

Estrategias de diferenciación para la exportación de palta Hass (Persea Americana Mill) de la empresa Negociación Agrícola Yotita S.A. con destino a Alemania - 2016**Differentiation Strategies for the exporting Hass avocado (Persea Americana Mill) from Negociación Agrícola Yotita S.A. company to Germany - 2016**

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RESUMEN

La presente investigación tuvo como principal objetivo: «proponer estrategias de diferenciación para mejorar la exportación de palta Hass de la empresa Negociación Agrícola Yotita con destino a Alemania 2016». Para ello se enfocó en las estrategias de diferenciación de Keller & Kotler, las cuales determinan que una empresa puede percibirse ante los clientes como única. Para obtener la información se ha tenido en cuenta tres poblaciones: Los Colaboradores de la empresa Negociación Agrícola Yotita S.A (organización objeto de estudio); empresas exportadoras de palta Hass como Tropical Farm S.A.C, Consorcio de Frutas Lambayeque S.A.C y Agrícola Cerro Prieto S.A; y los especialistas en temas de comercio exterior: Ms. Paola Corvacho Valderrama y Dr. Carlos Querevalú Morante, a quienes se les aplicó entrevistas a profundidad. De acuerdo a los resultados, se concluye que las estrategias de diferenciación constituyen una forma eficaz para incrementar las exportaciones, en este caso la palta Hass de la empresa Negociación Agrícola Yotita S.A, en el aspecto del producto a través de la certificación internacional más actualizada como la Global G.A.P 5.0. Respecto al personal se logra la diferenciación a través de cursos o capacitaciones, principalmente en el manejo de cultivo de palta Hass; y como tercer aspecto, a través de la imagen, es decir que la imagen de la empresa se consolida en la mente del consumidor por medio de la feria internacional Fruit Logística en Alemania; permitiendo optimizar las exportaciones de palta Hass al mercado alemán.

Palabras clave: Estrategias, diferenciación, palta Hass, exportación.

ABSTRACT

This research has as main objective "to propose differentiation strategies to improve the export of Hass avocado from Negociación Agrícola Yotita S.A. Company to Germany 2016. For this reason, it focuses on differentiation strategies of Keller & Kotler, which determine that clients can perceive a company as unique. To obtain the information, three populations have been taken into account: The staff of the Negociación Agrícola Yotita S.A. (object of study); exporting companies of Hass avocado, such as Tropical Farm S.A.C, Consorcio de Frutas Lambayeque S.A.C and Agrícola Cerro Prieto S.A. and the specialists in foreign trade issues: BA. Corvacho Valderrama Paola and Dr. Querevalú Morante Carlos, who were interviewed in detail. According to the results, differentiation strategies constitute an effective way to increase exports, applied in this research on Hass avocado from the Negociación Agrícola Yotita S.A., in the product aspects through the most up-to-date international certification as The GlobalG.A.P. 5.0. Respect to staff, differentiation is achieved through courses or trainings, mainly in Hass avocado crop management. As a third aspect, through the reputation, that is to say that the image of the company is consolidated in the mind of the client through the international fair Fruit Logística in Germany; allowing the optimization of the export of Hass avocado to the German market.


Keywords: Strategies, differentiation, Hass avocado, export.

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INTRODUCTION

Avocado is the fruit of a tree whose origin is in Central America and Mexico. Its crop extended to Ecuador, Colombia and Peru, before the arrival of the Spaniards. Currently, avocado is a crop consumed by many people because it has valuable nutritional properties, whose concentration is based on the proteins and unsaturated oil, as well as the absence of cholesterol that is a risk to health. Hass avocado export have evolved steadily over the past few years, for the greater world consumption and the recognition of product because of its quality, price and volume. According to Trademap (2015), the main worldwide importers are the United States of America, the Netherlands, France, the United Kingdom and Canada.

At the local level, the study, carried out by Granados, Perez, Portocarrero, Santiesteban, and Vargas (2011) called "Situación y potencial exportador de la palta Hass en la Región Lambayeque", where an analysis of the product is performed through the SWOT matrix, international and national situation and the potentialities in Lambayeque Region. The climatic conditions are favorable for crops like Hass avocado, because they have excellent quality soils and enough space for the crop of scale agro-export. It is concluded that to manage the increase in the planted area, technological improvements must be made, control of pests and diseases that can affect the crop, being necessary to be able to give an added value and earn more money.

