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Marketing plan for the ginger liquor “Zenzero”

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Dedication

A Ricardo Garrido A.

Special Thanks

Thank you infinitely to my family, my teacher and friends Mika Kennedy, Brad Weeder, Xavier Ortega, Sonia Coello, Lucas Oberlin and Adam.

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Abstract

This paper demonstrates the use of knowledge on analysis and marketing for the creation and development of a marketing plan for a ginger liquor called "Zenzero". All this in thanks to administrative studies on the company, the industrial sector in which it operates, certain international homologous companies, and an appropriate use of the strategic and tactical variables related.

INTRODUCTION

The need for work places, the search for formal ways of subsistence, ingenuity and creativity of the population, have resulted in the creation of new businesses called entrepreneurship. These initiatives of great scope for all types of social conditions, create innovative products and have gradually managed to cover a large part of unemployment and informal employment at the national level.

However, current events show that despite all the efforts, many of them last less than expected because purely crystallized ideas do not have clear planning, management and research support. The ginger liquor "Zenzero", a start-up, fits into this problem. Then the question arises on how to make "Zenzero" a product with investigative support, an innovative and competent product compared to what is already offered.

Additionally, today there are several changes in the domestic liquor market, and a clear need arises to create alternative products. These should be able to cope with a large external competition thanks to the current easy entry of foreign beverages with lower tariffs. All mainly from European and Latin origin.

With this background, the work below will seek to cover these needs by exposing a specific "**marketing plan**" for the product, which will detail the current situation of the company, a diagnosis of the industrial sector to which it belongs, a comparative analysis with international and national companies, and finally will conclude with the respective development according to strategic variables and marketing tactics.

The marketing plan is a useful planning and management tool, which when properly designed and executed, contributes to the final fulfillment of the objectives set for a given product. The present work will carry out the process that allows to fully answer the doubts that exist in the business and raise conclusions for its current and future operation.

I CHAPTER ONE: THE COMPANY "ZENZERO"

1.1 Background

"Zenzero" is the commercial name of the company with RUC. No. 0103930285001 whose main economic activity is the preparation and mixing of distilled alcoholic beverages as well as alcoholic compound preparations such as creams and other flavored and / or sweetened beverages. This organization carries the status of a microenterprise dedicated to the artisanal production, distribution and commercialization of ginger liqueur with the same name.

The microenterprise was originally constituted under the name of Ismael Narváez Aguirre, with activities starting on August 1, 2017 to subsequently be included in the Registry of Mipymes with R.U.M. No. 0103930285001. Today, the exploitation of the business is carried out exclusively by "Zenzero", which began to operate with a total of \$ 4,000 dollars of investment, 50% of which came from the main taxpayer, and the rest from three other collaborators. After the meeting of associates held on July 1, 2017, it was decided to increase the capital of the microenterprise to \$ 4,000 dollars through a financing plan with Banco Guayaquil for three and a half years, thus remaining with a capital of \$ 8,000 dollars for its general operations until today.

History

"Zenzero" was a spontaneous idea that came from the memories and culinary skills of the grandmother of the Aguirre Semeria family, who indulged in various recipes, especially mistelas and artisan liquors. Later, with a more serious motivation, the idea became concrete when its owners identified a lack of innovative and quality liquors in Ecuador and they knew they could compete in the national market of those already offered. This lack of diversity increased thanks to the commercial opening with the European Union (EU), which includes the elimination of liquor safeguards and a market trend to increase

the purchase of liqueurs from Argentina, Chile, Peru, Colombia, Panama, Mexico and the USA (ASTUDILLO, 2017) leaving the national product in the background.

Thus, in 2017, thanks to the family initiative and entrepreneurial spirit of a group of young people, "Zenzero" was officially born in Cuenca and dedicated itself to the production and commercialization of liquor made from ginger and spices. The name of the microenterprise: "Zenzero", which means ginger in Italian, was chosen in order to make reference to the roots of the family origin. Its members are a group of professionals who seek to maintain the tradition. In addition to their official tasks, the majority of the economic and material resources used for its foundation and performance comes from each one of them, with some contribution from volunteer members of the family.

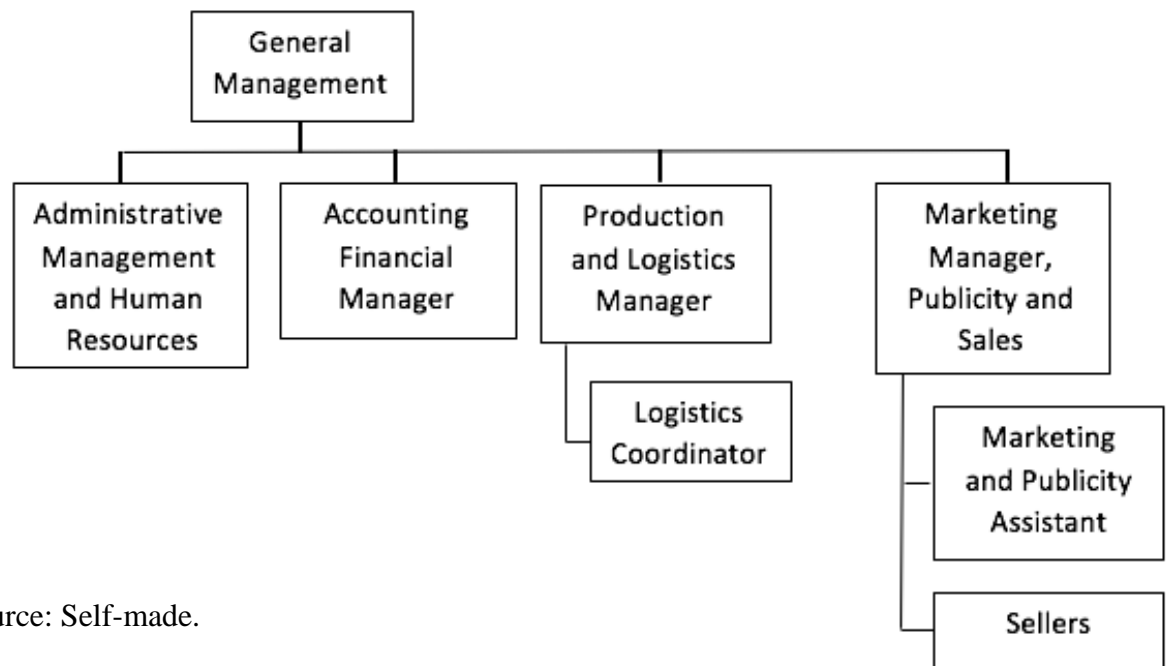
This organization has been adding more specific characteristics to the product since the time of its constitution. It has generated its own process for the elaboration of liquor seeking to contribute to the rescue of the country's brand. In addition, the organization added to the formula raw materials available in the province, and an exclusive process of transformation and refinement. Finally, the organization added a name and a distinctive packaging and presentation to identify the product.

This liquor went through a process of recipe testing - tasting and searching for original, locally available ingredients in order to make itself versatile for the blend and attractive for moderate consumption. Later, already with a definitive recipe, and with all the competent regulations approved, an image was constructed and promoted in local fairs and sales. The product proved to be well accepted and even the possibility of selling it in supermarkets of national scope such as Supermaxi and Coralcentro was manifested. With these premises comes a decision to add more growth effort. The capital of the microenterprise is now increased and a decision is made to expand the business. The official production plant of the product is to be adapted and registered. More inputs and larger processing devices are to be implemented, and modern alternatives are sought for a

subsequent acquisition of machinery with the objective of participating competitively in the national market.

1.2 Organizational Structure

The chart below details the proposed structure for the organization:



Source: Self-made.

Figure 1 Organizational Structure for the company "Zenzero"

To create a manual of tentative functions in the company, the following guidelines should be taken into account:

- ❖ Hierarchy: different levels of authority for joint work.
- ❖ Polyfunctionality: ability to rotate in each of the posts developing new skills consecutively.
- ❖ Control: each unit must have a constant monitoring and evaluation program.

The main objectives and functions of each position for the company "Zenzero" are described below:

1. General Management

Objective:

- Fulfill the mission, vision and objectives of the company "Zenzero" through positive leadership in collaboration with all its members. Fulfill the approval, direction, coordination and control of the administrative, commercial, operational and financial activities of the company.

Functions:

- Exercise the administrative, operational and financial management in "Zenzero" according to the laws, practices and procedures that regulate the manufacturing business.
- Judicially and legally represent "Zenzero" exercising the general and specific powers conferred by the Law.
- Approve the organizational structure and the manual of functions for the company prepared by Human Resources.
- Supervise the operations of the company and the accounting books. To ensure that each administrative process is up to date.
- Plan the general and specific objectives of the company and ensure that its actions collaborate with its compliance according to the mission and vision of "Zenzero".
- Follow up, propose and evaluate adjustments to plans, programs and projects of the company. To comply with the policies and legal regulations of their position.
- Direct the company "Zenzero" - make decisions, supervise each unit advising in a timely manner, correcting mistakes and exercising positive leadership.

- Control and plan together with the other units of "Zenzero" - the administrative and general activities of the company. To ensure an active and positive participation. To maintain good relations inside and outside the entity.
- Provide a financial, administrative and accounting analysis, which means being responsible for the approval of purchases, sales, investment and repairs in the company "Zenzero".
- Carry out the necessary financial calculations, deduct and conclude economic decisions on prices, debt and profits, approve or deny the hiring of employees and their training, as well as designate salaries and other related expenses in the company.
- Create a regulation for the internal and external management of "Zenzero" and delegate to other employees and / or establish agents to represent the company in specific cases.
- Write checks, process payment vouchers, keep an agenda and provide personalized attention to employees, visitors, and customers of the company "Zenzero".
- Attend lectures and conferences that contribute to the growth and educational enrichment of the company. Look for sources of modernization and advancement for "Zenzero", as well as prepare material for the development of presentations, conferences, and other events in which the company needs an official representation.
- Convene meetings periodically to make decisions, monitor, and correct actions jointly with the other dependencies of the company.
- Prepare and submit periodic reports of the company "Zenzero".
- Review, correct, and make global decisions about the general reports of each "Zenzero" unit.
- Comply and enforce internal and external legal policies in the company "Zenzero" and seek judicial advice when needed.
- Carry out all the functions assigned by general management and the nature of their position in "Zenzero".

2. Administrative and Human Resources Manager

Objectives:

- Monitor and coordinate the administration of human resources, finances, and materials of "Zenzero" in order to make the most efficient use of them.
- Decide everything related to the personnel of the company, its organizational structure, and the process of designating positions and functions in harmony with the objectives, mission and vision of "Zenzero".

Administrative functions:

- Carry out the management, supply and control of the use and allocation of financial, material and human resources of the company "Zenzero".
- Collaborate, within the scope of its powers, with General Management in the formulation of plans, programs, and projects for the company "Zenzero".
- Formulate income and expenditure budgets, as well as establish guidelines and technical criteria for the internal process of their evaluation. All in coordination with general management.
- Establish and conduct the internal administration policies of the company "Zenzero".
- Supervise the contracts that the company "Zenzero" has undertaken, as well as the condition of its facilities, furniture, equipment, vehicles, safety and hygiene, and arrange the necessary measures for its improvement when required.
- Comply with the observations and recommendations made by the management of "Zenzero" and the other dependencies, and at the same time propose changes of an administrative nature by commenting on agreements, contracts, and other documents that compromise the financial and material resources in the company.

- Prepare and submit reports on matters within its competence - plan, program, organize, direct and evaluate the functioning of the other departments in administrative matters.
 - Formulate and propose activities. Make annual reports of these, as well as the budget of the company "Zenzero." Ensure their assets and be responsible in negotiations and other administrative relations of the company.
 - Apply the Technical-Administrative norms issued by the agencies at the national level that have implications in the development of the company and collaborate in plans, programs and administrative projects for the fulfillment of the objectives of the company "Zenzero".
 - Every six months, review the reports on operating expenses, income, funds and accounts of the company together with financial and accounting management and expose them in a timely manner to general management.
- Supervise:
- a) The adequate use of the economic resources destined to this unit. To make semi-annual reports of the progress and fulfillment of the goals and administrative objectives of the company
 - b) The realization of operations and agreements that imply debt with the prior approval of management
 - c) The presentation of financial statements and balance sheets of the joint venture to the financial and accounting management
 - Acquire, manage, and monitor all assets and equipment of the company and create an inventory. To report all changes or needs that arise in the company "Zenzero" in a timely manner.
 - Attend meetings periodically to make decisions, monitor and correct actions jointly with management and other agencies. Prepare the material required for each meeting and keep a memory of them.
 - Attend training, lectures and other activities programmed by Human Resources.
 - Abide by and enforce the provisions and policies of the company "Zenzero".

- Carry out all the functions assigned by general management and the nature of their position.

Human Resources Functions:

- Create, structure and present to the general management and to the other dependencies the manual of functions for each position in the company "Zenzero".
- Comply with the process of selection, hiring, change and / or designation of personnel in the company "Zenzero" as well as assign salaries in collaboration with general management. All this without neglecting to inform all employees of "Zenzero" about the regulations in force regarding laws, agreements and decrees.
- Attend and timely resolve to the requests of all employees of "Zenzero" in order to collaborate with their optimal performance in the company and to monitor their environment.
- Establish Occupational Health policies, reports and implements for personnel. To ensure compliance with relevant civil, hygiene and safety standards. Schedule training and update knowledge periodically.
- Issue proof of work and indebtedness capacity for employees, and hire external services and / or independent professionals when warranted.
- Periodically create general reports about this dependency for the general management of "Zenzero".
- Actively participate jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage, and monitor all the goods and equipment of this unit and create an inventory. At the same time, timely inform all changes or needs that arise.
- Attend meetings periodically for decision-making, monitoring and correction of actions together with management and other agencies when warranted. To prepare the material required for each meeting and keep a record of them.

- Attend training, lectures and other activities programmed by Human Talent and when management has it.
- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

3. Financial and Accounting Manager

Objectives:

- Ensure the financial security, liquidity and profitability of the company - preparing and presenting economic reports that reflect the economic reality of "Zenzero".
- Ensure that all economic operations of the company "Zenzero" are recorded in the relevant accounting documents in an orderly and transparent manner.

Financial Functions:

- Perform budget control, treasury, financial analysis, audits and the relevant strategic inferences in the company "Zenzero" using a business criterion by corroborating truth in the information.
- Make collections, payments and economic contracts of the company, negotiations with companies, banking institutions, and other financial companies seeking the greatest benefit for "Zenzero".
- Present the reports of operating budgets and financial statements in a timely manner. Direct planning and economic control functions to measure the potential creative value for the company. Evaluate possible acquisitions, propose business opportunities in the medium and long term and control the structure of capital and the level of debt for "Zenzero".

- Present:
 - a) A weekly treasury report with income and expenses, operations of bank accounts and balances, receivable and payable accounts and other related reports
 - b) A monthly summary of the extra expenses of the company and all the economic resources from sales, financing and sponsorship
 - c) Periodic reports of the investments made and suggest timely steps to increase the economic resources of the company
 - d) Reports to the control agencies, proof of compliance with tax obligations on time and follow-up of regulations and tax payments
- Advise the other agencies in financial matters in a timely manner, ensuring the financial security, liquidity and profitability of the company.
- Create general reports about this dependency periodically for the general management of "Zenzero".
- Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.
- Attend meetings periodically for decision-making, monitoring and correction of actions jointly with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
- Attend training, lectures and other activities programmed by Human Resources when management arranges these.
- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

Accounting Functions:

- To process:
 - a) Financial statements, balance sheets, annual accounts and the closing of the fiscal year for the company "Zenzero".
 - b) Payroll payments, issue cash receipts and exit receipts, statements of cash flow, other accounting operations necessary for the proper functioning of the company.
 - c) The relevant tax returns and all the reports required by the auditing entities (income, equity, VAT, withholdings, industry rates, trade and other entities).
 - d) A periodic report of accountability as well as the collection of all accounting information for the development of the company's budget.
 - e) A file of all the documentation related to the accounting of the company.
- Ensure quality, punctuality and comprehensiveness in all accounting information and provide advice to the other departments of the company in accounting and tax matters, with the timely assistance of management.
- Follow up: invoices of suppliers and creditors, advances to employees, depreciation and amortization, credits and consumption and manage the current accounts of banks, money or securities of the company "Zenzero" responsibly.
- Create general reports about this dependency periodically for the general management of "Zenzero".
- Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.
- Attend meetings periodically for decision-making, monitoring and correction of actions with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
- Attend training, lectures and other activities programmed by Human Resources and when management arranges them.

- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

4. Production and Logistics Manager

Objectives:

- Ensure that the production in "Zenzero" is as efficient as possible by controlling the acquisition of raw materials, processing, packaging and distribution of the product and thus offer security and quality to customers.
- Plan, direct and efficiently coordinate all the processes of the supply chain of the company, guaranteeing quality, economic costs and efficiency in the movement and storage of the products "Zenzero".

Production functions:

- Plan, control and supervise:
 - a) The processes of acquisition of raw material, its transformation, packaging and distribution of "Zenzero" products.
 - b) Quotations and the purchase of all material resources, supplies, equipment and tools for production, stocks, warehouses and other related.
 - c) The functionality and the solution for incidents and breakdowns of equipment and tools the company.

- Search for strategies to increase the efficiency and effectiveness of processes in the company and implement programs for the development of quality and innovation both in common management and in the development and design of products "Zenzero".
- Planning for the future:
 - a) The efficient purchase of raw material.
 - b) Renewal of packaging designs, labels and presentation of products with marketing.
 - c) Timely implementation of new processes, technology and modern machinery for the production of "Zenzero" products.
 - d) Periodic analysis of offers from suppliers comparing quality, cost, delivery time and specific characteristics of the raw material, tools and equipment offered.
 - e) The attention to resolve supplier inquiries in a personal way when warranted and to take steps in due course.
- Coordinate the formulation of technical specifications for production as well as the preparation of guidelines, standards and methods for the use of materials and equipment for production in the company "Zenzero".
- Develop specific processes, standards and acquire certifications for compliance with indicators of good management and quality in the company.
- Submit reports and recommendations periodically for the optimization of operations management and quality of the company "Zenzero" and its products.
- Direct, organize and supervise the work of the Logistics Coordinator.
- Create general reports about this dependency periodically for the general management of "Zenzero".
- Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them. At the same time, inform all changes or needs that arise in a timely manner.

- Attend meetings periodically for decision-making, monitoring and correction of actions together with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
- Attend training, lectures and other activities programmed by Human Resources when management arranges these.
- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

Logistics Department functions:

- Efficiently plan, direct and coordinate:
 - a) Strategies, actions and controls for all the company's supply activities (transport, storage, distribution) with guaranteeing the satisfaction of "Zenzero" customers.
 - b) The operating and health and safety procedures for the movement, reception, handling, storage and shipment of "Zenzero" products.
 - c) The link and business with other departments, suppliers, manufacturers, transport companies, customers and retailers of "Zenzero" guaranteeing a good flow of information on stock levels, delivery times and transport costs.
- Analyze and solve the logistical problems of the company - plan improvements and react timely to legislative requirements and new needs of customers.
- Create general reports about this dependency periodically for the general management of "Zenzero".
- Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.

- Attend meetings periodically for decision-making, monitoring and correction of actions together with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
- Attend training, lectures and other activities programmed by Human Resources when management arranges them.
- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

5. Logistic Coordinator

Objective:

- Guarantee the correct and timely dispatch of the "Zenzero" products, as well as the adequate management of inventories, distribution and transport, achieving an optimum quality service.

Functions:

- Supervise, monitor and control:
 - a) Procurement and planning (the internal logistics of the company), the supply chain (the external logistics of the company).
 - b) The dispatch routes, loading, transport, dispatch and reception of the "Zenzero" merchandise, with the aim of reducing costs, delivery times and itineraries.
 - c) The correct handling of physical and virtual inventories and find solutions for all the inconveniences that could occur during storage and the distribution route.

- d) The management of purchase orders "Zenzero", direct contact with sales and personalized attention verifying quantity, description, quality and specifications of each order and returns.
- Create general reports about this dependency periodically for the general management of "Zenzero".
 - Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
 - Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.
 - Attend meetings periodically for decision-making, monitoring and correction of actions together with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
 - Attend training, lectures and other activities programmed by Human Resources when management arranges them.
 - Abide by and enforce the provisions and policies of the company "Zenzero".
 - Carry out all the functions assigned by general management and the nature of their position.

6. Marketing, Advertising and Sales Manager

Objective:

- Develop and implement marketing strategies suitable for the company "Zenzero" in the short and long term - projecting an image of safety, quality and innovation for customers.
- Serve as liaison and establish plans, guidelines and controls for relations with the media of advertising, press and propaganda of the company.

- Plan sales applying effective strategies ensuring profitability and utility for the company "Zenzero".

Marketing functions:

- Perform an analysis of customers, suppliers, competition, substitute services and other related and define a strategic marketing plan according to the business objectives "Zenzero".
- Formulate and implement policies for market studies, marketing and advertising of the company.
- Identify, analyze and apply:
 - a) Alternatives for penetration and market development through the introduction of new products and the use of the existing customer network.
 - b) Profitable and growing market niches for the company "Zenzero".
 - c) Customer satisfaction policies according to market needs and an adequate brand/company promotion.
 - d) Strategies of the "Zenzero" competition, you can do benchmarking.
- Develop:
 - a) The "Zenzero" brand with the appropriate visual and physical elements for each product of the company, faithfully representing its target image.
 - b) Presence of the "Zenzero" brand in the respective local media and other printed and audiovisual or digital media, ensuring excellence in content and design.
 - c) Strategies for the use of digital media and an official website.
- Prepare a positioning plan for the "Zenzero" brand and update it in a timely manner.
- Generate extra income for "Zenzero" through individual and corporate donors, strategic alliances, sponsorships and value propositions with other companies.

- Create, organize and execute events in universities, parties, concerts, etc. for the promotion of the product and its knowledge in the market.
- Create general reports about this dependency periodically for the general management of "Zenzero".
- Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.
- Attend meetings periodically for decision-making, monitoring and correction of actions jointly with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
- Attend training, lectures and other activities programmed by Human Resources when management arranges them.
- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

Advertising functions:

- Coordinate advertising, promotion, pricing policies, product development and public relations activities.
- Advise on advertising issues and select optimal communication media for the company such as radio, television, newspapers, magazines, internet and others available. external advertising to disseminate advertising.
- Create and direct promotional programs combining advertising with purchase incentive to increase the sales of the company "Zenzero".

- Responsibly execute the edition, distribution and marketing of publications related to the company and its main product and make available data and updated information periodically.
- Coordinate activities related to the management of media, social networks, public relations and socialization of the company.
- Periodically suggest actions that strengthen and contribute to the improvement of the company's image and public relations.
- Request, manage and update patents, register trademarks and handle all the legal requirements of publications for the company and its products.
- Control and supervise the work of the marketing and advertising assistant, prepare and deliver reports and participate actively and positively in all "Zenzero" activities.
- Create general reports about this dependency periodically for the general management of "Zenzero".
- Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.
- Attend training, lectures and other activities programmed by Human Resources when management arranges them.
- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

7. Marketing and Advertising Assistant

Objective:

- Support the marketing and advertising management of the company "Zenzero" to achieve the objectives of this unit and develop better strategies together.

Functions:

- Follow up on the actions and decisions to be made by the Marketing and Advertising management of the company "Zenzero" and collaborate with the potential spaces for the promotion of the brand and its products.
- Manage social networks, strategize and analyze the results of the advertising use of the same for the company.
- Make statistics of the campaigns implemented and the previous advertising actions.
- Organize, maintain and properly handle any type of documentation and / or legal file related to the activity of the Marketing and Advertising department of the company "Zenzero".
- Write letters, trades and reports and other necessary documents and permits for the Marketing and Advertising department of the company.
- Execute the process of documents and other procedures for the correct execution of all the plans proposed and approved by the department in the company.
- Report timely anomalies in documents, permits, scheduled events and be responsible for the prior preparation of the necessary material for the development of the same.
- Create general reports about this dependency periodically for the general management of "Zenzero".
- Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
- Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.

- Attend meetings periodically for decision-making, monitoring and correction of actions jointly with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
- Attend training, lectures and other activities programmed by Human Resources when management arranges them.
- Abide by and enforce the provisions and policies of the company "Zenzero".
- Carry out all the functions assigned by general management and the nature of their position.

8. Sellers

Objective:

- Satisfy the proposed sales goals for the company "Zenzero" by applying the established sales strategies in order to retain customers and generate new business opportunities.

Functions:

- Create, execute and follow up on:
 - a) A periodic sales plan, with clear, measurable and quantifiable goals in order to increase customer loyalty and increase the number of buyers.
 - b) All direct sales of the company "Zenzero," future sales negotiations, promotions, discounts and special treatments for certain customers.
 - c) A detailed record of all customers of the company "Zenzero" and the adequate fulfillment of all its requirements.
 - d) Records of all consummate sales and a file with receipts, invoices, and other related documents.

- e) The punctual and correct payment to clients and a handling of deadlines and consignments for the payment of certain consumers.
- Attend and offer clear and precise information about the products of the company "Zenzero", answer customer queries and generate agreements seeking mutual benefit.
 - Prepare quotation documents, delivery times and orders.
 - Create general reports about this dependency periodically for the general management of "Zenzero".
 - Participate actively and jointly with the other agencies and management in the creation of plans, programs and projects of the company "Zenzero".
 - Acquire, manage and monitor all the goods and equipment of this unit and create an inventory of them, at the same time timely inform all changes or needs that arise.
 - Attend meetings periodically for decision-making, monitoring and correction of actions jointly with management and other agencies when warranted, prepare the material required for each meeting and keep a record of them.
 - Attend training, lectures and other activities programmed by Human Resources when management arranges them.
 - Abide by and enforce the provisions and policies of the company "Zenzero".
 - Carry out all the functions assigned by general management and the nature of their position.

1.3 Philosophical Stage of the Company

Mission

The fundamental purpose of the Ecuadorian company "Zenzero" is to be an organization dedicated to the production, distribution, and commercialization of 100% natural ginger

liqueur with a characteristic flavor and aroma able to compete against the international offer in the country.

Vision

The main aspiration of "Zenzero" is to be the best local company producing ginger liqueur, as well as to create value for its employees while maintaining the family tradition without leaving aside the permanence of a distinguished product in the market worthy of the country's brand.

Business values

1.-Collaboration

All employees of the company "Zenzero" must contribute their best knowledge, skills and abilities in the development of their work by making good decisions and setting an example in order to grow professionally and to make the company grow.

2.-Communication

All employees of the company "Zenzero" must communicate effectively - speaking openly and honestly. Both authorities and employees must promptly question what seems wrong, not leave complex issues aside and favor the solution of problems quickly and morally in everyday tasks.

3.-Responsibility

All the employees of the company "Zenzero" must work correctly, comply punctually with all their functions and generate adequate plans and projects that optimize the business tasks ensuring a general progress with great results.

4.- Honesty

The employees of the company "Zenzero" must be true to their work, giving confidence and credibility to their clients. This value must be developed in all the tasks carried out internally and externally, fulfilling certain management standards of the company.

5.- Passion

"Zenzero" and its employees work with a committed heart and mind to offer the best. Each activity should demonstrate the pleasure and competitiveness in each employee who will be serving with dedication and passion.

6.- Security

"Zenzero" develops security inside and outside the company - both its employees and its customers can rely on the existence of adequate solutions to all the risks that may arise during and after the process of production and sale of products.

7.- Diversity

"Zenzero" and its employees are committed to offer a highly versatile product that can be combined with several ingredients. Subsequently, the company will expand the line of products faithfully to its innovation principle.

8.- Transparency

"Zenzero" is committed to rendering accounts periodically inside and outside the company, complying with pre-established formats and guidelines thus, ensuring perfection and accuracy.

9.-Quality

"Zenzero" works every day to offer products of excellence that eventually meet all the possible quality standards and that, at the same time, are the result of responsible management, processing, packaging and sales.

10.-Innovation

"Zenzero" is repetitively challenged as a company. All its employees must propose original ideas that reinvent and improve the company and its products adding value and new features that ensure the full satisfaction of its customers.

1.4 SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats)

Table 1 Internal Analysis of the company "Zenzero"

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> * "Zenzero" is a relatively new company with young people and modern policies. * "Zenzero" is the only company in Ecuador that produces an artisan liquor based on ginger. * All processes inside and outside the company are carried out with the supervision of professionals. * The company constantly makes sure to maintain an adequate managerial and committed personnel management. * The company is committed to managing work ethics with transparent management. * A centralized administration is managed, with little personnel due to the small size of the company. * The production is handled in a plant near the city, which facilitates the distribution and transportation of raw material for production and finished merchandise for sale. 	<ul style="list-style-type: none"> * "Zenzero" is a family business without the legal status of a limited company or corporation, which questions its formality. * The company is relatively new. Administratively and financially it does not have much experience which puts into question the appropriate measures for its proper functioning. * The company does not have a formally written organizational structure, either an operating manual, or occupational safety plan. * The company has not had a pre-established order to date. It works with a disorganized administrative management and without planning. * The company does not have annual budget plans, administrative or accounting files, and has dependents under contract. * The economic capital of the company is reduced in contrast to what is needed to support its subsequent growth. * "Zenzero" does not have a formal positioning and marketing plan. This risks the management of promotion and advertising of their products.

