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Dedications

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Abstract

Amaru Superfoods S. A. C. is a Peruvian based company founded in 2019 by Mateo Ruiz de Somocrucio and Rafael la rosa Ferrero. Given the lack of healthy food options in Peru, the company offers products for customers in the health and wellness food sector with a product portfolio of more than 85 products, all 100% Peruvian sourced. Amaru is poised to enter the international market following a domestic expansion in concordance with the continually growing trend the business has had since its founding. The thesis outlines a plan for Amaru to penetrate the American market. After a literature review and analysis of the U.S. market, a strategy in collaboration with the CEOs of the company has been developed that will bring Amaru long-term success in the U.S..

The final proposal includes an expansion to Florida with four products of Amaru's portfolio: Stevia; Protein powder; Flavored coffee and Chocolate-covered fruits. The primary channel to be used is Shopify. The execution of the expansion is estimated to take a year. Amaru is expected to launch the website and the products in the United States in August 2023 if the preparation phase begins in September 2022. As a result, the company will be capable to successfully enter the American market.

Resumen Ejecutivo

Amaru Superfoods S. A. C. es una empresa con sede en Perú fundada en 2019 por Mateo Ruiz de Somocrucio y Rafael la rosa Ferrero. Aprovechando la falta de opciones de alimentos saludables en el Perú, la empresa ofrece productos para los clientes en el sector de alimentos de salud y bienestar con una cartera de productos de más de 85 productos, todos de origen 100% peruano. Amaru está preparada para entrar en el mercado internacional tras una expansión nacional, ya que el negocio se ha ido expandiendo desde su fundación. La tesis esboza un plan para que Amaru penetre en el mercado estadounidense. Tras una revisión bibliográfica y un análisis del mercado estadounidense, se ha desarrollado una estrategia en colaboración con los directores generales de la empresa que llevará a Amaru al éxito a largo plazo en Estados Unidos.

La propuesta final incluye una expansión a Florida con cuatro productos de la cartera de Amaru: estevia, proteínas en polvo, café aromatizado y frutas cubiertas de chocolate. El canal principal a utilizar es Shopify. La ejecución de la expansión se estima en un año. Se espera que Amaru lance el sitio web y los productos en Estados Unidos en agosto de 2023 si la fase de preparación comienza en septiembre de 2022. De este modo, la empresa será capaz de entrar con éxito en el mercado estadounidense.

Table of Contents

List of Tables	xi
List of Figures	xii
Chapter I: General Situation of the Organization	1
1.1 Presentation of the Organization.....	1
1.1.1 Vision, mission, and strategic objectives.....	1
1.1.2 Products and services	3
1.1.3 Targeted markets and distribution channels.....	3
1.1.4 Company structure and corporate culture	4
1.2 Industry Analysis (Porter’s Five Forces)	4
1.2.1 General industry analysis	4
1.2.2 Threats of new entrants: medium.....	5
1.2.3 Power of suppliers: high.....	6
1.2.4 Competition: high	7
1.2.5 Threat of substitutes: high.....	8
1.2.6 Purchasing power of the buyers: high.....	8
1.3 External Analysis (PESTEL) – Opportunities and Threats	9
1.3.1 Political dimensions	9
1.3.2 Economic dimensions	9
1.3.3 Social dimensions.....	10
1.3.4 Technological dimensions.....	11
1.3.5 Environmental dimensions.....	11

1.3.6	Legal dimensions	12
1.3.7	Summary opportunities and threats	12
1.4	Internal Analysis – Strengths and Weaknesses	13
1.4.1	Strengths.....	13
1.4.2	Weaknesses	15
1.4.3	Summary	17
1.5	SWOT Analysis	18
Chapter II : Key Challenge		19
2.1	Identified Challenge	19
2.2	Substance of the Challenge.....	20
2.3	Location of the Challenge.....	20
2.4	Ownership of the Challenge	21
2.5	Magnitude of the Challenge.....	21
2.6	Time Perspective of the Challenge	21
Chapter III: Literature Review		22
3.1	Literature mapping.....	22
3.2	Literature review	23
3.3	Conclusion and Future Research	27
Chapter IV: Qualitative and Quantitative Analysis		29
4.1	Qualitative Analysis	29
4.1.1	Feasibility of expansion.....	29
4.1.2	Conclusion feasibility	31
4.1.3	Company’s readiness for expansion – organizational characteristics.....	31
4.1.4	Conclusion company’s readiness	35

4.2	Quantitative Analysis.....	36
4.2.1	Secondary research.....	36
4.2.2	Primary research: Survey	41
4.3	Conclusion Quantitative Research.....	47
Chapter V: Root-Cause Analysis of the Problem.....		47
5.1	Identified Enablers.....	47
5.2	Main Enablers of the Opportunity	48
5.2.1	Environment.....	48
5.2.2	People.....	50
5.2.3	Resources	51
5.2.4	Knowledge	51
5.2.5	Measurements	52
Chapter VI: Assessed Solution Alternatives.....		52
6.1	Alternatives to Solve the Problem.....	52
6.1.1	Choice of the states in the U.S	53
6.1.2	Entry mode and channels	55
6.1.3	Timing of the expansion.....	56
6.1.4	Choice of products	56
6.2	Assessment of Alternatives.....	56
		vii
6.2.1	Assessment of the states in the U.S.....	57
6.2.2	Assessment of distribution channels alternatives.....	58
6.2.3	Assessment of timing alternatives.....	61
6.2.4	Assessment of product selection	62
6.3	Collaboration with Amaru	66

Chapter VII: Proposed Solution	66
Chapter VIII: Implementation Plan & Key Success Factors	68
8.1 Activities.....	68
8.1.1 Product development and packaging	68
8.1.2 Human resources	70
8.1.3 Finance	71
8.2 Implementation Gantt Chart	73
8.3 Key Success Factors	75
8.3.1 Enablers.....	75
8.3.2 Risks.....	76
Chapter IX: Expected Outcomes	77
9.1 Social Media	77
9.2 Brand Awareness.....	78
9.3 Sales.....	78
Chapter X: Conclusions and Recommendations	79
References	81
Appendices	95
	vi
Appendix A : Amaru’s forecast for the next five years	95
Appendix B: Amaru’s Product Portfolio	96
Appendix C: Amaru’s Suppliers	104
Appendix D: Organigram of Amaru	108
Appendix E: Entrepreneurial Process according to Bygrave	109
Appendix F: Hierarchical model of entry modes according to Pan and Tse	110
Appendix G: Overview and Characteristics of Market Entry Strategies	111
Appendix H: Survey Results Brand Awareness Amaru	113

Appendix I: Internal Analysis Feasibility	114
Appendix J: Questions of the Survey and relevance for Amaru	115
Appendix K: Survey about American Consumption habits.....	120
Appendix L : Results of the Survey	128
Appendix M : Certifications for Amaru’s products in the U.S	135
Appendix N : Information about Social Media in the U.S.....	137
Appendix O : Relevant Expos in the U.S	140
Appendix P : Shopify Subscription Plans	141
Appendix Q : Information on ShipBob	144
Appendix R : Shipment Costs and Volume per Pallet	145

List of Tables

Table 1	<i>Opportunities and Threats</i>	13
Table 2	<i>Strengths and Weaknesses</i>	16
Table 2	<i>Strengths and Weaknesses</i>	17
Table 3	<i>Decision Matrix for the States</i>	58
Table 4	<i>Decision Matrix for the Channel</i>	61
Table 5	<i>Decision Matrix for the Product Selection (as a result of the analysis)</i>	65
Table 6	<i>Production, Landing, Competitor Prices, Range of Product Prices</i>	73
Table 7	<i>Gantt Chart</i>	74

List of Figures

Figure 1	<i>Porter’s Five Forces in the Health and Wellness sector in the U.S.....</i>	5
Figure 2	<i>SWOT Analysis of Amaru</i>	18
Figure 3	<i>Literature Map.....</i>	22
Figure 4	<i>Literature Review Map</i>	23
Figure 5	<i>Fishbone Model applied for Amaru’s expansion</i>	48
Figure 6	<i>Ranking of States with Hispanic Population.....</i>	55

Chapter I: General Situation of the Organization

1.1 Presentation of the Organization

Amaru Superfood S. A. C., hereinafter referred to as Amaru, is a Peruvian Start-up founded in Lima by Mateo Ruiz de Somocrucio and Rafael la rosa Ferrero in 2019. It is a privately held corporation assigned to the identification number/RUC N° 20605450645.

Amaru operates in the market for global health and wellness foods and was founded due to the lack of healthy food options and snacks locally produced in Peru. The company's objective is to promote health, happiness, and well-being around the world through Peruvian-grown superfoods such as quinoa, stevia, and a variety of locally grown fruits. Based on its close relationships with Peruvian farmers and expertise in the food sectors, Amaru currently offers its customers 85 products locally produced and made of 100% Peruvian ingredients.

1.1.1 Vision, mission, and strategic objectives.

Vision and Mission Statement. According to Amaru's marketing department, its mission and vision statement are defined as follows:

- *Mission: Our mission is to offer the consumer, local and foreign, the best superfoods and products based on them that can be found in Peru.*
- *Vision: Becoming a leading local and international superfoods company.*

Although these ideologies are practiced within the company, the mission statement is not published on the company website or other channels accessible to customers and suppliers, and both statements are kept very general. As a result, it is difficult for the customer to identify with the company's values and differentiate Amaru from competitors. Moreover, despite Amaru being a social start-up that pays fair prices to its suppliers, the mission and vision statements do not address social aspects, neither the Social Development Goals (SDG's) set by the United Nations. By promoting local farmers and using organic resources

efficiently, the company helps to fight the SDG Zero Hunger (SDG 2). By providing healthier alternatives to highly processed snacks and sweets, the company contributes to SDG Good Health and Wellbeing (SDG 3). In addition, by working with small local producers instead of large mass productions, the company also supports Life on Land (SDG 15). Thus, the company is addressing three different SDG's and shows a high-level of social responsibility. Thus, an alternative more precise definition that includes the SDG's and communicates these values and social responsibility could be:

- *Vision: Being an industry leader and leader of excellence by promoting health, happiness, and well-being through balanced, high-quality, and healthy Peruvian sourced products/snacks*
- *Mission: Making high-quality and fair sourced and produced Peruvian foods available worldwide*

Short-term objectives. Amaru short term objectives for the next one to two years are stimulating growth of its e-commerce and retail businesses. Therefore, the company plans to launch five cafeterias in Peru to complement its current channels of sale, generate brand awareness, and enhance the experience of Amaru by providing a physical location. At the same time, the company plans to expand to the U.S. to reach international markets. The Financial objectives for the next three years are presented in Figure 1: Amaru's Financial Objectives and Forecast.

Long-term objectives: Amaru's long-term vision is to position the company as a "Peruvian Flagship" and export the products to further foreign markets. In addition, the company also aims to increase growth within Peru with a revenue target of US\$1,619,594 in 2025. A detailed forecast for the upcoming five years can be derived from the Appendix A.

1.1.2 Products and services.

Included in Amaru's product portfolio of 85 Peruvian produced high-quality products are granolas, nuts, protein powders, dried and/or chocolate dipped fruits, butters, flour alternatives, stevia, cocoa products, coffees, as well as various dry mixes. The detailed portfolio can be found in Appendix B. At present time, best-selling products are nuts and nut blends, protein powders, dried and chocolate dipped fruits, nut butters, granola and avena blends, matcha powder, and stevia (Internal Company Information).

1.1.3 Targeted markets and distribution channels.

Targets. Amaru targets health-conscious consumers who desire sustainable and locally sourced ingredients. Currently, the company offers its products exclusively in Peru. The primary target group are nutrition-conscious Peruvian females between 35-65 years, with a medium to high income. Moving forward, management seeks to expand to the American market, as well as into neighboring countries such as Chile, Colombia, and Bolivia. The anticipated target market for North America is women aged 20-40 years old with an average to higher income, who focus on consuming sustainable and healthy products.

Distribution channels. Amaru offers its products in the B2B and B2C market. In B2C sales, products are advertised and distributed through the company website, Instagram account, and WhatsApp. At the current moment, this channel yields the highest monetary return. Further sales are handled in person at the company's cafeterias in Miraflores, Lima. In addition, the company operates in the B2B market, distributing its products through supermarkets, pharmacies, and specialty stores. The company currently has partnerships with 105 supermarkets and health stores throughout Peru. These partners include large supermarkets such as Vivanda, as well as smaller health stores such as El Organico. A detailed overview of the collaboration partners can be found in Appendix C

1.1.4 Company structure and corporate culture.

Along with the two founding members Rafael and Mateo, the company currently employs 19 young individuals. A detailed overview of the company structure can be derived from the organigram in Appendix D. The company culture is characterized by a collaborative working approach, open exchange of ideas, low bureaucracy and hierarchy, high flexibility, as well as transparency (A.Sifuentes, personal communication, July 19, 2022). This transparency is also reflected in Amarus relationship with its suppliers, and the fact that Amaru maintains a thorough overview of its own supply chain. At the same time, the company is strongly focusing on its clients' needs. Thus, Amaru represents a market driven company, which uses a lean start-up approach for the development of new products.