For this research, the following question was posed:

What strategies can be proposed to optimize export of Hass avocado from Negociación Agrícola Yotita S.A. to Germany?

It was formulated the following hypothesis: if differentiation strategies are proposed to Hass avocado, then export process will be optimized for Negociación Agrícola Yotita company to Germany.

To develop the research, main objective was:

To propose differentiation strategies to improve Hass avocado export of Negociación Agrícola

Yotita S.A. destined to Germany 2016.

Considered as specific objectives:

To diagnose the status of Peruvian Hass avocado export, to identify the influential factors for the export of Hass avocados in the main exporting companies, To design the differentiation strategies to Hass avocado export of the Negociación Agrícola Yotita S.A.

METHOD

The design chosen for this research was non-experimental, descriptive and correlational. The objective gears to describe the incidence and manifestation of the variables, in search of a solution to the problem.

Procedure was based on data collection of a certain group of people or variables and to describe them adequately. The correlation design was characterized by examining the effects of variable, assuming that the independent variable has affected the dependent variable. It is mentioned as independent variable "differentiation strategies" and as dependent variable: "export."

In this research three populations have been considered to obtain and collect information that contributed to the verification of the hypothesis.

The research population included:

Sample 1: staff of Negociación Agrícola Yotita S.A.

Sample 2: Hass avocado export companies.

Sample 3: experts in foreign trade.

Sample one included two collaborators of our primary source of research: Negociación Agrícola Yotita S.A. The company (object of study), provided information needed for the investigation.

Sample 1 consists of:

1. Foreign trade chief: Roncal Peralta Oscar
2. Logistics chief: Estrada Falla Gabriel

Inclusion criteria:

- Workers of Negociación Agrícola Yotita S.A.

- Administrative staff
- Chief of the area
- Workers of areas related to the research topic.
- People working for more than 1 year in the company.

Sample two were Lambayeque companies, formed by different Hass avocado exporting companies over the past few years, applying the following criteria:

Agro-export companies dedicated to Hass avocados export. Companies located in northern Peru.

For this population, the sample were three exporting companies of Hass avocado from Lambayeque region: Tropical Farm S.A.C, Consorcio de Frutas Lambayeque S.A.C, Cerro Prieto S.A.

The sampling type was intentionally non-probabilistic, the companies were chosen conveniently. For this reason, the contact was established with people involved in the area, such as chiefs of Hass avocado exports. Information about the subject of the research was given to those in charge of authorizing and applying the interviews.

Foreign trade experts from Lambayeque region, who provided appropriate information for the investigation development, formed the third sample.

Inclusion criteria: Field experts located in the Lambayeque region. Experience in strategy development, people working for more than two years.

For this population, the sample taken were two experts on the subject from Lambayeque region; and the sampling was intentionally non-probabilistic, the experts were conveniently chosen.

The following experts were contacted for this sample: Corvacho Valderrama Paola (Manager of the Regional Exporters Association), Dr. Querevalú Morante Carlos (General Manager of IPCNI).

It must be emphasized that for this investigation the sample was census type. According to

Zarcovich (2005), the sample represents the total population, because it is small and finite.

Data collection techniques used were interviews, document analysis. Instruments in the investigation for the collection and recording of obtained data were:

Interview Guide: applied to subject matters experts: Negociación Agrícola Yotita S. A. and Hass avocado exporting companies from Lambayeque.

Documentary analysis guide: helped to obtain necessary information that enriched the theoretical framework of this research obtained from books, magazine articles and digital books.

The methods of data analysis applied were the following:

Graphics: linear, surface diagrams

Statistics: to see the average evolution of Hass avocado exports, using Microsoft Excel.

RESULTS

Current Status of Peruvian Hass avocado export

With regard to the first specific objective: "to diagnose current state of Peruvian Hass avocado exports", data and information have been obtained from SUNAT (National Superintendent of Customs and Tax Administration) in order to elaborate statistical graphs.

The interview guide was applied to chief of Negociación Agrícola Yotita SA, being Roncal Peralta Oscar the chief of foreign trade and Estrada Falla Gabriel the logistics chief. In Tropical Farm S.A.C the interview was carried out with the chief of exports Bruno Iván and the plant chief Adolfo Rodríguez Gustavo; in the Consorcio de Frutas Lambayeque S.A.C the chief of exports: Suárez Luz and the packing chief and commercial area: Muñoz Bárbara.

