Original article

The value proposal in the marketing of beverages and soft drinks

La propuesta de valor en la comercialización de bebidas y refrescos



A proposta de valor no marketing de bebidas e refrigerantes

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Received: 1/05/2024 **Accepted:** 12/12/2024

ABSTRACT

In view of the constant changes in the market, beverage and soft drink marketing companies must assume innovative processes that imply the reconfiguration of their activities and the search for new alternatives to satisfy their customers. The objective of this article is to define the value proposal for the determination of the marketing strategy in the Beverage and Soft Drink Company of Pinar del Río, given that its management shows a limited market orientation, which affects timely decision making in the medium and long term and its organizational performance. The diagnosis of this subsystem in the company was carried out in an exploratory, descriptive and later explanatory order. A procedure was structured in three stages and seven steps that allowed the delineation of the company's value proposal to determine the most efficient marketing strategy for the company.

Keywords: value proposal; commercialization; innovation; market.

RESUMEN

Las empresas comercializadoras de bebidas y refrescos ante los cambios constantes del mercado deben asumir procesos innovadores que implican la reconfiguración de sus actividades y la búsqueda de nuevas alternativas para satisfacer a sus clientes. El presente artículo tiene como objetivo definir la propuesta de valor para la determinación de la estrategia de comercialización en la Empresa de Bebidas y Refrescos de Pinar del Río, dado que su gestión manifiesta una limitada orientación hacia el mercado, lo cual afecta la toma de decisiones oportuna a mediano y largo plazos y su desempeño organizacional. Se realizó el diagnóstico de este subsistema en la empresa, en orden exploratorio, descriptivo y posteriormente explicativo. Se estructuró un procedimiento en tres etapas y siete pasos que permitieron delinear la propuesta de valor de la empresa para la determinación de la estrategia de comercialización más eficiente para la misma.

Palabras clave: propuesta de valor; comercialización; innovación; mercado.

RESUMO

Em vista das constantes mudanças no mercado, as empresas de comercialização de bebidas e refrigerantes devem assumir processos inovadores que impliquem a reconfiguração de suas atividades e a busca de novas alternativas para satisfazer seus clientes. O objetivo deste artigo é definir a proposta de valor para a determinação da estratégia de marketing na Companhia de Bebidas e Refrigerantes de Pinar del Río, uma vez que sua administração mostra uma orientação limitada para o mercado, o que afeta a tomada de decisões oportunas a médio e longo prazo e seu desempenho organizacional. O diagnóstico desse subsistema na empresa foi realizado em uma ordem exploratória, descritiva e, em seguida, explicativa. Um procedimento foi estruturado em três estágios e sete etapas que permitiram o delineamento da proposta de valor da empresa para determinar a estratégia de marketing mais eficiente para a empresa.

Palavras-chave: proposta de valor; marketing; inovação; mercado.

INTRODUCTION

In recent years, various theories have been developed in the field of business management aimed at achieving sustainability (Reyes Hernández, 2021) and its development in the face of market globalization, the rise of technological innovation, information technology, among other conditioning factors. In view of the advance of these theories, the business sector must be proactive and innovative in decisions that allow its survival and development, so they require an essentially strategic conception of management, which is manifested in a systematic adaptation to the changing environment, with a shared vision of the desired future of the organization and within the processes that determine the business positioning, marketing is found. In this sense, business management becomes a tool to incorporate sustainability, which is why an approach is sought through theoretical approaches to obtain results in this area (Miranda Pegueros et al., 2022), and one of the important systems to achieve this is marketing.

Villalta Marmolejo (2019), quoted by Sumba Bustamante et al. (2022), states that marketing a product consists of finding the presentation and packaging that will make it attractive in the market, promoting the most appropriate distribution network and generating the sales conditions that will encourage distributors in each channel.

The marketing strategy determines the structured and planned actions that are carried out to achieve the objectives related to this marketing function in the company (Guerra Delgado et al., 2023; Sánchez Medina & de la Nuez Hernández, 2020).