<ul style="list-style-type: none"> * The production plant of the company has all the necessary sanitary permits to guarantee asepsis and good operation. * Production chooses the use of raw materials and national labor. * There is a specific process, detailed in writing, for the elaboration of the liquor with step-by-step controls. * The name "Zenzero" is an original title of the company already registered as such in the Ecuadorian Institute of Intellectual Property. * The products "Zenzero" are created with an elegant, colorful image, glass containers and a distinguished design. * "Zenzero" complies with all the quality requirements to ensure proper consumer protection and maintain a valid brand registration and sanitary registration. * "Zenzero" makes products with fair and accessible prices. * The company has its own transport for its merchandise which reduces costs and allows for greater control of their service. * The company offers personalized attention to the client with efficient and direct delivery. 	<ul style="list-style-type: none"> * "Zenzero" lacks sales plans and innovation projects. * "Zenzero" lacks evaluation parameters to the company and its employees. * The infrastructure of the company is small. Its production plant is reduced in contrast to the volume that is expected in the future, and the technology can still improve. * The sales force is limited. Media management, advertising, sponsorships, promotions and advertisements have been precarious to date. * "Zenzero" is a non-essential artisanal liquor compared to other drinks that consumers prefer to quench their thirst. * The main product of the company has few quality certifications, making the product more common in characterization. * The glass container used by "Zenzero" has already been used by other brands nationwide. * There are no formally hired vendors for the company. * There are very few points of sale of the company's product in the city, meaning the distribution chain is quite limited.
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<p>* "Zenzero" has already actively and successfully participated in fairs at the local level and will continually seek to participate in order to expand their market.</p> <p>* The company has the recognition and support from the Ministry of Production, Ministry of Foreign Trade, Arcsa, ProEcuador and Chamber of Commerce of Cuenca.</p>	
Source: self-made	

Table 2 External Analysis of the company "Zenzero"

External Analysis	
Opportunities	Threats
<p>* "Zenzero" offers a highly versatile product, which allows the creation of new products based off the main one and diversification with the production of other similar liquors in the same plant.</p> <p>* Thanks to financing possibilities, the company can grow production volume and increase technology and machinery by modernizing processes.</p> <p>* "Zenzero" produces a product worthy of acquiring more certifications of quality, flavor and purity.</p> <p>* The company has laws for the protection of small business owners and government support for enterprises and MSMEs, making viable more financing.</p>	<p>* There are several substitute products both in the beverage market in general and in the liquor market.</p> <p>* "Zenzero" faces fierce competition at the local and national level with well-known brands such as Cristal, Zhumir, Ron de Quinta, etc.</p> <p>* The manufacture of "Zenzero" can be affected</p>

<ul style="list-style-type: none"> * "Zenzero" has enough raw material locally that it could lower costs by looking in other locations nationwide and making the purchase of packaging and labeling by the masses in other places. * "Zenzero" can satisfy the need for alcoholic beverages as part of the culture and space that is created in the market by being artisanal and new. * The company can make efficient use of preferential interest rates and financing for new projects. * The city of Cuenca has a high index of international openness which allows easy access to technology for the company and an easy future in international expansion. * "Zenzero" has the possibility of strategically allying with several companies of the same branch locally and nationally. * The product "Zenzero" can be easily sold in shopping centers for consumer products as well as small stores and liquor stores. 	<p>by a lack of raw material locally in certain seasons.</p> <ul style="list-style-type: none"> * The country allows the entry of several imported alcoholic products with fairly accessible prices. * Several points of sale or shopping centers lack interest in the sale of the product due to its artisanal condition. * The sale of "Zenzero" products is constantly threatened thanks to changes in the laws of alcohol consumption and government tax regulations.
Source: self-elaboration	

II CHAPTER TWO INDUSTRIAL SECTOR MANUFACTURING: PREPARED FOOD AND BEVERAGES

2.1 Characteristics of the Industrial Sector

International Standard Industrial Classification

In order to analyze the specific characteristics of the industrial sector to which this company belongs, it is essential to establish the kind of productive activity to which it is dedicated in accordance with the International Standard Industrial Classification (ISIC) 4.0 manual. Starting from the Nandina Tariff Code: It is necessary to establish the Nandina Tariff Code of the company's activity is: 22 = Beverages, alcoholic liquids and vinegar. The activity is classified as shown in the graph below:

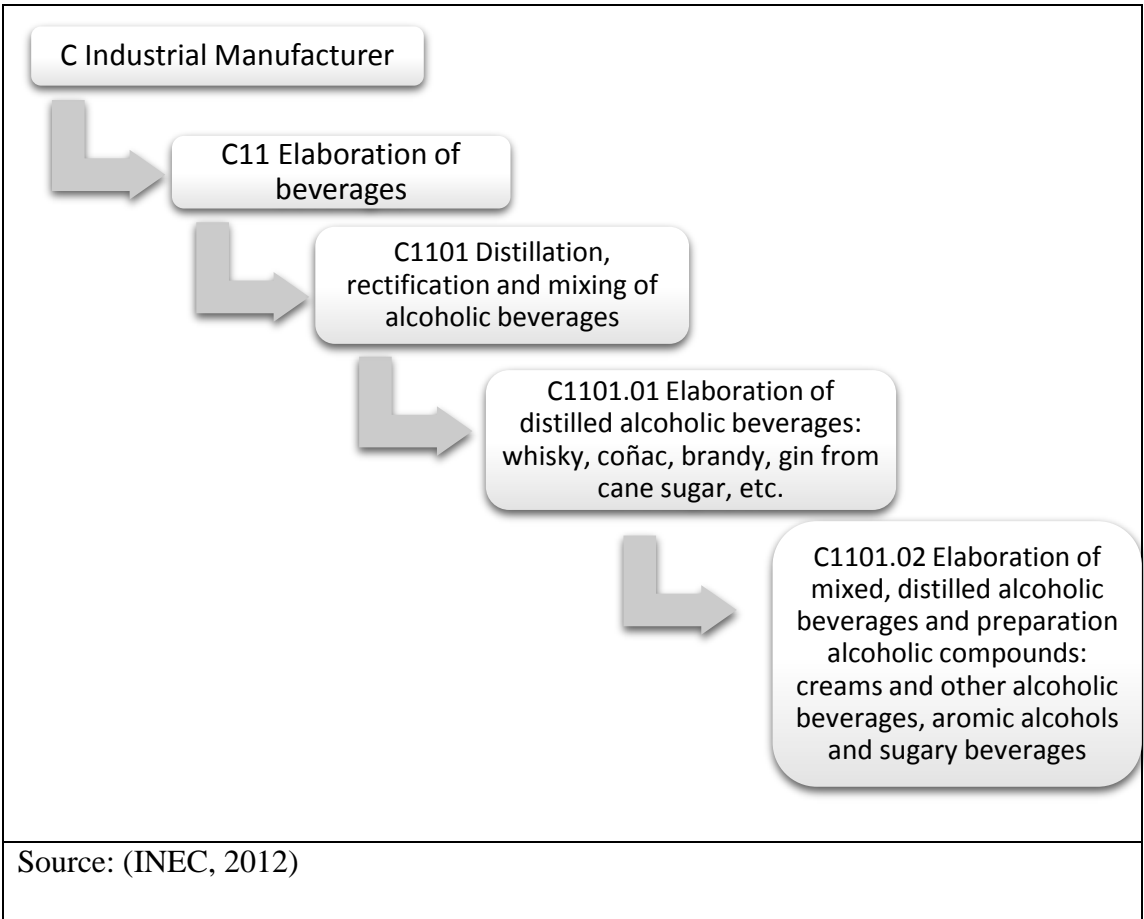


Figure 2 CIU “Zenzero”

Central Product Classification (CPC) 2.0

The main product of the company according to the Central Product Classification (CPC) 2.0 in the chart below:

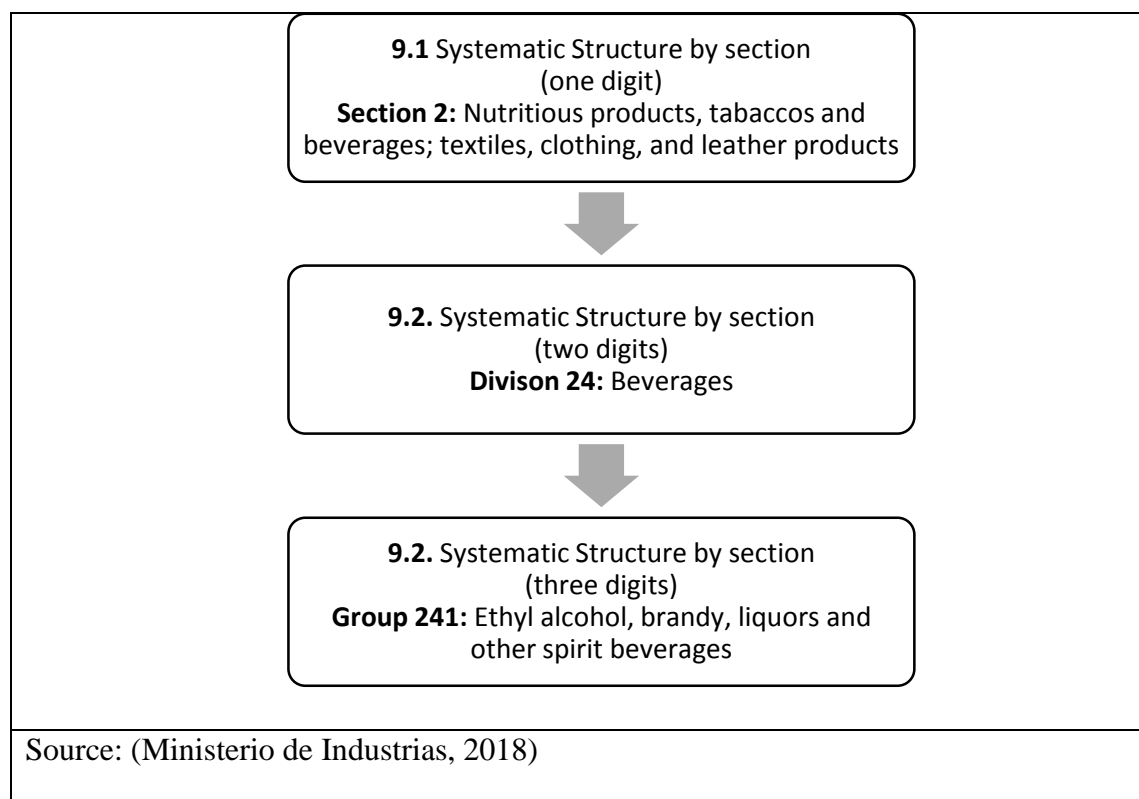


Figure 3 Systematic Structure CPC 2.0 “Zenzero”

Thanks to all this information, statistics and analysis can be elaborated at the national level.

This industry carries the greatest weight in the manufacturing sector with a 38% share and is due to the fact that Ecuador generates a great variety of foods.

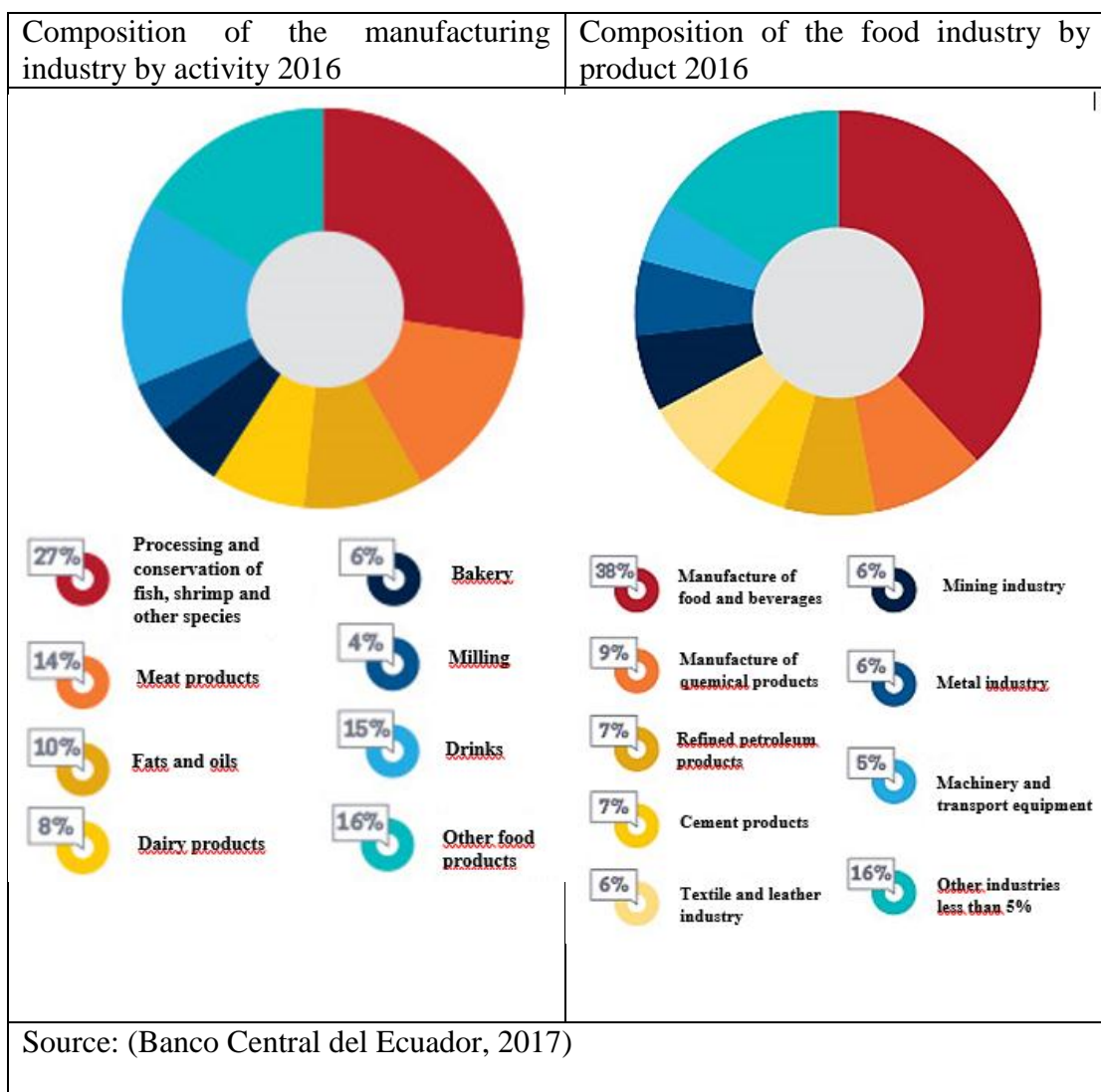
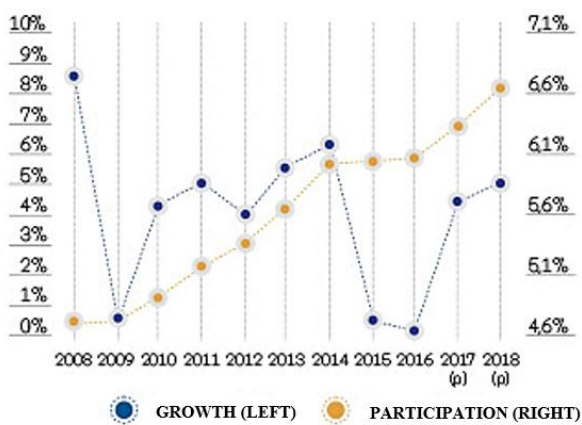


Figure 4 Participation of the Sector at a National Level

Next the evolution and participation in the GDP sector industries food and beverages:



Source: (Banco Central del Ecuador, 2017)

Figure 5 Participation of the sector in the national GDP

By 2018, official projections maintain their position of growth in the economy, the projected rate is 5% growth and 6.7% share of national GDP. As far as its composition is concerned, the largest food production is the processing and conservation of fish, shrimp and other aquatic species with 27% and an important export orientation and secondly meat products, with a weight of 14 % in total food, due to the significant consumption of households. Finally, we can find the production of beverages that offers variety with 15% within this segment, occupying a second place globally. (Ekosnegocios, 2018)

2.2 Critical Factors of the Industrial Sector

At the regional level, at the end of 2017, the results of the sector demonstrated a dependence on four fundamental factors to achieve an enduring internationalization, both economic and market.

The critical factors for the companies were economies of scale, tariff preferences, ease of transportation and publicity. The companies also considered other external factors such as tastes and preferences, favorable legislation, geographic proximity and demand in foreign markets. (JARA & BRIONES, 2014)

At a national level, in recent years, the beverages sector and the manufacturing industry as a whole have undergone constant changes that have a direct influence on the critical factors of the sector: the development of measures to create new products and expand portfolios, program high investments in modernization of existing plants and even to remodel consolidated factories, create more efficient distribution channels, provide an excellent service and achieve strategic alliances.

Undoubtedly, the beverage market is now a more demanding field and a synonym of challenge for every investor. Therefore, the analysis of these five factors is considered

relevant: Distribution Channel, Advertising, Diversification, Prices and Alliances, the same as follows:

Distribution channel

The distribution channels in Latin America show a dramatic evolution in the last ten years, 50% of the market is resistant to the penetration of modern chain commerce and maintains its domain operated by small independent stores that move towards the self-service format served by wholesale operators.

Local or regional wholesalers seek to build loyalty to small businesses, since trends such as the smaller size of families, the growth of the homes of couples without children or of a single person, and the gradual but sustained aging of the population of the continent, contributed to modify their shopping habits, favoring the development of local stores in opposition to large stores.

The challenge is to effectively solve the supply of these proximity formats, and despite the fact that unlike the large supermarket chains; where their concentration with retailers gives them a growing bargaining power while diluting the impact of their operating expenses; the wholesalers are in advantage being fragmented. (GARCÍA, 2014)

The same trend is also experienced in distribution channels nationwide. The supply businesses are important for the national economy as nearly 80% of all sales of mass consumption are made through a neighborhood store, it is estimated that there are about 150 thousand stores or points of sale and that generate work for 300 thousand people.

The sale and distribution of products in stores is sectorized; soft drinks, snacks, canned food, sausages, meats and other products arrive by distributors, while vegetables, fruits and other natural products come mainly from markets and places because they are less expensive. The data to highlight is that approximately 5% of all products purchased by the stores come from supermarkets, since these products cater to the special tastes of customers such as liquors, which are not always distributed as there is a lack of mutual communication between producers and shopkeepers. (Telegraph, 2015)

Finally, supermarkets and small-scale importers compete primarily for distribution in this sector; followed by establishments such as bars, restaurants and clubs where the value of alcoholic beverages increases when adding the value of the service offered and attracts less to the habitual consumer. The positioning of this type of products no longer depends merely on the immediate availability but also on the added value that the client may perceive when buying it in one or another establishment.

Advertising

In Latin America, 60% of companies in the beverage sector carried out their advertising during business conferences, visits to international fairs and advertising in the media (JARA & BRIONES, 2014). In the same way, the companies exporting in Ecuador act with the realization of additional events, participations and advertisements, thanks to which they hope to strengthen their image internally and externally, make their brand recognized, increase the interest of people and create a responsible image.

The companies dedicated to the import and commercialization at national level act in a similar way. They create alliances for a more effective publicity, communication plans delimited for each specific case and organize meetings, fairs and joint participation in festivities and events. It is common to use TV spots for each brand, the complete

management of web pages and social networks, sponsorships and sponsorships, brand activations in shopping centers and places of frequency of each target, launches of new brands and re-releases, newsletters are made of press about their work and responsibilities, infomercials, discounts and promotions.

Diversification

At the regional level, the number of internationalized products in the sector is generally limited, which minimizes costs, improves quality and reinforces the brand. In the exports of the youngest companies, 1 to 6 products are marketed, while the oldest companies (40% of the total) introduce more than nine products (JARA & BRIONES, 2014).

At a national level, beverage companies must expand their portfolio with the urgency of improved manufacturing, an offer of cheap prices and immediate availability. For this reason, companies do not only dedicate themselves to this type of production, but also seek to expand with products from the food industry or simply manufacture beverages by separating brands to meet the different needs of the consumer.

Currently, the most commonly considered options are: water, juices and soft drinks, cola, tea, energy drinks, hydrating drinks, alcoholic beverages and spirits, all of which may belong to the same company or bottling company even though they can be different brands.

The number of products varies according to each company, including the size and positioning in the market, taking into consideration that some products are imported and not completely manufactured at national / local level. The exact average cannot be established of products per company, however the number does not exceed the barrier of 6 to 10 per company with the longest trajectory in the market.

Finally, the phrase "beverage manufacturers are managing to satisfy the growing desire of consumers for drinks that are considered healthier" (CHAUDHURI, 2016) is one of the many phrases used to guarantee that sodas and liquors that quench thirst have good taste are no longer enough to meet the needs of the current consumer.

Therefore, it is taken into consideration that the portfolio of companies should be expanded a range of healthy products should be considered. Products using natural ingredients that have less alcohol, that are less toxic, and that are more friendly to specific consumer conditions such as lactose or gluten allergies, being vegan and even containing a certain percentage of calories and carbohydrates.

Prices

The price of most liquors at a national level are low and competitive, that is, there are no high amounts in the price variations from company to company. A clear example of this are the prices managed by the companies: Corporación Azende, Iberoamericana Liquor Industry, Bottling Company Azuaya, Licores de América, Liquerera Industrial Manabí Bottling Company, Loja Licorera Industrial, San Miguel and Lovisone Liquors. All of them being the most representative of the national alcoholic beverages sector.

Additionally, most of them effectively use the correct distribution channel according to their needs to improve their growth in the market and ensure sales. Lastly, thanks to research conducted by the Universidad de las Américas in 2016, it was possible to determine the average price nationwide by type of alcoholic beverage, and at the same time the value that the customer would be willing to pay for a liqueur. national elaboration.

In short, the prices are mostly set to be inexpensive, which is something that can complicate the efficiency in the national liquor industry since quality implies extra costs. The national legal product still risks the contraband that offers lower-priced liquors and foreign liquors, despite the decision of the Committee on Foreign Trade (Comex) to increase the tariff (0.25 cents per alcoholic degree) and the imported alcoholic beverages still hold threatening values against the local product. Below are the research graphs produced by the Universidad de las Américas in 2016:

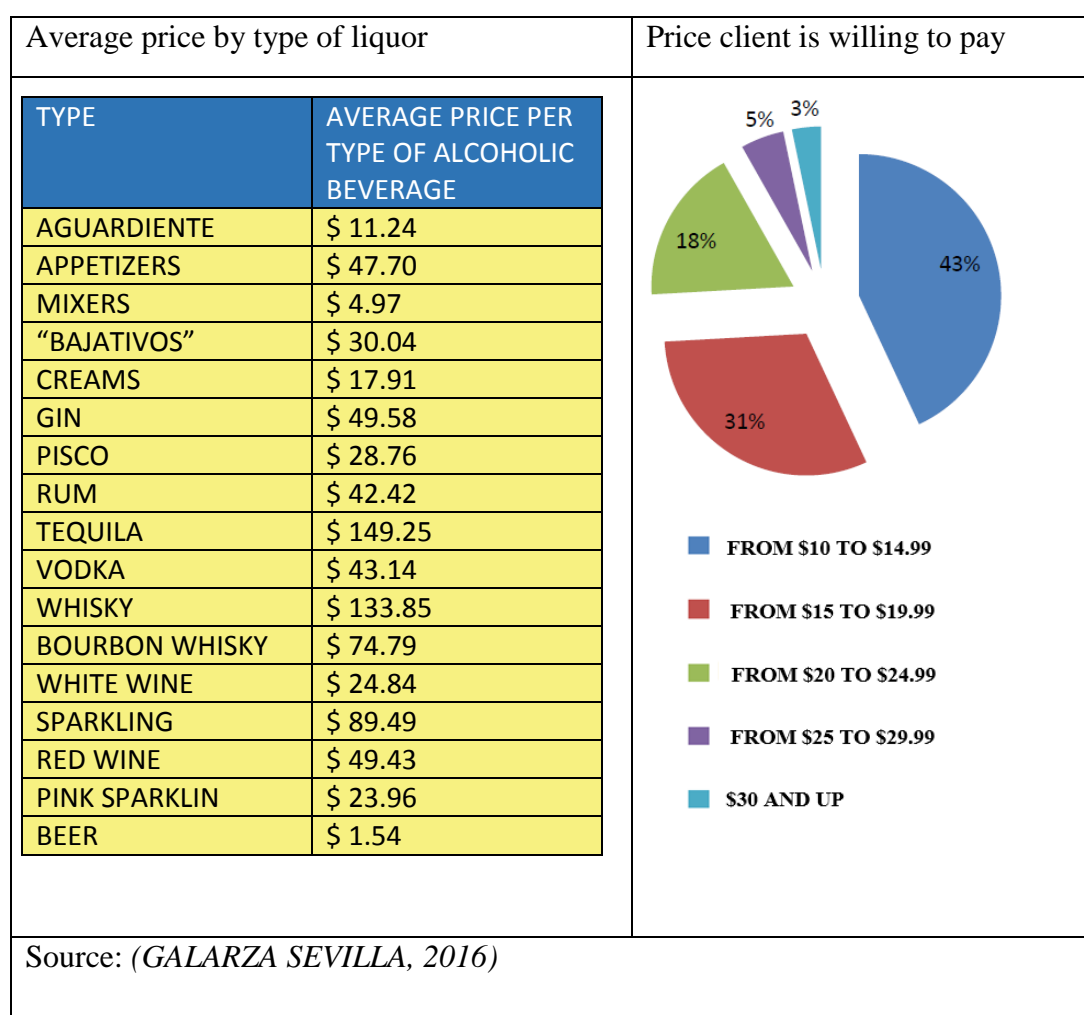


Figure 6 Price of alcoholic beverages nationwide

Alliances

In Latin America, to speak of alliances in the beverage sector, is to speak of a plan that has not reached a level of integral consolidation, that is, it has not reached an integral complementation and significant investments, since for most of the companies the sector is still in a stage of development.

The evolution of the alliances aims at the wholesalers to renew their companies and maintain their participation and the balance of the markets helping the independent retailers and the manufacturers of big brands to generate better value in the markets, as well as continuing the training of directories with professionals with diverse experiences to facilitate access to capital that today eludes the sector and that would bring acceleration in growth and general improvement (JARA & BRIONES, 2014).

In Ecuador, alliances serve to revitalize the actions of knowledge exchange, technical capacity, technology and financial resources, and today they seek to promote effective alliances in the public, public-private and civil society spheres, taking advantage of experience and strategies of resources of the associations.

A large part of alliances in the beverage sector are unions and associations located in the city, regionally and nationwide. For example, one of the most recognized is ANFAB, the National Association of Food and Beverage Manufacturers. As the sector involves various actors such as farmers, mills, bottlers, manufacturers of lids and packaging, and the transport system, a dynamic is created that employs 252,945 people and therefore raises varied connections from sector to sector (Glance, 2016).

The strategic alliances of local companies with international companies are also present, with the main objective generally being to maintain the growth of companies or restart

them with new objectives. One example of this is when Nestlé manufactured Nestea powder and marketed it in liquid form. Nestlé and Coca-Cola decided to form the mixed capital company BPW (Beverage Partners Worldwide) and distribute the product under the Nestea brand. This work was carried out jointly with another strategic ally: Corporación Azende. This Cuencana company collaborates with the production, commercialization and distribution of Nestea and Nestlé manages the image and communication.

Another example of this is Arca Continental and the Coca-Cola Company agreeing to participate in a scheme of equal shares in Holding Tonicorp - a key company in the dairy products segment and one of the most important groups in the consumer sector in Ecuador. Integrated by Industrias Lácteas Toni SA, Helados SA, Plásticos Ecuatorianos SA Dipor S.A, Cosedone and Fabacorpsa, the main goal was to strengthen the product portfolio, continue to innovate in new market segments and offer a variety of products that meet the needs of consumers.

In conclusion, the alliances in Ecuador in the beverage sector seek to improve the situation of companies in different aspects, generate synergy among companies, integrate the different regions of the country, add good practices, expand portfolios, renew image and sometimes simply save companies financially to create new ones. All alliances and their objective will depend on the participating parties and their commercial objectives in the market.

2.3 Technological Development in the Industrial Sector

Years ago, the Ecuadorian government raised the change of the productive matrix. Part of this process was technological innovation through projects in conjunction with academia, companies and society. With this premise, to analyze the technology developed in the sector, four aspects that contribute to change and to the best business development in the

manufacturing industry are taken into account: food and beverages: robotics, electronics, telecommunications and information technology.

Robotics

Ecuador intends to develop robotics in the rural areas: agriculture, agro-industry, biotechnology, shipbuilding, metalworking, among other strategic sectors that in one way or another end up being related to the beverage manufacturing sector. When talking about industrial robots the idea of autonomous physical beings that work alone comes to mind, however, manufacturing machinery and robotic arms is extremely dangerous to handle, toxic and contains radioactive materials.

The idea of its implementation in manufacturing processes is to collaborate with capabilities of precision, speed, cargo and automatic control to execute scheduled tasks, economize and expedite mass production.

Electronics

The Sub-Secretariats of Zonal coordination of Technological Disaggregation verify the advances in the production of highly technical electronic cards and equipment in the country. Companies develop devices according to the needs raised in the market. Thus, manufacturing industry specific devices are created, such as satellite tracking to know the exact position of vehicles, boats and aircrafts that process the distribution of merchandise.

Precisely, in the distribution, the challenge for companies is to effectively solve the logistical support to supply their growing number of points of sale. Today there is a growing diffusion of handheld devices to optimize order systems. These devices are small in size and energetically autonomous perform several functions at once, such as retrieving

and storing information, computation, multimedia, navigation or to communicate to them in one way or another the basic functions of information collection, inventories, absences, controls, sales and other related records.

Although at first, the consumption of handheld devices was raised for personal use, the utilities that are proposed for the future direct it towards the labor field, so that a small device can be available to perform on-site work, instead of having to move to somewhere with a stationary computer. Finally, in the area of freight transport, better means to efficiently transfer products have been implemented and trade limits for the sector have been reduced (World Trade Organization).

IT and Telecommunications

In management, as well as other functions of every company, the use of personal devices and operating systems are added to find the best operational performance with the additional of internet and computers. According to general statistics in Ecuador, 68% of SMEs, which make up the largest number of businesses nationwide, have computers, 82% have Internet and 99% access the network through fixed broadband.

This data reveals that the Internet is used more for administrative purposes: sending or receiving emails (99.1%) and obtaining information about goods and services (80.6%) and the use of platforms such as drive, and social networks, collaborate with internal and external business communication. The use of the internet in medium and small companies is broad, at 78.2% and 68.5%, respectively, but among micro-enterprises its use is intermediate, since only 51.1% of them use it, an obstacle in the country to give more commercial use to the internet is that there is still no online shopping culture.

Regarding the presence of SMEs on the web, the issue is marginal - barely half of medium-sized companies have an electronic institutional page. The micro companies are the ones that are less present on the web, with only 9.2%, while the small ones reach 22.8%. The technological modernization of companies implies investment and for a company this is a limitation since the most complete software is usually expensive (El Comercio).

Despite these limitations, the recommendation to use the Internet for other activities does not change, and there are many ways to promote the use of Tics in companies. The software described below would be the most suitable at the national level according to a study by Deloitte Andean Ecuador Consultores Estratégicos:

1. The CRM or "software for the customer relations administration" are computer systems that improve customer interaction, sales and marketing. They allow the management of sales and automate promotions
2. Family businesses, large or small, require customized programs to manage their accounts, payments and invoices and for this there are accounting systems.
3. Accompaniment to products thanks to virtual updates, hardware and specialized services (El Productor).

In conclusion and considering the information mentioned previously, technological progress and innovation in Ecuador at the industrial level have not yet been optimally developed as in other Latin American countries. The statistics below present a summary of the situation prepared by INEC in the document called "ACTI" which is a statistical operation that obtains specialized information in the situation of Science, Technology and Innovation during 2012 and 2014 period:

1.-Spending on Innovation: Total spending grew by 82.18% between 2009 and 2014.