1.2 Industry Analysis (Porter's Five Forces)

To evaluate Amarus situation and positioning within the US Health and Wellness Foods market, an industry analysis regarding the US Health and Wellness Foods market based on Porter's Five Forces was conducted. The results of this analysis, as well as interactions of the five forces can be seen in figure 1.

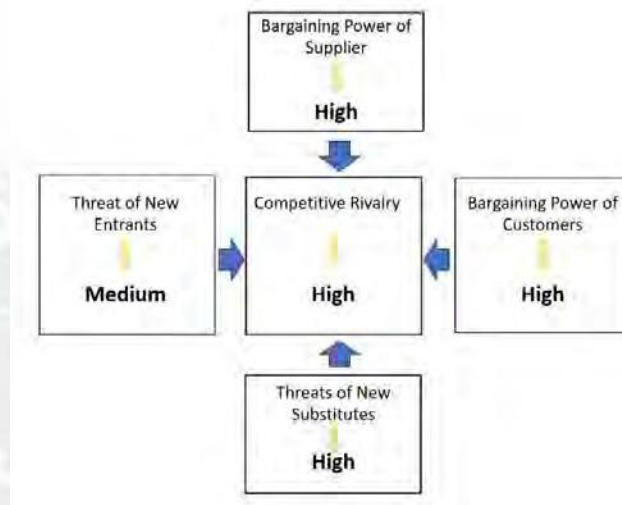
1.2.1 General industry analysis.

The Health and Wellness Foods market in the U. S. was valued at US\$221.2 Billion in 2020. Thereby, the US accounted for a 28.94% share of the global market with significant growth expectations through 2030 (Businesswire, 2021). According to Statista (2020), the increased demand for nutritional products in the US was spurred by the global pandemic, which brought increased awareness for sustainability and health. As a result, a large part of the society developed a desire for a healthier lifestyle and realized that their daily snacks are primarily made from sugar and oil, posing a danger to their well-being. As a result, there now exists a variety of healthy snacks with the following nutritional characteristics; vegan, zero

fat, high protein content, whole grain, reduced/zero sugar, zero oil, zero gluten content, and snacks with environmentally friendly packaging. At the same time, the increasing efficiency in supply chains, and proliferation rates of supermarkets, hypermarkets, and convenience stores has driven market growth considerably (Grand View Research, 2021).

Figure 1

Porter's Five Forces in the Health and Wellness sector in the U.S.



Note. Figure established based on the research for each force.

1.2.2 Threats of new entrants: medium.

Due to the high demand for health products, as well as the easy distribution through many intermediaries such as supermarkets, health stores, good infrastructure, etc., the entry into the US health and wellness foods market is relatively easy, and does not require major financial investments. With that being said, it must be noted that Amarus' main target is the niche market for Peruvian health products. Therefore, knowledge and relationship building with Peruvian farmers and producers can prove to be a challenge for North American companies, increasing the barrier to entry for specifically Peruvian sourced superfoods. As a result, new entrants tend to be Peruvian exporters. In this case, the Food and Drug

Administration (FDA) exists as a significant entry barrier. Organizations may import foods to the U.S. without prior sanction from the FDA, so long as the facilities producing, storing, and handling the products are registered with FDA, and prior notice of incoming shipments is provided (FDA, 2022). As a result, importing to the U.S. can present some challenges, decreasing the threat of new entrants. Thus, the threat of new entrants in the health and wellness foods sector for Peruvian products is considered medium.

1.2.3 Power of suppliers: high.

As local production and processing within Peru is one of Amaru's USP, the company plans to maintain its 100% Peruvian supplier strategy for its exports to the U.S. The following will give an overview of the Power of Suppliers for Stevia and Protein Powder.

Protein Powder. Among its local, traditional suppliers is the organization's protein supplier. This supply chain is core to the business's success in delivering organic and vegan protein powder. While there exist many protein powder suppliers locally able to supply Amaru, its current supplier is the only Peruvian one which can facilitate the no-additive, natural, and limited ingredient recipe. Further, it is not uncommon for the organization to experience delayed shipments, as suppliers are working with more than one long-term client. For that reason, supplier power is high, acting as a disadvantage to Amaru (M. Ruiz de Somocurcio, personal communication, July 6, 2022).

Stevia. For the stevia market, there exists a high number of suppliers in Peru and in the U.S. The price volatility of the stevia leaf acts as a major restraining factor for the growth of the stevia industry. Stevia leaf availability depends on seasonal fluctuations and crop yield. According to the Global Stevia Institute (2022), China is currently the leading producer and major exporter of stevia around the world. It is assumed, that the amount of stevia plants grown in China has decreased significantly. The fall in stevia cultivation is expected to impact the growing demand for stevia, which will result in a supply crunch and lead to higher

prices during the forecast period (Yadav, Singh, Dhyani, & Ahuja, 2011). Consequently, the Power of Stevia Suppliers is high.

1.2.4 Competition: high.

There are many global companies competing within the healthy food and snack industry and organizations continue to innovate their branding strategies to strengthen relationships with consumers. Overall, the global market is highly fragmented and competitive.

Protein Powder. This is also the case for natural protein powders. Investment in advanced automated continuous production lines to increase production efficiency, as well as merges and acquisitions to gain a competitive advantage are common (Grand View Research, 2021). Therefore, it is crucial that Amaru can quickly adapt to market demands and changes. Most prominent protein brands of the US are Glanbia plc, AMCO Proteins, Quest Nutrition, The Bountiful Company, Musclepharm Corporation, Abbott Laboratories, IOVATE Health Sciences International, Transparent Labs, Woodbolt Distribution LLC (Grand View Research, 2021).

Stevia. The Stevia market in the U.S. is highly competitive. Multinational ventures are a common characteristic of the industry. Main competitors are Splenda, Sweet’N Low, Equal, Stevia in the raw, Truvia, Store Brand, NutraSweet, Cargill Incorporated, pure circle, Ingredion Incorporated, Koninklijke DSM, NV, Tate and Lyle Plc., Sunwin Stevia International, Inc., GLG Life Tech Corp, Evolva Holding SA Nemours & Co., Archer Daniels Midland Company, SteviaPar S.A., and NL Stevia S.A. (Prophecy Market Insights, 2021).

1.2.5 Threat of substitutes: high.

Protein Powder. Plant-based protein powder can be substituted by various alternatives, including but not limited to whey protein powder, milk-based protein powders and supplements, and obtaining protein through natural sources such as meats, yogurts, beans, etc. Main supplement bases of alternative protein sources are pea, soy, rice, chia, and hemp. Thus, Amaru must be aware of the threat of substitutes. In addition, there are non-supplemental alternatives to plant-based proteins. These include, but are not limited to, pumpkin seeds, tempeh, hemp hearts, tofu, lentils, edamame, nutritional yeast, nut and seed butters, beans, high protein oats, and chia seeds (Mental for Lentils, 2019). Thus, threat of substitutes is considered high.

Stevia. According to Statista (2022e), Stevia can be substitute through various products, including agave syrup, sucralose, corn syrup, monk fruit sweeteners. Within the last years, the industry was characterized by a trend away from stevia as a sweetener, to agave syrup (Statista, 2022e). Thus, threat of substitutes for Stevia is considered high.

1.2.6 Purchasing power of the buyers: high.

Protein Powder. The American market offers consumers access to a wide range of protein suppliers, indicating high bargaining power. Moreover, there are a growing number of brands emerging with protein powders, such as The Nature's Bounty Co, Health Sciences International, and Glanbia PLC. Each company offers similar products at a similar price (Grand View Research, 2021). Therefore, consumers have considerably high purchasing power, Amaru must clearly highlight its differentiating factor(s) to gain consumer favor.

Stevia. The US market is relatively saturated with various Stevia providers. Therefore, price sensitivity is high, and customers have significant buying power. In addition, the market size itself is limited, as many consumers still opt for normal sugar. (Statista, 2022d).

1.3 External Analysis (PESTEL) – Opportunities and Threats

The following chapter will analyze the external factors affecting Amaru in the U.S., based on the PESTEL framework, to evaluate the company's respective opportunities and threats of a potential entrance in the American market.

1.3.1 Political dimensions.

Foreign trade policies. The U.S. is the world's largest importer of goods and services (World bank, 2022). Thus, the country is following an ex- and import- led foreign trade policy with multiple free trade agreements, such as the PTPA Agreement, which eliminates tariffs and removes import and export barriers between the U.S. and Peru (United States Trade representatives, 2022). This trade agreement allows Amaru to export its products cost-efficiently and to benefit from established trade relationships, that simplify import and export.

Political stability. Political stability can significantly influence the success of a company by having a negative or positive impact on an industry. According to the political stability rating of the Global Economy, the U.S. is ranked 99th of 194, indicating a rather low level of political stability (The Global Economy, 2022). The index of Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means. In the case of the U.S., this can be seen in various events, such as the attack on the Capitol, the constitutional crisis and political violence (Way & Levitsk, 2022). Political instability can lead to changes in government and foreign relations, which can cause changes in import and export policies.

1.3.2 Economic dimensions.

Imports. US imports have significantly increased from 1,559.63 billion USD in 2009 to 2,832.95 billion USD in 2021 (Statista, 2022a). With 166,946 million USD in 2021, food imports have accounted for a share of 9.34%. According to a study by the Economic

Research Service of the U.S. Department of Agriculture (2022), there was a significant increase in imports of vegetables, fruits, nuts, coffee, and grains from Mexico, Peru, and Brazil. Thus, Peruvian agriculture is becoming more well-known and internationally accepted. In fact, many have attributed Peru's climb in gastronomic reputation to the sourcing of food and its connection to indigenous people and producers (Matta, 2021). Thus, Amaru could benefit from the already successfully established import relationships to build trust and brand awareness in its Peruvian products.

Inflation. In May 2022, at 8.6%, the U.S. had the highest inflation rate since 1981, resulting in lower purchasing power (Trading Economics, 2022a). At the same time, inflation can affect supply chain difficulties and might lead to import restrictions implemented to strengthen the domestic economy (Brueckner, O'Reilly, Falk, Castagnino, & Tomsovic, 2022). This could negatively influence the companies' operations.

Exchange rate. According to data from trading economics (2022b), despite a decline during Covid-19, the exchange rate of sol to dollar has increased annually. It is expected that this trend will continue to increase, positively influencing the margins of Peruvian importers.

Competition. The U.S. has been ranked as having the second most competitive economies in the world (Geiger, & Crotti, 2022). This is also evident in health and wellness foods, which makes market entry, differentiation, and brand recognition more difficult.

1.3.3 Social dimensions.

GDP per capita. U.S. GDP per capita has increased from 50,066 USD in 2011 to 69,287 USD in 2021 (World Bank, 2022). As a result, individual households have higher earnings and can afford to spend more and/or qualitatively higher priced products.

Considering that Amaru's products are high-priced, this could also be seen as an opportunity.

Trends (health and shopping). According to a study conducted by Roland Berger (2021), American Consumers are considering aspects of health and sustainability issues when

making purchases. Thus, demand for health and wellness food products significantly increased (Statista, 2020). In addition, recent years have seen an increase in online shopping for groceries (Charm et al., 2022). If Amaru follows its e-commerce approach in the U.S., the combination of these two factors might positively influence the company's operations.

Importance of Brand Awareness. A recent study suggests that roughly 30% of Americans pay particular attention to brands when purchasing food and nonalcoholic drinks (Statista, 2022). Failure to gain consumer trust through positive brand recognition may result in a significant loss of investment, particularly financial capital.

1.3.4 Technological dimensions.

Technological Customer Behavior. The technological advancement of the U.S. is also noticeable in the way Americans interact with technology. Today, more than 90% of Americans have access to and use the Internet (Statista, 2022b). In addition, the number of social media users has increased significantly in recent years (Statista, 2022b). Considering that Amaru already has a high Instagram reach and about 50% of B2C sales in Peru are generated through social media (Instagram, WhatsApp, etc.), the model could be easily replicated and accepted in the U.S.

1.3.5 Environmental dimensions.

Climate Change. Agriculture and fisheries are highly dependent on the climate. Thus, climate change is likely to affect food security at the global, regional, and local level by disrupting food availability and affecting food quality (Brown et al., 2015). Thus, climate change can lead to increased food imports, in particular fruits, nuts, and grain. Due to this scarcity, Americans are ready to pay higher prices, which could be a respective opportunity for Amaru.