For the development of this process, the value propose or differentiated value offer designed by the company to establish its marketing guidelines is of vital importance. From the very definition of the business model, it is clear that value creation is an essential activity for the operation of any company (Marín Sanchiz et al., 2023; Silva e Meirelles, 2019). This proposal contains the bulk of the business model and compiles all the benefits that the company brings to the customer by offering its products and services, thus satisfying their specific needs.

Along these lines, beverage and soft drink marketing trends have changed dramatically in just a couple of years. The shelter decrees that followed the pandemic affected not only international trade, but also consumers' top priorities and tastes, with marketing trends in this sector shifting to patterns such as: sourcing locally and buying globally; going green or going out of business, as well as new

styles and values. Hence, beverage and soft drink marketing companies must take on the challenge of adjusting to current market trends and establish positioning strategies in line with customer needs and the real capabilities of their organization to satisfy customer needs and expectations in a balanced way (Pérez Martínez et al., 2020).

The corporate purpose of Beverage and Soft Drink Company of Pinar del Río is to produce and commercialize wholesale alcoholic beverages, soft drinks, wines, waters and non-carbonated beverages. At present, even when the company obtains satisfactory results in economic matters, there is a set of problems, such as: erroneous conceptions about marketing variables (product, price, promotion, distribution) are assumed, by subscribing the commercial activity only to sales, which limits the strategic approach to commercial management; there are no communication strategies aimed at attracting potential customers, the general access to the Internet is not exploited for promotional communication purposes. The entity does not have a website, only profiles on social networks (Facebook) and this prevents it from working new national and international markets and adding clients; a concept that favors competition between products (product to product) rather than the flexibility to adapt in order to improve and conquer markets predominates.

Therefore, it can be stated that the management of the marketing process developed in the Beverage and Soft Drink Company of Pinar del Río shows a limited market orientation, which affects timely decision making in the medium and long term and its organizational performance.

In this case, the objective of the article is to define the value propose for the determination of the marketing strategy in the Beverage and Soft Drink Company of Pinar del Río.

MATERIALS AND METHODS

The diagnosis of the marketing process in the Beverage and Soft Drink Company of Pinar del Río was carried out in an exploratory, descriptive and then explanatory order. This type of research strategy was selected because it analyzes the phenomenon in the real conditions in which it occurs, which leads to a more solid foundation of the program proposal to be made and thus offers a more effective solution to the problem.

For the study of the marketing process in beverage and soft drink companies, secondary sources of information were consulted in order to find the background information on the object of study and its peculiarities in the official documents that regulate the marketing management process in this

type of company. Regarding the primary sources of information, a set of surveys and interviews with workers and managers were applied; the results were processed from the use of descriptive statistics, using SPSS software version 21.0 and Vester's matrix as a method for the selection of the central problem. In addition, the procedure was structured taking into account the steps, tools to be applied in each one, execution time and people in charge.

RESULTS AND DISCUSSION

Diagnosis of the marketing process in the company under study. Vester matrix

The data obtained after the empirical diagnosis of the research were discussed in a participatory workshop in the Beverage and Soft Drinks Company of Pinar del Río, with the participation of managers and experienced workers. As a result, a set of regularities associated with the commercialization process were identified and screened. These are listed below:

- Planning of the marketing process is carried out on an empirical basis
- Lack of analysis of market opportunities
- There is no marketing strategy for the company's products
- Problems in the internal and external communication process
- Scientific precepts are not taken into consideration when designing the marketing mix for each product-market
- Marketing management lacks a competent structure capable of effectively implementing the marketing process
- Need for preparation of commercial personnel
- Poor sales management
- The company is not responsive to customer demands
- Poor customer loyalty process

With this information, the Vester Matrix Method was applied to determine the main problem associated with the marketing process of the Beverage and Soft Drink Company of Pinar del Río. Taking into consideration the opinion of the workshop participants, each of the sifted problems was weighted, based on a scale of 0 to 3; where: 0 (no cause), 1 (indirect cause), 2 (moderately direct cause) and 3 (very direct cause).