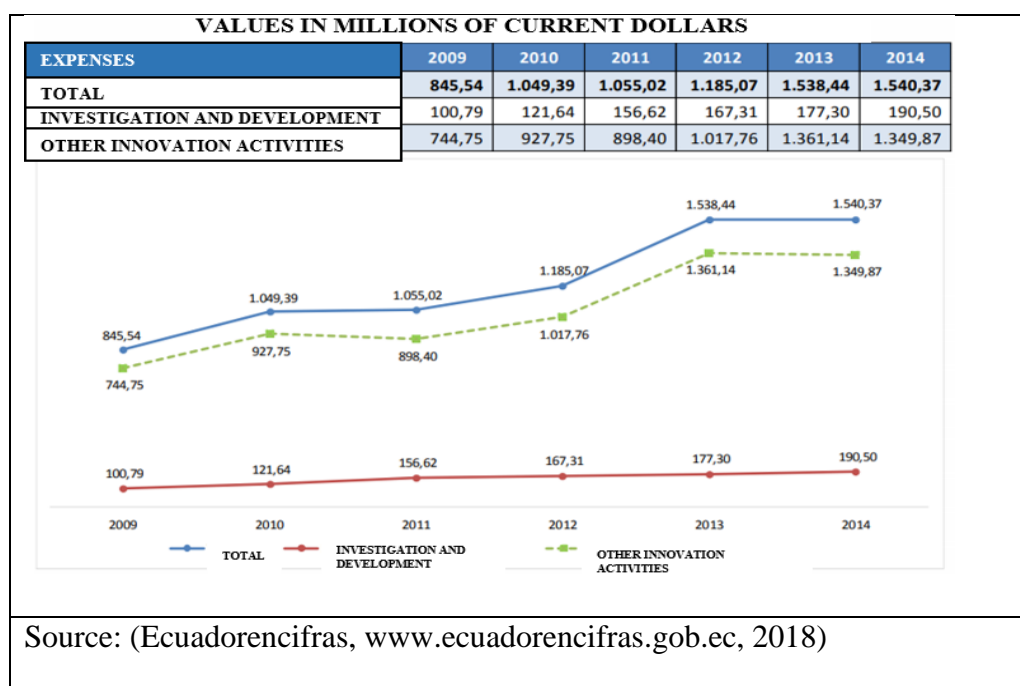


Figure 7 Expenditure on Innovation in the Industrial Sector

2.- Expenditure on ID according to the economic sector: In 2014, the Manufacturing sector allocated \$ 85.06 million in ID, which represents 44.65% of total ID spending.

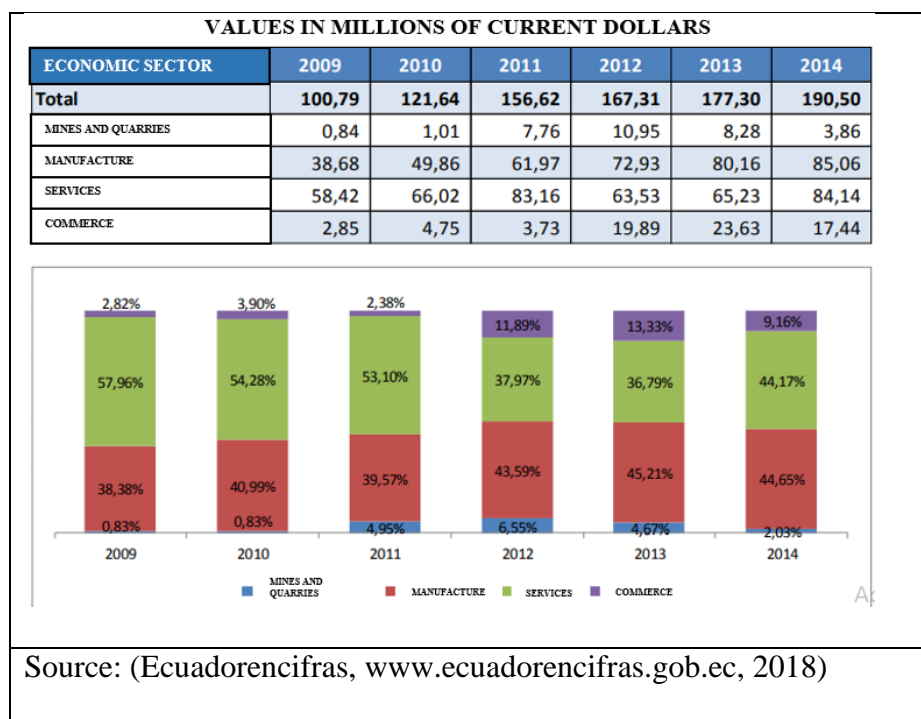


Figure 8 Expenditure on ID of the Industrial Sector

3.- Innovation by economic sector: In the 2012-2014 research period, of the 54.51% of innovative companies, 26.44% correspond to the services sector.

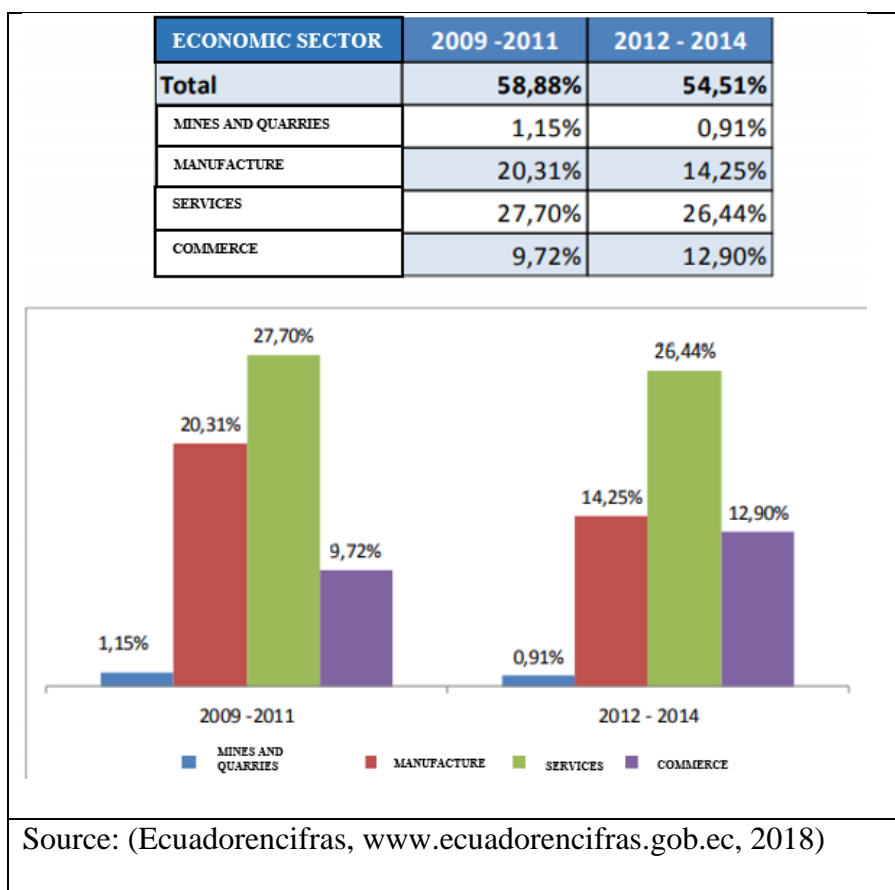


Figure 9 Innovation by Economic Sector

4.- Types of innovation: In the 2012-2014 research period, 27.09% of the companies investigated modified their organization for the first time and in a significant way to change the management practices of the company.

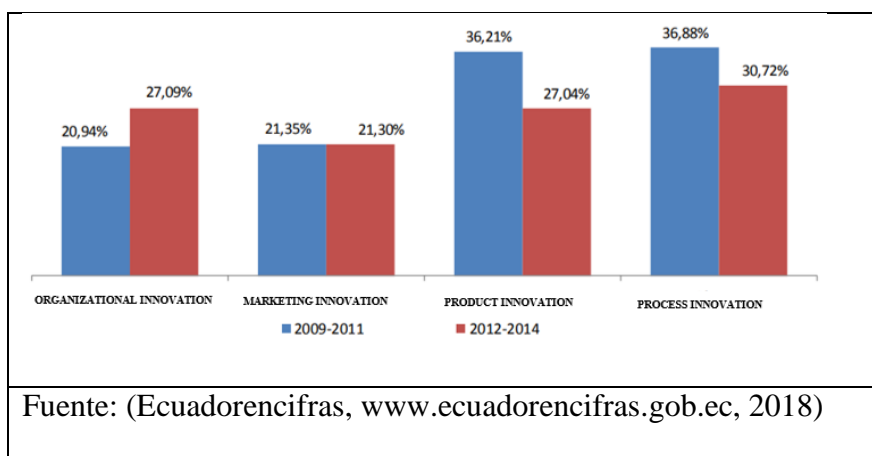


Figure 10 Types of Innovation in the Industrial Sector

5.- Introduced product innovation: In the 2012-2014 research period, of all the innovative product companies, 45.64% of the companies introduced a significantly improved service.

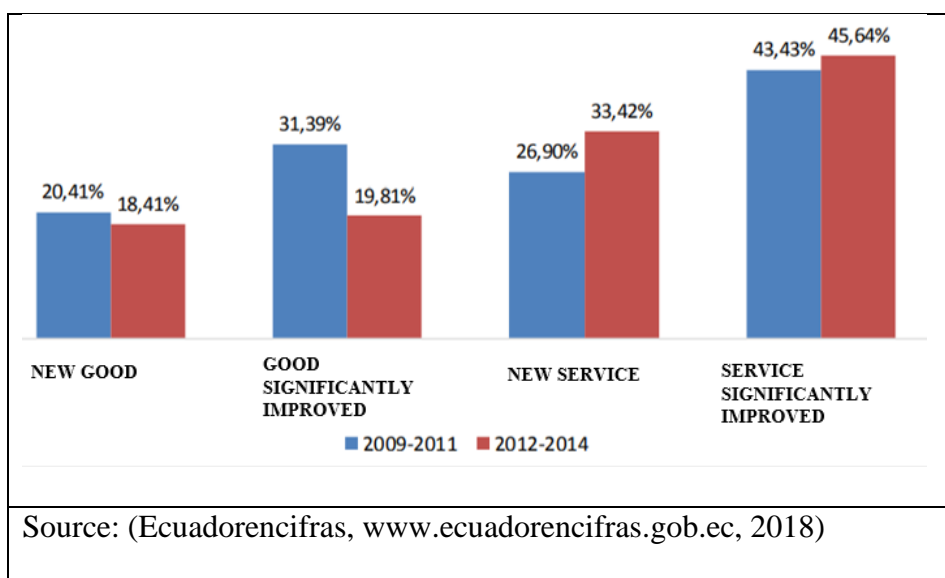


Figure 11 Introduction to the Innovation of products in the Industrial Sector

6.- Activities for the introduction of product and / or process innovations: In the period 2012 - 2014, of the total number of companies investigated, 25.47% acquired machinery and equipment for the introduction of product and / or process innovations.

INNOVATION ACTIVITIES	2009-2011	2012-2014
ACQUISITION OF MACHINERY AND EQUIPMENT	31,22%	25,47%
TRAINING	20,18%	20,21%
SOFTWARE	14,36%	17,60%
INTERNAL I+D	15,03%	16,69%
HARDWARE	14,31%	15,47%
CONSULTING AND TECHNICAL ASSISTANCE	11,20%	11,67%
EXTERNAL I+D	4,56%	5,89%
MARKET STUDIES	6,39%	4,34%
ENGINEERING AND INDUSTRIAL DESIGN	3,82%	3,33%
UNINCORPORATED TECHNOLOGY	3,22%	3,04%

Source: (Ecuadorencifras, www.ecuadorencifras.gob.ec, 2018)

Figure 12 Activities for the introduction of products in the Industrial Sector

7.- Objectives of the development of activities of innovation of product and / or process:
To improve the quality of goods and services is the main objective pursued by companies for the introduction of product and / or process innovations.

OBJECTIVES	2009-2011	2012-2014
IMPROVE THE QUALITY OF GOODS OR SERVICES	89,96%	86,27%
INCREASE THE VARIETY OF GOODS OR SERVICES	80,79%	77,38%
REPLACE PRODUCTS OR PROCESSES UNDATED	77,26%	75,24%
INCREASE MARKET PARTICIPATION	81,75%	74,72%
INCREASE THE CAPACITY TO PRODUCE GOODS OR SERVICES	82,67%	71,19%
IMPROVE THE FLEXIBILITY TO PRODUCE GOODS OR SERVICES	76,79%	69,65%
IMPROVE EMPLOYEES 'OCCUPATIONAL HEALTH	77,52%	69,62%
ENTERING TO NEW MARKETS	75,56%	69,39%
REDUCE ENVIRONMENTAL IMPACTS	66,50%	62,66%
REDUCE PRODUCTION COSTS PER PRODUCTION UNIT	66,46%	56,22%
REDUCE THE COSTS OF MATERIALS AND ENERGY PER PRODUCTION UNIT	64,45%	53,95%
Source: (Ecuadorencifras, www.ecuadorencifras.gob.ec , 2018)		

Figure 13 Innovation Objectives of the Industrial Sector

2.4 Matrix of Competitors in the Industrial Sector

The matrix of competitors in the Beverage Sector will be developed considering all the nationally available brands, whether local or foreign, that elaborate and / or commercialize products capable of satisfying the specific need of the consumer of spirits and alcoholic beverages of greater alcoholic strength. at 30°. "Zenzero" has Direct competitors with products with the same or similar characteristics and Indirect competitors that develop substitute products.

Table 3 Direct Competitors of Zenzero

Competidores Directos			
Product	Origin and Coverage	Brand	Positioning and Sales
LIQUOR or LICOR ALCOHOL DEGREE 36, 40 or more.	National Regional	Zhumir	Today under the phrase "Latin Spirit" the brand has evolved from being a purely handcrafted product to expand to other targets with more youthful products, within its portfolio highlights: flavored liqueurs, Dry, Pink, Deco, Plug, Equinox, Zhumir 38, and different variations of the popular classic; manages a colorful web page that receives the visitor with the phrase "The burning Latino is what moves us, the fun turns us on" and is sold on a regional and national scale. The product is made with sugarcane and its legacy of quality and experience is evolving to accompany the trends of globalized consumers. Sales: \$31.718.941 (Zhumir, 2018)
	National	Cristal	"The soul of Ecuador" comes from the valley of Yunguilla, its evident flavor and aroma is thanks to the refined sugarcane grown in the Ecuadorian Andes, and to an artisanal process that allows it to preserve characteristics of the brandy from that area. The liquor is transported to the plant of Embotelladora Azuaya s.a., where samples are taken to verify that each batch meets the established quality requirements. The brand has a portfolio of products derived from its classic, this being the one

			with the longest trajectory. Sales: \$5.662.887 (licorcrystal, 2018)
	National	Pájaro Azul	A typical brandy of the inter-Andean region, born in Bolívar and made of sugarcane, it has been the official liquor of the Guaranda carnival referred to by local and foreign inhabitants. It presents a line of semi-dry fruit flavored liqueur that seeks to satisfy the palate of young people with a mild liquor of 15 degrees of alcohol. Sales: \$14.031.159 (Virumec, 2018)
	National	Zamarro	Traditional 100% Ecuadorian alcoholic beverage, produced from sugarcane from the high areas of the Andes, specifically to the west of the province of Cotopaxi. A careful and delicate process is carried out that allows the obtaining of the brandy guaranteeing a persistent superior product in the mouth, with a delicate ending that brings to mind the family and friends' meetings. (Licorec, 2018)
	National	Cantaclaro	Made with tall canes grown in the valleys of Vilcabamba, Malacatos and Quinara, which guarantees a superior product with unique characteristics. The presentation of "Cantaclaro" are Traditional, Special Edition and Black Belt. For more than 50 years, ILELSA elaborates the "Cantaclaro" traditional flavor is maintained and represents the joyful spirit of the Ecuadorians. It has achieved important international recognitions for its incomparable taste and quality. Sales: \$2.454.864 (Ilelsa, 2018)

	National	Estribo	A fine Premium category cane liquor. It is produced from the most select sugarcane, carefully cultivated in the west of the province of Cotopaxi, in the most privileged areas of the Ecuadorian Andes, it is a remarkable combination between the intensity of the alcohol distilled with the sweet of the sugar cane. (Licorec, 2018)
	National	Caña Manabita	From Manabí, born in cane fields of the subtropical coastal area and eastern foothills, is a refined brandy. Compañía brand bottling company Licorera Manabí C., also buys from small producers. Sales: \$2.823.863 (elantojomanabita, 2018)
GINEBRA o GIN 36 GRADOS DE ALCOHOL o más	National	Under London Dry Gin	A relatively new and colorful brand that combines classic gin with the alternative history of London. The brand has had its big break thanks to a management of strategic alliances with party organizers and events, bars, clubs and certain loyalty contracts with local liquor stores. Also in minimarkets and supermarkets. (EASA, 2018)
	National	Liova Dry Gin	Similar characteristics to a vodka with the same name, also developed by Corporación Azende that has been increased its fame thanks to image positioning of the vodka. Sales:\$31.718.941 (Azende, 2018)
	National	W Gin	Spirit drink, with three distillation processes, guaranteeing purity and highlighting citrus aromas and sweet taste. Elegant image and packaging that contribute to a perception of exclusivity and quality. The brand moves thanks to the participation in

			parties and events. In addition, bars, clubs and clubs maintain loyalty contracts without neglecting local and national liquor stores. Can be found in the most popular supermarkets. Sales:\$31.718.941 (Azende)
	National	Amaranto Gin	Ecuadorian product with European quality made with 21 herbs and artisanal distillation process. The initial distribution of the brand began in "La Guarda", a liquor store that specializes in spirits. It produced 50 bottles a week, and a year and a half later it has been recognized with international awards. In July 2016 it won the Best New Gin award at Gintastic Belgium and in May the same recognition in the Time Out Madrid contest. In New York it is the Best Gin of the Year, in the New York Gin Journey.
	National and Spain	Crespo London Dry Gin	This brand uses 11 spices, touches of citrus and orange, lemon and cardamom, and water from the Andes. It started in 1963 in Uzhupud but only in the last seven years did it begin to be officially commercialized nationally and internationally. The drink has been awarded the Double Gold Award at the San Francisco World Spirits Competition 2016 and Silver Medal at the New York World Wine and Spirits Competition 2016.
	National	Kuntu Gin Premium	The brand fuses an international mix with botanics representative of Ecuador and vilcabamba water. It is a little known brand mainly for the fact that to buy the product the customer must communicate by Facebook with their owners or with intermediaries

			like Divino Wine, Hernán Cabezas Licores , and restaurants Maitane, Patria and Tavola.
	Worldwide	Beefeater London Gin	<p>Beefeater was born and grew up in the heart of London, where it has continued to be for more than 150 years. This brand calls itself the London drink that absorbs the creativity and energy of the city, seeping into its spirit. The brand has a great status worldwide thanks to the selection of personalized botanics and world experts like Desmond Payne who test more than 200 samples of juniper to guarantee the intense flavor and character of Beefeater. Depending on the country to which it is destined, the alcohol content of the Beefeater gin is 40% for the United Kingdom, or 47% for the rest of the world. Today the brand expanded its product portfolio with Beefeater Pink, Beefeater 24, Beefeater Burrough's Reserve Edition 2 and Beefeater London Garden, all maintaining the same essence of the original with an added bonus to capture another segment of the market. Finally it has achieved a double gold, a gold, a silver and two bronzes in the San Francisco World Spirits Competition, has received a score of 93 in the review of the Beverage Testing Institute, classifying it as "exceptional" and has been awarded by the San Francisco World Spirits Competition with bronze and double gold. Distributed by the company Pernod Ricard to more than 100 countries, with annual sales of 21.6 million liters / sales of 2.8 million boxes worldwide in 2016.</p>

	Worldwide	Tanqueray London Dry Gin	The brand is considered the perfect blend of ingenuity, tradition and dedication, one of the most awarded in the world and favorite of bartenders for gin & tonic. Since 1830 it has had a perfect balance of four botanics using the same selection of ingredients used by Charles Tanqueray its creator. Thanks to its consolidated fame, it has also decided to expand its portfolio with Tanqueray Imported, Tanqueray No. Ten, Tanqueray Rangpur and Tanqueray Flor de Sevilla, all of them are drinks that combine certain spices and herbs to differentiate from the original popular. Distributed by Diageo. Sales of 3 million boxes of 9 liters worldwide in 2016.
	Worldwide	Gordon's London Dry Gin	It is made from grain alcohol, distilled according to a recipe that remains secret based on a combination of juniper, strawberries, citrus and other herbs and spices that, when mixed, give it its characteristic flavor. The brand is recognized worldwide and among its awards is the International High Quality Trophy and the Grand Gold quality diploma, awarded in the World Quality Selections. Distributed by Diageo.
	Worldwide	Bombay Sapphire	This brand launched on the market in 1761; the mix contains 12 hand-selected botanics from exotic locations. It has an inflexible approach that seeks to create fresh, clean and bright flavors, uses a process of vaporization to capture its vibrant flavors. Elegant packaging and presentation. Like others, this brand has other offers such as: Star of Bombay,

			Bombay Sapphire East, Bombay Dry Gin, all innovative mixtures approved by the botanic master Ivano Tonutti, as well as the original. Winner of Global Gin Masters, Monde Selection and Spirited Awards for environmental sustainability. Distributed by Bacardí-Dageo. Sales increased gradually to exceed 3.5 million boxes worldwide in 2016.
	Various Countries	Bulldog	Its owner, of Hindu roots, created it in 2006 by adding exotic ingredients such as poppy, dragon eye and botanics from nine different countries. The almost aphrodisiac mixture is difficult to obtain but it does not lose the British style. The appearance of this drink is charcoal gray with deep shades of purple, everything ends in a challenging and original design that gives it a modern and seductive image. His name conveys the idea of strength and provides a masculine image to drink and associates Winston Churchill. Wine Enthusiast awarded him the highest score ever awarded and included Bulldog in his 'Top 50 Spirits'.
	Various Countries	Gibson London Dry Gin	A Premium gin, obtained by traditional distillation in batches with everything from the most common botanics to the simplest, like rose petals, it is somewhat bitter and spicy. It received gold at the Drinks International Gin Challenge. Silver medal in the International Wine & Spirit Competition, and its name refers to the international classic cocktail GIBSON. French brand.

		Gordon's	It is presented as the No. 1 in the world, launched in 1769, with 4.3 million boxes of 9 liters. year. It is ranked No. 1, and No. 18 of all premium Spirits. Today, about 10 bottles of Gordon's Gin are consumed per minute all over the world. It has an original secret recipe, which today only 12 people know. The brand has other versions: "Sloe", Gin Tonic in tin with Schweppes tonic; and vodka. Distributed by Diageo group. Sales of 4.6 million boxes of 9 liters in 2015.
Source: Self-made			

Table 4 Indirect Competitors de Zenzero

Indirect Competitors			
Product	Origin and Coverage	Brand	Positioning and Sales
VODKA	National	Siberian	It is distinguished by its purity and flavor, triple distillation and six times filtered, it combines very well with a wide variety of ingredients, allowing to create different cocktails, the brand also developed fruit and special flavors for its customers. (Licorec, 2018)
	National	MYST Vodka	The mixture of select ingredients and a triple filtration process achieve a delicate flavor and extreme purity. (EASA, 2018)
	National	Platino Vodka	The combination of ingredient plus a triple filtration process, achieve a taste of supreme quality and supreme purity. (EASA, 2018)

	National	Liova	The brand defines the product as a beverage that transports into new and infinite ways of expressing glamor and fashion, of exceptional quality, ideal for the most exotic mixtures or the simplicity of the known, exciting and unpredictable, like life itself. Product of Corporación Azende-Ecuador. Sales:\$31.718.941 (Azende, 2018)
	National	ZMR Equinoxio	The brand describes the product: "it is born from the prodigious natural springs that come off the thaw of the snow-capped Chimborazo; its summit is the highest place on the planet from its center, and the closest point to the sun, for its privileged location in the middle of the world, Ecuador. The water of these slopes is pure and unique, a magical element that gives balance to ZMR EQUINOXIO. A vodka prepared with elements that only virgin nature can offer. "Sales:\$31.718.941 (Azende, 2018)
	Worldwide	Smirnoff	The brand started in 1858 with a factory of nine employees, so in 1870 it could be marketed in Europe modifying the termination of the name to the current Smirnoff. 1886 and becomes the Official Supplier of the Court of the Russian Empire and after passing through many hands Smirnoff No. 21 is the No. 1 in the world manufactured in the United Kingdom and distributed by Diageo. Its classic flavor has inspired other varieties throughout the world and is one of the first to use charcoal in the filtration process. Its best known versions are: Smirnoff Red, Smirnoff Ice, Smirnoff Black, Smirnoff Mule and Smirnoff Blue. The transparency of the packaging conveys the image

			of purity in the preparation and its packaging has fans and followers around the world. The use of vodka in the preparation of new drinks, using stars of the cinema and of the spectacle formulated the Smirnoff consumer profile, people who value their individuality, relaxed, rebellious and mysterious. Sales of 25.5 million boxes of 9 liters worldwide in 2016. (Smirnoff, 2018)
	Various Countries	Skyy	Californian vodka founded in 1992, has a wide variety of flavors and is produced from grain, with a neutral aroma and a dry flavor. Sales: four million boxes of 9 liters in 2016. (Verema, 2018)
	Worldwide	Absolut	It is an internationally known Swedish vodka, made from distilling wheat, has a large number of flavors and makes special editions of its bottles. Sales of 11.4 million boxes of 9 liters worldwide in 2012. (Verema, 2018)
	Regional	Russkaya	Distilled of high purity, elaborated in Peru of the molasses of sugar cane. Russkaya has a velvety texture, crystalline and delicate, by the triple distillation in copper still, a unique process that gives it purity and quality, difficult to match by other vodkas. Like other brands, it diversified its offer with Russkaya Black triple distilled, Russkaya Tropical Mix, Russkaya Cranberry and others. (RPP, 2018)
	Worldwide	Grey Goose	It is a vodka made from wheat, in a 5-step distillation process created by François Thibault. With a floral essence with touches of mint. In addition to the neutral flavor, it has the following variants: l'orange, le citron,

			la poire and cherry noir. Sales of four million boxes of 9 liters in 2016. (Verema, 2018)
RON	National	Capitán Drake	"Deep and Legendary, full of history", rescues the crossing of a boat full of vestiges of this legendary drink and with it, the formula that Captain Drake so much boasted about. Sales:\$31.718.941 (Azende, 2018)
	Regional	Cañaveral	Authentic Rum Añejo of extraordinary quality recently recognized in the IWSC of London, England, is a young brand, novel in the Venezuelan market. It was relaunched a couple of years ago and in a short time it has managed to win its space and also innovates with Ron Cream. (Punto, 2018)
	Local	De la quinta	Brand of the city of Cuenca that received greater acceptance gradually thanks to its economic prices, nowadays also elaborates another kind of liquors maintaining economic prices. The brand is not known nationally, and still has a lot to grow locally, it is made in a fifth near the city.
	Various Countries	Appleton Estate	In July, the brand launched its new communication campaign "Appleton Estate - The Heart of Jamaica" and to consolidate the strategy it launches a new name and image. With this renovation Appleton Estate enhances its unique qualities; the art of mixing rum, "el Blend", as well as the care and passion with which it has been made for more than 260 years. Rum mix, which combines several rums of different styles and aged and that has no declaration of age, amber - gold, with remarkable clarity and brightness. It is the perfect

			complement to rum cocktails. (Appletonestate, 2018) From 2011 until sales were relatively stable in 1.2 million boxes of 9 liters.
	National	Cubanero	A brand of Ecuadorian quality rum obtained by the fermentation and distillation of sugarcane juice, better known as molasses, using the most faithful practices of Cuban rum culture tradition, Cubanero was born as a local alternative. Our rums are ideal for cocktails as the añejos with which they are elaborated enhance the flavor of each cocktail. (Virumec, 2018)
	Worldwide	Havana Club	"Ron de Cuba" Molded by the climate, geography, history and people of Cuba, rum is an essential part of the nation's culture. As its best example, the Havana Club range represents this rich heritage. It is the true spirit of Cuba. In 1993, Pernod Ricard S. A. and Corporación Cuba Ron S. A. launched this company. The most awarded Cuban rums in decades, with 27 medals obtained in tasting competitions in the last four years. (Havana-club, 2018) Sales of 4.2 million boxes of 9 liters worldwide in 2016.
	Worldwide	Cacique	He was born in Venezuela in 1959, whose name recalls the indigenous authority that distributed the drink, unlike the rest of the rums its maturation process is six months. It was bought by Diageo, and diversified with: Cacique Añejo, Cacique Origen, Cacique 500, and Cacique Mojito.
	Worldwide	Captain Morgan	Rum was born more than 400 years ago in the tropical islands of the Caribbean and El Capitan Morgan creates its own blend, it is a secret combination of

			spices and natural flavors expertly mixed to achieve the taste loved by the buccaneers of the sea and locals. Like other brands, it has other versions such as: Originated Spiced Gold Rum Drink, White Rum, The original, Jamaica Rum and Black Spiced. (Captainmorgan, 2018) Sales increased gradually until reaching almost 11 million boxes of 9 liters in 2016.
	Worldwide	Zacapa	"The best rum in the world" is produced in Guatemala, time, patience and devotion are present in every drop. Ron Zacapa evokes the Art of Slow, to go slowly, which invites consumers in this fast-paced world to stop, reconnect with the world, with people, and savor a good quality rum, it is a friendly and sophisticated rum that can be take without mixing it to know and discover your true spirit. Variations: ZACAPA 23 ultra premium rum and ZacapaX0. (Negocios, 2018)
	National	San Miguel	"Rum from Ecuador", comes from Valle de Paute, stored in barrels of American white oak, keeping the promise of "Natural aging in height". The brand also chose to expand its portfolio with the versions: San Miguel Silver, Gold, Solera 1952, Black and San Miguel 5.
	Regional	Abuelo	In 1908 Don José Varela Blanco founded the San Isidro Sugar Mill, the first sugar mill in the recently formed Republic of Panama. Derived from the fermentation of cane honeys, in its aging and processing used modern technical procedures and the experience of a long tradition ronera. It diversifies its portfolio with: Ron Abuelo 7 Years, Ron Abuelo 12

			years, great reserve of the house and Centuria, for a century of tradition. Sales volume is close to 1 million boxes of 9 liters, worldwide. (Panamá, 2018)
	Regional	Estelar	Venezuelan rum resulting from the fine mixture of rums aged for 3 and 4 years in oak barrels. It presents aromas of vanilla and molasses. It is nice, complex and with a slight taste of raisins. Ideal to share among friends. Sales approx. 175 thousand boxes in 5 years. (CILCCA, 2018)
	National	100 Fuegos	In 1837 the roneras multiplied and the main rum factories were installed in Cuba, including Cienfuegos. Due to its delicate bouquet it gained a special place in the halls of the Moulin Rouge in Paris France, today the legendary Solera process is used to mix by hand and to ripen the rums in American Burbon oak barrels, from the juice of the the world's finest sugar cane. 100 Fires is a delicate rum in which notes of wood, coconut and citrus, sweet cane and toffee, appear on a background of very light smoked, leaving a clean and fresh mouth, making it a high-end rum. (ron100fuegos, 2018)
	Various Countries	Castillo	Another rum from the house Bacardi Puerto Rico, designed as a cheaper alternative to the rest of the rums, however synonymous with high quality for local consumption. It has a smooth, silky taste with a good finish, made with industrial rum.
	National	2300	It is elaborated and aged in the wonderful valleys of the Ecuadorian Andes, unique conditions that endow it with unrivaled excellence. (EASA, 2018)