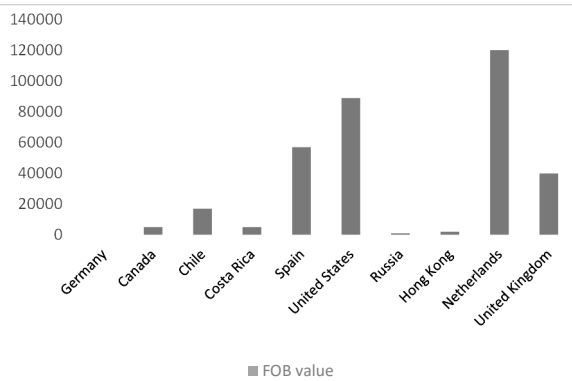


Figure 1: Main countries for the Peruvian Hass avocado exports (FOB Value) 2015

Source: Sunat

Elaboration: self-made

It shows the Hass avocado exports in 2015. It reached the amount of USD 304,969,650 in FOB value, being the main destinations the Netherlands, the United States, Spain, the United Kingdom.

It is necessary to point out that the Hass avocado exports to Germany obtained a total of USD 115,804 in FOB value.

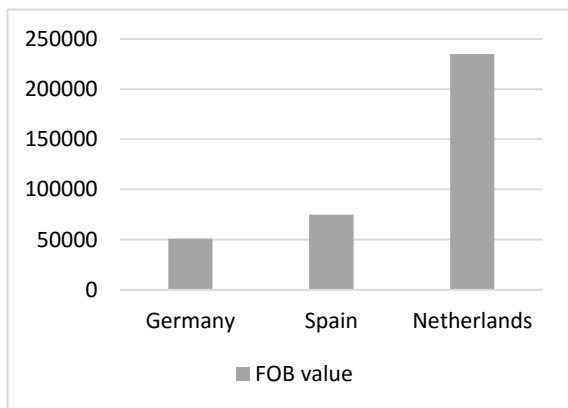


Figure 2: Hass avocado exports of Negociación Agrícola Yotita S.A (2015) company.

Source: Sunat

Elaboration: self-made

It shows Hass avocado exports of Negociación Agrícola Yotita company in 2015, which had Germany, Spain and the Netherlands as destination. As shown in the table, Holland is the country with superior purchases in comparison to other countries. In 2015 Hass avocado was exported reaching a total of USD 234,755 in FOB value in Holland, followed by Spain with USD 76,415 and finally Germany with USD 52,444 in FOB value.

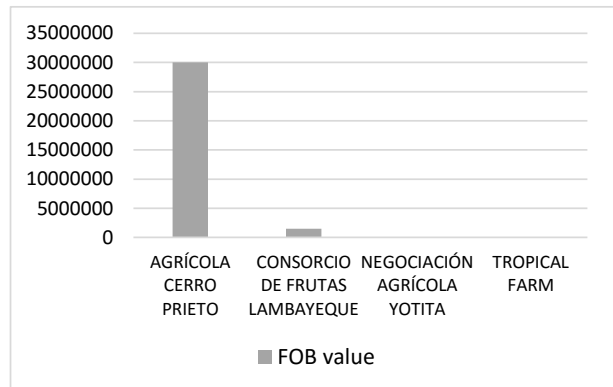


Figure 3: Hass avocado exports of the companies (2015)

Source: Sunat

Elaboration: self-made

It shows an overview of the export comparison of the four companies that are part of the population in this research. The company that stands out in exports in 2015 is Agrícola Cerro Prieto S. A. with a total amount of USD 30,195,245, Consorcio de Frutas Lambayeque with USD 1,519,574, Negociación Agrícola Yotita with USD 363,615 and finally Tropical Farm with USD 35,487 in FOB value.

Influential factors in the export of Hass avocado from the main exporting companies