Next, the matrix was then configured by assigning a categorical order valuation to the degree of causality of each problem with each of the others, calculating the totals by rows and columns. The constraints were classified according to the cause-effect characteristics of each one based on their location on a coordinate axis (Figure 1).

| MATRIZ DE VESTER "PROCESO DE GESTIÓN COMERCIAL EBR PINAR DEL RÍO" | | | | | | | | | | | |
|---|---|---|----|----|---|----|----|----|----|----|------------------|
| Problemas | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total de Activos |
| 1 | | 2 | 3 | 1 | 2 | 2 | 2 | 1 | 1 | 1 | 15 |
| 2 | 0 | | 1 | 2 | 0 | 0 | 0 | 1 | 2 | 2 | 8 |
| 3 | 3 | 3 | | 3 | 2 | 2 | 2 | 3 | 3 | 3 | 21 |
| 4 | 0 | 1 | 1 | | 2 | 1 | 1 | 2 | 1 | 1 | 10 |
| 5 | 2 | 1 | 3 | 2 | | 2 | 3 | 3 | 2 | 2 | 18 |
| 6 | 1 | 1 | 2 | 1 | 0 | | 1 | 2 | 2 | 2 | 11 |
| 7 | 0 | 1 | 1 | 2 | 2 | з | | 2 | 2 | 2 | 15 |
| 8 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | | 3 | 2 | 6 |
| 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | | 2 | 3 |
| 10 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 1 | 0 | | 3 |
| Total de Pasivos | 6 | 9 | 12 | 12 | 8 | 10 | 10 | 16 | 16 | 17 | |

Figure 1. Weighting of problems according to causality Source: Own elaboration

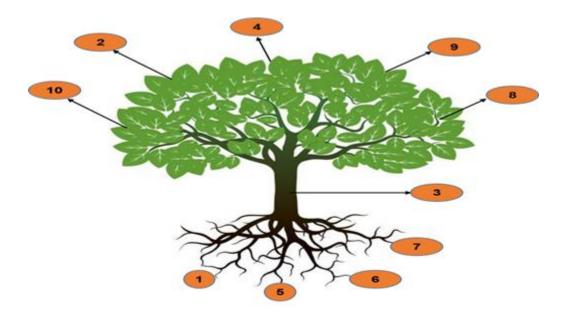


Figure 2. Problem tree Source: Own elaboration

Value propose design for the marketing of beverages and soft drinks

After identifying the main problem from the Vester Matrix (Figure 1) and the Problem tree (Figure 2), which focused on the fact that there is no marketing strategy for the company's products, it was decided to determine the value propose that could be developed to establish an efficient marketing strategy for the company. It was decided to determine the value propose that could be developed to establish an efficient marketing strategy for the company. To this end, the following stages and steps were developed:

Stage 1: Determination of market opportunities

In this stage, an exhaustive research of the beverage and soft drink market at local, territorial and national level will be carried out. To this end, the following will be developed:

Step 1. Analysis of consumer trends and behavior. By studying consumer preferences, brand position in the market, as well as consumer needs and desires.

Step 2. Competitor research. Analysis of marketing strategies used by other companies in the sector.

Step 3. Market Trends: Study current and future trends in the beverage trade (physical channels and e-commerce).

Techniques: 1) Benchmarking, 2) Conducting interactive online surveys to obtain quick, real-time information.

Stage 2: Market segmentation and target audience selection

At this stage, the most appropriate market segments for the company will be identified and the target audience will be selected, as follows:

Step 4. Market segmentation. Division of the market into smaller, more homogeneous groups according to demographic characteristics, purchasing behavior or preferences.

Step 5. Selection of the target audience: The specific group of consumers to be targeted by the company's beverage offering will be determined.

Techniques: Micromarketing and geolocation to identify market segments and adapt the offer to the needs and preferences of each group.