	Worldwide	Bacardí	The bat, a symbol of good luck, that Doña Amalia Bacardi saw in the fruit in the family distillery, then insisted on using them as a brand. The rums were crude and without refinement but in 1862 after 10 years, they are perfected. Today the bat helps the family to overcome what fate brings them. Versions: Bacardí Carta Blanca, Bacardí Eight, Bacardi Limón and Bacardi Mojito. (Bacardi, 2018) Sales declined gradually to reach 17.2 million 9-liter cases in 2016.
WHISKY	National	Cunningham	"Where everything starts, legacy and tradition", Whiskey that combines the legacy and tradition of one of the most representative families of Scotland, aged in oak barrels for more than 5 years, captures the essence and nobility of the legitimate Scottish whiskey, a product of excellent quality appreciated by the most demanding palates. Sales:\$31.718.941 (Azende, 2018)
	Regional	Black & White	1884 and appears with the name "Buchanan's Blend", originally marketed with white label, on a black container, consumers began to call it simply as "black and white" whiskey. It is a "Blend" type whiskey, made up of approximately 60% of grain whiskeys. It is a fresh whiskey, with an aromatic presence of herbs, and a delicate softness. Mid-range, it is a very popular whiskey in South America, due to its particular aroma and reasonable price for sale to the public. (Whisky, 2018)
	National	Black Castle	It is a highly refined whiskey, the result of this long and meticulous process from the selection of the best malts, achieving a perfect combination of aroma and

			exquisite flavor. Black Castle is a brand developed by Embotelladora Azuaya S.A. (EASA, 2018)
	National	Black Williams	Slightly aromatic, with woody nuances. Pleasant, intense and of character to the palate, proudly elaborated with Scottish raw materials, under the support of precursors in the liquor industry for more than 50 years. (Licorec, 2018)
	Worldwide	Johnnie Walker	For a young man named John Walker - the owner of a trade in Kilmarnock - the available whiskey was not good enough. He wanted his customers to enjoy the same quality and taste again and again. Then, he began to mix them until he produced a whiskey that he was proud to put his name on. The blend of Scotch Whiskey is both an art and a science. In Johnnie Walker, this is a skill, a dedication and a deep knowledge of whiskey and its varieties that goes back two centuries back to the first mixes of the founder. Today, Master Mixer Jim Beveridge is the custodian of this extraordinary legacy and a unique authority on the art of blending whiskeys, with the largest reserves of Single Large Scotch Whiskey and Single Malt Scotch Whiskey in the world. Versions: Johnnie Walker Red, Johnnie Walker Black, Johnnie Walker Blue, Johnnie Walker Gold. Global sales volume of about 20 million boxes of 9 liters in 2013. (Johnniewalker, 2018)
	Worldwide	Buchanan's	It is one of the most famous brands of Scotch whiskey in the world. Each bottle has more than 100 years of experience, resulting in a unique blend of refined and gentle notes. A man of noble principles, he was one of

			<p>the most recognized pioneers of Scotch whiskey and one of the most successful entrepreneurs of his time. James Buchanan was the perfect incarnation of the Victorian knight and a worthy custodian of the Whiskey image. In 1889 the Buchanan's Blend won a gold medal at the Paris Centennial Exhibition beginning the legacy of awards to this day, it is important to mention that it has also diversified its portfolio with other versions of the product Buchanan's recorded a 13% increase in sales in 2015. (Buchananswhisky, 2018)</p>
	Worldwide	Chivas Regal	<p>Launched in 1909, Chivas Regal is the world's first luxury whiskey, considered a timeless classic and famous for its incomparable quality, taste, style, body and exclusivity. Chivas Regal is sold in more than 150 countries in Europe, Asia Pacific and America. Global sales volume of 4.3 million 9-liter boxes in 2016. (Ricard, 2018)</p>
	Worldwide	Something Special	<p>The brand officially begins in 1912. A blend of malts from the Spey River area, aged in five different types of oak barrels that previously contained American sherry and bourbon, reason for their incredible bright golden color. Its particular diamond-shaped bottling, and its differential label with waist, makes it one of the most recognized whiskeys by the consumer. Strangely, or not, it is a whiskey sold mainly in the South American region and in South Korea, being considered a luxury standard. (Whisky, 2018)</p>

	Worldwide	Jack Daniels	<p>Classic presentation that has a delicate and unique taste. The musical history of Tennessee relates directly to this whiskey with blues and rock'n roll, it was the favorite drink of Frank Sinatra and many other idols of the world of music like the Rolling Stones. The distillery was founded in 1866 and one of the legends maintains that the number 7 referred to the number of a shipment by rail, where the barrels had been marked by the number 7. The whiskey is made with groundwater taken from a cave in Tennessee and undergoes a process called "charcoal mellowing" which consists of filtering it through charcoal maple saccharin that makes it what it is: a Tennessee whiskey and not a bourbon, a liquor with which it is confused by its softness despite its high alcohol content. Finally the whiskey is aged in white oak barrels that are hand assembled and burned on the inside to melt the sugars of the wood and give the Jack Daniels its amber flavor. He has also developed a varied portfolio of at least 10 other products. Sales of more than 11 million boxes each year. (Whisky, 2018)</p>
	Worldwide	Old Parr	<p>Old Parr is well known as a traditional blend of Scotch whiskey with unique design of its bottle. Officially launched in 1909. Old Parr was named in honor of Thomas Parr whose longevity (152 years) symbolizes the maturity of a good whiskey. A peculiar bottle, shows your free and relaxed spirit, making a unique difference. The liquid is characterized by its soft and velvety flavor. The most popular: Old Parr 12 years.</p>

			Sales of approximately 2,400,000 bottles per year. (Diageobaracademy, 2016)
	Worldwide	Grants	Dense and deep body and a soft and fine palate, well integrated in the aromatic oak spices characteristic of Glenfidich malts, is considered one of the best blended scotch whiskeys in the industry. In 1957, Grant's unveiled a genuine innovation in packaging, the triangular bottle that today is an icon. At present, it still stands out in a round and square world. Today embarks on the next chapter in its 124 years of history with the introduction of its new icon - a family tree - in its Premium packaging. competes with Johnnie Walker, Something Special and The Famous Grouse. He sold more than four million boxes of nine liters period 2011-2016. (Whisky, 2018)
	Various Countries	Ballatines	It is a type of blended whiskey, (mixture of whiskeys), with a percentage of alcohol of 40%. It is produced in England by the company "Chivas Brothers Ltd.". It arises in the town of Edinburgh by the year 1827, where the founder George Ballantine, opened a small store selling alcoholic beverages, when he was just 19 years old. In 2005, the company was acquired by a French group, although it continued to maintain the characteristics and essences that made this blended whiskey so successful. Currently it is a whiskey very recognized for its good quality / price. (Whiskey, 2018) Global sales volume of 6.7 million 9-liter boxes in 2016.
TEQUILA	Worldwide	José Cuervo	The brand has the largest agave farms in the world, nestled in a rich volcanic soil. Outbreaks, on average,

			<p>take seven years to reach maturity. Every day, the cover of the agave oven receives from 200 to 300 tons of agave for the production of tequila. The kitchen of pineapples refines the taste of tequila. The next steps - distillation, condensation and rectification - produce a drinkable product known as white tequila. Tequila is rested and slowly aged in barrels; during this time it acquires the gustatory and aromatic characteristics of the wood. It has more than 250 years of family tradition, and is the result of the vision of Don José María Guadalupe de Cuervo y Montañón, produces in the oldest tequila distillery in Mexico, "La Rojeña". Due to its sales volumes, it is the largest producer of Tequila at the Worldwide level and the third largest in Irish Whiskey. The company produces, markets and distributes to more than 85 countries, with a portfolio of more than 30 brands of alcoholic beverages, ready-to-serve cocktails, as well as non-alcoholic beverages. Among the most important: 1800, Maestro Tequilero, Maestro Tequilero Dobel, Centenario, Kraken, José Cuervo Margaritas and Boost, annual growth of 31% and sales of 6,609 thousand boxes. (Cuervo, 2018)</p>
	Worldwide	Patrón	<p>One of the best known brands of premium tequila, is produced in Jalisco, and is the king of the premium tequila market in the United States. Tequila appeared in 1989 as an ultra-premium tequila brand whose creation is due to John Paul DeJoria and Martin Crowley who together with the veteran of the beverage industry, Francisco Alcaraz, produced an extraordinary distillate of the best possible quality.</p>

			The brand is headquartered in Schaffhausen, Switzerland and is one of the top three in the market, producing more than 2.5 million boxes of 9 liters per year, according to data (2016) of Drinks International Euromonitor.
	Various Countries	El Charro	"From the red lands of Arandas Jalisco, for the World", has the characteristics to be a leader among its peers, due to its quality, presentation and competitive price. The company is socially responsible and has taken on the task of using in its production processes the best green equipment for the care of our ecosystem, it is the first company in the tequila industry that has an ecological boiler in operation. The word "El Charro" has very deep cultural connotations and is closely identified with Mexican culture. The brand also offers an extensive range of high quality products that goes from its traditional, "Classic Line", which includes the Tequilas Gold, Reposado and Blanco, as well as its "Premium 100% Pure Agave" line where Añejo is located , Reposado and Blanco. (Elcharrotequila, 2018)
	Various Countries	Don Julio	Don Julio González started producing tequila in 1942 when he opened his distillery in Atotonilco, Mexico. Originally, he only produced tequila for his personal reserve, in small quantities for family and friends. (La Taberna, 2015)
	Various Countries	El Karnal	Highly recommended both for its quality and excellent taste and for its very good price, it is 100% agave in glass bottle, with cork lid, modern young

			image, ideal for celebrations between friends. Certified by the Mexican conformity assessment management. (La Taberna, 2015)
	Various Countries	Tequila Añejo 1800	A tequila aged in French oak barrels for 3 years. (La Taberna, 2015)
	Various Countries	Recuerdo de Oaxaca Mezcal	A Tequila that stands out for its harmonious crystalline color that allows to appreciate in all its splendor its body and consistency, it has a fine and herbal aroma, slightly smoked with sweet notes of cooked maguey with a balanced flavor with sweet and slightly bitter taste. All these recognized brands of Tequila can be found in all our locations at the National level, visit us and ask for advice. (La Taberna, 2015)
PISCO	Various Countries	Capel	It is born in the Elqui Valley in the region of Coquimbo Chile, a privileged land where the sun shines 300 days a year, to provide the ideal climate for the ripening of the pisco grape, the pisquero wine is originated and then subjected to a distillation process in a discontinuous copper still, and undergoes a second distillation process to obtain a better quality product: much purer, aromatic and elegant. Pisco family: Capel 35°, Capel 40° Reserved Transparent, Reserved of Guarda, Reserved Moai and Gran Pisco Capel 43°, all with a unique, special and double distilled flavor. (Pisco Capel, 2018)
COÑAC	Worldwide	Hennessy	In Cognac, and only in Cognac, the drink is not improvised, it rises with kindness and attention, firmness and affection. First, there is the grapevine

			<p>produced by Ugni Blanc, the light and fruity grape especially suitable for the double distillation of Hennessy Maison in copper stills, in order to guarantee that the aromas are excellent and varied, only the spirits of the region (Grande Champagne, Petite Champagne, Borderies and Fins Bois) are selected to become great cognacs. Growth of 6% per year makes it the cognac with the highest sales in the world, the brand is owned by Moët Hennessy, versions: Hennessy x.o limited edition by Marc Newson, Hennessy Paradis, Hennessy X.O, James Hennessy, Hennessy VSOP Privilège, Hennessy Paradis Imperial, Richard Hennessy and Hennessy Privé. It sold 6.5 million boxes of nine liters at the Worldwide 2016 level. (Hennessy, 2018)</p>
BRANDY	Worldwide	McDowell's	<p>The largest consumer goods brand in India. It has received excellent reviews and is made of distilled grape spirits in stills mixed with imported grape brandy. The vibrant golden color looks warm on the bottle that is made of frosted glass. It is an offering that celebrates friendships and remembers precious moments we spent with close friends, it is brandy to savor special moments. It has a rich aroma of selected grapes on a base of honey and vanilla. McDowell's is considered the No. 1 brand with 10.9 million boxes sold. United Spirits Group. (Diageo I. , 2018)</p>
<p>OTHERS:</p> <p>They are also considered as substitutes for liquors, wines and beers, however they satisfy another type of need since their alcohol content is lower and their effects are different, as well</p>			

as the ability to mix them with other ingredients and create cocktails or specific beverages is almost null compared to those mentioned before.

Source: Self-made

2.5 Customer profile in the Industrial Sector

Latin America expects spirits to appear in more cocktail menus this year according to the 2017 culinary and cocktail trends forecast of Kimpton Hotels & Restaurants, precisely, in line with the expectations of the region, in Ecuador a greater expectation is expected. consumption of alcoholic beverages after ranking ninth in the countries with the highest consumption of alcoholic beverages, 7.2 liters of alcohol per inhabitant per year are ingested in the country, a fact that is mainly due to the culture and socioeconomic levels of the country. society.

In the research "Social and Economic Determinants of Alcohol Consumption in Ecuador", it is shown that people without jobs, with less schooling and with higher rates of poverty are the most prone to alcohol consumption. It was determined that people who are living in poverty are 1.12% more likely to be heavy users of alcohol than those who have more economic resources; people who pass from primary to secondary education have a 0.7% lower probability of consuming, while this percentage decreases to 0.33% when they pass from secondary to higher education; and if the person has a job, it is 1.32% less likely to become an alcohol consumer.

In addition to this, it is very common for people to drink at all the popular festivals that are usually the independence festivals, religious commemorations, and popular celebrations such as the Carnival; Ecuadorians drink to celebrate, celebrate, face some kind of problem or even as a form of youth recreation and therefore consumption begins more and more quickly. (Andes, 2018)

According to the National Survey of Income and Expenditures in Urban and Rural

Households conducted by the National Institute of Statistics and Census (INEC) in the period 2011-2012 more than 900 thousand Ecuadorians consume alcohol, and of them 12% have from 19 to 24 years, followed by 11.5% from 25 to 44 years of age, and 41.8% of people who consume alcohol do so on a weekly basis.

On the other hand 89.7% of the 912,576 people aged 12 and over who claimed to consume alcohol are men and 10.3% women; and to talk about geographical conditions we have that the city that spends the most per month for alcohol consumption is Guayaquil, with 6'597,928 dollars in 164,419 households followed by Quito, with 4,356,607 dollars per month; and that the province with the highest consumption of liquor is Galápagos with 12% and the one with the lowest consumption is Bolívar with 3.9%. (Ecuadorencifras, www.ecuadorencifras.gob.ec, 2012)

Finally, the Center for Studies and Data (CEDATOS) provides us with an analysis of consumption preferences in alcoholic beverages at the national base year 2010:

- 79% of the population habitually consumes or has ever consumed beer, followed by 42% who have consumed wine and 33% other liquors.
- The other types of liquors that are commonly consumed are Aguardiente with 44.1% of the total, followed by 37.1% whiskey, 14.9% rum and the rest 3.9%.
- The estimated volume of consumption per year is 672.48 million liters of beer, followed by 41.84 million spirits and 25.93 million other liquors.
- The usual places to buy beer are the stores / self-service with 83.8% and 16.2% in bars or clubs, the usual places to buy brandy are 59.2% stores / self-service and 40.8% Bars and clubs and the usual places to buy other liquors are 66.45% shops / self-service and 33.55% bars and nightclubs. (Cedatos, 2018)

In conclusion, and thanks to the merger of all the aforementioned information, the consumer profile of alcoholic beverages in Ecuador is a person with the following characteristics:

- Sex: man.
- Age: young (from 19 to 24 years old and older).
- Income: low class and low middle class, without much income.
- Habits: consumes weekly for social, cultural and psychological reasons.
- Preferences: beer, brandy and whiskey and buy them in stores / self-service.
- Region: mainly of the Coast and in smaller amount of the Insular region.

2.6 Quality in the Industrial Sector

Ecuador is managed through the National Quality System to promote a synergistic and coordinated operation of the actions carried out by public and private entities, consolidating mechanisms that promote quality and demonstrate compliance with the standards established at the national level. as an international.

This system and all related entities seek to create measures to strengthen the legal framework of the Ecuadorian Quality System by optimizing compliance with the Law of the Ecuadorian Quality System, as well as activities such as the adoption and adaptation of international standards, issuance of regulations and regulations obligatory techniques, promotion for the designation and accreditation of new laboratories, and actions aimed at permanent monitoring and control.

Precisely in order to strengthen government action, a national annual Quality Plan is created, where a general analysis of the current situation is presented, to later establish a guide of the main actions identified as keys for the adequate construction of the route towards quality.

The 2018 national quality plan determined five strategic axes: Standardization, Metrology, Conformity Assessment, Accreditation and Quality Promotion.

INEN Standards

At the international level, standardization is a task that is carried out through various specialized agencies in different areas that may have an international, regional, national or association or company scope. These organizations generate standards to, on the one hand, promote and facilitate trade and ensure business productivity and quality in manufacturing, and, on the other, protect and meet the minimum needs of consumers.

Ecuador also manages a technical standardization to establish the requirements that must be met by the products and services that are marketed, the test or test methods by which the compliance of these is evaluated, ideal standards that must be met by the manufacturing processes or delivery of products or services and management systems for their development and improvement.

Standardization has two edges, one that is constituted through normative documents of voluntary application, which are a reference to manage, measure and achieve quality throughout the entire production chain; and another, established through the technical regulations issued by the control instances where the normative documents are referenced that have the purpose of obliging the fulfillment of the minimum necessary in the characteristics and / or specifications of the processes, products or services with the to protect and promote health, safety of people, preservation of the environment, and protect the consumer from deceptive practices.

Finally, in Ecuador, the entity responsible for the development and dissemination of technical regulations is the Ecuadorian Normalization Service (INEN); the same one that must coordinate with the different instances of control and with the interested actors, in order to determine the national priorities for the development of the Ecuadorian technical standards, (Ministry of Industries, 2018) then the list of the set of normative documents valid for alcoholic beverages in the country:

CATALOG OF CURRENT NORMATIVE DOCUMENTS

SECTOR	SUBSECTOR	TYPE OF DOCUMENT	DOCUMENT NUMBER	REVISION	TITLE
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	338	4	ALCOHOLIC BEVERAGES DEFINITION
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	340	2	ALCOHOLIC BEVERAGES DETERMINATION OF THE METHYL ALCOHOL CONTENT METHOD OF THE GLASS ALCOHOLMETER
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	341	0	ALCOHOLIC BEVERAGES DETERMINATION OF THE ACIDITY
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	342	0	ALCOHOLIC BEVERAGES DETERMINATION OF ESTERS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	343	0	ALCOHOLIC BEVERAGES DETERMINATION OF ALDEHYDES ACIDS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	344	0	ALCOHOLIC BEVERAGES DETERMINATION OF FURFURAL
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	345	0	ALCOHOLIC BEVERAGES DETERMINATION OF SUPERIOR ALCOHOLS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	346	0	ALCOHOLIC BEVERAGES DETERMINATION OF DRY ABSTRACT
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	347	1	ALCOHOLIC BEVERAGES DETERMINATION OF METHANOL
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	348	0	ALCOHOLIC BEVERAGES DETERMINATION OF ASHES
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	349	0	ALCOHOLIC BEVERAGES DETERMINATION OF RELATIVE DENSITY
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	350	0	ALCOHOLIC BEVERAGES DETERMINATION OF TASTING
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	351	0	ALCOHOLIC BEVERAGES DETERMINATION OF POTASSIUM IN WINES
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	352	0	ALCOHOLIC BEVERAGES DETERMINATION OF PHOSPHATE IN WINES
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	353	0	ALCOHOLIC BEVERAGES CHLORIDE DETERMINATION IN WINES
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	354	0	ALCOHOLIC BEVERAGES DETERMINATION OF SULPHATE IN WINES
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	355	0	ALCOHOLIC BEVERAGES DETERMINATION OF GLYCERIN IN WINES
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	356	0	ALCOHOLIC BEVERAGES DETERMINATION OF TOTAL SULPHUROUS ANHYDRIDE
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	357	0	ALCOHOLIC BEVERAGES DETERMINATION OF FREE SULPHUROUS ANHYDRIDE
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	358	0	ALCOHOLIC BEVERAGES DETERMINATION OF TOTAL SUGARS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	359	0	ALCOHOLIC BEVERAGES DETERMINATION OF FREE SPACE
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	360	0	ALCOHOLIC BEVERAGES DETERMINATION OF ALCOHOLIC DEGREE
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	361	0	ALCOHOLIC BEVERAGES DETERMINATION OF HYDROCHLORIC ACID
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	362	0	ALCOHOLIC BEVERAGES AGUARDIENTE DE CAÑA
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	363	0	ALCOHOLIC BEVERAGES RON REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	364	0	ALCOHOLIC BEVERAGES GIN REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	365	0	ALCOHOLIC BEVERAGES WHISKY REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	366	5	ALCOHOLIC BEVERAGES BRANDY REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	367	5	ALCOHOLIC BEVERAGES VODKA REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	368	1	ALCOHOLIC BEVERAGES ANISADO REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	369	3	ALCOHOLIC BEVERAGES WINES CLASSIFICATION AND DEFINITIONS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	370	3	ALCOHOLIC BEVERAGES WINES REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	371	5	ALCOHOLIC BEVERAGES FRUIT WINES REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	372	4	ALCOHOLIC BEVERAGES ETHYL ALCOHOL OF AGRICULTURAL ORIGIN
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	373	2	ALCOHOLIC BEVERAGES DETERMINATION TIME OF PERMANGANATE
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	374	4	ALCOHOLIC BEVERAGES WINES DETERMINATION OF THE TOTAL ALKALINITY OF THE ASHES
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	375	3	ALCOHOLIC BEVERAGES ACID DETERMINATION
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	1546	3	ALCOHOLIC BEVERAGES ETHYL ALCOHOL RECTIFIED EXTRA NEUTRAL
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	1547	0	ALCOHOLIC BEVERAGES SPIRITS REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	1675	0	ALCOHOLIC BEVERAGES LABELED
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	1837	1	ALCOHOLIC BEVERAGES DETERMINATION OF CONGENERIAL PRODUCTS BY GAS CHROMATOGRAPHY
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	1933	2	ALCOHOLIC BEVERAGES CONTROL OF AGING REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	2014	1	ALCOHOLIC BEVERAGES BEER REQUIREMENTS
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	2015	1	ALCOHOLIC BEVERAGES BEER ALCOHOL DETERMINATION
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	2262	1	ALCOHOLIC BEVERAGES BEER DETERMIANTION OF TOTAL ACIDITY
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	2322	0	BEVERAGES ALCOHOLIC BEER CARBON DIOXIDE DETERMIATION AND AIR
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	2323	0	ALCOHOLIC BEVERAGES BEER DETERMIANTION OF THE PH
AGRICULTURE AND FOOD TECHNOLOGY	FOOD TECHNOLOGY	NTE INEN	2324	0	ALCOHOLIC BEVERAGES BEER ARSENIC DETERMINE

Source: (Ministero de Industrias, 2018)

Technical Regulations in Ecuador

Technical regulations include the preparation, adoption and application of technical regulations necessary to safeguard the objectives related to safety, health of human, animal and plant life, preservation of the environment and consumer protection against deceptive practices. The technical regulations must be prepared and issued by the different entities of the central, provincial and municipal governments within the scope of their respective competences and the objectives they seek to achieve. The following is the latest modification to the technical regulations for alcoholic beverages:

- NTE INEN 1837 (Alcoholic beverages, ethyl alcohol of agricultural origin, requirements) Third revision.
Application character: VOLUNTARY
Description: Establishes the requirements for ethyl alcohol of agricultural origin to be used in the elaboration of alcoholic beverages.

Metrology

Metrology is the science that is responsible for the measurements; and, within the National Quality System, it is one of the most relevant pillars because through it the necessary mechanisms are structured and applied to ensure the accuracy and reliability of the measurements, as a result of the periodic calibration of the different industrial equipment as of the laboratories, whose tests constitute the evidence for the certifications.

Accreditation and certification are key processes within the Quality System. Accreditation through procedures established and recognized at international level, evaluates the technical competence, transparency and independence of the entities dedicated to conformity assessment, ensuring that they comply with the standards established based on international standards, which allows guarantee trust and credibility.

Certification on the other hand, is the process that evaluates competences of people, processes (management systems), products and / or services taking as reference the technical norms or in their defect the technical regulations. The national accreditation body in Ecuador is the Ecuadorian Accreditation Service SAE set to the Ministry of Industries, Production and Operations MIPRO, as well as the Health Regulation and Control Agency ARCSA and the Ministry of Foreign Trade important referents for the food industry and drinks. (Ministry of Industries, 2018) Following the issued certifications:

Table 5 Summary of Industrial Sector Certifications

ENTITY	NORMATIVE	CERTIFICATION
Ministry of Foreign Trade	Ministerial Agreement No. MCPEC2016-046 through which the MCPEC, delegates to the Undersecretary of Management and Institutional Efficiency to make the subscription of the licenses of use of the trademarks called "Ecuador Primero"	License for the use of the brand "Primero ecuador": The main objective of the PRIMERO ECUADOR brand is to identify national quality production, encourage the development of added value among others to contribute to the creation of a national industry valuation culture.
Regulation Agency and Sanitary Control - ARCSA	Uniform sanitary technical regulations for processed foods, food processing plants, distribution establishments, commercialization, transportation of food and collective food establishments.	Certificate of Free Sale (CLV): A national food product with Sanitary Notification or processed foods that have been registered by the production line certified in Good manufacturing practices. This is a record that is a requirement requested by countries where the product(s) is exported.
Regulation Agency and	Uniform sanitary technical regulations for processed foods,	Batch Guarantee Certificate

Sanitary Control - ARCSA	food processing plants, distribution establishments, commercialization, transportation of food and collective food establishments.	To national food products that require it for export, bromatological and microbiological analyzes must be carried out in ARCSA laboratories or laboratories accredited by the competent authority, and authorized by ARCSA. This is a record that is a requirement requested by countries where the product(s) is exported.
Regulation Agency and Sanitary Control - ARCSA	Uniform sanitary technical regulations for processed foods, food processing plants, distribution establishments, commercialization, transportation of food and collective food establishments.	Certificate of Good Manufacturing Practices (GMP): The certification of Good Manufacturing Practices is voluntary and aims to provide producers with the necessary tools to ensure that production processes meet the minimum standards necessary for the safety of food. . The certification is made based on the ARCSA standard through the conformity assessment bodies accredited by the SAE. The ARCSA registers these certificates.
Source: (Ministerio de Industrias, 2018)		

There are a number of certifications and accreditations applicable to the alcoholic beverages sector depending on their mode of operation in terms of manufacturing methods and management, however the list below describes the most used at national level:

Table 6 Applicable Certifications of the Industrial Sector

ISOS	Quality Management Systems
•ISO 9001	•Quality management system
•ISO 14001	•Environmental management system
•ISO 22001	• Food safety management system
•ISO 6716010	• Occupational health and safety management system
•OHSAS 18001	

It is necessary to indicate that the Undersecretary of the Quality System through the Directorate of Quality Services provides technical assistance to the industrial sector at a national level with the objective of supporting free of charge in the implementation of systems or models of quality management to companies that demonstrate your interest in receiving this service, in order to improve the quality of the products that these offer in the national and international market a very useful alternative for the case of the company "Zenzero".

Conformity Assessment

The evaluation of conformity to the food and beverages sector in Ecuador is carried out according to the needs and requests issued by:

- * Orders and specific complaints from the industrial sectors, associations or associations.
- * Denunciations from SENAE.
- * Orders and procedures performed by the INEN.
- * Ex officio, in compliance with the Annual Control and Surveillance Plan.
- * By request of other undersecretaries of MIPRO.

In addition to this, the sector must participate in the "Consumer Attention Platform" for consumer complaints and queries, which implies a greater knowledge of consumers regarding their rights.

Dissemination of the Quality System

The Undersecretary of the Quality System through the Directorate of Quality Services has considered, as a dissemination mechanism to create a culture of quality in the population, to ally with the Academy. In this sense, the National Quality System has been socialized teachers or teachers in order to increase the culture of quality.

Legal Framework of Quality in Ecuador

1. Constitution of the Republic of Ecuador, which establishes the basic principles that will govern for safety, the protection of life, human, animal and plant health, the preservation of the environment and consumer protection against deceptive practices. Likewise, the basic principles aimed at promoting the production of goods and services with quality are established.
2. National Development Plan 2017-2021, "A lifetime", which is based on the achievements of the "last 10 years" and highlights the existence of new challenges to be achieved, around three main areas: rights for all during the whole life; economy at the service of society; and, social and state capacities, to have a stronger social fabric and a democratic State for the common good, which is projected towards the 200 years of republican life.
3. Industrial Policy of Ecuador 2017-2025 that revolves around five pillars: increase productivity, generate quality processes, facilitate innovation dynamics, promote investment and promote new marketing markets.
4. Law of the Ecuadorian Quality System (2007) and its current Regulation (2011); the same ones that present the general and institutional framework for the organization of the national quality system in Ecuador. Likewise, it establishes the

basic principles that govern quality in the country, as well as the mechanisms of action to assess compliance and to sanction non-compliance.

5. Organic Law of Consumer Protection (2000) and its Regulations (2001); through which the consumer's rights are determined, as well as the general framework and the institutional organization destined to protect the consumer against deceptive practices, as well as to correct and sanction said practices.

6. Resolutions of the Interministerial Quality Committee:

- * Resolution no. 006-2014-CIMC (Resolution 001-2013-CIMC is modified, the General Ecuadorian Framework is issued for the evaluation of conformity and the Procedures Manual prior to the nationalization, commercialization and surveillance in the market in all its stages for the goods produced, imported and marketed subject to Ecuadorian technical regulations).

- * Product Certification

- * Internal Regulation for the Functioning of the Interministerial Quality Committee (2016).

- * Guidelines for the application of traceability as a mechanism for determining compliance with the Ecuadorian technical regulation (2014).

- * Guideline for the creation of the Ecuadorian system of guarantee of commercialization of safe products (2014).

- * Regulation for the organization and operation of the national calibration system and the Ecuadorian metrological networks (2017).

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- * Ecuadorian general framework for the importation of proficiency test samples / interlaboratory comparisons and certified reference materials for use by laboratories or research centers (2014).