1.3.6 Legal dimensions.

Regulations of the food-industry. To import goods for commercial purposes in the U.S., it is imperative that an organization abides by regulations set out by the U.S. Department of Agriculture (USDA) and the Food and Drug Administration (FDA) (CBP Customer Service, 2021). Thus, companies must follow several producing, ingredients, packaging, labeling, etc. standards, to sell products in the American market (U.S. Food and Drug Administration, 2022). For Amaru, this implies that the company must adapt to the respective regulations, standardizations, and certificates, which may require new compositions of the product ingredients or packaging and thus lead to increased production costs. In addition, the U.S. recently implemented a sugar drink tax, also called sugary drink tax, soda tax, or sweetened beverage tax (SBT), to reduce sugar consumption and the associated risk of diabetes among the population. Taxes are dependent on the specific state regulations. Beverages that exceed a state-regulated sugar content are taxed at a higher rate (Wilde et al., 2022). As a result, many soda producers are looking for sweetening alternatives to avoid paying these taxes. Thus, the demand for stevia, agave syrup, and other sweeteners significantly increased over the past years and is expected to further increase (Mordor Intelligence, 2021). This increased demand can be seen as an opportunity for Amaru since Stevia belongs to one of its bestseller products.

1.3.7 Summary opportunities and threats.

Table 1 summarizes the different opportunities and threats resulting of the previous explained PESTEL analysis. Thereby, it is expected that the biggest opportunities influencing Amaru's success are the easy import processes through the bilateral trade agreements, increased American GDP per person, as well as the trend towards a healthier lifestyle and online shopping. On the other hand, it is expected that the most threatening obstacles to

overcome will be the regulations of the food industry, inflation, and uncertainty about economic development.

Table 1
Opportunities and Threats

Opportunities	Threats
Bilateral Trade Agreements between the U.S. and Peru	Political Instability in the U.S.
Increased GDP per capita	Inflation
Increased number of Peruvian Imports	Uncertainty about Economic Development
Strong Sol/Good Exchange Rates	Agriculture in the U.S. is highly automated (cost- and time- efficiency)
Trends (Health and Shopping)	Regulations of the Food Industry
Climate Change	High Competition within the Food Industry
US Tax on Sugar drinks	Low Brand Awareness

Note. Summary of the opportunities and threats based on own elaboration

1.4 Internal Analysis – Strengths and Weaknesses

To analyze the company's strengths and weaknesses, an internal analysis was conducted. Thereby, the SWOT framework was used as methodology. The findings will be presented in the following.

1.4.1 Strengths.

Product quality. Amaru's extensive product portfolio is 100% Peruvian sourced, with most ingredients coming from Lima. Stevia and Yukon are sourced from small local farmers in Cusco, and dehydrated fruits from Piura. This sourcing strategy is a strength for Amaru because it indicates the organization's commitment to Peruvian agriculture and acts as a unique selling point for its product line. Sourcing from a single country, and fewer regions, means the company may focus its knowledge acquisition solely on the Peruvian supplier's market. More importantly, Peruvian agriculture is gaining global popularity for its high-quality products (Internal trade administration, 2021).

Product diversity. No other healthy foods company in Peru offers the exact product portfolio as Amaru. The company acts as the one-stop-shop for all products healthy, organic, and Peruvian sourced. With this model, the organization has seen considerable growth and interest from supermarkets, specialty stores, and pharmacies. It established two cafes within the last month and will implement the third cafe in a healthy food store in the upcoming months.

Dedicated employees. Amaru Superfoods employs a young team of diversely talented employees committed to the company's values and mission. Amaru aims to tell a story and create emotional ties with its consumer. The organization prides itself on the mutual relationship established with clients, built on shared values of health and wellness. The employees are an integral part of this strategy as they communicate directly with clients. It has proven successful for the healthy foods company, having gained over 30,000 active Instagram followers and having operated solely as a business to consumer for the first 1.5 years Amaru (M. Ruiz de Somocurcio, personal communication, July 6, 2022). The founders and loyal employees are young, loyal, and dedicated to promoting Peruvian agriculture in a healthy and sustainable way. This is a major strength for the company because it means each department is willing and able to pivot as necessary in order to meet goals of increased exposure.

Integration of the customer in the supply chain. Not only does Amaru facilitate an experience for its customers through building emotional ties with its product, but the young corporation additionally seeks ways to actively include clients in the research and development phases. Amaru communicates with its customers via Instagram and WhatsApp to send samples and prototypes to top 100 clients, and ask for their personal input. This allows the customer to feel heard, and included in the process, while simultaneously collecting vital consumer preference data in order to deliver on real-time trends.

Transparent supply chain and positive suppliers relationships. Amaru has built long-term relationships with its suppliers and capitalizes on its strength to maintain a positive reputation amongst each facility, manufacturer, and farm. This acts as a major strength because it indicates the potential for more flexibility and higher service from suppliers. Maintaining a positive vendor relationship is necessary to build resilient and robust supply chains. Further, Amaru has maintained transparency across its supply chain with an emphasis on being sustainable and participating in a fair-trade economy. Packaging illustrates this as it has a picture of the founding team, Rafael and Mateo, with the associated sourcing facility on the back of most products. This acts as a strength for the company because supply chain transparency translates to more control.

Strong influencer marketing and social media presence. Amaru Superfoods has seen considerable traffic and sales through its social media marketing strategy. This has helped the company establish brand recognition in Peru and find potential customers following its values. The forward-thinking company has maintained records of hundreds of Peruvian Instagram influencers who promote the product via their personal Instagram, reaching hundreds of thousands of like-minded consumers.

Sustainable oriented. The company keeps sustainability in mind through addressing a number of the Sustainable Development Goals (SDG) set out by the UN. Sourcing from small, local farmers works towards supporting decent work and economic growth while the organic, all natural based products address good health and well-being. In fact, the company's packaging is completely recyclable in North America.

1.4.2 Weaknesses.

Lack of international experience and knowledge of the american market. There is a lack of market research and expertise regarding customer's preferences and behavior in the U.S. As a result, Amaru does not have access to American market information, including the

most demanded healthy snacks, trends in the health and wellness market, current competitors in the market, and the pricing of healthy snacks in the American market. There is no preparation or research done for pursuit of the North American market, and Amaru has no previous experience in international exportation. There is no clear information about shipping processes, costs, and logistics for this new expansion. The company is unfamiliar with regulations, tariffs/taxes, and laws regarding the export of consumer goods across borders. Further, Amaru does not have employees well versed in international marketing or supply chain management.

Poor packaging logistics. The organization recently shifted from paper + plastic packaging to a new material which can be recycled in the U.S. However, it meant that Amaru now has to put the label sticker on each individual product, consuming employees' valuable time. This slows production considerably, and in some cases may act as the limiting factor for increased capacity. Amaru is currently seeking a facility which may be able to print labels directly onto the packaging, however a supplier relationship has yet to be established.

Strengths and Weaknesses – Summary

Table 2
Strengths and Weaknesses

Strengths	Weaknesses
Product quality is high	Lack of international experience and minimal knowledge of the U.S. market
Product diversity	Poor packaging logistics
Dedicated Employees	Pursuit of Multiple Expansion Products
Integration of customer in supply chain	
Transparent Supply Chain and Positive Supplier Relationships	
Strong Influencer Marketing & Social Media Presence	
Sustainably oriented	

Note. Summary of the strengths and weaknesses of Amaru based on own elaboration.

Pursuit of multiple expansion products. The company expanded rapidly at the onset of the pandemic, and even opened two cafes within the last month in Lima with plans to open a third within the next few months. This rapid growth and multi-channel business model may act against Amaru as it spreads itself too thin attempting to expand in many directions. Further, development in the cafes decreases available investments for the U.S. expansion.

Overall, Amaru presents strengths in the areas of supply chain transparency and sustainability, maintaining its core values, and leveraging its social media presence through influencer marketing. It will be crucial for the company to capitalize on these strengths while overcoming its weaknesses of minimal international experience, work-in-progress packaging strategy, and minimal knowledge of the U.S. consumer and competitor market.

1.4.3 Summary.

Table 3
Strengths and Weaknesses

Strengths	Weaknesses
Product quality is high	Lack of international experience and minimal knowledge of the U.S. market
Product diversity	Poor packaging logistics
Dedicated Employees	Pursuit of Multiple Expansion Products
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Note. Summary of the strengths and weaknesses of Amaru based on own elaboration.

Overall, Amaru presents strengths in the areas of supply chain transparency and sustainability, maintaining its core values, and leveraging its social media presence through influencer marketing. It will be crucial for the company to capitalize on these strengths while

overcoming its weaknesses of minimal international experience, work-in-progress packaging strategy, and minimal knowledge of the U.S. consumer and competitor market.

1.5 SWOT Analysis

The success of the potential expansion is based on internal and external factors. Therefore, both aspects need to be considered. The SWOT analysis in figure 2 gives a summary of the findings of the previous chapters. Thereby, the following conclusion for Amaru can be made:

Figure 2
SWOT Analysis of Amaru



Note. Own illustration of the SWOT analysis of Amaru.

It is crucial for the company to consider the external environment in which it currently competes in as well as its future prospects, all while leveraging the company's core competencies. Intense competition in the U.S. will remain a primary challenge for the company to emerge into the market, and relevant regulations and policies will dictate how Amaru may enter. Further, product positioning must be strategically determined through consumer market research and an in-depth competitor analysis. The purchasing power of the

buyer is high, therefore establishing a point of differentiation and communicating a clear message to customers will be of utmost importance. Finally, Amaru's supply chain must be updated to be more efficient and suitable for exportation.

Chapter II : Key Challenge

The following chapter describes the key opportunity for the healthy consumer goods company Amaru. Amaru Superfoods is looking to pursue expansion opportunities as suppliers are willing to meet increased volume demands, and the corporation has the ability to satisfy a larger market. Growth was spurred at the onset of the Covid-19 pandemic, as Amaru was one of few companies with the ability to continue operations throughout the health emergency. As life returns to normal, Amaru is challenged with tackling the next strategic move for stimulating future growth and sustaining its success.

2.1 Identified Challenge

The project manager, Mónica Estrella Olivia, advocates for the company's desire to export a selection of Amaru's best selling products to the U.S. market. There are minimal health and wellness consumer goods in the protein powder and stevia market sourced 100% from Peru. Amaru aims to fill this gap and has recently secured pre-seed investments and expects to propose a budget of 50,000 - 150,000 USD for this venture. The challenge lies within the development of a logistical and marketing strategy, to effectively expand to the U.S. and be profitable with the given resources. Key decisions include, but are not limited to, determining the state and city in which Amaru is most suited to launch, reinventing its marketing strategy to build brand awareness in the American market, and establishing potential supply chain players and cost structures.

2.2 Substance of the Challenge

The company recorded a 46% increase in sales from January 2022 to May 2022 (internal information). This rapid increase brings new opportunities. As a result of the briefing with the company, it is clear that Amaru does not only want to serve the Peruvian market in the future, but is eager to take the next step and spread its message and diverse product portfolio to consumers in the U.S.. This venture may be classified as a challenging opportunity which the young organization can tackle with the right plan. Adaptation to its supply chain and marketing mix would be necessary for penetration of the American market. The project manager, Mónica Estrella Olivia, and her team have decided to serve the emerging market with three of its products; flavoured coffee, vegan protein powder, and stevia. As a secondary channel of sales, Amaru has recently opened two cafés in spring of 2022. These establishments will continue to be run and developed in Peru and are not planned for the American market for the time being. In order for Amaru to expand successfully, a detailed market analysis and implementation plan is required, indicating when, where, how and via which channels to export. Amaru must adapt its current supply chain, develop its own logistics system for the U.S. market, and simultaneously adapt its marketing strategy to suit the American consumer market.

2.3 Location of the Challenge

To stimulate sales in the American market, Amaru seeks to build brand identity with the consumer before approaching specialty stores, supermarkets, or other retailers. Marketing must be adapted to the preferences of the North American consumer, and an assessment of Amaru's current supply chain must be conducted. Amaru will only be able to serve a small geographical region in the U.S., thus a state will be assessed and identified for suitability.

2.4 Ownership of the Challenge

The pursuit of the American market does not solely impact one department, but rather the organization as a whole. Moreover, it will affect external relationships with key stakeholders such as suppliers and investors. Amaru's supply chain will be impacted by the increased demand for products. More specifically, the outsourced mixing facility for protein powders, small farmers in Cusco and the outskirts of Lima, and the packaging suppliers. Thus, entering the U.S. market will undoubtedly impact all Amaru employees and stakeholders, and will require cooperation and collaboration across each entity.

2.5 Magnitude of the Challenge

The magnitude of this opportunity may yield significant positive returns, but only relative negative consequences. Although the pursuit of the American market will have far-reaching consequences for the company, Amaru would survive if expansion to the U.S. failed. This expansion pursuit will yield many changes, for which Amaru must prepare thoroughly, however the success of the venture does not determine Amaru's existence in the Peruvian market in the future.

2.6 Time Perspective of the Challenge

According to the founders and company representatives, the initial penetration of the U.S. market would ideally occur in the next 6-12 months. Although there is no identified urgency to the timeliness of the expansion, Amaru is eager to penetrate the market before its Peruvian competition. Suppliers can deliver necessary capacities, but it must be investigated if Amaru is ready to operate internationally. With that being said, time must be allotted for Amaru to accomplish a number of tasks: establishment of the e-commerce channel(s), preparation of marketing and promotional materials, establishment of a relationship with its new packaging supplier, and locating a suitable distribution center within the U.S.. This expansion additionally depends on the economic climate in America and export regulations.