Stage 3. Definition of the value propose

The value propose is what makes a company's products unique and attractive to the target market. In the case of beverage and soft drink companies, the value propose may include factors such as taste, quality of ingredients, price, availability, brand, service, among others.

Step 6. Definition of the distinctive elements of the proposal that will cover the determined market segment.

Step 7. Determine the key resources and activities for the development of the value propose.

Techniques: 1) CANVA method, 2) Conducting online surveys.

Results of the application of the stages and steps for the determination of the company's value propose

Stage 1: Determination of market opportunities

Step 1. First, to determine the company's market opportunities, macro and micro environment factors were taken into account in order to determine the profile of the company's current customers.

The analysis of the **macroenvironmental** factors identified the following elements

Demographic factors: In a study conducted by the company in 2019 and as a result of an interview (selected group) to a sample of 375 consumers from a population of 1000 subjects to assess their behavior in the consumption of alcoholic beverages, both by age and sex. It was possible to determine that, in Cuba, the consumption of alcoholic beverages, although permissible, begins at 18 years of age, young people consume some type of alcoholic beverage as early as 16 years of age and on average up to 65 years of age. This consumer behavior has undergone some changes in recent years in terms of consumer gender; it has been recorded that the consumption of this product is not only a common pattern among men, but also among women, a segment in which consumption has increased. This suggests that the Operations Department should focus its commercial management efforts on this segment.

With respect to this segment, the company launched within its products Sweet Bulk Wine and Dry Bulk Wine, aimed at this unsatisfied market, but in the opinion of the authors, it turned out to be insufficient. Therefore, the company's management should rethink the possibility of developing a new product for this purpose or add value to the existing one through technological innovation.

Economic factors: this aspect concentrates on the elements that affect the consumer's purchasing power and spending patterns. Total buying power depends on income, prices, discounts and credit. It is imperative for the commercial department of the company to be attentive to changes in the spending patterns of the Cuban consumer, in this case referring to end consumers. In the current Cuban context and with the inflation process, the purchasing power of end consumers is low.

This issue is an element that affects the analysis of the price formation of the company's products and, therefore, is one of the factors to be analyzed by the company.

Natural factors: as a result of the analysis of these factors, it was taken into account the risks and opportunities that the trends in physical factors represent: 1) scarcity of material resources, 2) increase in energy costs, 3) increase in pollution levels.

Technological factors: in this section the following technology trends were taken into account: 1) Accelerated pace of technological change: Cuba is no exception in terms of the accelerated pace of invention, exploitation and dissemination of new technologies, so the company must also take into account that the interval between the emergence of new ideas and their implementation is rapidly reduced and the time between their introduction and production is considerably shortened. 2) Unlimited opportunities for innovation: the challenge here is not only technical, but also commercial, it is necessary to develop accessible versions of the services in the case of the company. 3) High R&D&I budgets: the challenge for the company is to integrate marketing personnel into the development teams. 4) Focus on small improvements: due to the high cost of R&D investment, it is valid for the company to focus on obtaining small improvements in the service, rather than pursuing major innovations.

Political-legal factors: the main political trends and their implications with respect to the marketing process that the company will have to take into account include legislation related to the business system.

This legislation has several purposes: to protect businesses from each other, hence laws are issued to prevent unfair competition; the second purpose is to protect consumers from unfair trade practices, hence regulations aimed at consumer protection; and the third is to protect the interests of society against unbridled mercantile conduct (circulation tax).

Cultural factors: some of the characteristics related to this factor that were taken into account in the analysis were: 1) The predominant cultural values in Cuban society today, 2) Identification of subcultures. These subcultural groups exhibit different consumer desires and behaviors, so they must be identified in order to direct marketing strategies towards them as target markets, 3) Change in cultural values over time: The commercial area should keep in mind that the main cultural values of society are manifested in people's relationships with themselves, with others, with institutions, with society, with nature and with the universe, 4) Greater control over technological changes: the commercial area staff should work more closely with the company's Development Management in order to encourage it to conduct market-oriented research.

