belgium, France and the Netherlands would enter the price level that consumers in these countries usually pay for this type of product, vodka. This increases the expectations of this project since we could compete on price, what would have to be defined are the strategies to reach the consumers and be able to sell the product in the target markets.

Final Conclusions

In conclusion, within this degree work we studied the multiple factors that play a role when analyzing the feasibility of an export process, from the analysis of the target market, entering into the commercial relationship that exists between Ecuador and these markets, as well as the behavior of consumers with respect to the preferences that their potential buyers could have. From a quantitative point of view, a cost analysis was carried out to determine the cost under which we would sell the product to the importer and the price at which Blvish would enter the target markets for the final consumer (adding the retail profit percentage), which would be competitive within the target markets, since the price range of substitute products is between \$20-\$30, placing Blvish within that price range.

This analysis allowed us to know that Blvish, for example, would have more chances of success in the Netherlands, but would not be so desirable in France and Belgium due to the behavior of consumers in that particular market, where there is an openness to the consumption of new products, outside the traditional ones, in addition to the fact that the price in the market would be attractive to consumers.

This analysis shows us that, under a correct marketing strategy, Blivsh has the potential for success to enter the target countries we have set as an objective, since the European consumer could be very interested in acquiring Blvish products due to price, flavor and certifications that guarantee the quality of this company as a member of the SMEs.

In addition, another conclusion reached thanks to the international SWOT analysis is that the differentiating virtues of being part of the SMEs and the certifications that increase the added value of the company should be effectively promoted. On the other hand, this analysis exposes the weaknesses and corrective measures to be taken in the company to be able to face an export process in the best way, the productive capacity of the company and its dependence on a certain type of negotiation (Free on Board) are the main particularities of the company to be corrected.

Final Recommendations

International trade is a tool that helps immensely to the development of countries and their inhabitants, on the one hand you can acquire raw materials or finished products that meet the needs of their people, on the other hand, the Comex gives companies the opportunity to sell their products in a global market, not only nationally, generating more and new companies that seek to undertake and create products that can be attractive to the international market.

In the case of Ecuador, we have a clear example of how a company has managed to grow incredibly thanks to the international sale of its products. Pacari had a much better reception in the international market than in their own national market, the great reception that the chocolates had made the company known around the world, obtaining certifications and awards for his quality that endorse it as the best chocolate in the world and managed to capture the attention of the consumer.

It would be recommended in the case of Blvish to use marketing strategies that highlight the social aspect that we fulfill as a company, also being able to be creditors of certifications such as Fair Trade or the Green Seal that guarantee the commitment and social responsibility with which the company has. It is necessary to be able to attract the attention of buyers, since being a company unknown to consumers, it is necessary that the internationalization plan is supported by commercial and marketing strategies that facilitate capturing the interest of consumers.

In addition, as an initial recommendation for the first export that the company may have is to focus on one target market at a time, not trying to sell at the same time to different countries, because the productive and economic capacity of the company would be compromised in case of wanting to take on several export processes at the same time. According to the feasibility study carried out, it is recommended to start with the export project to the marketing of the Netherlands, since, as analyzed, it is the market that is most open to try new products, which would enter the Dutch country with a very competitive price, in addition to the positive historical trade relationship that the Netherlands has with Ecuador.

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