It is important to evaluate the purchasing power of the American consumer during a time when many have been negatively impacted by the ramifications of the Covid-19 crisis, inflation, and other recession-related factors.

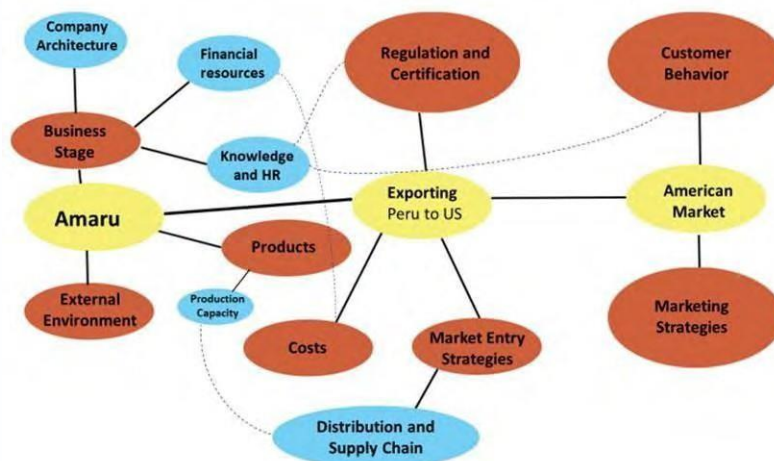
Chapter III: Literature Review

The following provides an overview of the main topics related to Amarus expansion plans to the US. Current findings based on past literature, statistics, as well as internal company information will be presented to provide an overview framework for the project.

3.1 Literature mapping

The present opportunity will be examined in the context of three different points of view: the feasibility and implementation, export requirements the company must fulfill, and the strategy which will aid Amaru in gaining a foothold in the American market. Thus, the entrepreneurial stage, export regulations and certifications, American customer behavior, market entry strategies, distribution and supply chain, pricing, and differentiation strategies, as well as international marketing, represent the critical aspects of the investigated expansion.

Figure 3
Literature Map

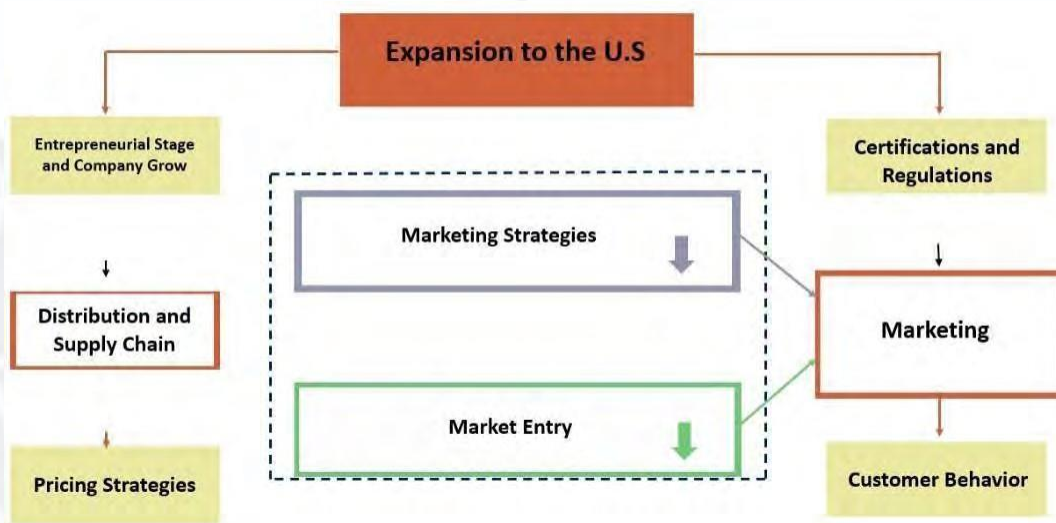


Note. Own illustration of the literature map based on concept mapping.

3.2 Literature review

The literature map in Figure 3 demonstrates the for the company resulting problems and their interrelations. In the following, an overview of the current research status of the key topics related to Amaru's potential and the resulting opportunities and challenges will be discussed (Figure 4). At the same time, limitations of the research will be investigated.

Figure 4
Literature Review Map



Note. Own illustration based on the Literature Map.

Entrepreneurial stage and company growth. Several scholars view company growth as a critical indicator of success, as it enables companies to achieve economies of scale and thus higher profits that can be used for innovation and development (Schmalensee, 1981; Twarowska, and Kąkol, 2013). The entrepreneurial stage of a company has a strong influence on the growth strategy and success of a company. According to Churchill and Bygrave (1989), the entrepreneurial stage of a company can be divided into four successive stages: the innovation stage, the triggering event, the implementation stage, and the growth stage. All stages build on one other and are strongly dependent on the business environment, personal

characteristics of the founder, sociological characteristics of the business network, and the organizational characteristics (Appendix E). While the innovation stage and triggering event are focusing on the foundation and idea development and mainly refer to the founders' personal skills and sociological environment, the implementation refers to the realization of the business idea and the company's sociological and external environment. Once the business idea has been successfully implemented, a growth strategy is necessary to gain market share and successfully establish a company within a market. According to Churchill and Bygrave (1989), the critical factors of success in this stage are the organizational characteristics (team, strategy, structure, culture, and products), as well as the external environment (competitors, customers, suppliers, investors, bankers, lawyers, resources, and government regulations).

Export regulations and certifications. Companies wishing to export products to the U.S. must comply with several certifications and import regulations. In the case of agricultural and processed products, this specifically involves Food and Drug Administration (FDA) regulations. According to the U.S Food and Drug Administration (2022), companies are permitted to export products to the U.S if the facilities that produce, store, and handle the products have a valid FDA license. FDA regulations comprises of the manufacturing and composition of goods, the registration of goods and shipments (products, weights, purpose of shipment), as well as border expectations to ensure the quality of the goods (U.S Food and Drug Administration, 2022). In addition to the FDA regulations, companies also must comply with the FSMA regulations. Therefore, each product needs a specific registration of the final rule on foreign supplier verification programs (FSVP). These certificates confirm that the products have been produced with the health conditions of the U.S. standards (U.S Food and Drug Administration, 2022). Based on the diversity of products, research regarding the FDA and FSVP regulations is kept very broad. For these reasons, specific product exportations

require additional research of the FDA regulations concerning the products selected for exports.

Intercultural differences. Different cultures, traditions, norms, and values result in varying customer behaviors and preferences, demanding specific communication strategies, product features and characteristics (Chitakornkijsil, 2010). A product that is well received in the domestic market does not guarantee success in a foreign market. Thus, market research to characterize the target groups and identify potentially necessary product adaptation is necessary (Kumar, 2000).

Distribution and supply chain. According to the organization for Economic Cooperation and Development (OECD), logistics and the time for exports refer to one of the world's main trade barriers. Lengthy procedures for exports and imports reduce the probability of firms entering export markets (Nördas, Pinali & Grosso, 2006). Based on these findings, a fast, simple, and reliable logistics and supply chain are a necessary foundation for successful export strategies. Companies have two options regarding the distribution and supply chain: In-house organization or outsourcing. According to a Study by Statista (2019), there is currently a strong trend of companies opting for outsourcing the distribution and supply chain by third-party logistics. This trend is expected to continuously increase within the next years. According to a study of Rodriguez-Diaz and Espino-Rodríguez (2006) this development is mainly due to the competence of third parties, lower transportation costs due to higher volumes, as well as the fact that companies can focus on core competencies, which lead to lower costs and competitive advantages.

Pricing strategies. Research regarding export pricing has increased significantly in recent years. Therefore, the following aims to focus on the determinants and outcomes of export pricing. However, a research analysis conducted by Tan and Sousa (2011), which examined 98 articles published between 1971 and 2010 investigating exporting markups and

price-setting behaviors of international firms, revealed that there still is a research gap regarding generally accepted findings. The reasons are failure to agree on the relevant determinants of export pricing and weaknesses in research design and analytical techniques, resulting in contradictory and confusing findings within the literature. Despite this research gap, experts agree that export pricing is one of the most important export factors, as pricing has a direct impact on a firm's revenue (Tan and Sousa, 2011). Thereby, several studies have revealed that export prices and the need to adjust product prices of certain goods in foreign countries are mainly driven by higher transportation and distribution costs, import taxes, currency fluctuations, inflation, government controls, market demand and competitive behaviours (Manova and Zhang, 2012). According to an article published by the Economic Times (2022), the export pricing strategies that are universally accepted within the literature and most used in practice are market-based pricing, skimming, penetration, and marginal cost pricing (Bora, 2022).

Market entry strategies. According to the hierarchical theory of market entry (see Appendix F) developed by Pan & Tse (2000), companies have the choice between general marketing entry strategies: equity and non-equity. Non-equity approaches represent exporting (direct and indirect) and contractual agreements (Licensing, R&D contracts, and alliances), whereas the equity approach refers to joint ventures and wholly owned subsidiaries. A detailed overview of the market entry modes and associated advantages and disadvantages can be derived from Appendix G. According to studies conducted by Laufs & Schwens (2014); and Holtgrave & Onay (2017), small and medium-sized enterprises (SMEs) are characterized by lack of financial resources and exporting knowledge, and therefore are significantly more sensitive to external factors than multinational corporations. As a result, the choices for foreign market modes of small companies and SMEs are influenced by low

commitment to foreign markets and a high-risk aversion, resulting in market entry strategies which are associated with lower costs and risks like exporting or Joint Ventures.

International marketing. According to Clark (1990), people of different nations represent a distinctive, enduring pattern of behavior and/or personality characteristics. Research has shown that this national culture is significantly influencing international marketing, making different marketing approaches necessary for countries. These approaches include, but are not limited, marketing communications, distribution, and advertisement channels. These approaches are both relevant for B2B and B2C marketing (Larsen, Smith & Rosenbloom, 2015). In addition to the traditional 4P marketing mix developed by Kotler & Armstrong (2017), which focuses on product, pricing, promotion and place, digital and social media marketing is playing an increasingly important role in international marketing (Berthon, Pitt, Plangger & Shapiro, 2012). Insights into customer reactions, lower marketing costs, as well as the possibility to interact and communicate with customer, allows newly established companies to easily address untapped markets (Evans, Bratton, & McKee, 2021). Thus, international marketing offers several competitive advantages over traditional marketing. According to literature and several blogs addressing international marketing, the most used marketing channels in international marketing at present are social media (Instagram, Twitter, Facebook, LinkedIn, You Tube, online stores), websites, email marketing, omni-channel marketing, influencer marketing, search engine optimization, as well as word of mouth and customer benefit program marketing (HubSpot, 2022; Buttle, 1998).

3.3 Conclusion and Future Research.

The literature review can be divided into three distinct parts, all of which are interrelated and critical to export expansion: company growth and resources, export regulations and import requirements, and marketing to the targeted U.S. market. The

investigation illustrates that literature shows approaches and strategies for nearly all the respective exporting aspects. The main findings, their implications for Amaru, as well as limitations will be discussed in the following.

Company growth and resources. Based on economies of scale and higher profit margins, literature highly emphasizes the importance of growth for small companies (Schmalensee, 1981; Twarowska, and Kąkol, 2013). Thereby, company growth stage and resources are seen as key factor of succes. Thus, Amaru's current business growth, financial and intellectual resources, organizational composition, etc. must be examined to assess the feasibility of the exportation and ensure project success.

Export regulations and implementation. Research has shown that several FDA regulations, as well as certifications, are required for the expansion to the U.S. Since these certifications are very specific regarding respective products, an analysis of the products relevant to Amaru must be conducted in addition to the general literature available. Furthermore, various researchers agree that national culture and cultural differences have an influence on customer behavior and thus require varying marketing strategies (Clark, 1990). As there is no pre-existing research for the specific case of Amaru, a market analysis must be conducted whether the selected products will be accepted in the American market, which products of the portfolio have the highest potential for success, and how to communicate with the target group.

Marketing. Within the literature it was recognizable that digital marketing is an increasingly important role within international marketing (HubSpot, 2022; Buttle, 1998). With regards to Amaru, this offers the company cost advantages and facilitation of the export process, since operations can be organized from staff in Peru. However, due to the cultural differences, a corresponding marketing strategy and marketing mix for the US market must be elaborated.

Chapter IV: Qualitative and Quantitative Analysis

The following section aims to analyze the American consumer market and the feasibility of entering the U.S. with regards to the three products coffee, stevia, and protein powders. Qualitative research outlines an external and in-depth internal analysis. Quantitative research consists of both primary and secondary data providing insights to consumer preferences, trends, and habits, as well as relevant industry information.