* Decision No. 817 published in the Official Gazette of the Cartagena Agreement on "Special Customs Treatment of Standards, Measuring Instruments, Reference Materials, and Proficiency Testing Items among the Andean Community Member Countries and with Third Countries (2017).

* Resolution 17 071 regulation for the organization and operation of the National System of Calibration and the Ecuadorian Metrological Networks with Official Registry 969 of March 23, 2017.

III CHAPTER THREE COMPARATIVE ANALYSIS OF COMPANIES

"The most powerful tool we have, our main asset, is the ability to learn. In this life everything is decided and everything is learned. The best way to learn is by learning from the best" (HERNÁNDEZ ALCAIDE, 2013). Based on that, this research includes an analysis of example companies to follow for "Zenzero". This study is based on international companies that operate globally and regionally, as well as national companies with local and international success; all of them dedicated to the sale of beverages.

3.1 International Companies

3.1.1 Diageo PLC

Diageo PLC is a leading alcoholic beverage company worldwide. Today it is considered the largest multinational beverage provider in the world following the development and production of famous brands such as Johnnie Walker, Guinness, Smirnoff, Bailey's, Tanqueray Gin or Captain Morgan. Other brands of alcoholic beverages and beer of lesser scope are also part of this portfolio. This company also owns shares in several companies worldwide, such as José Cuervo S.A., exporter of leading Mexican Tequila, or Moët Hennessy, manufacturer and exporter of France's leading champagne and cognac.

Diageo PLC was founded in late 1997 from the merger of two recognized companies: Metropolitan and Guinness. Its name is an artistic word composed of the Latin word "dia" meaning day and the Greek word "geo" meaning "for the world". This combination comes to form the motto of the company: "Celebrating life, every day, everywhere". The initials PLC, mean "public limited company".



Figure 14 Diageo's Philosophy

Diageo is present in more than 180 countries. These markets are divided into organizational units: North America, Europe and the International unit that includes Latin America, the Caribbean, Africa, Asia and the Pacific. The company is listed on both the New York Stock Exchange (DEO) and the London Stock Exchange (DGE).

The brands distributed by Diageo are part of festivities around the world every day. However, it is not only the success of the brands but also the way in which they work within the company. The company has made great strides in the areas of diversity and integration, environmental impact and social commitment. The focus of its programs and campaigns continues to reduce the consumption of alcohol worldwide and raise awareness to strive for more responsible consumption (Diageo PLC, 2018). The following is a summary of its values expressed in axes:

Table 7 Diageo's Axes

Diageo axes of sustainability, governmental responsibility, and ethics	
Create a positive role in society	Reduce environmental impact
Diageo works constantly to address issues of abusive consumption and maintain a permanent focus on meeting the five Global Commitments of Beer, Wine and Spirits Producers.	By relying on the natural resources it shares with communities, the company works to reduce the impact of water use, carbon emissions, efficient packaging and waste disposal.
Create prosperous communities	High standards of governance and ethics
Diageo wants to continue being a great, safe, and friendly place with diversity for its people. The company builds sustainable supply chains and creates empowerment programs in communities to increase their access to growth.	The company looks for ways to strengthen its integrity by helping its people do the right thing. Within 30 days of joining the group, all employees must complete the Code of Business Conduct training to conduct legal and honest business.
Source: (Diageo Annual Report, 2018)	

The sale of alcoholic beverages is not the only operation of this global empire. Throughout its notable career, it has highlighted a lot of projects, programs and businesses, some of them include online and worldwide. The following is a summary from the year 2017, a year celebrating its twenty-year anniversary:

- In 2001, Diageo and Pernod Ricard acquired the Canadian liquor brand Seagram's. This acquisition led Crown Royal (Canadian Whiskey) and Captain Morgan Rum to become part of the Diageo family.

- The "Water of Life" program was launched in 2007 with the goal of providing drinking water and sanitation facilities to people throughout the African continent. Since its inception, the program has helped more than 10 million people in 21 countries.
- In 2008, the Nolet and Diageo family formed a joint venture to distribute Ketel One vodka. In the same year, it founded DRINKiQ, an online platform that informs consumers through demonstration graphics and explanatory texts in order to make responsible decisions about alcohol consumption (Drinkiq, 2018). In addition, the "#JoinThePact" campaign with the Johnnie Walker brand attracted five million volunteers who will never get behind the wheel while under the influence of alcohol. The objective is to reach a total of 50 million commitments by 2025. Finally, they executed the "Project Learning for Life" in Latin America and the Caribbean, a training program for bartenders in more than 40 countries and has reached more than 120,000 people (Diageobaracademy, 2018).
- In 2011, Diageo became the first global company to invest in fast-growing Chinese spirits called "White Spirits" by acquiring a stake in Shui Jing Fang. In the same year, it acquired Mey İçki, the leading liquor company in Turkey.
- In 2012, Diageo acquired Meta Abo Brewery in Ethiopia and Ypióca Cachaça in Brazil. In 2013, the acquisition of United Spirits Limited in India became a reality. Finally, it became the first liquor producer to sign the UN Women's Empowerment Principles.
- In 2015, Diageo acquired Don Julio Tequila. 2016 was a significant year, because it was named one of the 25 most diverse and inclusive companies in Thomson Reuters Diversity and Inclusion Index.

- Lastly, in 2017, the company acquired the producer of tequila Casamigos and celebrated the training of 1 million ambassadors guaranteeing responsible alcohol consumption as part of the DRINKiQ.com program (Diageo PLC, 2018).

Finally, Diageo maintains clear objectives for 2020. These are based on the commitment to act as a "good corporate citizen", with exemplary governance and ethics, respect for human rights, and a focus on the creation of shared values. The company will conduct its performance with a value chain based on interdependent relationships, from farmers who grow the ingredients, to employees and contractors, to retailers and stores that sell their products.

Division

Diageo is backed up by consumer trends by area, these at a general level present a diverse, profitable, and growing market.

The company expects 500 million new legal consumers in the next decade, half of which will come from India and Africa, which will be its developed markets segment. Around 730 million more consumers will be able to afford international-style spirits in the next decade, and 85% of this growth will come from the emerging-markets segment. Finally, the cultural aspect shows that the consumption of alcohol is an established custom with which people socialize and celebrate life. This reason allows the company to determine that the consumption is deeply rooted in the tastes and the customs in the segment of the local markets.

Understanding this, diversity anticipates and models the trends that are key to success in the market. Diageo is managed with different strategies for each area in which it works.

For example, the developed markets strategy is based on increasing the participation of spirits through categorization, while the emerging markets seek to support the "premiumization" of their drinks in addition to a selective delivery that takes part for both beers and spirits allowing affordable prices and thus access to the middle class consumer. Finally, the company uses perception and measurement to boost the performance of the brand by activating the most appropriate brands to meet the tastes and preferences of consumers in local markets.

While the population in developed markets is typically stable or grows more slowly than that in emerging markets, their level of disposable income is higher. Many consumers seek to drink "better, not more" as they aim to develop their tastes while maintaining a balanced lifestyle. This segment is prepared to pay a premium for high quality, waiting for brands with heritage and origin. Specifically, the category of international spirits, and within it the portfolio of reserves, offers these consumers the brands that connect with them and share their values.

From another angle, the number of people of legal age to purchase alcoholic beverages is growing globally, which means that the emerging markets will be pushed to a large extent. In addition, an increasingly rich middle class presents the opportunity to offer premium products to consumers. For this reason, conventional spirits are allocated to this segment without leaving aside affordable prices to aspire to an eventual progress towards international premium brands.

Finally, the company has increased its emphasis on local supply, including new bottling facilities in order to manage risk and plan contingencies. The business is strengthened through a better focus on local productivity (Diageo Annual Report, 2018).

Positioning and Strategy

For the company, standards are everything, from how it produces and markets brands, to how to innovate and sell, as well as the governance and ethics established in its Business Code of Conduct. The company always seeks to be flexible in selecting the portfolio of brands, mainly with the aim of capturing the best and possibly the only opportunity to engage the consumer in each market, and then subsequently invest directly in the most beneficial offers of growth for itself.



























Diageo is driven by business models for brands that allow it to act early with specific trends, supplying its brands in an efficient and effective way to ensure a quality supply with local production. The organization maintains its leadership by geographical location; that is to say, it selects those places that will generate most of the growth in the industry between the long and short term. Examples of this are the United States and Europe.

Part of these business models for brands is also the search for fame through the company's commitment to society. This search focuses mainly on supporting nearby communities, reducing environmental impact, and constantly innovating by addressing consumer knowledge.

Diageo PLC's Portfolio

Diageo has a broad portfolio with various categories, brands, and prices. It reaches the market through global and local brands as its products seek to satisfy different needs. Below the most recognized brands:

Table 8 Diageo's Portfolio

Global giants ⁽ⁱ⁾					
Our business is built around our six biggest global brands.					
					
Local stars ⁽ⁱⁱ⁾			Reserve ⁽ⁱⁱⁱ⁾		
Can be individual to any one market, and provide a platform for our business to grow.			Exceptional spirits brands at above-premium price points to capture the global luxury opportunity.		
					
					
					
					
Source: (Diageo Annual Report, 2018)					

"Health has gained prominence in the minds of today's consumers," Diageo North America director Deirdre Mahlan told a conference. "Every day we see new statistics and articles on healthy eating, the ills of sugar and the need to spend less time sitting," which has made the company look for new alternatives.

Today, Diageo is testing healthier versions such as a lactose-free Baileys and gluten made with almond milk, or a line of Smirnoff vodka flavored with fruit juice that, according to

the company, does not have gluten or corn syrup, a substance with high level of fructose (CHAUDHURI, 2016). In conclusion, the portfolio is in constant innovation.

Labeling and Packaging

The company is committed to placing labels with nutritional information on its bottles detailing the amount of calories, carbohydrates and alcohol level of each beverage. However, it does not detail the rest of the ingredients, which has caused several criticisms. Lately, and as already mentioned, the company is working to reduce its environmental impact; fair packaging and waste products related to the labeling and packaging of the products are points of focus.

Distribution Channels

Diageo has 143 production sites worldwide. Its markets are designated primarily as import markets; import and production of third parties, and import of property from local markets.

In addition, the company stands out for having a large participation in wholesale channels worldwide since having brands of premium drinks with high alcohol content and specialized stores in wines and liquors are its main selling points.

Diageo PLC Publicity

Diageo does not use its advertising solely to promote its products. The company is aware that as a global producer of spirits, it must actively participate in the fight against excessive and irresponsible consumption of alcohol. The company makes its contribution with

information and education campaigns worldwide using its know-how and years of communication experience.

Diageo applies differentiated prevention campaigns to reach the relevant target groups. Its publicity is not directed to minors, and for that reason it has imposed strict rules regarding the communication that it applies to promote its products. The company is one of the first in the world to develop the Diageo Marketing Code (DMC) where all advertising and sales activities are subject to strict internal regulations.

Part of the campaigns includes 18+, which in some countries like Germany, became quite successful and collaborated with the implementation of the Youth Protection Law. 18+ is based on two central pillars. On the one hand, providing computerized training to cashier employees that sell alcoholic beverages, and on the other hand, developing a warning system in the cash register that interrupts the purchasing process when an item that requires child protection is scanned, which became effective with the implementation of an audible and visual signal (Diageo PLC, 2018).

Diageo is also managed through partnerships with other interested parties. In 2017, for example, a program began in more than 60 countries aimed at reducing deaths and injuries caused by traffic accidents in association with the United Nations Institute for Training and Research (UNITAR). The company focused on reviewing road safety in those countries with the highest rates of death rates due to traffic accidents: Mexico, Nigeria, South Africa and South Korea.

Another example was the presentation of a video called 'Decisions' with the Johnnie Walker brand. This places viewers in a broad perspective of the driver's seat and their experience in a traffic accident in order to make them understand how a wrong decision can have devastating consequences. Johnnie Walker posted the video “Decisions 360°”

online and was seen more than 14 million times. This supported the attraction of 3.1 million consumers pledging never to drink and drive, and secured about 1.8 million kilometers of safe trips home.

Finally, in March 2017, the company developed a new e-learning program compatible with mobile devices. This program was part of the DRINKiQ training. All of this helped to exceed the goal of reaching one million adults with training materials that allow them to become sponsors of the responsible sale of alcoholic beverages worldwide (Diageo Annual Report, 2018).

Marketing and Strategy

Finally, it is appropriate to start from the understanding that Diageo seeks to really understand the global consumer for which it has developed its own marketing and innovation skills. Today, it has more than 200 brands, which thanks to these skills, are powerful brands and capable of playing a positive role in society. The company has business models that apply specific strategies for each country, satisfying the needs of the consumers in each market.

Diageo world-class marketing means not only responsible marketing, but also the marketing of responsible consumption. The company aims to change the attitudes and behavior of the consumer, but recognizes that it cannot achieve a change in behavior or culture only on its own, so it looks for opportunities to work in collaboration with others.

The latest Diageo Marketing Code incorporates an updated orientation, which reflects the rapid evolution and innovation of the use of digital and social media, as well as the commitment to stay at the forefront of effective self-regulation. This responsibility has to

do with the principles and spirit that sustain the code, regardless of the means of communication. This code applies to all activities aimed at marketing its beverage brands. Below is a summary of the code:

1. LAWS, CODES, AND POLICIES

- Diageo marketing should:
- Comply with all of the laws, regulations, and industry codes, and with all of the other codes and policies pertinent to Diageo.
- Comply with the spirit of all of the national laws, local regulations, and self-regulation codes as well as the additional or stricter requirements.
- Comply with all other relevant Diageo codes and policies (Business Code of Conduct, Digital Code, Policy for Responsible Research, and Consumer Information Policy).

2. ABSTINENCE

- Always show respect to those who choose to abstain from alcohol. The company always respects this individual choice, and is aware of local values and sensitivities in this respect.
- It will not present the abstinence or moderation of alcohol in a negative way, nor will it imply that it is not correct or it is absurd to refuse a drink, even in a humorous way.
- The promotions in the consumption centers or points of sale will never pressure anyone to drink.

3. ATTRACTION FOR ADULTS

- Being aimed only at adults and never targeting people under the legal age of purchase of alcohol, Diageo's policy is never to direct its marketing activities to people under the age of 18.
- Do not use any image, symbol, type of language, gesture, music, cartoon character, person, entertainment/sports celebrity, hero, prize, or promotional gift that primarily attracts minors under the LPA (Legal Purchasing Age).
- It will not associate its brands with the achievement of "initiation rites" to adult life and will place its marketing in the media and events only where it is reasonably expected that 70% or more of the audience is greater than the LPA.
- Diageo brands should not be used to sponsor sports, celebrities, or events that primarily attract people under the LPA.
- We will only place our marketing on third-party sites where at least 70% of the visitors to that website are greater than the LPA, and all Diageo brand websites must contain an age confirmation mechanism.
- The people who participate in the promotions of our brands for wholesale/retail trade must have an age equal to the LPA or greater.
- No market or consumer research will be commissioned or performed by Diageo among people under the LPA.
- "LPA: the legal purchasing age of alcohol," or 18 years in places where there is no LPA or when it is under 18 years.

4. RESPONSIBLE CONSUMPTION

- Only represent and promote moderate and responsible consumption; never represent, tolerate, or encourage excessive or irresponsible consumption, and do not refer in any way favorable to the effects of intoxication.
- Promotions for consumer centers or points of sale will encourage responsible consumption and will not support activities that encourage excessive consumption.
- Responsible drinking reminders (RDRs) are clearly evident in all ATL advertising for our brands. This includes television, film, radio, open air, digital, print, and any other ATL advertising activity.
- When legally permissible, all new and secondary back labels (on products owned by Diageo of 200 mL or more) should include "DRINK RESPONSIBLY" (or corresponding translations) and refer to Diageo's responsible online consumption resource: DRINKIQ.com
- Each Diageo brand website must include at the bottom of each page a link to Diageo's responsible online consumer resource: DRINKIQ.com

5. ALCOHOL CONTENT

- Through packaging, websites, and other appropriate channels, provide clear, objective, and neutral information about the alcohol content of our brands and beverage recipes, when permitted by law.
- Never present high alcohol content as the dominant theme or the main rationale for any product or marketing innovation.

Source: Personal elaboration *Illustration 15 Diageo Marketing Code*

<p>6. FUNCTIONAL, PERFORMANCE, THERAPEUTIC, OR HEALTH BENEFITS</p> <ul style="list-style-type: none"> • Do not imply that our brands offer any healthy, therapeutic, dietary, functional, or performance benefits. • Do not imply any energy or resistance benefit, nor that alcohol is the catalyst for any change in mood. • Do not show or target pregnant women. • Do not imply that drinking increases virility, mental capacity or performance, skills, or strength.
<p>7. SOCIAL AND SEXUAL SUCCESS</p> <ul style="list-style-type: none"> • Do not show or imply that drinking is necessary to achieve social or other success, to overcome inhibitions, or to be socially accepted. • Do not show or imply that drinking increases sexual attractiveness or is a requirement for sexual success. • The use of implicit sexual activity, seduction scenarios, and prizes or gifts that violate the spirit of these provisions should be avoided.
<p>8. DRINKING AND DRIVING AND OTHER POTENTIALLY DANGEROUS ACTIVITIES</p> <ul style="list-style-type: none"> • Only show alcohol consumption in safe and appropriate circumstances. • Never show consumption of alcohol before or during the driving of motor vehicles, the operation of machinery, or any other activity or similar situation. • This provision does not apply to non-alcoholic brands, unless the name of the brand contains or may be associated with an existing alcohol brand.
<p>9. ANTISOCIAL OR INAPPROPRIATE ASSOCIATIONS</p> <ul style="list-style-type: none"> • Do not represent or suggest any form of association with antisocial or illegal behavior. • Do not represent or suggest any form of association with violence. Do not represent or encourage the consumption of tobacco.
<p>10. GOOD TASTE AND DECENCY</p> <ul style="list-style-type: none"> • Reflect contemporary and generally accepted standards of good taste and decency. • Be judged from the perspective of society in general, both locally and globally. • Be sensitive to local and cultural diversity.

Source: Personal elaboration

Figure 15 Diageo Marketing Code Continuation

This includes, but is not limited to:

- Consumer planning and market studies; brand innovation and products; brand names and packaging; commercial advertising and sales materials; marketing and experiential events; names of cocktails and drink recipes.

- Advertising for the consumer, public relations (PR), relational marketing, digital, mobile and social media, brand entertainment programs, sponsorships and brand merchandise, promotional activities for commerce.

The code collaborates to promote initiatives of responsible consumption with: DRINKiQ, previously mentioned through the exchange of tools of best practices, information, and initiatives (DRINKiQ, 2018).

The code is not the only way to manage its marketing internationally. The company also creates potential in specific aspects in its sales for each segment of each country, and later looks at case studies with the most successful strategies in 2017.

The brands of the company are nothing without their history. The client is loyal to them mainly because of the legacy they remember in their head, and this is what Diageo seeks to maintain in their marketing strategies. Creating advertisements that remember years of tradition and permanent quality, famous phrases, traditional manufacturing places, distilleries, colors, and logos all add to the image ready to be recorded in the mind of the consumer.

Diageo has kept many brands from generation to generation, coming into contact with feelings, emotions, and memories of people. This is why choosing celebrities and advertising spots for each brand is highly selective.

Finally, without diminishing importance, it is necessary to mention the company's technological resources. Diageo has a digital interface called Catalyst, which allows it to ensure the effectiveness of its marketing operations with immediate information. This tool collaborates with generating the sum of money suitable to invest for each brand according

to their minimum expected performance after analyzing the results of the application of previous marketing plans.

In addition, the possible impact of each planned activity is found below. All this undoubtedly results in a much more accurate and progressive ability for the development of marketing in the company.



Source: Personal elaboration

Figure 16 Diageo's Milestones



Source: Personal elaboration

Figure 17 Diageo's Milestones Continued

In short, all Diageo creation is the result of a meticulous analysis that takes into account cross-cultural and population features, numbers and statistics, trends, and emotions, always thinking about the need to maintain a healthy relationship with alcoholic beverages and highlighting moderation and responsibility.

3.1.2 Mexican Economic Development (FEMSA)

In 1890, four Mexican entrepreneurs were responsible for starting the Mexican beverage manufacturer and bottler. It all started at the Cuauhtémoc brewery with 100,000 pesos and 72 employees, becoming the second Coca-Cola bottler worldwide with 10% sales, and at the same time, distributing all its brands in Latin America, reaching the top in front of others in the region with 40% of the market.

In addition, it maintains another type of business, owning the largest retail chain called Oxxo, which today is one of the most promising thanks to Oxxo Gas, a chain of fuel service stations. It also has a division of health and pharmacies, logistics consulting, and a set of strategic businesses. FEMSA is present in nine countries in the region with at least 215 million consumers and 150,000 employees.

Like other companies, FEMSA has quietly selected investment opportunities. FEMSA owns 20% of the Heineken Group as its second largest shareholder. It has also acquired Panamerican Beverages (Panamco), Jugos del Valle, Refrigerantes Minas Gerais, Agua de los Ángeles and Agua Brisa. Currently, the entire portfolio includes a wide variety of soft drinks, juices, waters, and energy drinks. Finally, thanks to its strategic business management, the company has managed to offer refrigeration and plastics services (FEMSA, www.femsa.com, 2018).

As for its business model and management, it is managed by linking the work of each area to its business values; the impact of them is reflected in several actions. The following is a summary of them:

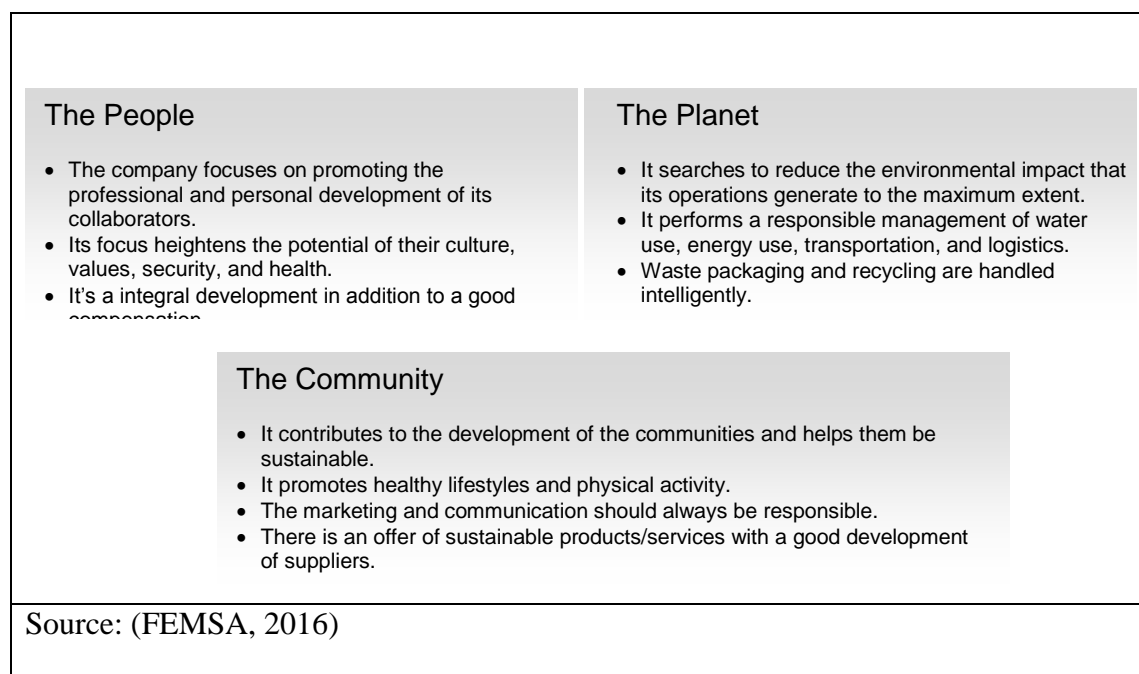


Figure 18 FEMSA Business Model

The actions of the company are not merely commercial; it also builds its image with relationships of mutual value with the related communities. A fragment of this is the Community Risk and Relationship Service Model (MARRCO), which is responsible for maintaining dialogue, collaboration, and trust in two-way communication with the communities in order to maintain the commitment to detect opportunities and risks.

This model is composed of a set of governance schemes, regulations, operating processes, and continuous improvement. The objective is to improve the environment in the long-term. The fields of action of this program are: water sanitation and hygiene and protection of natural resources; education about healthy habits and nutrition; and early childhood development (FEMSA, www.femsa.com, 2016).

Distribution

Like others of its size, FEMSA manages a distribution according to the geographic location in which it sells and the tastes and preferences of consumers in those places. It is managed with plants and stores by location, and then carefully selects new locations according to their behavior.

Another fact to highlight is that the company sells while thinking of the habitual behavior of its consumers; it modifies its products to meet specific needs according to customs and certain cultural features. For example, most beverages are produced thinking about consumption at home, consumption "on the go," and consumption in restaurants, bars, cinemas, hotels, receptions, etc.

In addition, it segments its market with the idea of creating a healthy image according to the latest trends and seeking to make some kind of future permanence in the purchasing of the brand among its casual and social customers (FEMSA, www.femsa.com, 2018).

Positioning and Strategy

FEMSA manages to create products from a sustainable business model, where social, environmental, and economic conditions are based on ethics. This model acts in conjunction with the company and the related interest groups to generate value with each brand.

The company graphs its way of functioning as a tree whose roots (the base axis) are their ethics and values, followed by the trunk and its branches (guiding axes) as its employees,

the planet, and the community with specific areas of action, and the canopy of the tree as the vision of positively transforming their communities through their products.

All this philosophy has led the company to remain at the top in the region, to grow and attract investors such as Bill Gates, who recently through Cascade Investments LLC, decided to buy shares. These types of decisions, ranks, benchmarks of other companies, interviews, publications, commercials, and statuses are clear signs of the confidence that exists towards the company. The company has committed to continue working and improving its strategy to continue generating more value to its shareholders, customers, and collaborators (FEMSA, 2007).


















In few words, FEMSA is a leading company, with clear strategies, methods, and lines of action that have allowed it to develop to the point of achieving loyalty and diversity.











FEMSA's Portfolio

FEMSA mainly offers non-alcoholic beverages, however, as mentioned before, the company itself has businesses in different branches. Undoubtedly, the most recognized brand of the company is Coca-Cola, especially the classic one, and to clarify all the others and its diversity, the following list describes the company's business and the brands belonging to each unit according to the following structure:

1. Coca-Cola FEMSA	2. FEMSA Commerce	3. Strategic Businesses
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Table 9 FEMSA Portfolio

Coca-Cola FEMSA and Estrella Azul	Brands		
 	 <p>Coca-Cola</p>	 <p>Coca-Cola Light</p>	 <p>Fanta</p>
	 <p>Fresca</p>	 <p>Sprite</p>	 <p>Sprite Zero</p>
	 <p>Powerade</p>	 <p>Ciel</p>	 <p>Ciel +</p>
	 <p>Ciel mini</p>	 <p>AdeS</p>	 <p>Santa Clara</p>
	 <p>Delaware Punch</p>	 <p>Powerade ION4</p>	 <p>Vitaminwater</p>
Source: (FEMSA, 2018)			

FEMSA Commerce	
Commercial Division Health Division Fuels Division	Brands
  	<div>    </div> <div>   </div> <div>   </div>
Source: (FEMSA, 2018)	

Strategic Businesses

Solistica, Imbera, PTM, Torrey, Cooking Depot y Procut.



Source: (FEMSA, www.femsa.com, 2018)

Labeling and Packaging

FEMSA fulfills a packaging process and labeling code according to the legal requirements of each country. One of its objectives is to maintain the efficiency and rigor in the labeling line as well as continue to innovate the design of its packaging according to trends of consumers in each nation.

The size, colors, nutritional information, design, additional information, and clear distinction against the competition are focuses of attention for the development of each brand. The company also contributes to the care of the environment by reducing waste and using more friendly materials in order to contribute to society.

Product Quality and Value

FEMSA's quality is taken from a holistic point of view. Not only its products demonstrate the quality of the company, but also its technical equipment, the sustainability of its management and processes, and the satisfaction of those who work for it. Quality is a philosophy that embraces the whole in order to optimize business performance and its growth in the short and long term.

Certifications for products, security, occupational health, safety, environmental responsibilities, and more are renewed and improved every year. All international standards are considered, ensuring continuous improvement and excellence.

Innovation

FEMSA Mexico seeks to innovate not only through its products, packaging, labeling, and presentation in general, but also invests in the renewal of processes and machines for production and bottling in each nation.

Undoubtedly, Mexico is one of the most representative places for the company so its plants are centers of constant modernization. For example, it was invested in PET technology, with a class of equipment that packages products with disposable materials to save space, and thus allowing it to meet more demanding levels of quality, greater ease of handling, and a greater commitment to sustainability.

In addition, the performance and speed of InnoPET Blo-Fill-Block allowed it to achieve a minimum energy consumption saving up to 40%, with simultaneous stability of the process and maximum availability, thus reducing the total operational costs as much as possible. All the equipment ensures the best hygienic conditions and a high flexibility.

Regardless of the shape and characteristics of the plastic bottles, the team was even allowed to devise new disposable containers for other segments of the market that are looking for cheaper options. Specifically, the creation of a 0.6-liter bottle has been gaining more popularity over time thanks to this system that is characterized by high accuracy of dosing and a precise start without loss.

Finally, this innovation has an accumulator table that guarantees the careful treatment of PET bottles and optimal use of operating surfaces. Acquisitions like this occur repeatedly, all of which has allowed FEMSA to act effectively in the face of growing demand and the

need to grow the business in both Mexico and Latin America (FEMSA, www.femsa.com, 2018).

Distribution Channels

Being a company whose way of working includes a diversity of business units by country, the distribution channels are widely varied. FEMSA is present in 12 countries and reaches more than 350 million people through stores, supermarkets, and other points of sale.

For example, through Oxxo, it reaches more than 12,000 stores thanks to a logistics management handled by the same company. This designs, operates, and gives results through comprehensive advisory in order to ensure competitive and sustainable practices and procedures.

One of the axes within these operations is the optimization of the use of fuels in transport, mitigating polluting emissions and toxic waste. FEMSA monitors its operations 24 hours a day, trains its employees, and hires technical experts in eco-efficient handling and management. The company also started using specialized transports for mountain routes two years ago, surpassing the traditional transportation of flat routes.

The company also seeks allies for its plans, as shown by the "Clean Transportation" program in Mexico. This is developed together with the Ministry of Environment and Natural Resources (SEMARNAT). Programs such as this one direct strategies, practices, and access to technology in order to efficiently transform all transport operations.

Another example is the recent creation of a pilot program between FEMSA and Amazon which would be used in Oxxo stores. The objective is to use these places as points of

reception of Amazon packages to be later picked up by the customer, and indirectly ensure the sale of a product in the store.

After all, FEMSA shows that the entire distribution system is the result of an organization that brings together several areas, and this entire network focuses on creating appropriate formulas for each place, lowering costs, and maintaining a good relationship with the environment without neglecting the efficiency and effectiveness of delivery.