On the other hand, the analysis of the **microenvironmental** factors focused on the company's client portfolio. Currently, the company's customers (alcoholic beverage line) are concentrated in:

- Domestic market (hotel chains Cubanacán, Islazul, camping, Palmares, ITH, online platforms and others in the tourism industry)
- Chain Stores (Cimex, Caribe, Caracol, Artex)
- Agencies of the Ministry of Food Industry that pay in parallel market currencies (Ministry of Domestic Trade)
- Trade Business Group (trade and gastronomy companies of the different municipalities)
- Non-state actors

As a result of the analysis, specifically with respect to the line of alcoholic beverages, it was identified a market that is not currently being served by the company, namely the non-state sector, specifically the case of micro, small and medium-sized enterprises. The potential demand represented by this segment is currently unknown; however, it was confirmed through consultations with the owners that the products marketed by the company are accepted by the public that visits these facilities, and that it would be convenient to make purchases directly from the company and at differentiated prices. **Step 2.** For the analysis of the competence, factors such as geographic location, types of production and sales analysis were taken into account.

Competitors include: Cuba Ron S.A., Havana Club Internacional, Tecnoazúcar, System beverage companies from the different provinces, new economic actors (self-employed and micro, small and medium enterprises, Mixed Company Los Portales S.A., Food Company of Pinar del Río).

Another of the elements to be dealt with regarding competence is oriented to the constitution of the joint venture, in August 2023, between the Cuban state corporation Cuba Ron S.A. and a subsidiary of the British firm DIAGEO, an entity created to manage the worldwide distribution of Santiago de Cuba rum, one of the country's most recognized liquor brands, state media in Havana reported.

This brand - the second best-selling in Cuba after Havana Club - has the main variants Blanco, Añejo, 11 years and 12 years, and is distinguished by its high quality and its distillation in the eastern region of the Island.

Step 3. On current and future trends in the beverage trade, it was found that international beverage consumption trends have changed dramatically in recent years. The shelter decrees that followed the pandemic affected not only international trade, but also the main priorities and tastes of individuals. Now, more than four years after the first case of COVID-19 was reported in Europe, the world is slowly reopening and taste preferences are changing again.

Among the main international trends are the following:

Sourcing locally, buying globally. By March 2020, nearly 3 billion people were confined. Suddenly, everyone was buying products online. With no alternative, older people, an age group mostly unfamiliar with online shopping, became digital experts. In just a few months, the percentage of internet users over the age of 55 rose from 6 % - 8 % to 25 % - 30 %. At the peak of the pandemic, there have been ten years of e-commerce growth in just 90 days.

This put a strain on global trade, leading to global supply chain disruption and inflation. The pandemic also triggered several phenomena that changed the landscape, such as the rise of telecommuting, the emergence of suburban and rural communities to the detriment of large metropolitan areas.

At the same time, there has been another trend that has marked the market: the move to locally sourced products. With distribution networks in disarray, buying local is not only a necessity for most, but also a way to champion sustainable innovation, as people increasingly prefer to support nearby stores rather than tech giants. With the economy reopening and inflation data worsening, the ability of brands to meet customer demand in a more efficient and local way, combined with a retail strategy, will be critical going forward.

Go green or go out of business. Green activism has never been more fashionable. Generation Y has socially responsible consumer behavior and prefers to help organizations align their policies with the implementation of environmental standards and green sustainability (Ogiemwonyi, 2022). On the other hand, Generation Z, predominantly including those in the early professional demographic, is recognized for their heightened awareness of sustainable practices, ethical consumption, and their astute understanding of the ecological ramifications associated with their lifestyle choices (Kristia et al., 2023).

The trend is that consumers around the world are willing to pay more for sustainable goods and services. To win the hearts and souls of this environmentally conscious population, companies are redesigning their business models and value chains to focus on renewable energy and recycling. Ethical manufacturing and the circular economy are the watchwords of this new era.

In this context, traceability is of utmost importance. Contrary to popular opinion, consumers do check labels and also consider sustainable packaging when buying.