4.1 Qualitative Analysis

The following chapter will analyze the feasibility of Amaru's potential expansion based on a qualitative analysis that is focusing on the entrepreneurial process of Brygrave (1992). Therefore, the analysis aims to investigate the companies' organizational factors that are influencing the expansion plans (Team, Strategy, Culture, Products), as well as the environment it is operating. Thereby, the environment analysis focuses on the relevant strategies and experiences of other Peruvian start-ups that have entered the U.S. This will be used to determine related costs and challenges which may be expected for the expansion. In the subsequent step, the organizational characteristics of Amaru will be evaluated to determine if the company is ready to enter the American market and possess the necessary capacity, knowledge, and skills.

4.1.1 Feasibility of expansion.

Company size. In 2018, more than 2,700 Peruvian micro businesses and 2,508 small companies were exporting products to foreign countries (Statista, 2021). Like Amaru, LoveKuna is a South American superfood start-up founded in 2014 in Ecuador, with similar characteristics in terms of company size, customer-focused product development approaches, vision, and mission. In contrast to Amaru, LiveKuna has already received Series A level funding of 50,000 USD and has already successfully expanded some of its products to the

U.S. (Crunchbase, 2022). Due to the similarity of the two companies, as well as the many smaller start-ups that have already successfully expanded into the U.S., it can be assumed that Amaru has a real chance to gain a foothold in the American market.

Entry experiences of similar start-ups. According to LiveKunas Sales representative I. Otero (personal communication, July 19, 2022), focusing on one product (LiveKunas Quinoa Bread) instead of the whole product portfolio was one of the company's most crucial decisions in the process of international expansion. The goal of this strategy was to build brand awareness and establish the brand in the American market. In addition, the company's sustainability and sharing economy approach has been very well received in the U.S., which has clearly helped to differentiate and establish itself in the market (I. Otero, personal communication, July 19, 2022). Moreover, strategic partners and Alliances, like Grupo Bimbo, SOSV and AMADEO, were critical factors of the international operations by providing production capacities and knowledge about the different markets

Costs of entering the American market. LiveKunas markets its products through a partnership with 364 Sprout Farmers markets across America. The cost of this approach and the establishment of the market presence within the various states of the U.S. cost the company 750,000 USD. The project was financed through a strategic ally with Bimbo, as well as A level seed funding (I.Otero, personal communication, July 19, 2022).

Marketing strategies. To gain brand awareness in the U.S., LiveKuna attempted several marketing approaches from sampling to digital marketing. Thereby, the most successful strategies were the participation in fairs and cooperation with medium to big retailers, for example the U.S. American Sprouts Farmers markets, with 346 Stores within the (I.Otero, personal communication, July 19, 2022). Nevertheless, the Sales Representative I. Otero also stated that due to the different customer behaviors, it was necessary for the

company to outsource some marketing activities to an American partner, who has the necessary knowledge about the US market (personal communication, July 19, 2022).

4.1.2 Conclusion feasibility.

Based on the amount of the small and medium sized Peruvian companies that are exporting products, it is proven that companies like Amaru can successfully enter the American market. However, the insights from Sales Representative Isabela Otero Mora, showed that knowledge about the different markets and customer behaviour, strong partnerships with foreign retailers and clients, as well as financing and the focus on one product instead the whole product portfolio are necessary prerequisites when considering entering the American health and wellness foods market.

4.1.3 Company's readiness for expansion – organizational characteristics.

Current business stage. Amaru was founded in 2019 and currently employs 19 people. The products are already on the market and the company has generated a revenue that exceeds the operating costs. In addition, the company has many regular customers in the B2C sector and cooperates with large supermarkets such as Vivanda (M.Estrella, personal communication, July 5, 2022). In a survey of Peruvian PUCP students, eight out of ten people stated to know the company with two of ten stating that they had already purchased or tried products from Amaru (see Appendix H). This indicates a high brand awareness within the metropolitan region of Lima. Thus, the company was able to establish itself on the Peruvian market and build up a corresponding brand awareness. Even though there is an Instagram account with more than 43000 followers, no international brand awareness has been built up yet, as the website is only in Spanish and strictly focusing on Peruvian/South American consumers. According to the framework of Bygrave (1997), the company has recently completed the implementation phase and is currently operating in the growth stage. Thus, the

expansion into the U.S. aligns with the company's current stage of growth by offering potential for addressing new markets to increase the customer base and sales. However, the current stage is also characterized by internal change and restructuring processes. This is visible in particular in the hiring of new employees and the establishment of various departments (A.Sifuentes, personal communication, July 19, 2022). The restructuring gives the founders more time to concentrate on core tasks. However, it also requires time for people to get used to new roles and responsibilities (Strebel, 1996).

Financial resources. In 2021, Amaru was able to record a profit surplus of 26,035 USD (Appendix 1). The cafeterias that were opened in July 2022 are expected to break even after just the first month of operations (M.Ruiz de Somucurcio Lanata, personal communication, July 19, 2022). Thus, the company is able to self-finance its operational costs and build up financial reserves. In addition, Amaru is in the last stage of a seed round of A level funding and expects financial support of 400,000 USD for expansion and product development. The company therefore has enough financial resources to implement the expansion plans without harming current operations in the event of a failure. However, it must be considered that Amaru's budget is significantly smaller than LiveKuna's. Thus, the founders M.Ruiz de Somucurcio Lanata and R La Rosa Ferrero (personal communication, July 19, 2022) views the market expansion into the U.S. rather as a test drive than a necessary step of growth.

Corporate culture and adaptation/flexibility. The current Team is characterized by a young workforce, rapid growth, collaboration, and a high identification with Amaru's mission and vision. In addition, the team is used to change and proved several times, for example during the corona crisis, that it's highly adaptive and flexible (M.Estrella, personal communication, July 5, 2022). It can therefore be assumed that the team will be able to easily adapt to the new structures and changes the expansion would require.

Human resources. According to HR Manager A. Sifuentes (personal communication, July 19, 2022) it is very easy for the company to attract new talent. Hiring processes take between two to four weeks depending on the necessary education and area of expertise. In addition, the onboarding processes within the company take about two to three months. The company should therefore, if necessary, be able to increase its workforce within four to five months.

Relationship with suppliers. According to the supply chain manager J. Acevedo and CEO M. Ruiz de Somucurcio Lanata (personal communication, July 19, 2022), one of the company's core strengths is the strong relationship and transparency with its suppliers. Nevertheless, it is to consider that the suppliers do not exclusively supply Amaru. This could lead to bottlenecks or difficulties in the supply chain, should a competitor purchase larger quantities or pay higher prices. At the same time, due to the large number of suppliers, Amaru can substitute most of its suppliers relatively easily. This is especially the case for Stevia and flavoured coffee. Nevertheless, the company also offers products (chocolate dipped fruits, protein powder, etc.) where Amaru is highly dependent on its suppliers due to a lack of alternatives (J. Acevedo, personal communication, July 19, 2022).

Supplier capacity. According to J. Acevedo (personal communication, July 19, 2022), due to the high number of suppliers, a sudden increase in the purchase quantities of stevia and coffee would be feasible in a timely manner of two to three days. However, due to the limited supplier of protein powder, chocolate fruits, etc. these products require a lead time of two to three weeks to increase order volumes. It can be generalized that the supplier capacity has not yet been fully exploited and offers plenty of room for future growth.

In-house production capacity. Although the majority of products are packaged directly by the producers, some of the products are assembled and packaged at the company's own headquarters. Since no manufacturer has yet been found for printed packaging, stickers

must be affixed to the respective packaging, making the products very labor-intensive. The company is already experiencing bottlenecks from time to time, so that employees from other areas must help out (M. Estrella, personal communication, July 19, 2022). Thus, production capacities are almost completely utilized already. The problem is known and is to be solved within the next one to two months. In the long term, the plan is to outsource this part so that Amaru may focus on its core tasks which represent marketing and product development (M.Ruiz de Somucurcio Lanata, personal communication, July 19, 2022). However, as long as this problem is not solved, expansion is not possible due to limited production capacities.

Logistics and supply chain. As there is no external warehouse, the storage of products is limited, which will cause difficulties in the case of an increase in product volumes. In addition, since a large part of the products must be transported from the Andes and Cusco to Lima, the supply chain is prone to delays due to poor road conditions, strikes, and roadblocks (J. Acevedo, personal communication, July 19, 2022). Management plans to outsource the storage through a third party, however no trustworthy partner has yet been found for this task (M.Ruiz de Somucurcio Lanata, personal communication, July 19, 2022).

Product adaptations and customizations. Amaru's business development process is highly customer driven. The basis for most of the products developed by Rafael and Mateo is the feedback from their own customers (M.Ruiz de Somucurcio Lanata, personal communication, July 19, 2022). The company can therefore respond well to Peruvian market needs by changing products and ingredients accordingly. It can be assumed that this transformation and adaptations of products will also be possible for the US expansion, so that products can be adapted accordingly to American customer behaviors and tastes.

International experience. Mateo studied in the U.S. and is familiar with the American culture. However, most of the employees lack international experience. Based on the different customer behaviours of Peruvians and Americans, this will especially be a challenge

for the marketing department (A.Sifuentes, personal communication, July 19, 2022). In addition, despite an employee based in Orlando, there currently are no partners in the U.S. Moreover, FDA regulations are unclear, and the team is unfamiliar with the different approval regulations and requirements of the American market.

Knowledge/experience with the U.S. market and its entry regulations. The company is lacking experience in international operations (A.Sifuentes, personal communication, July 19, 2022), as well as knowledge about expansion processes and foreign entry regulations.

Language. Nearly 50% of Amaru's employees possess over a B1 level in the English language or better. Thus, almost every department would be more or less able to communicate with American partners, customers or possible subsidiaries. With that being said, B2/C1 speakers are limited (A.Sifuentes, personal communication, July 19, 2022). To ensure fast and smooth communication with expansion partners, it should be considered to promote the English level of the employees, especially in the areas of Marketing, Sales, Logistics, Purchasing and Supply Chain to a B2 Level.

Certifications. According to M.Ruiz de Somucurcio Lanata (personal communication, July 19, 2022), most of the suppliers are already working with exporting companies, and therefore possess FDA certification knowledge. Because Amaru does not yet have these certificates and cannot certify that its products are vegan, gluten-free, etc., it is at a competitive disadvantage in the Peruvian, as well as American market. Even if the founders are willing to invest in the necessary certifications, it is indispensable before the expansion attempt (Food and Drug Administration, 2021).

4.1.4 Conclusion company's readiness.

Appendix I summarizes the various dimensions of the company readiness analysis and aspects to improve before the expansions. Here, each category is rated according to a five-star system to highlight strengths and weaknesses regarding the international expansion. Five stars

are defined as the best rating, while one star represents very poor performance in the respective category. The analysis showed that before expanding, the company should focus on the in-house production, logistics and supply chain, international experience, knowledge of the American market, language skills and certifications, as this is where deficits in the readiness to enter the American market are present. Since it is planned to outsource the production and warehouse to a third party within the next two to three months, these factors may be considered minor. The most important dimensions for expansion are therefore financing, corporate culture, logistics and supply chain, international experience, language, and customer knowledge, as well as product certifications.

4.2 Quantitative Analysis

The quantitative analysis will be divided into secondary and primary research. Secondary research should serve as a basis, while the primary research is filling the gaps in order to have comprehensive research about customer behavior.

4.2.1 Secondary research.

The following research aims to explore trends related to the American consumer market with regards to coffee, protein powder, and stevia. Consumption trends and flavor preferences will be explored as well as the presence of competition and overall product perception within the U.S. market. The goal of this secondary quantitative research is to discover trends within the U.S. market, which may impact and/or influence how, when, and where Amaru will penetrate the American market. Therefore, the relevance of each discovery will be carefully outlined and what it means for Amaru and its entry into the U.S. consumer market. The following section describes the coffee behavior in the U.S..

Trends of the coffee industry

Consumer demographic. The coffee market in the U.S. is substantial with roughly 150 million Americans identifying as coffee drinkers in 2022 (E-Imports, 2022). A notable 68% of coffee drinkers are over the age of 60, and 63% are between the ages of 25 and 59 (Statista, 2022f). Coffee drinkers aged 25-29 consume roughly 2.15 cups per day, while those over the age of 70 report drinking 2.18 cups per day (Statista, 2022g). This data is indicative of the age group which is most likely to consume, and therefore purchase coffee. The age category 25-29 is important for Amaru's development, and it will be imperative to create promotional efforts which appeal to that range. Further attention may be paid to the consumers over the age of 60 as well.