Publicity

FEMSA's advertising is disseminated according to the segment of each brand. A clear example of this is Coca-Cola and its close relationship with the emotions and feelings it seeks to create in the consumer's mind. Festivities such as Christmas, New Year's Eve, and Valentine's Day among others make the brand modify its advertising, seeking to arrive with images that evoke emotions such as happiness, love, and well-being.

However, this does not apply to the other divisions. In the case of certain strategic businesses and other branches, the advertising evokes seriousness, results, and value for those who consider buying up and/or buying from a FEMSA trade.

Like the business philosophy, advertising is also responsible for communicating and recording achievements with the community and the environment. The name of the company is also used for the purpose of solidarity with people in one way or another affected by its management. In conclusion, the communication strategy is diversified to reach both the division that will buy FEMSA products and the one that could do so after having received some benefit for their community's initiatives.

Marketing and Strategy

Marketing is an extremely dynamic field for FEMSA. Their employees assure that they urgently need to use as many means as possible to change their strategy day by day. The tools surpass the mere use of propaganda on television or radio and large signs. Today, the FEMSA product stores must be equipped with other tools.

It is normal to look in stores and liquor stores and see a "video wall," a wall full of constantly changing advertisements, "kinect posters," or metallic and repetitive signs, and "sensor traffic analytics," which are devices that collaborate through cameras taking data from the kinds of consumers of each product. Marketing for FEMSA is extremely important, since it also creates a filter between the customer and the supply.

Outdoor advertising, BTL, digital media, meshes, events, activities, and the like are key to sales performance. It works on the fly and invites massive effectiveness.

Sports events such as the Olympics or international soccer tournaments are important sources of income for FEMSA in the beverage sector. Heineken, for example, aimed at the 2014 FIFA World Cup and its share grew greatly. With a purchase worth 3.8 billion Euros, the Dutch group not only secured a solid market position in Mexico, but also in Brazil, where the World Cup took place four years later.

Like advertising, FEMSA brand marketing is developed aiming at the attention of each strategic division. Each project is different and starts from the smallest to the largest to translate specific needs into advertising trends. For the Coca-Cola brand, for example, festive dates such as Christmas are synonymous with opportunity since it represents one of the stages where more work is done for the marketing area to be responsible for transmitting the magic of the holiday with its product.

The synergy between marketing and supply represents an improvement in delivery times and in the understanding of the characteristics, quantity, and quality that the customer expects.

From another point of view, having customers does not only mean the immediate consumer, but also authorized distributors and wholesale chains. For them, exhibitions about the business and investment opportunities are developed, where the portfolio of clients and suppliers grows, quarterly strategies are provided for each case, and feedback of the current events is received.

To finish this analysis of international companies, it is important to note that today the brands belonging to both companies deploy a series of marketing methods to use social networks. This will undoubtedly call attention to new government policies, as the emergence of platforms such as Facebook and Twitter changed the nature of digital beverage marketing, allowing greater freedom and proximity to reach the consumer.

Both kinds of sites, 'dotcom' and social networks, allow instant interaction and conversation between potential sellers and consumers, a key that brings together the efforts of companies to enter and invest more and more in this world.

Examples of these practices such as "in January 2011, Bacardi announced that it would spend up to one of its digital funds on Facebook, since it does not consider dotcom sites relevant" and "in 2011, the Diageo Digital Chief declared that the days of the luxurious £200,000 websites had ended, and later announced plans to intensify its multi-million-dollar partnership with Facebook," clearly demonstrate the turnaround of marketing in beverage companies worldwide.

One study revealed clear patterns in branding strategies in digital media, where the most prominent were links to the real world, interactive games, sponsored online events, and invitations to drink. Media marketing adds a new dimension as marketing specialists are not only allowed to stimulate conversations about brands, but also to observe, analyze, and direct those conversations in real time.

All this has given marketers the ability to incorporate activities related to the brand in routine participation in social networks monopolizing a large number of people, and encouraging more routine consumption. It is important to consider that companies today must plan in front of possible new norms of publicity in social networks and to the general attention of regulatory frameworks (NICHOLS, 2018).

3.2 National Companies

3.2.1 Azende Corporation

Azende is a company based in Ecuador that is dedicated to the production and sale of beverages, as well as the distribution of diverse products. Its own brands include Zhumir liqueur, Liova vodka, and Vivant bottled water.

The origins of the Azende Corporation are linked to the Paute Valley in Ecuador. It has been working since 1966; started as La Playa Distillery and later called Zhumir Distillery until 2010 when it changed its corporate name to Azende Corporation.

Today, it is one of the largest companies in the area of liquor production. It also has a non-alcoholic beverage production plant in Guayaquil that produces the Nestea beverage

nationwide, and diversifies into the Zhumir Distillery and the JCC Distributor to reach national and international markets.

It is important to mention its structure. The handling of its management is divided into several divisions depending on two strategic directions: the operations direction and the commercial direction.

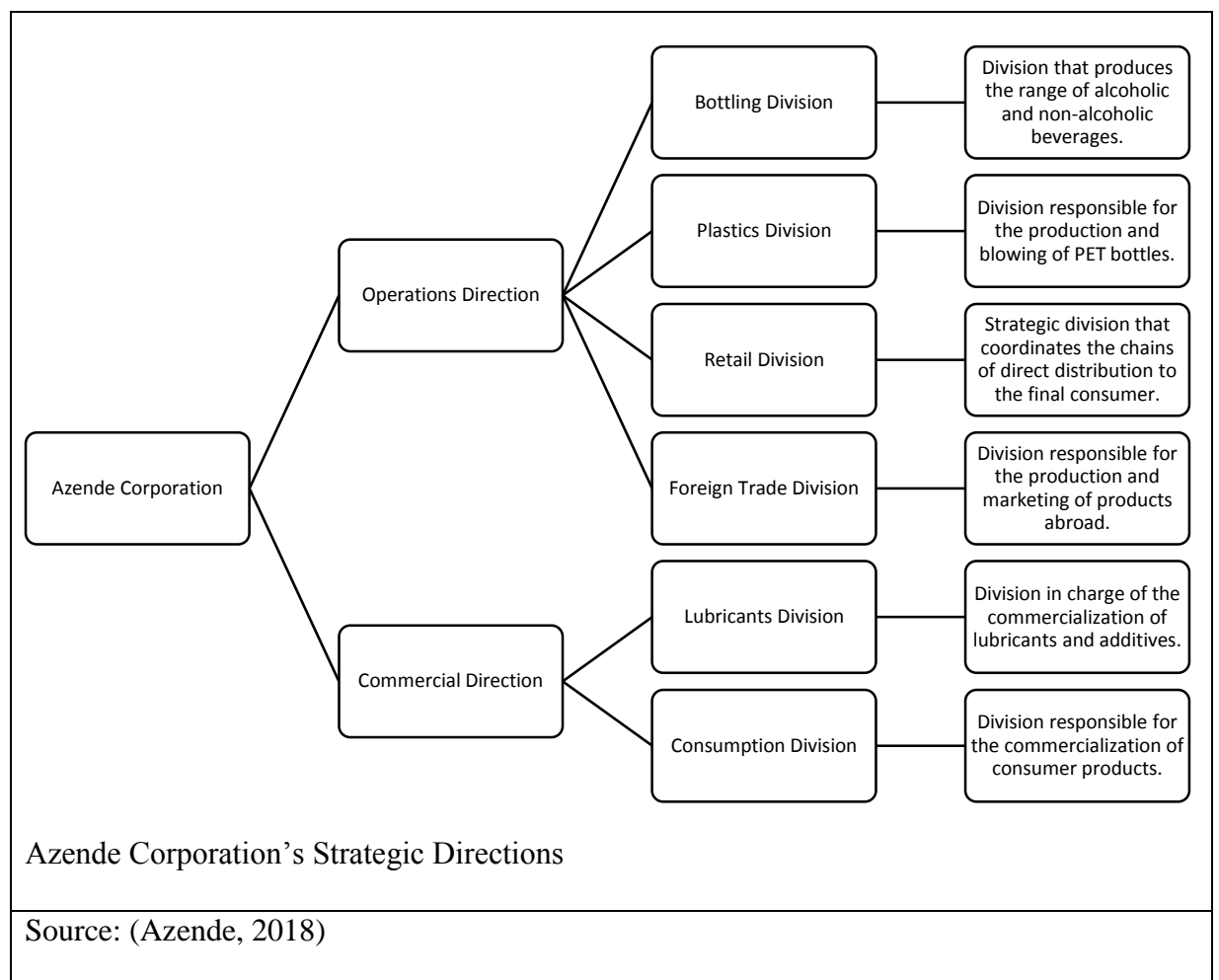


Figure 19 Azende Corporation's Strategic Directions

The company exports its products, which are mainly alcoholic beverages, to Spain, Colombia, Uruguay, Peru, and the United States, and has opened production plants in Peru and Colombia in 2003 and 2005 respectively.

Values of the corporation:

1. Nourish- Excellence is nourished every day. Absorbing new skills and knowledge, providing prosperity, wellbeing, and evolutionary tools to those who are part of the corporation.
2. Innovate- Creation and constant renewal. The permanent search for our own and not yet explored ways to develop experiences and sensations fills us with satisfaction, and these translate into progress towards the established quantitative and strategic objectives.
3. Grow- Establishing and reaching goals, promotion, and evaluating achievements and using the conclusions to continue advancing down the path of business excellence are elements that allow the corporation to remain in perpetual evolution.
4. Diversify- Expanding horizons and multiplying opportunities through the offering of products and services in the markets it serves allow the corporation to advance in the expansion and differentiation that it has proposed.
5. Assume responsibility- Azende cultivates in each one of its members the responsibility towards the families that integrate it, towards the community, and towards the environment. Because only when it is given, it is also received. Completing the cycles, we all grow together in harmony and mutual respect (Azende Corporation, 2018).

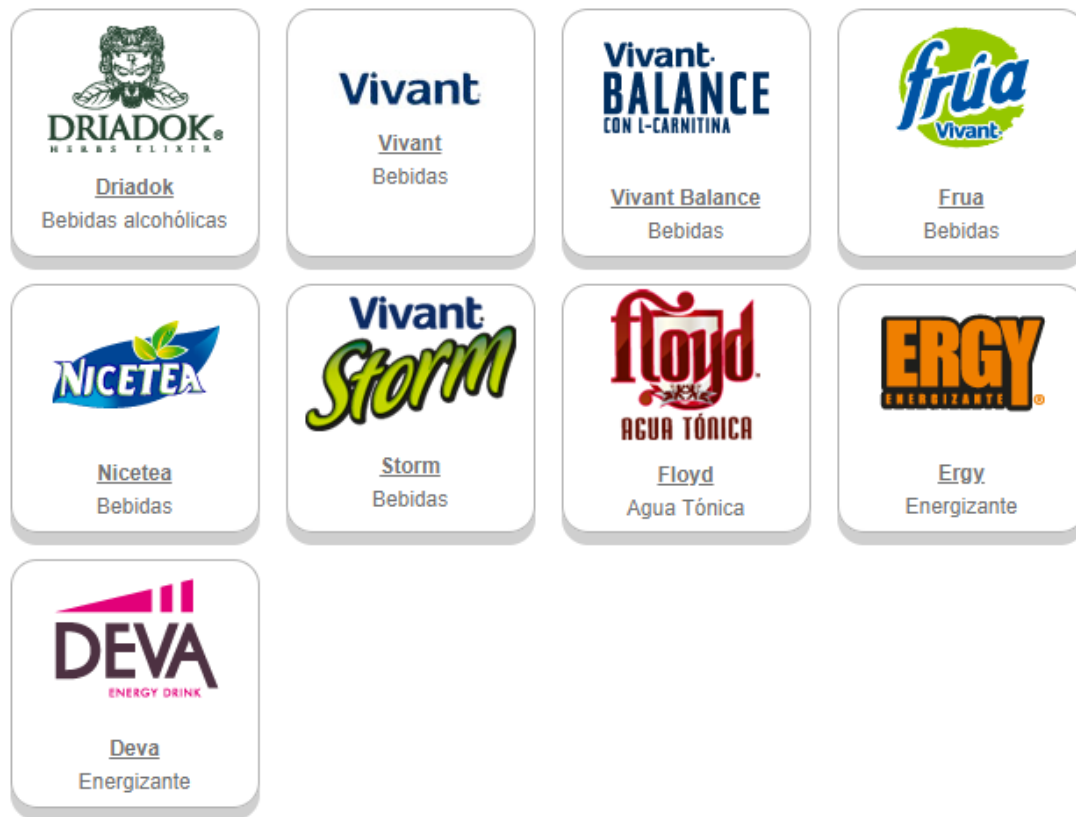
Azende's Portfolio

The portfolio is spread out with the offering of alcoholic and non-alcoholic beverages. It has a set of own brands, some with a long history and others relatively new and growing.



Source: (Azende Corporation, 2018)

Figure 20 Azende Corporation's Portfolio



Source: (Azende Corporation, 2018)

Figure 21 Azende Corporation's Portfolio Continued

Finally, in order to provide more specific and detailed information about the corporation, an interview was conducted with Liliana Urdiales, Branding Manager in the same corporation. The interview collaborated with data that contributed scope and clarity to this research in the areas of division, positioning, quality, and marketing. The following is the development of questions and answers:

About the Company

What kinds of labor policies does the company have? What distinguishes it from other companies?

- Labor policies are strictly governed by the respective regulations, within a framework of respect and camaraderie that encourages employees to create their own challenges for their own benefit and for the business' benefit.

How is the liqueur and spirits market handled in Ecuador?

- They are very competitive markets; we compete in different categories where the most recognized are: brandy, rum, whiskey, vodka, gin, ready-to-drink, sangria, wines, Zhumir, being our main brand, has a 29% share compared to other categories of alcoholic beverages.

Where do they work? What is the geographic area to which they sell?

- We sell our portfolio of alcoholic beverages throughout Ecuador. Through our logistics operator Azendelog, we reach 60,000 points of sale distributed throughout the country, which are divided into the different types of alcoholic beverages that we market. In addition, we export Zhumir brand spirits mainly to the USA.

Division

What is your target market?

- Socially active young people between the ages 18 and 30, both men and women.

How do you perform the market division?

- It is given by the moments of consumption. There's an immediate consumer market and there's a planned shopping market. Internally, the sales force has its commercial strategies in both cases.

What target is the most important and what do you do to maintain its attention?

- Young people between 18 and 24 years old, university students. We accompany them in their moments of consumption through the different experiences that result from consuming a product: Zhumir, a rum (Captain Drake), or a whiskey (Cunningham), etc. Each brand has its positioning, and this will be the experience that the consumer encounters, each of which will be different.

How has your marketing goal changed in the last few years?

- Habits in the consumption of alcoholic beverages have changed a lot. In the 80s and 90s, young people drank spirits with high alcohol content; however, by 2010, laws, restrictions, and globalization have modified their habits. Young people today could consume beer in the morning, in the afternoon they start drinking a Zhumir product or wine, and finish nightly activities with whiskey, rum, or tequila. This is why nowadays the Azende Corporation works with different categories within the alcoholic drinks market.

What impact have globalization and social networks had on your market goal?

- There is a greater influence of external rather than internal habits. A natural desire to try new experiences make the young consumer not faithful to a category or a brand. What to drink is decided on the run because today they have too many options.

Positioning and Strategy

What is your positioning strategy at a national level?

- The positioning of Zhumir is to be an uncomplicated liquor that accompanies young people in their moments of consumption. With Zhumir, we are joined by more things than we imagined. We are united by the spirit here.

What is your positioning strategy at a local level (Cuenca)?

- Friends, tradition, affordability, and quality.

What place does your company currently occupy in the market for alcoholic beverages in Ecuador?

- Within the category of hard liquor, it's number one. Within the total of all of the alcoholic beverages categories, it is also number one.

What is your current competition?

- All alcoholic beverages, including low grade alcohol.

What would you develop in the future to improve the positioning of the company?

- Greater interaction with young people, accompanying them in their new standards and demands of their social life, considering the habits and attitudes of millennials and centennials.

What is the most important certificate to enter an international market?

- There aren't any requirements in that respect.

How do the new trade agreements with the European Union affect you?

- We haven't been affected, but rather we have advantages with imports of raw materials or materials that allow us to make our national products, specifically because of the conditions of the agreement.

Portfolio

What is your main product?

- Zhumir

What is the reason for the successful sale of this product?

- Tradition, years in the market, construction of the brand, availability, and an affordable price.

Do all of your products have a similar life cycle, or are there exceptions?

- Each one has a life cycle. In the case of liquors, through working many years in existing categories, they should keep a maintenance process and people have to work hard so that they do not go into decline. Nowadays, we could also talk about trends in liquors.

Labeling and Packaging

We know the disturbing images about the consequences of excessive tobacco consumption. Is there something similar with alcoholic beverages, or is there any idea in the future to add something similar to your products?

- We've heard rumors that something like that could possible exist, but there still isn't any kind of concrete regulation yet.

Quality of the Product

Green consciousness is gaining followers. How does this movement affect your marketing strategy?

- The bottles are mostly recyclable and we buy from recyclers. Truthfully, the value is high compared to what a new bottle costs, but now the social conscience is a big part of the production.

The ISO 9001 standard focuses on processes and customer satisfaction instead of procedures, and it's equally applicable to both service providers and manufacturers. What responsibilities does this standard imply for your company?

- The quality management systems are active and periodically reviewed as our plants enjoy the Good Manufacturing Practices certification, which is reviewed every year, so the control is periodic and seeks excellence in both internal and external processes. Generating company policies encourages us to continue with this activity.

Distribution Channels

How do your distribution channels work on a national level?

- Our Logistics Operators are based in Paute, Azuay and in Guayaquil, where they provide to the different wineries that we have in the main cities of the country. We have a pre-sale team on day one, and a delivery team on day two.

Publicity

What type of advertising or communication plan do you use?

- In this moment, for liquors, according to the legislation of the country, we do it through social networks like Facebook, Instagram, Web, and interactions with the consumers through events.

Through what kinds of communication channels do you promote your products?

- Mainly through the Web and social networks.

Marketing and Strategy

What is your marketing plan?

- First of all, we work with the Product to make it unique and make the consumption experience memorable in order to boost purchasing. The price is affordable, and there's good coverage and promotions when we need both a pull and a push.

How are the marketing strategies in this region different from the strategies that are applied worldwide?

- BTL activities in Ecuador are handled practically every month in the main cities of Ecuador, or in places where the target is highly concentrated, such as the beach. Outside the country, the work is basically done at the point of sale.

Through its brands, the corporation has actively participated in sports, supporting the most important Ecuadorian Olympic figures. How have you managed to associate so strongly with sports?

- The Azende Corporation is a family business, born in Cuenca, linked to the day-to-day life of our city and what it means to contribute something to its aggrandizement. That's why, at the time, it directly supported a young man who was starting his sporting life. It did so selflessly, to help him fulfill his dream of participating in a World Cup, and that support paid off because Jefferson Pérez won an Olympic medal. Nowadays, to stay consistent, all sports sponsors are done through the bottled water brand Vivant.

How important is the sponsorship of events for your company?

- It's the way in which we show ourselves to the public. We are with people in their exact moment of consumption; we make our consumers have stories to tell with our brands (URDIALES, 2018).

3.2.2 Embotelladora Azuaya: E.A.S.A.

The Embotelladora Azuaya S.A. (E.A.S.A.) is considered the leading company in Ecuador in the production of spirits. It was founded in 1960 in the valleys of the province of Azuay, Ecuador. Thanks to a trajectory of more than 50 years in the local market, E.A.S.A. has managed to become a modern and sophisticated company, with state-of-the-art technology, offering products with certified quality (BPM, ISO 9001).

Currently the portfolio of products of E.A.S.A. includes alcoholic beverages such as spirits, dry beverages, flavored drinks, rum, vodka, whiskey, RTDs (Ready to drink), and Gin among others. The company seeks to "create alcoholic beverages that, through aromas and flavors, awaken the senses to accompany unique moments." It also aims to reach 2020 through consolidating its leadership in the spirits category and increase its recognition as a national beverage by promoting and strengthening the culture around forms of consumption of alcoholic beverages (Embotelladora Azuaya, 2018).

The Embotelladora Azuaya also implements a specific integrated policy in its management in order to manufacture alcoholic beverages. The company meets technical and legal standards by considering customers' needs and expectations, care for the environment, and the safety and health of its employees and all interested parties. This policy is managed with four axes:




*Caring for the safety and occupational health of its workers.	*Minimizing the environmental impact generated by its activities.
*Comply with all of the existing processes.	*Achieving to satisfy the expectations of its consumers, target market, and collaborators.





Source: (Embotelladora Azuaya, 2018)

Portfolio

The company creates products that satisfy the most demanding palates by combining the skills and knowledge learned from ancestral secrets combined with a high quality design and state-of-the-art technology. Excellence in quality is paramount, so over the course of the production process there are more than 50 control points. Likewise, it works on portfolio innovation and continuous improvement of each of the products according to consumer trends. The following is the product portfolio:

Table 10 Embotelladora Azuaya's Portfolio

Hard Liquors			
			
Aguardiente Cristal 1960	Aguardiente Cristal Clásico	Aguardiente Cristal Cañero	Kannia Reserva
Dry and Flavored Beverages			
			
Cristal Seco	Cristal Seco Suave	Cristal Cherry	Cristal Durazno
RTDs: Ready to drink, premade beverages ready for consumption			
			
C ICE Original Sin y Sexy Apple	Ready Wild Bomb, Xtrm Lady, Wi Five		
Rum and Vodka			

			
Ron 2300 Altura de los Andes, Reserva	Ron 2300 Altura de los Andes, Blanco	MYST Vodka	Platino Vodka
Whisky, Gin, and Specialty Drinks			
			
Black Castle Blended Whisky	Black Castle Fire Whisky	Under London Dry Gin	
			
Botella Balón	Edición especial Guayaca	Edición especial Manaba	Edición especial 55 Aniversario
Source: (Embotelladora Azuaya, 2018)			

Quality

The quality in the company is measured by the development of each part of the manufacturing process:

Table 11 Embotelladora Azuaya's Quality Assurance

<p>1. Raw Materials:</p> <p>The raw materials are exhaustively controlled prior to their reception. Organoleptic and physico-chemical tests are carried out. Gas chromatography analysis makes it possible to perform an X-ray of the product, accurately determining the quality and quantity of congeners in the beverage.</p>	<p>2. Cutting-edge technology:</p> <p>There is an advanced production line of Italian origin, manufactured entirely in stainless steel: a material that guarantees safety and food safety plus the technological support of programmable logic controllers that allow a fully automated production line.</p>
<p>3. Control of the production process:</p> <p>The production process is monitored to optimize compliance with the specifications given.</p>	<p>4. Control of the finished product:</p> <p>The company measures its final quality by visualizing the satisfaction of its customers and collaborators.</p>
<p>Source: (Embotelladora Azuaya, 2018)</p>	

Distribution

The target market of E.A.S.A. is Ecuador, mainly men and women from 18 to 24 years of age with average income from urban areas who attend social events and hold pre- and post-party meetings. Each liquor has an already-classified distribution according to these parameters. The following is a summary:

Table 12 Embotelladora Azuaya's Distributions

SOCIOECONOMIC STATUS	MEN	WOMEN
LOW	Dry beverages, sugarcane beverages, boxed wines, and flavored drinks.	Boxed wines, smooth wine, and dry and flavored national beverages.
MIDDLE	Rum, vodka, dry and flavored beverages, 2300 Rum, and mixers.	Smooth wine, rum, vodka, cocktails, dry and flavored beverages, and 2300 Rum.
HIGH	Champagne, vodka, whiskey, 2300 Rum and imports.	Smooth wine, vodka, cocktails, foaming drinks, flavored beverages, 2300 Rum, and imports.
Source: (JARAMILLO, 2014)		

Marketing and Strategy

Embotelladora Azuaya manages this area from a more specific point of view, with a strategy based on branding, where it seeks, like other great brands worldwide, to create an emotional bond and unique shopping experience. The essential function of the marketing area is to attract the customer with colors, shapes, and advertising spots for each brand.

As the objective of the company is "to open a space in the market within the category of Premium Liquors in Ecuador with quality products, excellent presentation, and, above all, an excellent management of marketing and sales of the entire team" (JARAMILLO, 2014), methods are applied according to consumption trends. Thus, the company has sought to venture into ready-to-serve beverages that do not need specific mixers other than

ice. For this reason, marketing strategies use youth figures, in youth events, with youthful allusions.

Plans are managed in stages, either short or long. These stages usually start by creating expectations and curiosity, and then launch the product with allusive images and the use of all digital media, television, print, and other advertising to complete the process with an assessment of resources and plans used and propose a re-planning for the next series, without the same mistakes.

Finally, a summary table that compares company to company in order to draw specific conclusions for the company "Zenzero" is presented below:

Table 13 Comparative Summaries of Companies

COMPARATIVE CHART OF CRITICAL FACTORS BETWEEN COMPANIES				
CRITICAL FACTOR	DIAGEO PLC	FEMSA	AZENDE CORPORATION	E.A.S.A.
Product	*To provide alcoholic beverages as a leader on a global level.	*To bottle beverages on a global level, mainly Coca-Cola in Latin America.	*To produce and sell beverages on a national level (Ecuador), and various products on an international level.	*To be considered a leader in the production of spirits on a national level (Ecuador).
Business Strategy	<p>* To diversify its business and risk strategically with different projects, programs, and investments.</p> <p>* To maintain high standards of governance and ethics throughout production.</p> <p>* To create, update, and constantly provide</p>	<p>* To diversify commercially by distributing all Coca-Cola brands, and to maintain other businesses at the regional level.</p> <p>*To manage each area of work with its business values while taking care of people, the planet, and the community.</p> <p>*To create its own governance model,</p>	<p>*To possess its own brands with social awareness.</p> <p>*To manage using two strategic directions: operations and commercial.</p> <p>*Its work philosophy is based on five values: nourish, innovate, grow, diversify, and assume responsibility.</p> <p>*It has labor policies governed by the respective regulations within a</p>	<p>*To be modern and sophisticated, and to use state-of-the-art technology to offer quality products.</p> <p>*To use a specific, integrated management policy that complies with technical and legal standards.</p> <p>*To consider and care for the safety and health</p>

	<p>training programs for its employees.</p> <p>* To maintain a high diversity and inclusion index when hiring its employees.</p> <p>*To respect human rights and focus on creating shared vlues.</p> <p>*To create actions, processes, and campaigns to reduce the impact on the environment.</p>	<p>norms, operation processes, and to continuously improve.</p> <p>* Its actions are not merely commercial, since it builds an image thanks to relations of mutual value with related communities.</p>	<p>framework of respect and camaraderie.</p> <p>*To use unique positioning for each brand.</p>	<p>of its employees and all interested parties.</p> <p>*It manages four axes: workers, the environment, processes, and customer expectations.</p>
Positioning	<p>*It ensures a wide variety of products, a fairly extensive portfolio that satisfies all kinds of tastes, and specializes according to each country.</p>	<p>*It has a broad portfolio of beverages, ranging from soft drinks, juices, water, and energy drinks to alcoholic beverages.</p> <p>*It sells products resulting from a sustainable business</p>	<p>*It handles the selling of alcoholic and non-alcoholic beverages with its own brands and positioning.</p> <p>*Several of its brands have a long history while others grow little by little thanks to its business strategy.</p>	<p>*Its portfolio includes alcoholic beverages, creating aromas and flavors that awaken your senses.</p> <p>*Its drinks are created from knowledge learned</p>

	*It tests its products and bets on the creation of new ones, taking current trends into consideration.	model that creates social, environmental, and economic conditions based on ethics.		from ancestral secrets and quality.
Labeling and Packaging	*Labeling and packaging with relevant and legal information according to each country. *Its products allude to brands with historical significance and of proven high quality.	*It maintains the objective of being efficient and rigorous in the labeling line. *It seeks innovation and contributes using more environmentally friendly materials.	*It meets legal requirements and can adapt to government requirements. *It uses recycled bottles.	*There are more than 50 quality control points including labeling and packaging that are consistent with the national legal framework.
Distribution	*It creates distributions according to market categories: developing higher income, an emerging middle class, and low local prices.	*It distributes according to the geographical locations in which it operates. * It is managed considering habitual behavior and cultural features.	*Its target is socially active young people between the ages of 18 and 30 years old, by immediate and planned moments of consumption.	*Men and women aged 18 to 24 with average income in urban areas. Each liquor has its own distribution.

Channels of Distribution	<p>*It manages a value chain based on interdependent relationships that range from farmers, employees, contractors, retailers, and the stores that sell their products.</p> <p>*It has 143 production sites worldwide, import markets, import and production, and imports from local markets.</p> <p>*It participates mainly through wholesale channels.</p>	<p>*It includes diverse business units by country.</p> <p>*It is present in 12 countries.</p> <p>*It reaches people through stores, supermarkets, and other points of sale.</p> <p>*It uses technology in logistics, transportation, distribution, and in the delivery process.</p>	<p>*Its portfolio is sold throughout Ecuador through its own logistics operator, reaching around 60,000 points of sale.</p> <p>*It operates in the main cities of the country with two teams: pre-sale and delivery.</p>	<p>*Locally and nationally through different operators.</p>
Publicity	<p>*It does not use its advertising to promote its products if it does not actively participate in the fight against irresponsible and</p>	<p>*It spreads its advertising according to the distribution of each brand.</p> <p>*It uses images that evoke emotions, seriousness,</p>	<p>*Due to national legislation, it only manages through social networks and in direct interaction with the consumer in events.</p>	<p>*It bases its advertising on a branding strategy to create an emotional bond and unique shopping experience.</p>

	<p>unmeasured consumption of alcohol.</p> <p>*It creates warning campaigns about the negative effects of alcohol behind the wheel and on other occasions, projects to create a positive role in society, and prevention to reach target groups.</p> <p>*It maintains a specific marketing code for its advertising, taking into account legal restrictions and the welfare of its consumers.</p> <p>*It manages its brands with tradition, quality, phrases, places, colors, and logos.</p>	<p>results, or value according to the product/business being offered.</p> <p>*It also communicates its achievements with the community for solidarity purposes.</p> <p>*It changes its advertising strategies constantly and equips its outlets with other extra tools.</p> <p>*It seeks a massive effectiveness so it does not leave aside the traditional means for its commercial communication.</p> <p>*It develops small to large projects to translate specific needs into offers.</p>	<p>*It tries to create a memorable consumption experience with affordable prices and promotions.</p> <p>* It is managed in places of high concentration of the target market, such as the beach or points of sale.</p>	<p>*It uses advertising spots with strategies dealing with colors, shapes, labeling and packaging.</p> <p>*Methods are applied according to consumer trends, coming in innovatively with ready-to-drink beverages.</p> <p>*The plans are managed in stages: expectation, information, and connection.</p>
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	*It uses innovative tools to measure their performance such as Catalyst.	*It synergistically manages between marketing and supply.		
Source: Personal Elaboration				

3.3 Analysis Conclusions

Through this analysis, it can be concluded that certain aspects of administrative management, marketing and advertising, positioning, quality assurance, innovation, distribution, and distribution channels ensure the success or failure of a company whose business is the sale of beverages. The aspects and measures that were considered relevant and, in a certain way, repetitive and easy to follow for "Zenzero" are presented in the following list:

- There must be a correlation between the values and mission of the company, and the carrying out of its plans and programs. There must be measurement and evaluation methods that allow for the detection of errors and carrying on through the path towards the fulfillment of the objectives of the company.
- The business and marketing strategies work better if they are developed according to the characteristics of each locality. In addition, the points of sale of the product must be able to immediately reach the most popular stores and supermarkets.
- It is important to not only develop the commercial and financial status of the company, but also its commitment to social and environmental responsibility, as well as a good working environment and fair compensation.
- It is clear that a greater diversity of the portfolio reduces the risk to the investor, so it is necessary to think of a way to create diversity for the "Zenzero" brand and its flagship product, taking into account trends in the city and the country, and pointing to the need for cheap and ready-to-serve drinks.
- The savings are not merely in the selective purchasing of raw materials, but also in the intelligent handling of bottling, labeling, and packaging. The management

must also be efficient and friendly to the environment. Waste reduction and organized waste management is essential.