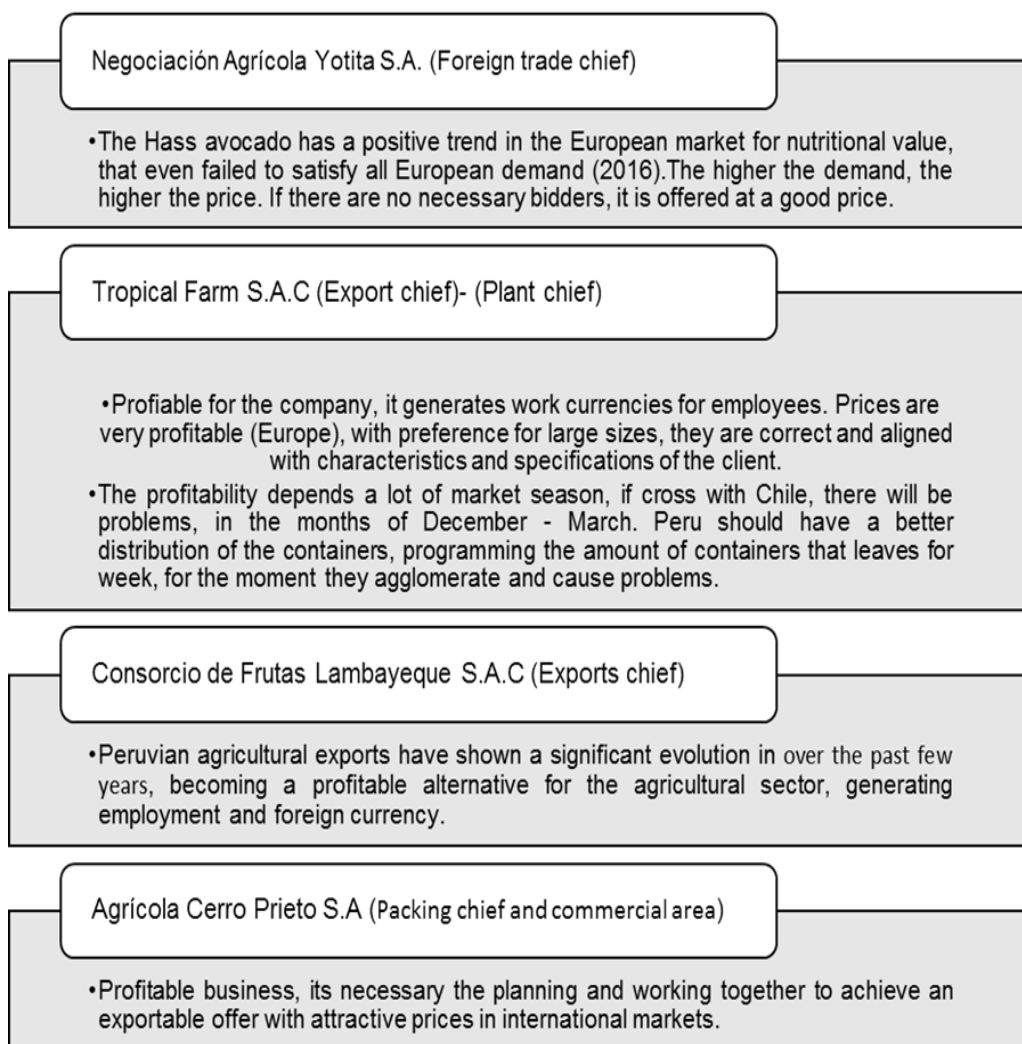


Figure 4. Hass avocado profitability.

Source: Interview applied to enterprises

Elaboration: Self-made

It shows the opinion they have about the profitability of Hass avocado crop. The four companies mentioned above agree that the crop of this product is profitable in these aspects: it has positive tendency in the European market due to

its nutritional value. It has attractive prices to international markets (European specially), generates work sources. It depends on the season market and above all, it has had a significant evolution in last years.