Consumer preferences. To analyze the U.S. consumer trends in terms of coffee, relevant information regarding the type of coffee, flavor of creamer, and origin preference will be closely examined. The past-day coffee consumption in the U.S. in 2021 reveals that traditional specialty coffee captures just 9% of the market, while traditional coffee represents roughly 29% of the market. Further, espresso-based beverages made up 22%, and non-espresso-based beverages account for 13% (Statista, 2022h). Therefore, Amaru is competing for the smallest market in terms of coffee type and must strategically position itself within the specialty traditional coffee market. Therefore, brand awareness, and building brand trust will be important for the organization's success. To understand the U.S. consumers' preference for coffee flavors, the most used flavor of coffee creamers was analyzed. While French vanilla has proven to be the most preferred flavor, the 'other' category has risen from 33.21 million to 37.91 million consumers in the last six years (Statista, 2022i). Amaru's coffee flavor portfolio consists of lucuma, vanilla, coconut, and caramel. Coconut, lucuma and caramel fall under the 'other' category and may be subject to the slight increase in preferences. In contrast, unflavored coffee is the second most preferred taste amongst U.S

consumers. It will be important to prepare for vanilla to sell in higher volumes compared to caramel, lucuma, and coconut, and evaluate the inclusion of an unflavored option in the future. Moreover, 66% of U.S. consumers prefer organic products which are labeled “grown in Mexico, processed in the U.S.A” (Statista, 2022j). This is likely to present a problem for Amaru, as its product and processing is completed 100% in Peru. Overcoming this consumer preference will be crucial for Amaru’s success in the American market. Colombia and Brazil have established a reputable brand identity in North America, and Amaru is challenged with determining its competitive advantage and point of differentiation.

Where and how coffee is consumed. Research shows that the majority of coffee consumption in the U.S. is in the household. Roughly 1.28 cups are consumed at home per day, while 0.2 at work and 0.19 at an eating place (Statista, 2022K). Drinking coffee at work and at an eating establishment is less common than at home, therefore it is advisable that Amaru provide coffee grinds to be purchased for the household as opposed to selling through restaurants or cafes. The method of coffee preparation amongst regular drinkers in the U.S. favors drip coffee makers, with a substantial 41% of consumers making their coffee this way. Closely following, single cup brewers account for 27% of consumers (Statista, 2022l). Amaru’s coffee grinds are designed for drip coffee makers, complementing the consumers’ preference. Americans are increasingly buying their goods online, presenting a growth from 1.6% to 6.8% in 2022. Online sales are expected to continue to flourish well into 2025 with an estimated 11.7% (Statista, 2022f). While the traditional channel to sell packaged coffee is through supermarkets or grocery stores, it is important to consider the growing preference for purchasing consumer goods, such as coffee, online. This presents an opportunity for Amaru, as e-commerce channels are associated with lower costs and the organization has previous experience in this space already. Further, overall purchases in America via mobile have increased from 35.8% to 50.6% in the last six years and are anticipated to grow to a notable

57.9% by 2025 (Statista, 2022f). When considering e-commerce channels, it is equally important to assess which devices a company's target group is most likely to purchase. Since 2017, there has been a steady increase in purchases made via mobile. Likewise, there is a declining trend in purchases made using a desktop device. This consumer trend is relevant for Amaru when establishing specific e-commerce channels to sell its product, including coffee. There will be a need to create digital platforms which are user friendly for mobile devices as well as desktops.

Geographical location. In terms of geographical location, the U.S. presents a relatively even distribution of coffee per capita in 2020. In fact, the Northeastern, Western, Midwestern, and Southern regions of America presented consumption of 1.97, 1.9, 1.88, and 1.8 cups per day respectively (Statista, 2022m). Therefore, the choice of location expansion may be only slightly influenced by consumption volumes in regions.

Supply. Currently, the majority of coffee imported to America comes from countries Brazil and Colombia, making up a substantial 2.37 of the 4.83 billion USD calculated in 2020. The third most imported coffee comes from Switzerland with only 0.45 billion USD (Statista, 2022n). This indicates a high number of South American suppliers in the American market already, and acts as a potential threat to Amaru. It is imperative that Amaru differentiates itself accordingly from other South American coffee providers, and equally important to capitalize on the unique aspects of Peruvian coffee. This statistic is also indicative of the existence of established supply chains for coffee grinds from South America to the U.S, which is beneficial to Amaru.

Decision Criteria. The top three decision criteria American consumers assess when buying coffee is; how strong the taste is, the smell, and the brand. 49% of survey respondents indicated that a strong taste was an important factor, 43% reported smell, and 37% considered the coffee brand as an important factor. (Statista, 2020a). Therefore, it will be important that

Amaru's coffee blend is favorable in terms of strength and smell, while simultaneously working towards establishing a brand identity in the market. It is important to note that 8% of consumers are concerned with the sustainability of the coffee, and 18% whether or not the coffee has been fairly produced (Statista, 2020a). Amaru's transparent and sustainable supply chain must be communicated to the market.

Trends within the market for protein powders

Reasons for consuming. The most common reason for consuming liquid breakfast or liquid/powdered nutritional supplements is to obtain increased protein in one's diet (Statista, 2022o). This is advantageous for Amaru, as its whole food supplement is protein based. Since the onset of COVID-19, 24% of Americans have reported an increase in the amount of protein from plant sources they are consuming. 18% of respondents report eating less plant sources, 48% eating the same amount, and 10% having never eaten protein from plant sources (Statista, 2020b). This is an indication of positive growth in those consuming protein from plant sources, and therefore vegan protein products. The percentage of sales shares of nutritional supplement products in the U.S. for protein powders is anticipated to maintain at 64.8% into 2025, indicating a strong future for the product in the American market (Statista, 2020c).

Competition. Major players in the nutrition liquid and powder industry in the U.S. consist of 20 different brands, indicative of a highly saturated and somewhat fragmented market. Ensure captures the highest percentage of the market with only 11.81% (Statista, 2020d).

Trends within the Market for Stevia

Stevia. The stevia market is forecasted to see growth in value in the amount of 13.93 billion USD by 2024, reaching an estimated 83.58 USD (Statista, 2022p). The most common form of stevia consumed is powder with roughly 65.45% of the market share (Statista,

2022q). In recent years the perception of stevia has been affected by studies questioning its impact on one's health. In fact, a 2018 study suggests that 25% of consumers reported an increase in negative connotation with low/no calorie sweeteners (Statista, 2020e). This creates a challenging market, as Amaru will look to compete with an increasingly negative view on low calorie sweeteners as well as with established stevia providers.

Substitutes. The sweetener market consists of many substitutes and alternatives.

While white sugar consumption far exceeds that of any other with an estimated sales value of 1,312.63 million USD in 2018, stevia still generated 250.03 million USD in comparison with brown sugar's 293.70 million USD (Statista, 2022r). It is important to highlight the minimal percentage of sales generated for sweeteners other than white sugar. High competition matched with a limited consumer market makes for a challenging environment.

Local Product Awareness. In 2015 a study revealed that consumer awareness of stevia products was highest in Chile with 95%, and second highest in the U.S., reporting 68% awareness (Statista, 2022s). To determine the most consumed sugar substitutes, a 2020 study is analyzed. A significant 51.4% of the U.S. population most often uses Splenda as a sugar substitute, while 25.09% consume Sweet'N Low, 22.64% Equal, and 21.64%, Truvia (Statista, 2022t).

4.2.2 Primary research: Survey.

Primary research aims to make quantitative statements. Primary research has been used when data is either not yet available or data needs to be re-examined. Therefore, primary research is also conducted in addition to secondary research (Kuß, 2014). The goal of primary research is to discover the consumer behavior of the target group. Based on these results Amaru can adjust the market activities during the expansion. In Appendix J it is described for each question of the survey what the goal is and why this is relevant for Amaru.

Methodology. For the survey, a computer assisted web interview (CAWI) was chosen, which means that the survey is administered through a web browser (Google Forms was used). The advantage of this methodology is that the answers can be gathered in a short period of time, the number of respondents is higher than with other methods and there is the possibility of having filter questions (Kuß, 2014). Respondents could undertake the survey in July 2022. Data is then collected and analyzed. The chapter includes the result of the survey. The last step is the interpretation and implementation of the results from Amaru (Kuß, 2014).

Structure of the survey. The survey started with a section asking the respondent's age to interpret the results correctly. It contains three sections. The "coffee" section, the "protein powder" section and the "stevia" section. For each section a filter question was asked to get responses from people who actually consume the products regularly (more than once a week). The table in Appendix J depicts the questions included in the survey as well as the goal and relevance for the company. The survey, as it could be seen for the respondents can be found in Appendix K.

General results. The results of the survey were gathered from the 13th to 19th of July. 70 persons participated in the survey, thus the sample size n equals 70. The following chapter is divided into the three product types Amaru wants to enter the market with: coffee, stevia and protein powder. All results can be found in the Appendix L.

Demographics. When distributing the link for the survey, the intent was to reach the target group of Amaru – young adults. 87.2% of all respondents are between 18 and 29 years old. Consequently, the results mainly represent the opinion of the targeted customers.

Survey results coffee. Of the 70 people who were surveyed, 41 stated they consume coffee regularly (more than once a week). Thus, 59% were being asked further questions concerning coffee consumption. Compared to other products, coffee is mainly purchased by the people themselves (who filled out the survey). Hence, when planning marketing activities

in the U.S. market, the communication should be focused and adapted to young people who represent the target group. Amaru is planning to offer flavored ground coffee in the U.S.. To find out if this kind of coffee is what the target audience was, some questions were asked. Slightly the majority (51%) of the respondents are buying ground coffee. This is considered to be a big advantage for Amaru. However, 27% of those who were surveyed replied that they regularly buy coffee beans. If Amaru wants to expand its product portfolio, this fact should be considered. 37 out of 41 respondents drink unflavored coffee. Thus, it is one of the key success factors to offer unflavored coffee. As for now, none of the people who replied are consuming lucuma flavored coffee. To bring this product to the market, US clients must be exposed to Peruvian fruits. It also indicates that the unflavored coffee would bring higher sales, as it is the most popular choice amongst coffee drinkers. It is more effort to bring a new product to the customer than to buy the same product from another brand. It is inevitable that Amaru focuses on the points of differentiation. When it comes to the different flavors that Amaru will be offering in the future, the results are as follows: On a scale from 1 (not likely at all) to 5 (very likely), 49% of the respondents ticked 1 or 2 (=not very likely) when it comes to trying coconut flavored coffee. However, they are more willing to try vanilla flavored coffee. Lucuma flavored coffee has similar results as coconut flavor, that is people are less likely to try it. There is no clear tendency when it comes to caramel flavored coffee. Some people state they would try this type of coffee, others do not. Hence, sampling different flavors of coffee could help Amaru improve the willingness to try unique coffee flavors. Moreover, the investment in advertising flavored coffee must be higher than in unflavored coffee.

As the U.S. market is highly saturated with different coffee providers, it is required to differentiate the brand and the products from other suppliers. Therefore, some criteria were evaluated when purchasing coffee. The criteria were: price, sustainable brand/company, fair

trade and labor standards, flavor, and country of origin. 93% consider the flavor as very or fairly important. Moreover, the sustainable brand/company is considered to be an important criteria when purchasing coffee for Americans. Fair trade and labor standards as well as the price are only somewhat or fairly important to customers. Respondents replied that the country of origin is not what they pay attention to when purchasing coffee. Thus, Amaru's focus on all market activities should be on promoting the flavor. This can be done within the packaging, social media activities, and sampling. Thus, awareness of the unique taste of Amaru's coffee must be communicated. Moreover, the fair trade logo/certification as well as the labor standards must be communicated. It creates brand awareness and loyalty. Moreover, the consumers will feel they are contributing to society when buying this coffee as they support the workers too. For coffee, the country of origin must not be one of the issues Amaru should focus on as people consider it not to be as important as other criteria. Amaru has a competitive advantage in being able to effectively manage social media and storytelling. To effectively communicate the criteria that are important for the U.S., this strength can be leveraged from the Peruvian market to the American market.

Based on the survey results in the coffee section, it might be concluded that apart from the flavored products, people are regularly consuming unflavored coffee. Amaru has to think about expanding their product portfolio to unflavored coffee too. In addition, marketing activities should focus on the fact that Amaru is a sustainable brand and working with supplies who offer fair labor standards to their workers.

Survey results protein powder. The second product Amaru wants to enter with is protein powder. Currently, 64% are consuming plant-based protein powder while 36% stated that they opt for whey or casein based protein powder. As Amaru offers protein powder which is 100% plant based, the company can compete with the given products on the market. Respondents were asked about the criteria which are important for them when purchasing

protein powder. The ingredients as well as the flavor offerings are considered to be the most important factors. Moreover, protein base (soy, pea, rice, etc.) is an essential criterion. 85% consider the ingredients as “very important” or “fairly important”. The criteria Sustainable brand/company, fair trade and labor standards, and brand/company are only somewhat important for the customers. People do not consider the origin of the product when purchasing protein powder. All respondents replied that the protein base is very or fairly important. Hence, the protein powder with its ingredients as well as the flavor are the two essential criteria. Amaru can implement those results in its market activities by highlighting what its products consist of. As the price is not the most important issue for the customers, it is recommended that Amaru enters the U.S. market with a medium to high price strategy and communicate the product’s ingredients. Moreover, the higher price could lead to the Veblen effect. Customers would create a correlation of the price with the ingredients of the product: if the price is higher, they would think of better quality of the ingredients and the product itself.

Amaru’s base for the protein powder is 100% vegan, this is what the majority of the surveyed people regularly consume. However, none of the respondents know the base that Amaru is using: Sacha Inchi. Hence, intensive communication is required to make people familiar with this base, a Peruvian nut that has 65% protein in powder form. The communication should focus on the advantages of this kind of base for protein powder.