- Reinvestment should be aimed at providing constant cutting-edge innovation, new machinery, greater and better training, quality certifications, and all the necessary changes that the company presents in the path towards acquiring a certain status at the local level.
- The distribution channels are handled wholesale. In addition, the stores and supermarkets represent the best spaces to sell products of this type.
- Distribution should not divert from the direct intention to fit with the characteristics and needs of the occasional customer who, in this case, is young, of average income, and who attends several social events.
- The brand of each product is not exclusively its image, colors, and design. These elements are also a reference to history, to the image of the company, and to a whole set of characteristics that distinguish it from the competition.
- The marketing strategy should not merely focus on selling the product, but also adding the value that is sought to be instilled in the mind of the consumer against the competition. It must go beyond the conventional thought and use as many tools as possible.
- The importance of using social networks to reach clients is clear. "Zenzero" should concentrate on creating collaborative plans in the persuasive and responsible handling of pages such as Facebook and Twitter. It should also know how to creatively handle advertising in the selected points of sale.

If all of these guidelines are carried out organically, progressively, and with estimates of results, it will ensure the development and gradual progress of the company.

Organized terms should be used, referring to the need to create a clear structure with a plan composed of specific steps and actions to be taken in order to comply with the objectives of the different aspects mentioned.

Realistically, it is important to keep in mind that change will not be immediate. The company will need time, patience, and learning for a gradual movement towards success.

Finally, the estimated results will be no more than a reflection of the work in numbers and statistics that seek to provide accurate data about the specifics that should be taken into account for future affairs.

IV CHAPTER FOUR: MARKETING PLAN FOR “ZENZERO”

Marketing planning is a constant in any company. It accomplishes effective and profitable merchandising, marks a beginning and an end on how to reach the customer, corrects imperfections, informs, clarifies strategies, stimulates reflection, detects threats, and above all, defines the product or brand and increases its value and specific characteristics opposite the competition.

Specifically, this planning is sought to apply to "Zenzero". The goal is to match values and success by fulfilling clear marketing goals and aspirations. You need a projection of specific steps in order to carry them out, find the opportunities and resources needed for each stage, as well as a subsequent, constant reinvention according to the evolution of the company over time.

To ensure responsible execution, there are countless ways to make a marketing plan easier, and this varies according to the needs of each product, brand, or company. This is why, in the case of "Zenzero," the attainment of stages was determined to be quite common, but at the same time adequate according to its needs. All of this is described below.

4.1 Strategic Variables

The strategic variables are those that allow the development of the marketing plan for a company based on an understanding of the current outlook. Today, it is evident that companies cannot attract all the buyers in the market, or at least not in the same way. In addition, buyers are too numerous, widely distributed, and have very different purchasing needs and practices.

Likewise, companies need to vary greatly in their capacity to serve different segments of the market, and therefore, every business needs to identify which parts of the market it could best serve, and from which to obtain higher profits. It is important to design strategies to develop the right relationships with the right clients (KOTLER & ARMSTRONG, 2007).

Bearing this in mind, establishing a specific distribution, a quantified market target, and the appropriate positioning for "Zenzero" will facilitate its concentration among certain clients and their needs.

4.1.1 Distribution

Distribution is dividing a market into different groups of buyers based on their needs, characteristics, or behavior, and which may require distinct products or marketing mixtures (KOTLER & ARMSTRONG, 2007).

Distribution is also a process of dividing of the market into homogeneous subgroups in order to carry out a differentiated commercial strategy for each one of them that more effectively satisfies their needs (GÓMEZ, 2010).

Therefore, having a market divided into homogeneous subgroups will undoubtedly help with the determination of other equally important characteristics, such as profitability, sustainability, and accessibility that each of them will need for the specific case of the product and/or brand that wants to be sold as a part of "Zenzero".

The distribution can be given from an attainment of basic steps as long as there is a ranking of priorities and aspirations for each business. These basic steps are:

1. Select the market or product category.
2. Choose distribution criteria with vision, creativity, and knowledge.
3. Define the distribution descriptors identifying the specific variables.
4. Analyze the segment for a later creation of the client profile.
5. Calculate the size, growth, frequency of purchase, loyalty, and long-term potential of the defined segment.

The objective is to create strategies for the target market(s) by specifying a mix of marketing, its design, and implementation in the company. Obviously, this division will be aimed at a final consumer market. It should be objective and divide the total number of customers. The basic distribution criteria or variables that must be considered are:

Demographics- These criteria distinguish the clientele based on their age, sex, occupation, income, education, family size, family life cycle, religion, ethnicity, and nationality. It intends to obtain a calculation of the total volume of the target market and to know it in depth to satisfy it efficiently.

These characteristics are generally determined as basic for any distribution and are closely related to the behavior of customers that are relatively easy to measure.

Geography- These criteria separate clients by nation, region, state, county, city, or neighborhood to which they belong. The companies choose the area or group of geographical areas in which they will work, taking into account their specific needs.

This criterion also allows companies to consider the possible cultural differences that exist between one area and another, which require changes in the processes of selection of raw

material, creation of formulas and flavors, packaging, and designs of the company's products, as well as its promotion and publicity.

Behavior- These criteria study the knowledge, responses, and attitudes of the buyer towards the product. The frequency of purchase, occasion, benefits sought after in the product, and collaboration with the type of customer that is important for the company.

Psychographic- These are criteria that focus on analyzing the social class, the lifestyle, or the personality characteristics of the client in order to take the distribution to a more advanced stage that differentiates clients from the same geographical area. They turn out to have very different psychographic characteristics.

Generally, the tendency of companies to easily distribute their market is indicated by a division of four basic descriptors: sex, age, income, and occupation. However, in the case of the company "Zenzero," it is evident that it is necessary to go further and possibly only use it as a previous step.

After the analysis of the data obtained throughout this investigation, a table has been established that will serve as the numerical demarcation of each segment of "Zenzero." This selection of criteria is only relevant to each case. It took into account both product presentations (small and large packaging), the environment in which it intends to be developed (nationally), and the usefulness that this data will have for a subsequent marketing plan.

Table 14 Distribution for “Zenzero”

MARKETING DISTRIBUTION FOR “ZENZERO”				
BOTTLE	A) DEMOGRAPHIC CRITERIA			
Bottle A	Sex	Age	Income	Occupation
Capacity: 350 mL	Men and women	19 to 24 years old	Less than a unified basic salary (UBS) and from one to less than two UBS.	University students and employees.
Bottle B				
Capacity: 750 mL	Men	25 to 45 years old	From two to less than three UBSs and from three to less than four UBSs.	Students Employees Independents.
B) GEOGRAPHIC CRITERIA				
1. Climate		2. Region		3. Area
Indiscriminate. Considering that this liquor can be consumed hot or cold, this variable does not directly influence the sale of the product.		Indiscriminate. The product is intended to be sold nationwide, however, it is considered necessary to start in the mountains.		Urban areas

The company proposes that it starts its sales in the urban capital area of a province or county with a population of 150,000 inhabitants and higher for ease of transportation, a greater number of points of sale, and greater reach to the consumer. The cities that meet

this requirement at the national level according to the number of people in them are: 1. Guayaquil, 2. Quito, 3. Cuenca, 4. Duran, 5. Machala, 6. Loja, 7. Ambato, 8. Manta, 9. Esmeraldas, 10. Portoviejo, and 11. Santo Domingo.

C) BEHAVIORAL CRITERIA		
Purchasing Occasion	Frequency	Expected Benefits from the Product
1.-Social gathering: pregame, afterparty, nightly meeting. 2.-Celebration: party, birthday, gala. 3.-Gifts: any occasion.	According to the consumption habits of potential customers: 1.-Weekly 2.-Twice a month 3.-Monthly	1.-Artesanal alcoholic beverage. 2.-Unique flavor and aroma of ginger. 3.-Mixing versatility. 4.-Elegant presentation. 5.-Quality and price. 6.-Raw material and national labor. 7.-Availability in stores and other points of sale.
D) PSYCHOGRAPHIC CRITERIA		
Personality		
1.-Consumers who drink for social, cultural and psychological reasons. 2.-Consumers who drinks to celebrate, to fit into society, by habit, and by a need for emotional outlet related to psychological issues. 3.-Young people and adults who like to relax with alcohol. 4.-Generally extroverted people who like the party and who always find a reason to consume alcohol.		
Source: (AGUIRRE, 2018)		

4.1.2 Target

The definition of the target based solely on the product is the choice of the group of consumers that the company wants to divide, which involves a detailed analysis of potential consumers considering the company's skills and objectives (Dvoskin, 2004). It is the process of evaluating the attractiveness of each segment of the market and choosing one or more elements to try entering (Kotler & Armstrong, 2007).

The company must determine not only what it wants to do but also how it will do it. It will achieve this by establishing the target markets it will aim for, how it intends to permeate those target markets, and how it will plan the placement of its products or business in happy markets. The first step is to establish what the market is and where it is located.

The selection concerning massive vs. segmented will reformulate the target of the company with other reasons and objectives to be achieved. Once decided who and where, it is time to establish how and why, or rather, establish a target strategy stating the mission, or niche, within that target market and introduce the company as a "player" more in that area (PARMERLEE, 2000).

The selection process of the target market enables quantifying the market in numbers, or rather, creating a filter by quantities to obtain the exact quantities. Specifically, Parmerlee, in his book "Presentation of the marketing plan" presents a model table to follow this process. The following, considering that it is intended to sell the product "Zenzero" at the national level, and that this would mean a total of approximately 16.528 million people, is the Parmerlee table that is made with the appropriate descriptors to define the exact population of the target market, filtering the total amount of people and reducing it to a realistic number:

Table 15 Quantification of the Market Goal for “Zenzero”

QUANTIFICATION OF THE MARKET GOAL FOR “ZENZERO”			
BOTTLE A 350 mL		MARKET GOAL A	
Descriptor		Total	Total
A. Sex	Men and Women	Men 8,184,970	16,528,730
		Women 8,343,760	
B. Age	Men and women aged 19 to 24 years. *Considering that this represents approx. 18.47% of the national population (INEC, www.ecuadorencifras.gob.ec , 2015).	Men 1,511,763	3,052,855
		Women 1,541,092	
C. Income	Men and women aged 19 to 24 years with less than a unified basic salary and from one to less than two UBS. *Considering that this represents approx. 54.2% of the population (INEC, www.ecuadorencifras.gob.ec , 2015).	Men 819,375	1,654,646
		Women 835,271	
D. Occupation	Men and women aged 19 to 24 years with less than a unified basic salary and from one to less than two UBS, that are university students and employees. *Considering that the number of students that attended university was 700,000 in 2014 (Sociedad, 2017) and, of them, 54.2% had low incomes. University students = 379,400		

	<p>*Considering that 65.2% of the urban population of working age finds themselves economically active, and, of them, 94.3% are employed (INEC, www.ecuadorencifras.gob.ec, 2018).</p>	1,017,335
E. Occasion and Personality	<p>Men and women aged 19 to 24 years with less than a unified basic salary and from one to less than two UBS, that are university students and employees, and buy alcohol for social gatherings, celebrations, and gifts. They, in turn, are people who consume alcohol for social, cultural, and psychological reasons, are extroverted people who like to party and relax with alcohol.</p> <p>Considering that:</p> <p>*In Ecuador, any kind of party or celebration is always accompanied by alcoholic beverages. Consumption is completely rooted in the culture of Ecuadorians. Alcohol is used ceremonially, in celebration, and is even the primary form of recreation for young people.</p> <p>*It is also used to face sad situations and problems, or rather, it is a social mediator that channels the social behaviors of people. It has become an axis around which the behaviors of people develop, in families and in society, as well with groups of friends, at work, and so on. Consumption is part of everything and everyone has some degree of co-responsibility in the decision to do so (Rodríguez, 2017). 100% of the previously estimated population will be included.</p>	1,017,335

F. Frequency	<p>Men and women aged 19 to 24 years with less than a unified basic salary and from one to less than two UBS, that are university students and employees, and buy alcohol for social gatherings, celebrations, and gifts. They, in turn, are people who consume alcohol for social, cultural, and psychological reasons, are extroverted people who like to party and relax with alcohol on a weekly basis.</p> <p>*Considering that 41.8% of people who consume alcohol do so on a weekly basis (INEC, www.ecuadorencifras.gob.ec, 2013).</p>	425,246
G. Benefits	<p>Men and women aged 19 to 24 years with less than a unified basic salary and from one to less than two UBS, that are university students and employees, and buy alcohol for social gatherings, celebrations, and gifts on a weekly basis, looking for a liquor that gives them a unique flavor and aroma, mixing versatility, good presentation, quality, affordable price, and immediate availability.</p> <p>*The Pareto principle was used considering that 80% of them buy liquor, and that 20% buy alcohol looking for certain specific benefits.</p> <p>*In addition, the neighborhood stores are the places where 61.6% of liquor is acquired (INEC, www.ecuadorencifras.gob.ec, 2013).</p>	209,561
TOTAL MARKET GOAL A		209,561

Table 16 Quantification of the Market Goal for “Zenzero”

QUANTIFICATION OF THE MARKET GOAL FOR “ZENZERO”		
BOTTLE B 750 mL		MARKET GOAL B
Descriptor		Total
A. Sex	Men	8,184,970
B. Age	Men aged 25 to 45 years. *Considering that this represents approx. 39.38% of the national population (INEC, www.ecuadorencifras.gob.ec, 2015).	3,223,241
C. Income	Men aged 25 to 45 years with two to less than three UBSs and from three to less than four UBSs. *Considering that this represents approx. 28.7% of the national population (INEC, www.ecuadorencifras.gob.ec, 2015).	925,070
D. Occupation	Men aged 25 to 45 years with two to less than three UBSs and from three to less than four UBSs, that are university students, employees, and independent. *Considering the same approximation as Market A.	568,766
E. Occasion and Personality	Men aged 25 to 45 years with two to less than three UBSs and from three to less than four UBSs, that are university students, employees, and independent, that buy alcohol for social gatherings, celebrations, and gifts. They, in turn, are people who consume alcohol for social, cultural, and psychological motives, are	

	<p>extroverted people that like to party and relax with alcohol.</p> <p>*Considering the same estimates applied for Market Goal A.</p>	568,766
F. Frequency	<p>Men aged 25 to 45 years with two to less than three UBSs and from three to less than four UBSs, that are university students, employees, and independent, that buy alcohol for social gatherings, celebrations, and gifts. They, in turn, are people who consume alcohol for social, cultural, and psychological motives, are extroverted people that like to party and relax with alcohol on a weekly basis.</p> <p>*Considering that 41.8% of people who consume alcohol do so on a weekly basis (INEC, www.ecuadorencifras.gob.ec, 2013).</p>	237,744
G. Benefits	<p>Men aged 25 to 45 years with two to less than three UBSs and from three to less than four UBSs, that are university students, employees, and independent, that buy alcohol for social gatherings, celebrations, and gifts. They, in turn, are people who consume alcohol for social, cultural, and psychological motives, are extroverted people that like to party and relax with alcohol on a weekly basis, looking for a liquor that gives them a unique flavor and aroma, mixing versatility, good presentation, quality, affordable price, and immediate availability.</p>	117,160
TOTAL MARKET GOAL B		117,160

Thanks to the filter applied to both the target market A and B, you can reach the total of potential customers for both separately, and at the same time establish the total number of customers for both together:

TOTAL MARKET GOAL A	209,561
TOTAL MARKET GOAL B	117,160
TOTAL MARKET GOALS A AND B	326,721

With this information, you can proceed to perform the calculation of the Target Market, which represents only 10% of the total target market:

Table 17 Quantification of the Target Market for “Zenzero”

QUANTIFICATION OF THE TARGET MARKET FOR “ZENZERO”			
TARGET MARKET A		TARGET MARKET B	
Total A	298,641	Total B	117,160
El 10% de A	29,864	El 10% de B	11,716
TOTAL MARKETS A and B:		41,580	

4.1.3 Positioning

For the positioning stage in the market, a specific marketing plan must be built for the chosen sector. This complex process is given to establish products in the market and communicate their key distinctive benefits.

The company needs to find out what products are being offered by competitors, and must select targets that reflect the parameters of its target market and the needs and requirements of it. Some of the possible positioning objectives could be the following:

- Specific characteristics of the product.
- Exclusive benefits of the product in terms of solutions to problems or satisfaction of needs.
- Price of the product (PARMERLEE, 2000).

Positioning is about getting a product to occupy a clear, distinctive, and desirable place in the mind of the target consumers, in relation to the competition's products. To position its product, the company first identifies potential competitive advantages on which to build the position.

The position of a product is the way in which consumers define the product based on its important attributes, which means introducing the unique benefits of the brand and its differentiation into the minds of the customers. An effective positioning begins with the real differentiation of the marketing offer of the company so that it offers a greater value to the consumers.

In order to plan their positioning strategies, marketers often produce perceptual positioning maps, which show consumers perceptions of their brands against competing products in important purchasing dimensions. Each company must differentiate its offer by creating a unique set of benefits that attracts a substantial group within the segment.

The positioning task includes three steps:

1. Identify a set of possible competitive advantages and build a position from them.

2. Choose the correct competitive advantages.
3. Select a general positioning strategy.

To locate points of differentiation, marketers must carefully study the complete customer experience with the product or service of their company. A company that is alert could find ways to differentiate itself at each point of contact with the client.

It could be differentiated in terms of products, services, channels, personnel, or image. Then, the company must communicate and effectively deliver the chosen position to the market.

In addition to differentiating its physical product, a company could also differentiate the services that accompany the product. Some companies achieve a differentiation of services thanks to a fast delivery, comfort for the consumer (Kotler & Armstrong, 2007), or careful observations to remember when establishing the positioning of "Zenzero".

Below is a table with the positioning of the company "Zenzero," taking into account all the specific characteristics of its product "ginger liquor":

Table 18 Positioning for “Zenzero”

POSITIONING FOR “ZENZERO”		
Product		Image
<p>1.-The only product on a national level prepared with ginger.</p> <p>2.-Created from national raw material, 100% natural, without preservatives and hardly perishable.</p> <p>3.-Handcrafted creation process with quality control in each step.</p> <p>4.- Pleasant taste and characteristic aroma.</p> <p>5.-Great versatility that allows it to be mixed with various other beverages.</p>		<p>1.-Transparent bottle, with a colorful and elegant label design.</p> <p>2.- Two types of packaging:</p> <p>*Large 750 mL bottle that yields 2100 mL when mixed.</p> <p>*Small 350 mL bottle that yields 1050 mL when mixed.</p>
Personnel	Channel	Service
<p>1.-The company carefully selects the staff, especially those who will deal directly with the customers.</p> <p>2.-Competente, courteous, and friendly Human Resources.</p>	<p>1.-Direct sale.</p> <p>2.-Also available in stores, shops, mega stores, supermarkets, etc.</p>	<p>1.- Quick and personalized sale.</p> <p>2.-An offer of delivery service.</p> <p>3.-Possible direct negotiation with the manufacturer.</p>

Positioning can be established through a phrase in a narrative format, which, in the case of "Zenzero" would be: "Zenzero, the only 100% natural ginger liquor with a pleasant flavor, characteristic aroma and great versatility."

Finally, it is important to highlight that the communication and publicity of other companies impact the minds of people in other ways, and thus modify their behavior at the time of making a purchase.

For this reason, the positioning of "Zenzero" must maintain periodic and comprehensive studies that include all changes in the environment in which the product is sold, as well as the way in which it is sold.

4.2 Tactical Variables

4.2.1 The Product

“Zenzero,” the product.

We define a product as anything that can be offered to a market for its attention, acquisition, use, or consumption, and that could satisfy a wish or a need. Products are not only tangible goods. In a broad definition, products include physical objects, services, events, people, places, organizations, ideas, or any combination of them.

Those responsible for product planning should consider the products in three levels. Each level adds more value for the client. The most basic level is the main benefit, which answers the question: what is the buyer really getting? When designing products, marketers must first define the main benefits (that solve problems) that consumers seek.

At the second level, those in charge of product planning must convert the main benefit into a real product. They need to develop the characteristics, the design, a level of quality, a brand name, and a container. Finally, those in charge of product planning must create a

product that increases their main benefit, services, and additional benefits to the customer (KOTLER & ARMSTRONG, 2007).

Corroborating with this knowledge, these three levels were developed for the ginger liquor "Zenzero", and the result is that "Zenzero" is a consumer product that seeks to satisfy the specific need to consume alcoholic beverages. The buyer is acquiring an original artisan liquor with good flavor and aroma, which ensures versatility, great quality, and elegant design.

Being a consumer product differs from others in the way consumers buy it and in the way it is sold. This product is sold directly in contact with its producers, or in stores and supermarkets, and it is even delivered quickly to homes thanks to the contact available on social networks.

According to the definition of a convenience product, in which "Zenzero" fits, it should be purchased frequently, immediately, and with a minimum effort of comparison and purchase. Precisely because of this categorization, it has been decided to develop a portfolio of contacts to sell it in all the aforementioned places, also taking into account a low price and maintaining purchasing facilities.

“Zenzero,” an innovative liquor.

Nowadays, as products and services are sold more, many companies are moving to a new level of value creation for their customers. To differentiate their offers, beyond the simple fact of manufacturing products, companies are staging, marketing, and delivering unforgettable experiences to customers.

Companies will create higher-level models if they add more features. These characteristics are a competitive tool to differentiate the products of these companies from the products of their competitors. One of the most effective ways to compete is to be the first producer to introduce a new needed and valued feature (KOTLER & ARMSTRONG, 2007).

For this reason, "Zenzero" is the only liquor that is made exclusively from ginger and national raw material. It is a completely natural mixture, monitored at every step when being made and packaged. This liquor ensures a characteristic flavor and aroma resulting from a previous, repetitive process of testing formulas and modes of preparation with professionals in charge.

"Zenzero" wants the customer to consume an artisanal drink that is different from the others, sensing a clear difference compared to the traditional, thanks to its formula, presentation, and quality. "Zenzero" also wants the customers to feel safe about what they are ingesting, that they can mix it with other ingredients to create cocktails to their liking, and that they want to repeat the experience on another occasions.

“Zenzero,” the brand.

A brand is a name, term, sign, symbol, or design, or a combination of any these elements, which identifies the manufacturer or seller of a product or service. The brand assignment adds value and becomes the basis on which to build the whole story of the special qualities of a product.

It also provides legal protection to the unique characteristics of the product, and to segment the markets. Brands are not only names and symbols, but represent the perceptions and feelings of consumers towards a product and its performance, or rather, everything that the product or service means for consumers.

Brands exist in the minds of consumers, and the real value of a brand is in its power to capture their preference and loyalty. A high brand value gives a company many competitive advantages and even greater bargaining power with distributors (KOTLER & ARMSTRONG, 2007).

In this case, we seek to develop the intangible value for ginger liquor through the "Zenzero" brand. The "Zenzero" brand seeks to make a different perception of artisanal liquor since it is sometimes related to low quality products, low value products, or even products that were created spontaneously without much control. The idea is to create an attractive image that alludes to quality, flavor, and aroma resulting from a totally different formula from the others, and a higher status compared to the other craft liquors in the market.

In addition, value is present thanks to a name with its own meaning and history. "Zenzero" means ginger in Italian, the language of the country that gave birth to the family history of its founders who sought to rescue common generational knowledge about the creation of alcoholic beverages.

On the other hand, the design, packaging, and presentation in general are its own creations that also add value to another form of appreciation. The elegant colors, shapes, and details resulted from the creativity, discussion, and joint agreement of its founders.

At the same time, the value is not demonstrated exclusively with its external design, but with the content of the product, whose composition, form of production, and certification give certain advantages that are easy to perceive for any consumer.

Finally, it is clear that the value of the brand can still improve. The company must invest in a greater number of certifications, records, and constant innovation to maintain its status among the competition. The company must create a registration and use licensing for its brand in the Ecuadorian Institute of Intellectual Property that includes its name and distinctive symbol.

The Service of “Zenzero”

Customer service is another element of the product strategy. The offer of a company usually includes some value support services. The company must evaluate the cost of providing such services to also estimate the extra income that these would bring. Many companies are using interesting mixes such as telephone, email, fax, Internet, and interactive voice and data technologies to provide support services (KOTLER & ARMSTRONG, 2007).

"Zenzero" develops support services with direct sales, which means that it must promise an immediate availability that is not only through stores and supermarkets, but also in virtual media. More specifically, the company is available on all popular social networks and offers home delivery at no cost.

4.2.2 Ingredients and Creation

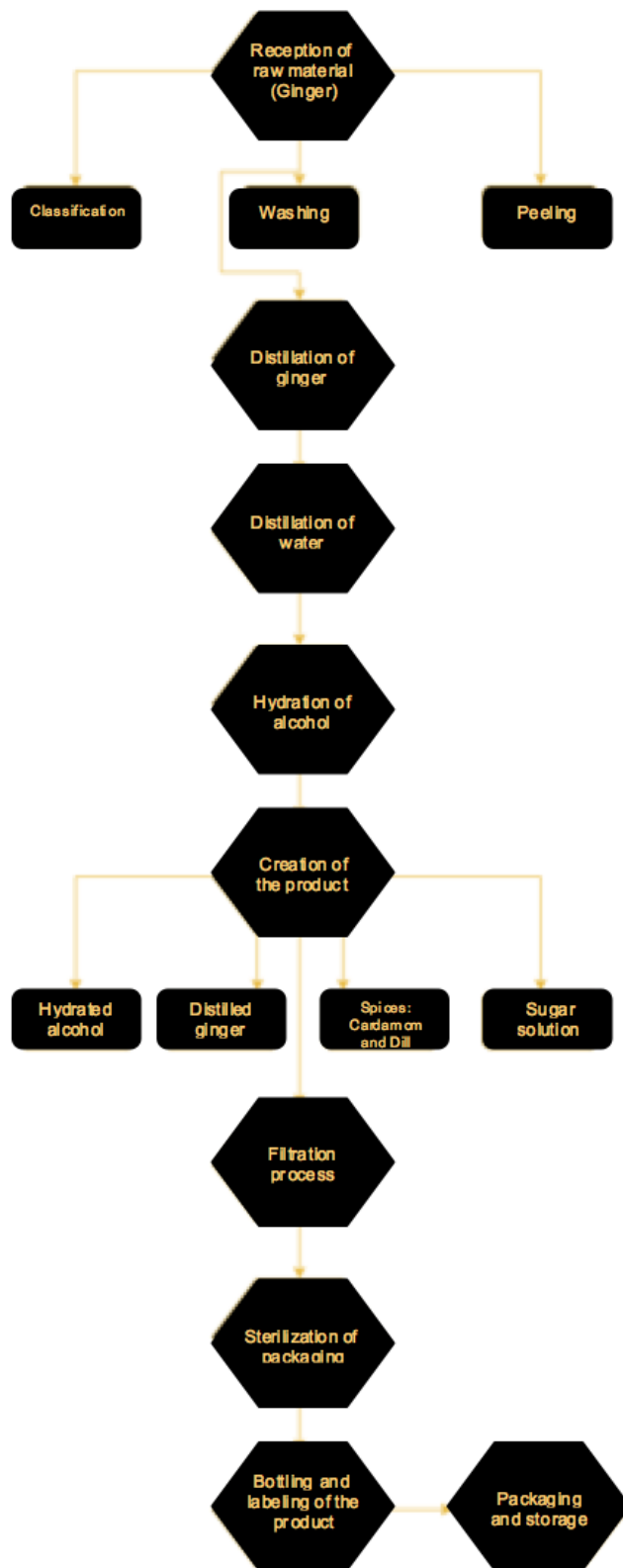
The creation of a product requires a great leap in investment to ensure that its performance is safe and effective and for consumers to find value in it. A new product must have the required functional characteristics and also transmit the desired psychological traits (KOTLER & ARMSTRONG, 2007).

Therefore, to ensure its value, "Zenzero" is a liquor that demands an excellent creation process and totally natural ingredients. These ingredients were carefully selected at the local level according to their quality, price, and close availability.

The company supports national producers by making direct purchases with several of the farmers in the province without having to import from other foreigners, keeping the ingredients fresher and cheaper.

The ingredients of ginger liquor "Zenzero" are the following: Distilled water, Alcohol extra neutral 96% (vol.), Ginger distillate, Sugar solution, Cardamom, and Dill. (AGUIRRE, 2018)

The creation, which in this case is of an artisanal nature, gives it certain advantages. For example, certain traditional preparation techniques are respected, only a few people handle production, certain operating costs are saved thanks to not needing extra external services, leases, licenses, and fees, and values and customs proper to the spirit of those who create it are promoted. The following chart illustrates the creation process of the liquor:



Source: (AGUIRRE, 2018)

Figure 22 Creation Process of "Zenzero"

4.2.3 Packaging and Labeling

One way to add value for the customer is through a distinctive style and design. Design is a more general concept than style. The style only describes the appearance of a product, and the design is deeper; it reaches the very heart of the product.

On the other hand, packaging, which is part of the design, is an important marketing tool whose production includes a label and printed information. It also performs tasks such as attracting attention, describing the product, and selling it. Innovative packaging gives the company an advantage over its competitors.

Finally, the label could vary from a simple label attached to the product to complex graphics that are part of the packaging. The label serves to identify the product or brand, describing various aspects of the product, such as who created it, where, when, and what it contains, how it is used, security measures, and ultimately promotes the product through attractive graphics (KOTLER & ARMSTRONG, 2007).

Using these ideas, the design of "Zenzero" has been constantly refined until it has a sober, elegant, and distinguished presentation. The colors chosen for its image are black and gold, and the letters of the text are flat, with characteristic shading.