New styles and values. In the aftermath of the pandemic, to address the changing consumer base, brands are now going for a "clean label" that focuses on quality rather than quantity of ingredients. Simplicity also means transparency and elimination of controversial ingredients, such as added sweeteners and colorings. More and more brands are adding nutrient-rich ingredients, such as vitamins and protein.

Therefore, beverage marketing companies face the challenge of adjusting to current market trends and establishing strategies in line with market needs and the real capabilities of their organization.

Stage 2: Market segmentation and target audience selection

Step 4. Market segmentation

To obtain information on the estimated size of the market served by the company, it was first grouped by small segments according to certain characteristics.

By virtue of adopting what is known as micromarketing, the needs and desires of groups of customers must be matched on a local basis (sales areas, individual stores, etc.) as opposed to mass marketing or product variety marketing. For the purpose of market segmentation, the following sequence adapted from Kotler (2001) was followed:

• Market Segmentation

- 1. Identify the segmentation variables and segment the market
- 2. Develop segment profiles
- Setting market goals
 - 3. Evaluate the attractiveness of each segment
 - 4. Selecting the target segment(s)
- Product positioning
 - 5. Identify possible positioning concepts
 - 6. Select and develop the positioning concept

However, two steps were developed to identify the main market segments:

Preliminary study: informal interviews and focus groups were conducted with a sample of experienced clients and target end consumers, in order to obtain an insight into their motivations, attitudes and behaviors with respect to the consumption of alcoholic beverages. Information was obtained on:

- Product attributes and their level of importance
- Brand awareness and ratings
- Product usage patterns
- Attitudes towards the product category
- Demographic, psychographic and media variables of survey respondents

A sample size of 250 subjects was determined by using simple random sampling. The authors recognize that, although this sample is not large enough to gather information for an accurate profile of each segment, the objective was to demonstrate the relevance of applying scientific methods to study the market.

Profiling: each group was profiled according to its "distinguishing characteristics" (behavior, demographic, psychographic and consumer media habits). The company classified its customers into:

- A. 1) Higher sales values, 2) Establishment with international recognition, or among tourists, and/or with great prestige or for its historical-cultural value, 3) Super or Premium range, 4)
 Lower number of customers
- B. 1) Average sales values, 2) Main store in the locality or preferred as a shopping center, 3)Standard and Premium range, 4) Average number of customers
- C. 1) Lower sales value, 2) Typical establishment with no distinguishing features, 3) Standard range, 4) Largest number of customers

It is important to note that this market segmentation procedure should be applied regularly as market segments vary from one period to another.

Considering that the company operates in a retail and wholesale market, the two distribution channels were analyzed. The variables taken into account for the segmentation of the industrial market were: demographic, operational, situational and personal variables. In general, it was suggested that the company operating in the retail and wholesale market should not focus on a single variable, but apply multi-attribute segmentation.

CUSTOMER PROFILE

The rums marketed by the company can be classified according to their type: white, gold, dark and flavored rums. In addition, according to the market segment to which they are directed, they are classified as follows:

Based on their price-quality ratio: <u>Local Value</u>, <u>Standard</u>, <u>Premium</u>, <u>Super Premium</u>, <u>Prestige</u>. The company markets products to compete in the different categories and segments as described below:

- Arecha brand rums (Añejo Reserva, Añejo Blanco, Carta Blanca, Dorado) aimed at the high end of the market, at key product sales points (Super Premium, Ultra-Premium and Prestige segments).
- Vegas del Río and El Valle rums aimed at the medium-high segment (premium segment).
- Campechano white rum and Daiquiri cocktail, Campechano semi-sweet wine, Granel rum, Granel sweet wine aimed at the lower-middle segment (Standard segment).