Americans tend to consume unflavored protein powder (36%). However, when considering different flavors, cocoa is also popular in the U.S.. Moreover, respondents had the possibility to fill in other flavors they commonly purchase. Vanilla was mentioned by 14% of the customers. Amaru should consider diversifying its product portfolio with vanilla flavored protein powder. When considering the competition on the U.S. market, people like to use protein powder from BioSteel. Moreover, some other brands were named (see

Appendix L). Amaru needs to find a way to communicate its differentiation from the current competition on the market.

Survey results stevia. From all the people who were surveyed, only 11.4% stated that they are regularly consuming stevia as a sugar substitute. Thus, the results are only somewhat reliable. However, a tendency of the preferences of the U.S. customers is given.

As stated in the qualitative analysis, the perception of stevia has changed in recent years. However, the perception of the respondents was moderate to good. To achieve an even greater market potential, it is important to highlight the advantages when consuming stevia, especially in comparison to other sugar substitutes. When purchasing stevia products, people are not very likely to consider the origin of the product as a decision criterion. Moreover, the sustainability of the brand and/or company is not very important. The organic ingredients and the price are issues that customers include when buying stevia. The most important issue, which was considered to be very important or fairly important by all respondents is the taste (which includes the aftertaste). As Amaru's stevia product does not have the traditional bitter aftertaste, this creates a competitive advantage. However, it is of high importance to communicate that Amaru's stevia does not have this aftertaste. In addition, it is recommended to invest in sampling products. People will only buy the company's stevia products if they know that they do not have the aftertaste. According to the survey, 75% of the respondents are willing to buy new stevia products. Thus, the market potential for Amaru's stevia products is high. Nevertheless, it will be a challenge for Amaru to compete against current stevia providers in the U.S.. Stevia has potential on the American market, however there is one issue which needs to be solved; 88% of the respondents would opt for small containers of loose stevia instead of sachets. Thus, Amaru should consider exporting its small containers of loose stevia powder as opposed to sachets.

4.3 Conclusion Quantitative Research

To conclude, Amaru's entry into the U.S. market poses challenges. Amaru encounters a saturated market for stevia. The market for coffee and protein powder is also very competitive. Therefore, Amaru has to find a way to differentiate itself. It is important that the company builds brand awareness. This can be done mainly by bringing the taste and smell of the products to the customer. To do so, the marketing activities must be carefully planned.

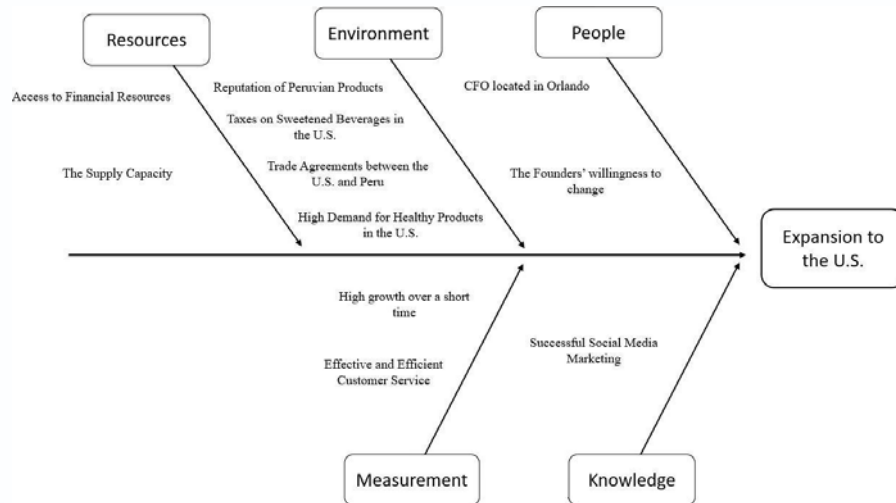
Chapter V: Root-Cause Analysis of the Problem

Amaru plans to expand to the U.S., exporting a variety of packaged flavored coffees, vegan protein powders, and stevia. The qualitative analysis outlined in chapter four identifies the feasibility of the expansion, and the following chapter aims to elaborate on enabling factors.

5.1 Identified Enablers

Expansion requires more than a desire or motivation to export products to other regions of the world. The following thoroughly outlines the enabling factors which are the root cause for Amaru's motivation to expand to the U.S. For this purpose, the Fishbone model is applied. It is divided into four categories: environment, people, materials, and measurement. All categories will be analyzed in more detail in chapter 5.2 to understand the feasibility of the expansion project. Figure 5 depicts the enablers for the expansion of Amaru.

Figure 5
Fishbone Model applied for Amaru's expansion



Note. Own Illustration of the Fishbone Model.

5.2 Main Enablers of the Opportunity

A variety of enablers may be examined in four different fields: People, Measurements, Ressources, Knowledge, and Environment. The main enablers will be explained as follows.

5.2.1 Environment.

One of the pillars of the Fishbone model is the environment which enables Amaru to expand to the U.S. Thus, four different enablers could be examined: the perception of Peruvian products, the taxes on sugar in the U.S, the high demand for healthy products in the U.S, and relevant trade agreements between Peru and the U.S.

Reputation of peruvian products. Due to recent climatic condition patterns, Peru has become prominent in the cultivation of agricultural products. In the last decade, the relationship between Peru and the U.S. has been intensified, and trade has been facilitated. The increase in exports from Peru to the U.S. has increased the reputation of Peruvian products, particularly agriculture products. Thereby, Peru is among the largest producers of

coffee and cocoa (Andina, 2022). The awareness of Peruvian products paired with Amaru's 100% Peruvian sourced model, will aid the organization in obtaining a foothold in the U.S.

Taxes on sweetened beverages in the U.S. As previously discussed, greater awareness of the side effects of sugar consumption has led the U.S. government to impose a tax on sugar-containing beverages in some states and cities. These taxes have led to lower sugar consumption and, more importantly, emphasized the substitution of sugar for daily use and soft drinks. This situation has increased the demand for stevia in the U.S., which may have a positive impact on Amaru's stevia sales. In addition, Amaru's stevia is 100% natural with no additives, which could act as a point of differentiation from U.S. competitors.

High Demand for healthy products in the U.S. The Covid-19 pandemic has highlighted the importance of leading a healthy lifestyle, consequently spurring health-conscious eating habits around the world. According to Sesame (2022), more than two-thirds of Americans have incorporated healthier products into their diets in the last five years, which implies that there is a potential market for healthful products. This trend is likely to benefit Amaru as a superfood provider. Another differentiating factor for Amaru is the uniqueness of its products. Although there is a significant number of superfood companies in the U.S, Amaru may capitalize on its Peruvian roots, and its variety of flavor offerings. It differentiates itself by offering different flavors of coffee, protein powder and stevia (Feng & Chern, 2000).

Trade agreements between the U.S. and Peru. Over the last decade, new trade agreements between the U.S. and Peru have emerged. As a result, the U.S. is more willing to import agricultural products from Peru. Consequently, the agreements have facilitated increased trade between the country and costs have decreased for exporting companies. According to Andina (2022), agreements have increased Peruvian agriculture export to the U.S. by 30% in the first months of 2022 compared to 2021. Among the exported products,

coffee was the most impacted product by the introduction of these trade agreements. Canned sugar products were also positively impacted significantly. Amaru will be subject to a competitive market from both domestic and international providers, however trade agreements may be an important advantage over other exporting companies from different regions. Thus, Amaru may benefit from decreased shipping costs to the U.S. market (Andina, 2022).

5.2.2 People.

Human capital is identified as another crucial pillar to the Fishbone analysis. The founders' exceptional willingness for change contributes significantly to the start-up's growth potential. Moreover, Amaru's young, dedicated employees demonstrate loyalty and hard work, and are as eager for growth as the founders are. Having the CFO located in the U.S. is an additional enabler for Amaru.

Founders' willingness for change. The CEOs of Amaru founded the company to change their personal eating habits and that of other health-conscious consumers by offering high-quality products which are 100% Peruvian sourced. Expansion to the U.S. implies change throughout the company, including the introduction of new positions within the firm, and a shift from national to supranational revenue streams. Both Rafael and Mateo are open to change, aware of the risks that will be assumed, and willing to pivot quickly in a volatile industry. This is considered a crucial enabler for Amaru's expansion initiatives.

CFO located in the U.S.. Amaru is further enabled by its current employment of a dedicated team member residing in Orland, Florida. This employee works as Amaru's acting CFO and is completely remote from America. Like other employees, the employee dedicates his time to the development of the company. This is a crucial enabler for Amaru because he has some knowledge of the U.S. market, and can be hands-on with logistics and operations in the future.

5.2.3 Resources.

The third and pillar of the Fishbon are ressources. Enablers for this category are the supply capacity, and access to financial resources.

Supply Capacity. Amaru's close relationships with suppliers in Peru, in some cases, has led to preferential treatment for orders. According to the founders, suppliers have the capacity for higher production, and increased volume orders to fulfill the U.S. demand. Thus, supply capacity is not an anticipated problem. This reliability is another enabler for the expansion plan. Before expanding to the U.S.

Access to Financial Resources. Access to financial capital is imperative for any expansion prospect, especially that of an international venture. Significant funding is needed for a variety of activities related to production costs, shipping costs, marketing and advertising costs, and at a later stage hiring a new team in the U.S.. Revenue generated from Peruvian operations will allow Amaru to provide the financial support for the expansion, and recent investments of 400,000 USD significantly spurred the interest in this expansion project.

5.2.4 Knowledge.

Successful Social Media Marketing. Amaru uses a variety of strategies for its distribution and marketing. Social media marketing via Instagram has been one of the most important revenue generating strategies since launching. Amaru has made investments in its Instagram account and used various online marketing methods such as influencer marketing, advertising, and campaigns to reach out to a larger group of people and acquire new customers. Today, the company's Instagram page has more than 43,000 followers. This growth has been an encouraging enabler for the company to expand to other markets utilizing a similar model.

5.2.5 Measurements.

Another pillar are the measurements that contribute to change within the company.

Amaru's High Growth over a short time. Amaru was founded shortly before the start of the Covid-19 pandemic. Rapid growth followed in a short period of time. Because Amaru focused on online marketing, it managed to grow even during the pandemic. The team behind Amaru is constantly growing, as well as its product line and revenue streams. This is proof that the organization is capable of managing further growth, including the pursuit of international opportunities.

Effective and efficient Customer Service. Amaru's excellent customer service and ability to create close relationships with its customers has led to many benefits. In fact, many product launches are the result of feedback received from long-term clients. As Amaru is experienced in customer relationship management, this can be leveraged for the American market. Product preferences and market changes may be identified quickly through a strategy which Amaru is familiar and has seen success with.

Chapter VI: Assessed Solution Alternatives

The following chapter outlines potential solutions available to Amaru. The of choice state, timing, distribution channel, and the selection of products are identified components subject for evaluation. Each category will be expanded on, and then assessed.

6.1 Alternatives to Solve the Problem

For the expansion, Amaru must weigh its options to enter the American market. There are four main components necessary to address prior to the start of operations: Choice of the States in the U.S. (Where), Entry Models and Channels (where), timing of Expansion

(When), and selection of products (What). The following chapter provides an overview of alternatives for each of the four dimensions.

6.1.1 Choice of the states in the U.S..

The choice of state will depend on a handful of criteria identified: port infrastructure, consumer behavior, current resources Amaru has residing in the state, specific trade relations and regulations, the Hispanic population, and competition. The states of Florida, New York, and California will be explored in detail with regards to the aforementioned criteria, as discussed with the founders Mateo and Rafael.

Port Infrastructure. Infrastructure is essential to consider as shipping costs are highly dependent on port availability. Further, it can impact shipping time, which is an additional consideration for impact on shelf life. A decision is required for the shipping port and the destination port. Peru's five major ports are Callao Port, Paita Port, Matarani Port, Talara Port, and Salaverry Port. The port in Callao is considered to be the most important one with a cargo movement of more than 70% of loading and discharging in Peru (Singh, 2022). Moreover, the port is geographically the nearest one from Amaru's main office in Lima. Thus, it is highly recommended to ship products from the Callao Port.

Additionally, the decision on which states Amaru serves depends on the connections from Callao Port to the U.S. According to Turner (2021), the biggest ports in the U.S. are the Port of Los Angeles (California), the Port of Long Beach (California), the Port of New York and New Jersey (New York), the Port of Savannah (Georgia), and the Northwest Seaport Alliance (Washington). Moreover, Florida is one of the top five states when it comes to total container volume (Florida Department of Transportation, 2016). The biggest port in Florida is Port Tampa Bay with 33 million tons of cargo a year (Port Tampa Bay, 2022).

Current resources. Having resources in the form of human capital in the U.S. would provide Amaru an enormous advantage, as this individual may facilitate crucial details of the

expansion to a high extent. Thus, it must be considered as one of the criteria when choosing a state to enter. Currently, Amaru has one employee residing in Orlando, Florida and is working full time as the company's CFO. The company has no other partnerships, connections, or employees residing in the U.S.