The containers for "Zenzero" are a large and small transparent bottle of 750ml and 350ml respectively. The lid is black with a dosing valve, and the bottles have a lacquered front label with the name of the product and a back label with the ingredients, bar code, health record, and other relevant information. In addition, they have another label with information like the place of origin of the product (the city of Cuenca), two suggestions for consumption, and the preparation methods.

Finally, the company has considered the urgent need for the legal registration of this design in the Ecuadorian Institute of Intellectual Property. This action will be carried out after choosing a definitive design that does not admit changes. Below are images of the product and its labels.

Design for “Zenzero”	
Front	Back
Additional label	



Figure 23 Design for "Zenzero"

4.2.4 Quality

The quality of the product is one of the main positioning tools. Quality has a direct influence on the performance of the product and is closely linked with the value for the customer and the customer's satisfaction. To develop a product, one must choose a level of quality that supports the position of the product in the target market. Here, product quality means performance quality, or the ability of a product to perform its functions.

In addition to the quality level, a high quality would also imply high levels of consistency. Here, the quality of the product refers to the quality of fit, or that it is free of defects and that it provides a specific level of performance in a consistent manner. Satisfaction and value for the customer are created by consistently and profitably covering their needs and preferences in terms of quality (KOTLER & ARMSTRONG, 2007).

As previously mentioned, the quality of "Zenzero" is developed in different aspects and part of the product's creation process. For example, its ingredients, artisanal creation

process, bottling, labeling, and packaging all have several details of their own, which different from those of the competition that are monitored through day-to-day controls, the responsibility and commitment of those who produce it, and its perseverance for the fulfillment of its objectives.

The company is also pending the additional progress that needs to be developed, regardless of the level already reached in the quality of the product. Specifically, thanks to the previous study of the industrial sector, it is possible to establish that beyond the elements that it owns, mostly of its own creation, other external elements such as the most basic and popular quality certifications are needed.

Some of the certifications that the company can aspire for are: License of use of the brand "Ecuador First", Certificate of Free Sale (CFL), Good Manufacturing Practices, ISO 9001, ISO 14001, and ISO 22001 among several others.

No doubt the quality of any product goes beyond a simple, abstract appreciation in the mind of the consumer; it becomes evaluated as quality with the approval of specific documentation. At the national level, several entities are responsible for ensuring that consumer products comply with this documentation in order to be sold.

In the case of "Zenzero", it obtained the approval NTE INEN No. 1837 and the corresponding sanitary registration No. 804562-ALN3114. In addition, the company plans the development a quality plan for its future implementation, improving its products, negotiation processes, and improving customer satisfaction.

It is evident that quality is not merely an attribute, but a fundamental axis for the success of any organization, so "Zenzero" maintains the faithful conviction to use part of its profits towards reinvesting in quality and the improvement of general results.

4.2.5 Life Cycle

Each product has a life cycle, although its exact form and duration are not known in advance. The life cycle of a specific brand could be modified quickly due to the changing attacks and responses from competitors. This cycle has five well-defined stages:

1. Product Development: this starts when the company finds and develops an idea for a new product. During the development of the product, sales are zero while the investment costs of the company increase.
2. The Introduction: this is a period of slow sales growth as the product is released to the market. The utilities are null in this phase because of the great expenses of the introduction of the product.
3. Growth: this is a period of rapid acceptance into the market and increase in profits.
4. Maturity: this is a period where sales growth decreases, because the product has already gained acceptance from most potential buyers. The level of profits stagnates or even decreases because of increasing marketing expenses in order to defend the product against the competition.
5. The Decline: this is the period in which both sales and profits decrease (Kotler & Armstrong, 2007).

The ginger liquor "Zenzero" is still in the market introduction stage, which means that its sales grow slowly while it is gaining place in a greater number of points of sale. What

should be done is invest even more to have a better and greater reach towards the target market. This stage should last from 6 to 12 months at most.

After that, it is expected to enter the growth stage, where "Zenzero" must achieve a certain level of acceptance. During this stage, it may fully cover expenses and will be able to reinvest part of its utility in production improvements, research, innovation, promotion, and advertising.

Being a product of mass consumption, it is difficult to calculate the life cycle in a number of years or exact periods for each stage. In the same way, determining the possible maturity and decay in time lapses are values that go beyond a chronological planning, and rather depend on non-quantifiable external factors.

4.2.6 Price

A price is the amount of money that is charged for a product; it is the sum of the values that consumers give in exchange for the benefits of having or using the product or service. In the marketing mix, price is the only element that generates profits and is one of the most flexible elements.

Pricing is affected by internal factors such as marketing objectives, marketing mix strategy, costs and the nature of the organization, and external factors such as the nature of the market and demand, competition, and various other elements in the environment.

Finally, the price a company charges must be somewhere between one that is not too low to generate profits and one that is not too high to produce demand. The product costs set

the lower limit of the price; the perceptions that consumers have regarding the value of the product establish the upper limit (KOTLER & ARMSTRONG, 2007).

"Zenzero" set the price of its liquor by analyzing all these aspects and finding a fair way to satisfy the client's needs in exchange for their money. Since the goal is to generate profits and maintain profitability, the company analyzed its environment at the national level.

An analysis of internal factors determined that the costs are a fixed factor to establish the lower limit of the price that the company must charge for the liquor. In this case, these costs include the costs of production, distribution, and sale, as well as a fair rate of return for their work and possible risks of the process.

Like any company, "Zenzero" separated general fixed costs and variable costs in order to arrive at the definition of a price that almost fully covers the total of the sum of fixed and variable costs in a certain amount of planned production. Thus, the cost of production will vary subsequently according to the changes that are considered necessary.

The wholesaler usually increases the cost of goods by a standard percentage: 20 percent. So, if expenses represent 17 percent of the gross margin, then there is a profit margin of 3 percent. New methods of pricing are being tested by reducing the margin on some lines in order to gain new important customers, or by asking their suppliers for discounted prices (Kotler & Armstrong, 2007).

The table below explains the expected profit margin of 10% taking into account the selling price to the distributor, without including the Value Added Tax (V.A.T.) and the ICE

Special Consumption Tax (which applies to alcoholic beverages), also subtracting fixed and variable costs.

Table 19 Real profit margin for “Zenzero” liquor

REAL PROFIT MARGIN FOR “ZENZERO” LIQUOR	
BOTTLE A 350 mL	
Retail price including V.A.T. and ICE.	\$5.00
Retail price not including V.A.T. and ICE.	\$4.46
Direct Costs	\$2.50
Indirect Costs	\$0.87
Expenses	\$0.25
Taxes	\$0.43
Profit Margin	\$0.41
BOTTLE B 750 mL	
Retail price including V.A.T. and ICE.	\$10.00
Retail price not including V.A.T. and ICE.	\$8.93
Direct Costs	\$5.00
Indirect Costs	\$1.75
Expenses	\$0.50
Taxes	\$0.87
Profit Margin	\$0.81
Source: (Aguirre, 2018)	

Most companies adjust their basic price to reward customers for certain responses, such as the advance payment of bills, the purchase of large volumes, and purchases out of season. These price adjustments, called discounts and supplements, take many forms (Kotler & Armstrong, 2007).

"Zenzero" applies these discounts to supermarkets, liquor stores, and places that purport a large volume for their sales. This discount varies from 15% to 20% depending on the trading conditions, resulting in an exclusive price of \$4.25 for Bottle A and \$8.50 for Bottle B.

In turn, the external factors that were considered relevant for the analysis of "Zenzero" were: the type of market in which it intends to develop, the costs and prices of competitors, and certain economic conditions at a national level such as inflation and policies regarding imports and exports.

The market for alcoholic beverages in Ecuador is monopolistic; this means that there are many buyers and sellers that trade within a range of prices and not with a single market price (KOTLER & ARMSTRONG, 2007). In addition, the prices among producers of artisanal beverages that compete nationally vary in small quantities, a determining aspect for the average price that "Zenzero" must have.

In the same way, certain conditions at the national level, such as the general lowering of prices (mainly due to the reduction of tariffs in European liquors), a non-uniform concession (the structure of the Ecuadorian tax has to do with the alcoholic strength), and a negative variation in the inflation of the alcoholic beverage sector, motivated the current fixing of the price of ginger liquor.

Companies set prices by selecting a general method that includes one or more of three sets of factors: the cost-based method, the buyer-based method, and the competition-based method (KOTLER & ARMSTRONG, 2007).

Finally, "Zenzero" based its price by exploring data about its competition. Undoubtedly, the main competition of the national production today is the offer of European liquor, so presented below is a graph where you can see the prices in the year 2017 of some of the most popular liquors to idealize the average price to settle at:

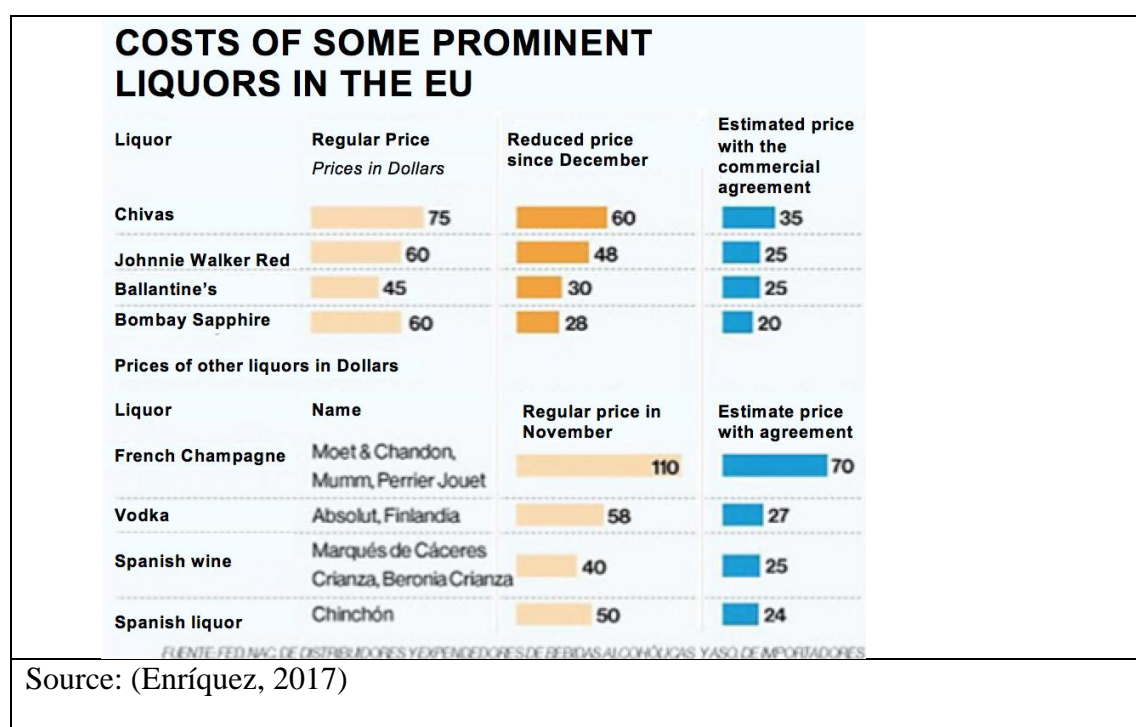


Figure 24 Costs of prominent liquors in the EU

And secondly, we find the competition of national origin. This sector did not vary its prices significantly with the latest governmental policies and rather remained in an average category for liqueurs and gin.

This value varies in the hot water category from \$5.95 to \$19.99 for large bottles, and from \$4.10 to \$6.00 for small bottles. In the gin category, it varies from \$12.92 to \$15.50.

With this information, it is possible to infer that a competitive pricing strategy was also used where the price of ginger liquor allows it to be equated with the competition to provoke the necessary purchasing attention among the clientele, and thus reach the expected sales volume and gradually increase its participation in the market.

Sales

A sales projection is made in a scenario of expected minimum sales with a term of 5 years to cover expenses and find where prices will vary according to external factors such as inflation, governmental policies, etc.

This projection also took as a base the minimum total volume of sales by one of the most significant companies at the local level and an expected growth of 3% per year.

The Azende Corporation had a total of \$27,479 in gross sales of liquor to the year 2014, of which only 30.2% belong to the Zhumir brand, resulting in a total of \$8,298 in annual sales (BankWatchRatings S.A., 2014).

“ZENZERO” SALES PROJECTION FOR 5 YEARS					
Years	Year 1	Year 2	Year 3	Year 4	Year 5
Monthly sales in units	85	88	90	93	96
Annual sales in units	1020	1051	1082	1115	1148
Total income	\$6,120.00	\$6,303.60	\$6,492.71	\$6,687.49	\$6,888.11
Source: Personal elaboration					

4.2.7 Distribution Channels

The company that launches a new product must first decide the timing of the introduction. Then, the company must decide where to launch the new product: in one place, in a single region, or in the national market. Distribution channels help the company promote, sell, and distribute its goods to final consumers; these include distributors, physical distribution companies, marketing service agencies, and financial intermediaries (Kotler & Armstrong, 2007).

After the decision about introducing the liquor into the market, and the publicity that will help this process, the best way to reach the potential consumer is decided.

As it was previously established, a direct sale will be made mainly by its producers through social networks and personal contacts in order to ensure the immediate availability mentioned above.

Second, the company must establish main distribution centers, a sub-distribution system, and points of sale when its growth demands it. These centers will eventually be established, taking into account the management example of the Azende Corporation.

The group has four main distribution centers in Quito, Cuenca, Guayaquil, and Santo Domingo (directly attended with their own channels), and 19 smaller agencies that allow it to cover the entire national territory. The group's distribution network covers around 70,000 points of sale nationwide, mostly serviced by its co-distributor Dacorclay.

It maintains a system in which 80% are its own channels, and the rest correspond to sub-distributors by means of a concept similar to that of a franchise. Through the sub-

distribution model, the group shares a portion of the margin with the franchisees, which is offset by lower sales expenses. This way, it can maintain control of the sellers and supervisors of each agency and provide each franchisee with operating manuals, administrative software, and technical and administrative support (BankWatchRatings S.A., 2014).

"Zenzero" may adopt a similar model when the growth of its sales demand it, and also must consider the availability of the product in different points of sale according to this order: 1. on stores, 2. liquor stores and the like, and 3. supermarkets. This is based on the data obtained about national purchasing preferences and the goals to be achieved in sales and revenue values. Meanwhile, it is already available in some points of sale:

CUENCA:

1. Supermercado Patricia
2. Megatienda del sur
3. Megatienda challuabamba
4. Beneplacito Plaza de las Américas
5. Baking Anis by Katty

GUAYAQUIL:

1. El bedegón Samborondón
2. Let's go Market (Playas)

4.2.8 Advertising

The total mix of marketing communications of a company, also called the promotional mix, consists of the specific mix of advertising, sales promotions, public relations, personal sales, and direct marketing tools that the company uses to achieve its advertising

and marketing objectives. . The following are the definitions of the five main promotion tools:

- Advertising: Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- Sales Promotions: Short-term incentives that encourage the purchase or sale of a product or service.
- Public Relations: The establishment of good relations with the diverse publics of a company by obtaining favorable publicity, the creation of a good corporate image, and the management or blocking of rumors, stories, or unfavorable events.
- Personal sales: Personal presentation of the sales force of the company, with the purpose of selling and forging relationships with clients.
- Direct marketing: Direct connections with carefully selected individual consumers to obtain an immediate response and cultivate lasting relationships with the customers through the use of the telephone, mail, fax, e-mail, Internet, and other tools to communicate effectively and directly with specific consumers.

The communicator must first create awareness and knowledge of the brand or product. Initial announcements generate curiosity and awareness by displaying the name of the product, but not the product itself. Later ads create knowledge by informing potential buyers about the high quality of the product and its many innovative features.

Then, assuming that the target consumers know the product, marketers must take the consumer through successively more intense stages of feelings towards the product: the

liking (favorable feelings about the product), the preference (choosing the product over other brands), and conviction (believing that the product is the best for them).

Finally, some members of the target market may be convinced about the product, but not enough to make the purchase. The communicator must guide these consumers to take the final step. Some actions would consist in offering special promotional prices, bonuses, or additional benefits. Sellers could call or write to specific clients, invite them to visits in order to explain various financing options, and the product itself must offer superior value to the customer (KOTLER & ARMSTRONG, 2007).

"Zenzero" has not implemented any specific advertising plan to date. It omitted the awareness phase about the product, and showed its name and the product repeatedly. Its consumers did not have time to create ideas of what "Zenzero" could be; the curiosity, expectations, and questions about "Zenzero" were eliminated from the process since, by then, a pre-established communication plan for the company was not followed.

Until now, its creators have carried out several activities related to the introduction of the brand in order to make it known in a direct way. Free tastings, in-person advertising, delivery of flyers, roll-up design, delivery of samples at events, announcements on social networks, an official page on Facebook, the first direct sales and at home, and even suggestions from the public on some occasions were part of this whole process.

"Zenzero" also participated in local fairs, events, and openings, plus promotion in some places that are now official points of sale (AGUIRRE, 2018). The following is a chronological account of these participations:

1 Gastronomical Fair, Portal Artesanal, Cuenca	Nov 2, 3, and 4, 2017
2 Artisan Fair, Ministerio de Producción, Cuenca	Dec 7, 8 and 9, 2017

3 Christmas Fair, CC Mall del Rio, Cuenca	Dec 21, 22, and 23, 2017
4 Discount Market Fair, CC Laguna Plaza, Guayaquil	Jan 19 and 20, 2018
5 2nd eddition Chill and Chela, Hotel Oro Verde, Cuenca	Apr 6, 7, and 8, 2018
6 Azuay Gallery Fair, CC Plaza de las Américas, Cuenca	Apr 13, 14, and 15, 2018
7 “This is all” event, Rancho Grande, Cuenca	May 4, 2018
8 “El Tenderete” Fair, CC La Piazza, Machala	May 11, 12, and 13, 2018
9 Auspicious local fashion parade, Etafashion, Cuenca	May 27, 2018
10 Auspicious Catalinas parade, “Fashion and History,” Cuenca	Jan 8, 2018
Source: Personal elaboration	

Table 20 “Zenzero” Participation

Considering that the brand "Zenzero" and its product are still, in a certain way, in an introductory period, it is determined that the communication plan must be focused on creating a re-launch of the brand from scratch. The idea is to generate a greater reach towards the target market and have a structure that can be controlled with specific goals that help to truly fulfill the business objectives.

Relaunching Plan

For the creation of this relaunch, it is necessary to take into account the current state of the company and national governmental laws for the application of advertising related to the sale of alcoholic liquors higher than 20 percent. The main ones to consider are:

- a) Prohibition of advertising and sale to minors (below 18 years old).
- b) Prohibition of using mass media such as magazines, newspapers, billboards, television, or radio.
- c) The advertising of alcoholic beverages for any reason that could be linked to health, sports success, or the images of women as a sexual symbol.
- d) Associating, directly or indirectly, the consumption of processed foods with the consumption of alcoholic beverages.
- e) The advertising of alcoholic beverages must include a warning about its harmfulness to health.
- f) The advertising of alcoholic beverages prohibits:
 - Promoting excessive consumption.
 - Associating consumption with educational, sports, home, or work activities.
 - Associating consumption of the product through raffles, contests, or collectibles.
 - Utilizing recognizable athletes, uniforms, costumes, or sports equipment in order to promote the product.
 - Associating consumption with civic, religious, or traditional celebrations.
 - Attributing sedative, stimulating, or disinhibiting properties to the product.

In addition, this plan will be implemented in the following three stages:

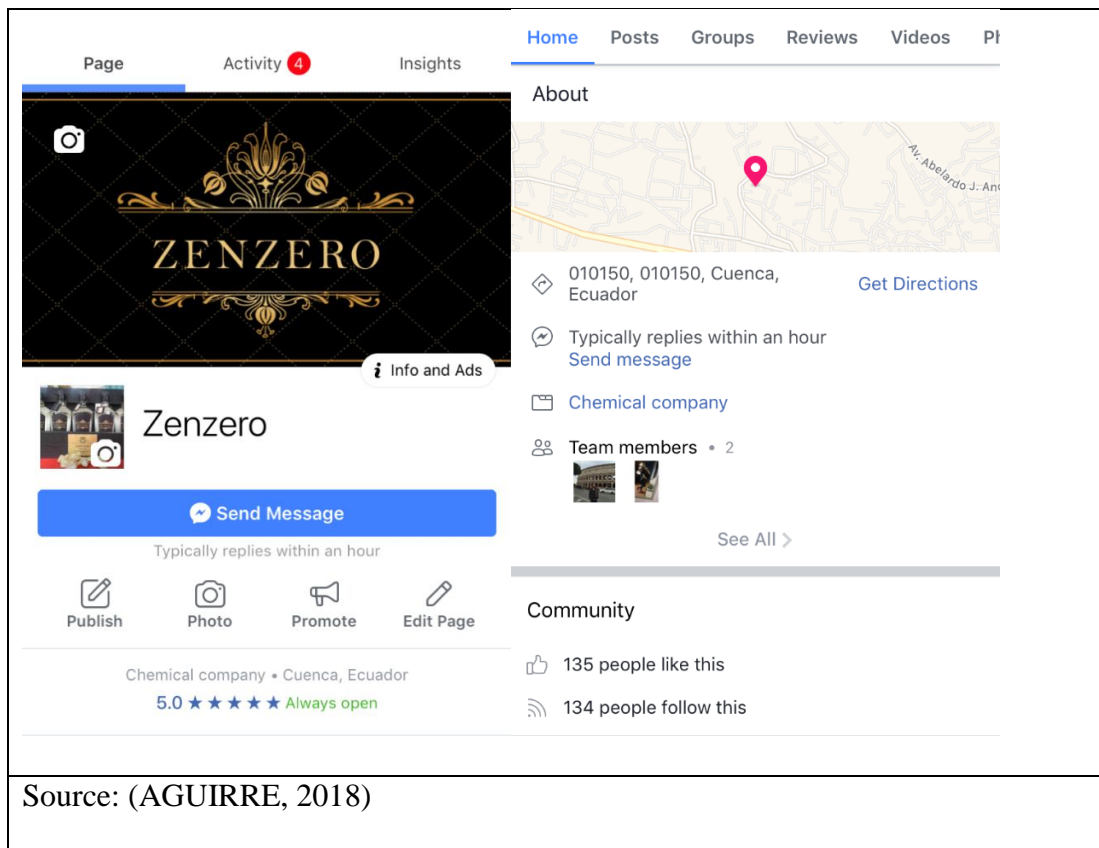
1.-Creating Expectations

Bearing in mind the advertising restrictions mentioned above, and considering that it is necessary to use alternative means, it has been decided to redesign the official webpage of the product. It has to reinvent itself with images and publications that communicate the concept changes of the brand to its current followers and new followers.

These changes refer to maintaining the same essence of the product and the same positioning idea, but improving them with a more formal presentation, with professional photography and advertising, ads with better designs, and a greater investment in its image and in general.

In addition, an agenda should be created for parties sponsored entirely by the brand in different cities of the country. The marketing department will plan the organization and logistics of these events, as well as their socialization and execution.

It is important that all this is planned for a period of one to two months, taking into account the most important characteristics of the target customer: young, middle and upper middle class people who consume alcohol for certain reasons, on certain occasions, and with a clear frequency. The current official webpage:



Source: (AGUIRRE, 2018)

Figure 25 Facebook page of "Zenzero"

One issue to consider is the lack of official pages on Instagram and Twitter. These platforms should also be implemented in this first stage, and should also use striking phrases, original videos, and quality ads without fully showing what this relaunch entails.

Finally, in order to have a greater reach, advertising alliances must be created with the points of sale of the product, since its image must also appear on their official pages, maintaining the same concept.

2.-Introduction

In this second stage, the renewed image of the product will be fully known. The same means previously established for the first stage will be used and new and better means of dissemination will be selected if possible.

The advertisements must be specialized for the brand, and they will continue making sponsorships, special events, and participation in larger fairs. These advertisements must continue to reinforce the image of the product, making it increasingly known for its quality and multiple innovative features.

Being a product of mass consumption will require very visual, attractive, and eye-catching advertising. It will also be necessary to continue gaining consumer confidence with free tastings in various places, and continue sponsoring events at the national level. It is expected that by being a Cuencan product, the client will also feel part of the brand and feel responsible for supporting the national product.

It will be necessary to create a specific agenda with the optimal events and places for the previously mentioned process, as well as several creative actions to promote their

participation in them. Examples could include: bartender shows, contracting models, parties, "free bars", advertising material in glasses, young promoters, and other necessary hiring should be considered.

Another area to develop will be communication about social responsibility. "Zenzero" has not yet developed this aspect, and therefore it is recommended to develop within its promotional mix all the legal and ethical aspects that surround the consumption of alcohol and how the business could contribute in some way to society. Undoubtedly, adding these qualities to its essence will give it more value in the mind of the consumer.

Over time, the product will gain more popularity according to the degree, preference, and conviction of the customer. When this happens, incentive programs should be created that aim to keep the purchasing constant. This program could include anything from bonuses, discounts, or coupons to promotions and additional benefits in the sale of the product to frequent customers.

It is important to keep in mind that feedback of what is applied will also be needed, because this part must be included in the third and final stage of the total promotion budget.

Specifically, for the planning of this budget, it was considered appropriate to use the "Objective and Task Method" with which the company establishes its promotion budget based on what it wishes to achieve with said promotion. This method of budgeting involves:

- (1) Defining specific promotional objectives,
- (2) Determining the tasks that are needed to achieve those objectives, and
- (3) Estimating the costs of performing those tasks.

The sum of these costs constitutes the proposed promotion budget (KOTLER & ARMSTRONG, 2007).

3.-Evaluating the Results

In order to review of the evolution of the product in terms of acceptance and public reception, monthly sales should be evaluated by cities nationwide. These reports should establish trends in the market and help the department to focus on another area.

Secondly, the company must maintain a monthly control over the management of social networks, which already provide statistics and joint data to the advertising services they offer. Obviously, this information will not be the only information to consider, but also service ratings, followers, and direct comments and recommendations by instant messaging.

Finally, the Marketing, Advertising, and Sales departments must comply with the delivery of reports, market research, and socialization of results on plans, programs, and strategies applied every month with all the relevant details to be considered for future changes and improvements.

It is clear that the mixture of advertising, promotion, sales, and marketing tools for the company must be created with the goal of meeting the same objectives. Also, it is evident that in order for process to comply with them, it must constantly evolve to ensure its fullness and permanence over time. Below are the main objectives to be taken into account for future changes:

- Develop and implement appropriate marketing strategies for the company "Zenzero" in the short and long term, projecting an image of safety, quality, and innovation for customers.
- Serve as liaison and establish plans, guidelines, and controls for media relations with advertising, press, and propaganda of the company.
- Plan sales by applying effective strategies, and ensuring profitability and utility for the company "Zenzero".

Table 21 Summary of the Promotional Plan for “Zenzero”

PUBLICITY PLAN FOR “ZENZERO”				
MESSAGE	MEANS	FREQUENCY AND SCOPE	OBJECTIVE AND COST	CONTROL
Permanent Aesthetic Message	Social Networks, Facebook Premium Plan (daily control) Visits, Creation of announcements with images, Daily administration with the campaign, Account Executive, Periodic reports, Phone and email consulting, Conversion medications, Integration with Google Analytics.	Monthly-Local	1.-Increase sales \$100.00 (12 occasions)	Marketing Management, Advertising, and Sales
Permanent Aesthetic Message	Social Networks, Facebook Premium Plan Visits, Creation of announcements with images, Daily administration with the campaign, Account Executive, Periodic reports, Phone and email consulting, Conversion medications, Integration with Google Analytics.	Quarterly-Regional	Increase sales \$250.00 (4 occasions)	Marketing Management, Advertising, and Sales
Permanent Aesthetic Message	Social Networks, Facebook Premium Plan Visits, Creation of announcements with images, Daily administration with the campaign, Account Executive, Periodic reports, Phone and email consulting, Conversion medications, Integration with Google Analytics.	Weekly-National	Increase sales \$350.00 (2 occasions)	Marketing Management, Advertising, and Sales

Permanent Aesthetic Message	Social Networks, Facebook Premium Plan Visits, Creation of announcements with images, Daily administration with the campaign, Account Executive, Periodic reports, Phone and email consulting, Conversion medications, Integration with Google Analytics.	Weekly-Local	2.-Brand positioning \$50.00 (52 occasions)	Marketing Management, Advertising, and Sales
Surprise Reminder Message	Social Networks, Facebook Basic Visits, Creation of announcements with images, Daily administration with the campaign, Account Executive, Periodic reports, Phone and email consulting, Conversion medications, Integration with Google Analytics.	Weekly-Regional	3.-Geographic growth \$15.00 (52 occasions)	Marketing Management, Advertising, and Sales
Surprise Reminder Message	Social Networks, Facebook Basic Visits, Creation of announcements with images, Daily administration with the campaign, Account Executive, Periodic reports, Phone and email consulting, Conversion medications, Integration with Google Analytics.	Quarterly-Local	4.-Generating differentiation \$100.00 (4 occasions)	Marketing Management, Advertising, and Sales
Surprise Reminder Message	Social Networks, Facebook Basic Visits, Creation of announcements with images, Daily administration with the campaign, Account Executive,	Quarterly-Local	5.-Adding product value \$100.00 (4 occasions)	Marketing Management, Advertising, and Sales

	Periodic reports, Phone and email consulting, Conversion medications, Integration with Google Analytics.			
Permanent Aesthetic Message	Social Networks, Facebook Premium Announcements, Campaign administration, Periodic reports, Consulting, Conversion medications, Integration with Google.	Monthly- Local	6.-Cost effectiveness \$150.00 (12 occasions)	Sales Management
Annual total (approximately):			\$8,880	
Source: Personal elaboration				

V CONCLUSIONS

Once the marketing plan for the ginger liquor "Zenzero" was drawn up, the following results could be determined:

- The preliminary study of the company and the industrial sector to which it belongs determines that the organization is on time to make all the necessary changes to effect a successful commercial takeoff in the alcoholic beverages industry nationwide.
- The current situation for the national market of alcoholic beverages is ideal for the insertion of the product, and its ability to compete will be formidable against the international offer available in the market.
- Marketing operations of other companies nationally and internationally include specific procedures that can be relatively easy to follow and implement in the company "Zenzero," and that will eventually make it capable of acquiring a certain status compared to others in the market.
- The marketing plan must emphasize "Zenzero" as the only national ginger liquor, 100% natural, with a pleasant flavor, characteristic aroma, and great versatility.
- Quality, competitive price, effective promotion and advertising, and immediate availability will be permanent qualities whose concepts must be constantly renewed and monitored.

Finally, considering that the objective of this research was to create a marketing plan for ginger liquor "Zenzero", it has been determined that it meets the proposed expectations and will collaborate to make "Zenzero" a successful business, and with the correct monitoring and application, it will have easy access to its clientele nationwide.

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