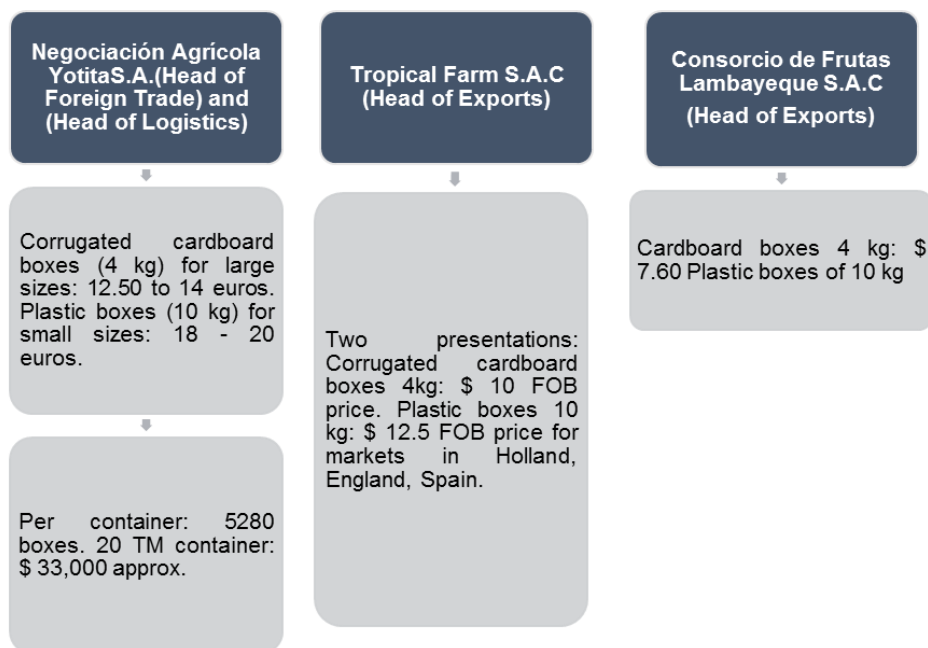


Figure 5. Packing wrapping and price of Hass Avocado

Source: Interview applied to enterprises

Elaboration: Self-made

It shows the packing and wrapping used by companies to export Hass avocado. There is a predominant use of corrugated cardboard boxes for an equivalent of 4 kg while plastic boxes are

used for 10 kg. In addition, the retail price of Hass avocado usually varies depending on the type of target market it is directed to, as well as the situation of the international market.

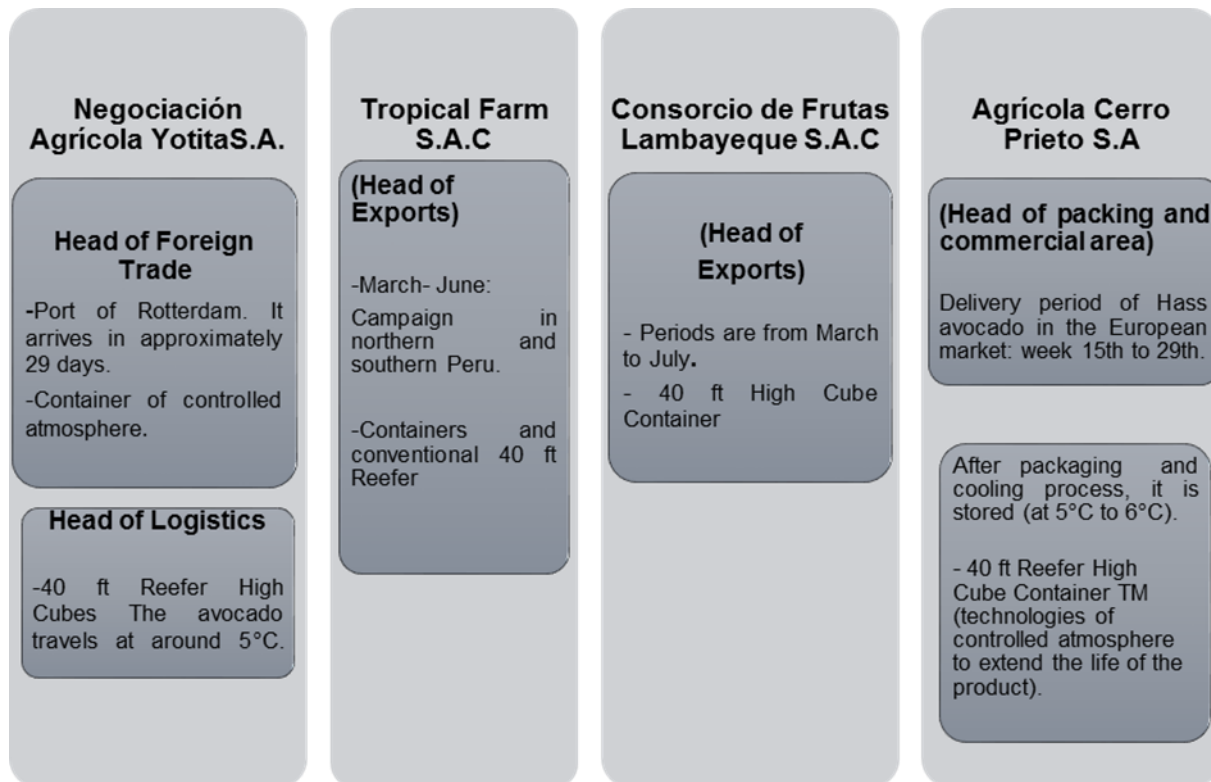


Figure 6. Delivery period and Type of container

Source: Interview applied to enterprises

Elaboration: Self-made

It shows delivery period of Hass avocado from the month of March to July. The arrival to the European market (Germany) lasts around 29 days. Therefore, 40 ft Reefer High Cubes with technologies of controlled atmospheres are used to preserve the product (Hass avocado), avoiding fruit ripening, and controlling its level.