In the development of the profile of each of these segments, the requirements related to the characteristics that these segments must show were taken into account (Sánchez Medina & de la Nuez Hernández, 2020):

- Measurability: it is difficult to measure the size and buying power of this segment. For example, it is difficult to determine the size of the segment of adolescents who drink mainly out of defiance of their parents.
- Substantiality: degree to which segments are sufficiently large or profitable
- Accessibility: degree of ease of reaching and effectively serving segments
- Actionability: degree to which effective programs can be formulated to attract and serve identified segments

Step 5. Selecting the target audience

In relation to the selection of the target public, when evaluating the different market segments, three fundamental factors were considered: 1) Size and growth of the segment, 2) Structural attractiveness of the segment, 3) Objectives and resources of the company. The results of this analysis are as follows:

1) Segment size and growth: the growth of the market segment is generally a desirable characteristic for the company, since it wants its sales and profits to increase. In this sense, three segments are clearly distinguished: tourism, Ministry of Domestic Trade and stores in freely convertible currency (MLC).

2) Structural attractiveness of the segment: To determine the structural attractiveness of each segment, Porter's five forces analysis was used. The five forces analysis is applied to MLC's stores segment, since it represents 65% of the company's sales turnover.

Analysis of the five market forces in the Segment **Stores in MLC**:

- Risk of intense rivalry in the segment: in this case this segment continues to be attractive for the company, given that, even though the number of competitors is considerable, the closest competitors, Havana Club and Cuba Ron, have a strong interest in remaining in this segment.
- Risk of new market entrants: it is unlikely that new competitors will enter this segment and develop new capacity or even succeed in gaining market share.
- Substitute product risk: the type of product marketed by the company does not face potential substitutes for its product, so it has little to do in terms of monitoring trends in the prices of substitute products.
- Risk of growth of the buyer's bargaining power: similarly, it is concluded that the company's customers in general have low bargaining power with respect to the company, because although they can demand better quality, they are not in a position to force down the prices of these products. In addition, the product marketed by the company tries to be differentiated in price, so buyers tend not to react very sensitively to price changes.
- Risk of growth of suppliers' bargaining power: when analyzing this fifth market strength for the MLC Stores segment, it is recognized that the power of the company's suppliers is not too high if one considers that the prices of the products demanded are not so changeable, nor do the quantity and quality of the goods and services demanded fluctuate regularly. In this case, the company's suppliers face the reality that there are no substitutes and even if the product (service) supplied is important for the company, there is little likelihood of changing supplier. In any case, the best way to protect oneself from the action of this market force is to develop good relationships with suppliers and to be able to count on several of them, which is unlikely given the captive market conditions prevailing in the country.

3) The company's objectives and resources: if the segment analyzed coincides with the entity's objectives, if it has the skills and resources required to succeed in that segment. In this case it was suggested: to develop competitive advantages superior to those of recognized competitors (Havana Club and Cuba Ron), which could focus on criteria such as accessibility, customer service, quality of service.

When selecting the market segments to be targeted by the company, the problem of defining the target audience is decided.

Stage 3. Definition of the value offer

Step 6. Distinctive elements of the proposal

After selecting the segments, an analysis of the available models was considered in order to establish the distinctive elements of the company's proposal. The analysis with respect to the models was detailed as follows:

- Concentration in a single segment: this model is not advisable for the company, since none of the markets covered by the company is without competition.
- Collective specialization: this is the strategy recommended to the company (known as multisegment strategy), since the company's risks can be diversified. In this model, several segments are selected, each of which is objectively attractive and responds well to the company's objectives and resources.
- Market specialization: through this model the company would focus on serving numerous needs of a particular group of customers, but this model is not considered feasible for the company.
- Attention to the total market: in this model, the company would try to serve all segments with all products with the same marketing effort. However, only large companies can develop this type of strategy.

It was suggested to the company to establish its differentiation through services, considering as main variables: 1) delivery, 2) installation, 3) technical advisory services and 4) other services.

For the case of the company, delivery is of utmost importance, which refers to the way in which the product or service is supplied to the consumer. It includes speed, precision and friendliness in the delivery process and customer training, which refers to the training to be carried out with salespeople (wholesalers and retailers in the distribution chain) so that they can promote the benefits of the offer being delivered.