Differentiation strategies for Hass avocado export in Negociación Agrícola Yotita S. A company.

Among all differentiation strategies mentioned, only three aspects are going to be considered: product, personnel and image.

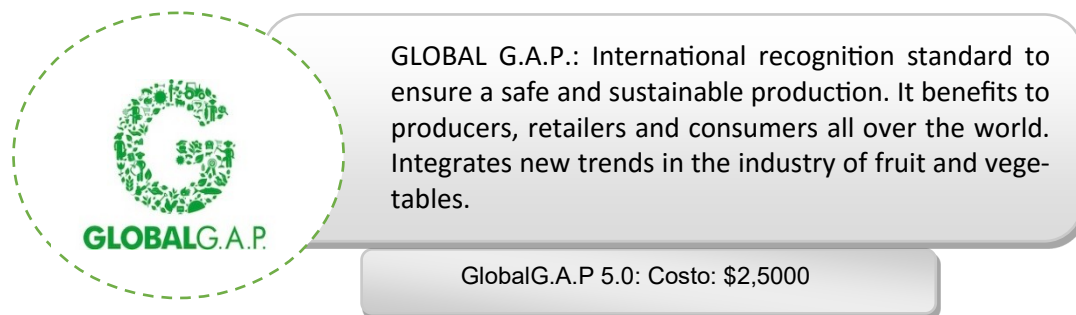


Figure 7. GlobalG.A.P Certification 5.0

Source: GlobalG.A.P

Elaboration: Self-made

Differentiation strategies through the personnel

The Negociación Agrícola Yotita S.A company will be able to count with a highly trained staff and consequently a better productivity. This condition cannot be reached unless employees take part of trainings and courses each year. That will allow them to develop both personally and professionally, get involved in teamwork, and meet the objectives within the company. Following this, productivity will increase causing the company to be the more important and competitive than other agro-export companies.

Differentiation strategies through the image

Differentiation strategies through the product.

Negociación Agrícola Yotita S. A company's Hass avocado, will be differentiated with:

The application of the updated certification (GlobalG.A.P 5.0):

Considering that the new version is more complete, it incorporates the latest studies and research, the government requirements and the Food Safety Law of the European Union. Highlighting the importance of the last point because Hass avocado will be sent to Germany.

Participate in international trade fairs

This strategy aims to engage international clients, as it is a showcase or a link to show product's quality and characteristics. As a consequence, the company will be recognized and will demonstrate a competent profile before their customers.

According to PromPeru, an international trade fair allows the company to have contact with suppliers and customers (actual and potential ones). Business relationships with them can only be established by non-conventional means (for instance, fairs), which will allow to accelerate the sell process and ranks the company image through the product. Three stages must be considered before participating in an international fair: pre-fair (before), exhibition (during) and post-fair (after).

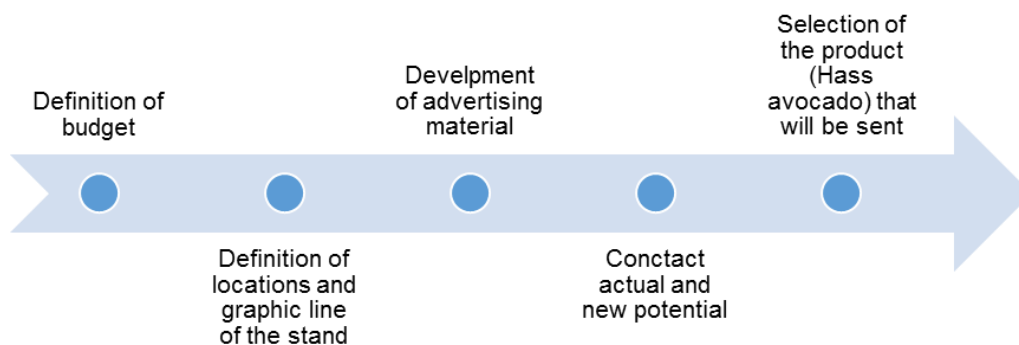


Figura 8. Estrategias: Fase (Pre- feria)

Fuente: PromPerú

Elaboración: Propia

Fruit Logistica is the international trade fair proposed. It takes place every February in Berlin – Germany and lasts three days. The characteristic of Hass Avocado is being a fresh product. Thus Fruit Logistica is an ideal fair to demonstrate the product's potential, reinforcing both its image and the Negociación Agrícola Yotita S.A. company's.

environment to carry out negotiations. Always having in mind issues like price, payment options and what the incoterms are to establish the international trade contract.