Differentiation can also be through the personnel: this refers to the characteristics that the personnel in the service chain must have, demonstrating: competence, courtesy, credibility, trust, responsibility, communication, etc. On the other hand, differentiation through *image*, even though the products marketed by the company may be similar to those marketed by Havana Club Internacional and Cuba Ron, the market may perceive differences in the company or in the image of the brands.

Given that the company's offer is composed of a set of goods (alcoholic beverages) and services (distribution), the attribute to be chosen to be promoted as differentiating element refers not only to the good being marketed, but also to the service being offered.

In this case it was defined as a value propose for the company:

- To offer exceptional service, with personalized attention and expert advice to help customers find the perfect beverages for their needs.
 - During the sale we strive to ensure fast and safe delivery, as well as the availability of customization options and special deliveries.
 - After the sale, we are committed to continue supporting our customers, offering a fast and efficient after-sales service, as well as the possibility of participating in exclusive events and loyalty programs.
- The values associated with the value propose focus on:
 - 1. Quality: offering products of the highest quality, using high standard products and carefully controlled manufacturing processes.
 - 2. Innovation: looking for new ways to surprise and delight our customers, whether through new flavors, innovative packaging or unique consumer experiences.
 - 3. Responsibility: promoting responsible consumption of our alcoholic beverages, providing clear information on alcohol content and encouraging moderate and conscious consumption.
 - 4. Customer experience: delivering exceptional service at all stages of the customer experience.
 - 5. Transparency: being transparent in business practices, from production to distribution, ensuring the traceability and authenticity of our products.
 - 6. Sustainability: we are concerned about the environmental impact of the company's activities, striving to reduce the ecological footprint through sustainable practices throughout the supply chain.
 - 7. Social commitment: giving back to the community part of our success, supporting social and cultural initiatives that promote well-being and the development of society.

Key resources

- Expert staff: to provide exceptional service and expert advice, it is necessary to have a team of professionals trained in the beverage area, who have extensive knowledge about different types of beverages, brands and flavors.
- Variety of products: keep a wide range of beverages in stock that includes all the brands marketed by the company, this will allow offering all the beverage options to the customer.
- E-commerce technology: to facilitate a free-flowing shopping experience, it is important to have an accessible and easy-to-use e-commerce platform. This will allow customers to search for products, place orders online, and conduct transactions securely and conveniently.
- Availability of means of transport: to guarantee fast and safe delivery to the customer.

Key activities

- Fast and secure delivery: to ensure a satisfactory shopping experience, establish partnerships with reliable delivery services, optimize internal logistics processes and offer express delivery options.
- Feedback and follow-up: collect and analyze customer feedback about the service and products offered, helping to continuously improve the value propose. Follow-up strategies could also be implemented, such as sending reminders to customers about special dates, conducting satisfaction surveys and providing quality customer service.
- Customization: To meet individual customer demands, customization options should be offered. This could include customizing packaging, offering limited edition beverages, providing engraving services on products.
- Specialty gifts: the ability to offer gifts can be a key differentiator. This could be achieved through themed gift packages, loyalty programs with rewards and customized branded gifts.

The research considers the value propose as a key element not only for the business model, but also within the business innovation process. In this case, the value propose is directly influenced by the "market" variable in order to develop its capacity to capture value and determine the necessary resources available in the company for this purpose.

Based on the value propose designed, the company can decide what its marketing strategy will be: product, price, distribution or communication, according to the category and product it selects.

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Conflict of interest

Authors declare that they have no conflicts of interest.

Authors' contribution

Yasiel Martínez Pérez and Jineht Pérez Martínez conceived the idea and designed the study, analyzed the data and prepared the draft.

Yasiel Martínez Pérez, Jineht Pérez Martínez, Diana de la Nuez Hernández and María Consuelo Ameneiro Torres conducted the literature search and review. They were involved in data collection, analysis and interpretation.

All the authors reviewed the writing of the manuscript and approve the version finally submitted.



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