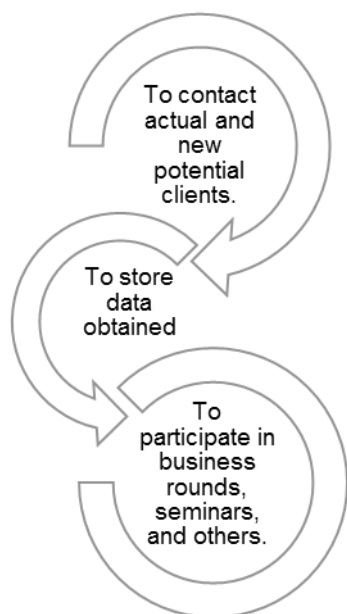


Figure 9. Strategies: Stage (exhibition - fair)

Source: PromPeru

Elaboration: Self-made

Figure 9. Indicates which communication strategies Negociación Agrícola Yotita S.A company should take into account during the trade fair, such as establishing contact with customers through a friendly and direct communication. All information collected from customers and orders will be immediately recorded in the database. Moreover, the research indicates that business rounds constitute an efficient mechanism and create an optimal

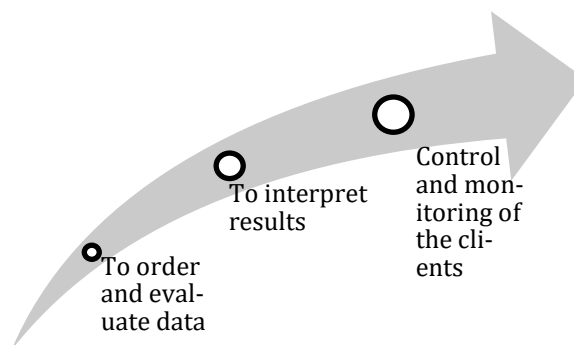


Figure 10. Strategies: Stage (post-fair)

Source: PromPeru, Fruit Logistica

Elaboration: Self-made

Figure 10. Shows the strategies once Fruit Logistica international fair finishes. The foreign trade head of Negociación Agrícola Yotita S.A company must make a diagnosis or an evaluation of information collected in the fair. It is referred to the number of customers whom the contract has been established with; as well as the number of companies selling Hass avocado (competition). Track new and existing customers to know what the exact demand is. In addition, to establish a cordial relationship to consolidate the destination of the exports towards those customers.

DISCUSSION

Results obtained have been identified in advance with the purpose of having a better understanding and deepening of the subject mentioned in the present investigation.

The research design was defined by the use of instruments as the in-depth interview guide of two employees of Negociación Agrícola Yotita S.A company, which is the object of study. The interview guide was also applied to the three Hass avocado export companies: Tropical Farm S.A.C, Consorcio de Frutas Lambayeque S.A.C and Agrícola Cerro Prieto S.A. The first two are located in the department of Lambayeque and the last in the department of la Libertad.

The instruments used in the research were evaluated by three experts in the field: Mr. Carlos Ypanaqué Estrada, managing director of Latin American International Business S. A. C. company; Mr. Marcelino Callao Alarcón, head of César Vallejo university's International Business school; and Rogger Orlando Morán Santamaría, manager of ICOMEX PERU.

Experts were tasked to observe minutely the instruments proposed, including the proposed questions and to feedback on its wording and order before the application of the instruments. The validation of the instruments helped afterwards to obtain more accurate, concise results; and most importantly to have a good information source for the research. Regarding to the instruments application, in order to obtain photographs and audios, a prior authorization was asked to people interviewed.

Despite the fact that they agreed to be interviewed, there were some limits during the research. Due to the lack of time, personal interviews failed to get concreted; for this reason, sending the required information via e-mail was given as an option. This way, it was possible to obtain such information and to achieve the objectives.

Results obtained according to each specific objective of the investigation are presented below. They will be compared with the background or theories related to the topic.

"To diagnose the current state of Peruvian Hass avocado exportation" was the first specific objective. An analysis of national exports in the year 2015 was performed, giving as a result a total amount of US\$ 304, 969,650 in FOB value. Taking as destination the Netherlands, the United States, Spain, United Kingdom and Germany, there was a total of \$ 115,804 in FOB value. According to the statistical data obtained from the SUNAT(1), Lambayeque reaches the fourth place of Hass avocado exports in the country.

In 2012 this department had an exports decrease by the presence of pests that affect the crop, but it managed to recover, having a growth of 120% until 2015 in the value of their exports. This shows the potential it has to export to scale. The research conducted in 2011 by Granados, Perez, Portocarrero, Santiesteban & Vargas, mentions that Lambayeque should, due to its climate condition, take advantage of its soil quality and the large territory it owns, which is favorable to the cultivation of a first-rate Hass avocado. According to Ms. Paola Corvacho Valderrama, the northern region of the country has had a growth of 20%. Furthermore, Lambayeque region owns around 2000 hectares of Hass avocado, which are used for the export of this region's major product.

Regarding to the second objective: "To identify the influential factors for the export of Hass avocado in the main exporting companies". The result was that companies interviewed, consider the cultivation of Hass avocado as profitable, especially for the European prices and being recognized for its nutritional value. The exports ranges of Hass avocado are varied, because it is regulated to the specifications or requirements of the international customer. As mentioned by Salas (2012), in his/her research: European consumer is willing to pay a high price for Hass avocado as a result of healthy food consumption tendency. The author mentions as well that the size of Hass avocado is a factor too, it depends on the target country's preferences.

The results of the third objective: "To design differentiation strategies for Hass avocado export in Negociación Agrícola Yotita company", indicate that exporting this product will be viable, as long as it has an added value as an international certification. In agreement with Keller, K., & Kotler, P. (2006), the differentiation

can be obtained using the product. An international certification gives the product a bonus, because it reflects its quality. It is noticed by the clients and generates deeper reliability in international customers. This way the company and the product will be recognized as valuable. Another strategy proposed by Keller & Kotler (2006) is developed through the service, giving an easy payment and a quick delivery of the product. Agreeing with Ms. Paola Corvacho Valderrama, who expresses some strategies that keep international customers. For instance: fulfilling the established time, the product quality, time (logistics), the enforcement of contracts in terms of production, trade terms of quick delivery of the product. According to the specialists Paola Corvacho Valderrama, manager of the Regional Association of Exporters (AREX), and Carlos Querevalú, General Manager of IPCNI, participating in international trade fairs, it contributes to the image of the exporting company and consolidates the commercial relationship with customers. This in line with the differentiation strategy through the image according to Keller & Kotler (2006), therefore positioning the company and being identified with the products that the company offers.

CONCLUSIONS

The major target markets for Hass avocado export in 2015 were the Netherlands, The United States, Spain and the United Kingdom. Total amount of exports reached US\$ 304,969,650 in FOB value; and Germany exports obtained a total of \$ 115,804 in FOB value. Lambayeque is among the five most relevant regions that export Hass avocado at a national level, exporting a total of US\$ 35, 740,106 in FOB value, having as main destinations Spain and the Netherlands(Holland). Hass avocado, unlike other varieties such as Zutano, Ettinger and Fuerte, is the most profitable and has greater acceptance in the international markets. It has shown a great dynamism between 2011-2015 and has a positive trend. It has reached around 2000 hectares of Hass avocado, which have had a growth of 20% in Lambayeque region. The Negociación Agrícola Yotita S.A company had a total exports of US\$ 363,615 in 2015 delivered to Netherlands, Spain and Germany.

Hass avocado is a profitable crop. It has gain European market's recognition for its nutritional

value. There, prices are appealing and profitability depends on Europe's market season (December - March). There is not an exact avocado's size for a particular market. The company has to adapt it to the international customer specifications or requirements. The required packing and wrapping for exporting Hass avocado are corrugated cardboard boxes for an equivalent of 4 kg and plastic boxes for 10 kg. These are delivered in 40 ft Reefer High Cubes with technologies of controlled atmospheres. The price of Hass avocado is also a factor, which varies and is determined by the international market.

To achieve the differentiation of Negociación Agrícola Yotita S.A company, it is needed to apply Keller & Kotler's differentiation strategies, focusing on three aspects: product, personnel, image.

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