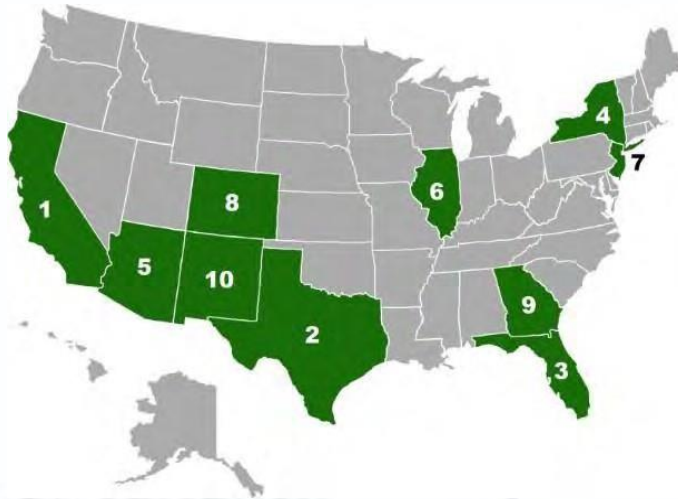
Consumer behavior. Consumer behavior is essential as the expansion's success will depend on whether customers are receptive to the product and are willing to purchase. Amaru is planning to enter with only a selection of its product portfolio. Thus, the customer behavior must be analyzed on the selected product. After establishing brand awareness, other states can be served with different products. However, moderate to high demand in the state where Amaru enters first is considered essential.

Specific trade relations and regulations. Although many trade agreements are nationwide, there are specific trade relations for individual states when it comes to export products from South America. Thus, those agreements and relations must be taken in consideration when choosing the state.

Hispanic population. According to the founders of Amaru, higher sales numbers are expected in areas with a higher percentage of Hispanic people. In 2019, there were 60.5 million Hispanics living in the U.S. which equaled 18.4% of the total U.S. population. The highest number of Hispanics come from Mexico making up roughly 61.4% of immigrants (OMH, 2021). Figure 6 depicts the states with the highest Hispanic population from one to ten.

The top five states with the highest number of Hispanic inhabitants are (ranked from 1 to 5) California, Texas, Florida, New York, and Arizona. According to Volza Grow Global (2022), Miami is the state city with the highest Peruvian population in the U.S.. Amaru could fill a market gap by offering 100% Peruvian products to Peruvians living in the U.S. focusing on a market niche.

Figure 6
Ranking of States with Hispanic Population



Note. Based on OMH (2021).

Competition. The competition must also be considered when exporting to the U.S. with Peruvian products. In the event that a geographical market is satisfied already with certain products, it will be more challenging for Amaru to enter. The competition should be analyzed in particular with the product(s) that will mainly generate brand awareness.

6.1.2 Entry mode and channels.

It is highly important for Amaru to choose an appropriate entry mode which aligns with other dimensions (where to enter, when to enter, what to enter with). Available channels will be further discussed.

Online shopping/website – Shopify. The American market could be entered through a web shop provider such as Shopify. This would include setting up the e-commerce platform and utilizing a partnered distribution center.

Social Media (Instagram and WhatsApp/WhatsApp Equivalence). Amaru may also explore selling through social media and the American equivalence of WhatsApp, as it has done in Peru.

Healthy food stores. An additional option would be selling products in healthy stores.

Superstores. Amaru could enter superstores such as Walmart or Costco.

Amazon. Each year the e-commerce business market is growing to reach a broader group of consumers. There are a variety of e-commerce markets, such as Amazon, eBay, Walmart, etc., which businesses can use as a selling strategy.

6.1.3 Timing of the expansion.

Although Amaru wishes to expand to the U.S. as soon as possible, it is important to consider all factors prior to finalizing such a decision. Considering internal processes which should be completed before exporting, access to resources, and time it takes to obtain necessary resources, there are three options available to Amaru; immediate expansion within three to six months, delayed expansion within six months to one year, long term expansion beyond one year, and not exporting at all.

6.1.4 Choice of products.

Amaru additionally must identify the choice of products to export to the U.S.. The company may enter the market with one product, a selection of products or all the products of the portfolio which Amaru offers to the customers in Peru.

6.2 Assessment of Alternatives

For each of the four dimensions (where, how, when, and what), different criteria must be identified. This chapter will provide information regarding the importance of all dimensions which were determined together with the team of authors and the two founders of Amaru, Mateo and Rafael.

6.2.1 Assessment of the states in the U.S..

The decision of the state will be limited as the founders only consider exporting to Florida, California or New York at the beginning. However, it is recommended to re-assess other states before entering the American market.

Port Infrastructure. three states have ports which Amaru can use as the destination port. However, Los Angeles has the port with the shortest shipping time (from Port of Callao) with around 11-16 days, depending on the season and the amount of product. Moreover, as the connection Callao - Los Angeles is frequently used, the shipping is cheaper (MoveHub, 2022). Additionally, California has another port which counts to one of the biggest ports - the Port of Long Beach. New York's port is also one of the largest however, the distance is tremendously longer than for California or Florida. Florida has many ports too, nevertheless, the Port Tampa Bay will be the most relevant one as it is the main port for Florida when it comes to shipments from South America (Port Tampa Bay, 2022).

Consumer behavior. As a result of the quantitative research on customer behavior, it could be examined that the customer behavior in the three regions is very similar in terms of coffee consumption. Coffee consumption will be considered as the main product for establishing brand awareness in the U.S., other products will only serve as supporters. Thus, consumer behavior will only have a decent impact on the decision of the state.

Specific trade relations and regulation. Due to the port of Tampa Bay, Florida and Peru have strong commercial relationships. This may aid Amaru when shipping products to the U.S.. Another regulation which is different compared to other states is that in California, there used to be regulatory barriers that blocked all-natural sweetener (including stevia). Thus, the risk of introducing such barriers again must be considered when entering California.

Hispanic population. Assuming that the Hispanic population has a tendency to consume products from South America more regularly than American citizens, California would be most successful as it is ranked first when it comes to the Hispanic population. From all the states considered, Florida would rank second and New York third. However, as the Peruvian population is the highest in Florida, this would give an advantage to this state.

Competition. Competition through the three states is considered comparable. Amaru must compete against big players which offer similar products all over the U.S. in different states.

After consulting with the two founders of Amaru, a decision matrix with the relevant criteria as well as the assessment of each country was created and in Table 3. Weighting scores are based on the founding team's preferences as well as presented research. Ten is considered the highest score while one is the lowest. After considering all criteria with the weights, Florida is the state with the highest potential for Amaru.

Table 4
Decision Matrix for the States

	weight	Florida	California	New York
Port Infrastructure	15%	6	9	5
Current Resources	30%	10	1	1
Consumer Behavior	20%	5	7	6
Trade Relations and Regulations	10%	8	6	7
Hispanic Population	15%	8	9	7
Competition	10%	5	5	5
total	100%	7,4	5,5	4,5

Note. This decision matrix was based on research and consultation with Amaru

6.2.2 Assessment of distribution channels alternatives.

Shopify. Amaru is working with the provider Shopify already, therefore experience is considered an asset. This option requires less capital and may be associated with lower risk.

However, the supply chain will result in foregoing some control, as this option implies finding a reputable distribution center. It may be considered that distribution center services may impact the longevity of products in terms of shelf life. Moreover, the option of using Shopify requires a forecast demand which is something Amaru is unfamiliar with for the American market. Opting for this channel implies giving up some control with deliveries and customer service due to a possible lack of reliability.

Instagram/Social media. The major advantage of this option is that Amaru has experience already. In addition, it would align with customer-centric values. However, this option would still require a distribution center which implies all the disadvantages mentioned in the Shopify option. Although the company has experience in social media distribution, it would need to adapt to American platforms and further establish a shipping, distribution, and delivery system that works efficiently.

Healthy food stores. Although Amaru is experienced in supplying healthy food stores in Peru, the U.S. healthy food stores operate differently and therefore demand some level of adaptation. This option fits the values of Amaru and aligns with the ideal target group. However, it might be challenging to establish partnerships and more time and money must be invested in building relationships to get shelf space. Moreover, it would be harder to establish brand awareness. A small group will be exposed to the product, reducing awareness potential.

Superstores. The volume of foot traffic in superstores may act as an advantage to building brand awareness, however Amaru will experience difficulties serving the demand. Moreover, it will be very difficult to establish relationships with superstores in North America, making it unlikely to find a partnership.

Amazon. Amazon allows Amaru to gain access to a vast market of potential customers. This is mainly because, according to BigCommerce (2021), 197 million people per month visit Amazon.com which accounts for 49% of all e-commerce in the U.S., with

55% of these orders through Amazon's third-party sellers (Statista, 2022u). In addition, according to Ryan (2021), Amazon is the second most trusted brand among Americans, meaning that customers will trust Amazon even if they are not familiar with the third-party seller. This would be beneficial for Amaru since one of its challenges in the U.S. market is building trust. Moreover, buying Amaru's products on Amazon ensures a positive consumer experience as services such as language translation, and linked payments are available.

To start selling products through Amazon, Amaru would be required to pay the seller's fee, which is \$39.99 per month, a percentage of the shipping cost, which varies depending on the category of the product, a percentage of the gross merchandise value, storage fees, order processing fees, and shipping income to Amazon which is minimum \$1.97 for the lightest order. Moreover, due to Amazon's strategy, if the suppliers pay advertising fees, their products will appear at the top of customers' searches, so this is another additional cost for Amaru (Ryan, 2021). These costs make the profit margin of Amaru very low in comparison with selling on their own website.

Moreover, Amazon has a competitive atmosphere as there are a vast number of healthy food suppliers also selling on the platform and therefore sharing space with Amaru. This also affects the pricing strategy of different, which sometimes will end in a price war on Amazon. The price war is positive for customers and Amazon as it already charged the suppliers the selling fee, but it would affect the suppliers' income and profit margin (Ryan, 2021). Sellers on Amazon have a distant relationship with customers. Consumers on Amazon perceive themselves as customers of Amazon, not the seller, which contrasts with Amaru's strength of storytelling. Amaru has a reputation for its close relationship with its customers. If it sells products through Amazon, Amaru can not fully capitalize on the benefits from developing close relationships with their American customers (Ryan, 2021). Selling via

Amazon is in contrast to Amaru's sustainable goal since Amazon is not traditionally known for being a sustainable, fair trade brand (Ryan, 2021).

After consultation with the founders of Amaru, the decision of distribution channel was based on the advantages and disadvantages. For further clarification, the channels have been ranked with a variety of criteria, as discussed with the founders. However, the criteria have the same importance, thus there is no weighting. As for the decision matrix for the state, ten is the highest score, one the lowest.

Table 5
Decision Matrix for the Channel

	Shopify	Social Media/Instagram	Healthy Food Stores	Superstores	Amazon
Control of Distribution	5	10	6	5	5
Ease of Distribution	10	3	4	4	9
Alignment with Values	9	10	9	3	6
Costs	9	7	6	6	6
total	33	30	25	18	26

Note. This decision matrix was based on research and the consultation with Amaru.

6.2.3 Assessment of timing alternatives.

Amaru desires to expand to the U.S. as soon as possible. Although possible, this option would be rushed and is highly unlikely. Issues arising from inefficiencies across the current supply chain may prove detrimental to Amaru's success if expansion occurred within the next three to six months. Expansion within six to twelve months may be more likely, however the organization runs the possibility of mis-using financial capital without proper prior assessment of distribution center, delivery services, etc. The choice of products must be reassessed based on consumer preferences and the competition after choosing the state, Amaru must create a seamless supply chain for coffee, establish a relationship with the new

packaging company, and re-assess the packaging for all the products. The timing of the expansion will depend on Amaru's effort.

6.2.4 Assessment of product selection.

Based on the decision of the two founders Mateo and Rafael, Amaru plans to enter the U.S. market with three products: stevia, flavored coffee, and vegan protein powder. The decision was made based on the product success within Peru, as well as the long shelf-life of the products that significantly facilitates the shipment process (M. Ruiz de Somucurcio Lanata, personal communication, July 06, 2022). However, having a bestseller in Peru does not imply that the customers in the U.S. will show similar demand. Thus, the following will re-assess the success of the products in the U.S based on the following criteria: 1. Market potential and growth, 2. Shelf-live, 3. Competitors, 4. Ease of transportation, 5. Innovation/Differentiation. After discussing the various options and criteria with the founders, it was requested that the assessment be done for the vegan protein bars and chocolate covered fruit as well (M. Ruiz de Somucurcio Lanata, personal communication, July 19, 2022).

Stevia. In 2021, the global market for stevia was USD 638.69 million tons (Mordor Intelligence, 2021a). In terms of volume, the market is expected to reach 72,670.9 tons by 2028, growing at a CAGR of 6.7% from 2021-2028 (Meticulous Research, 2022). Thus, the market shows high growth potential. As organic stevia is marketed, Amaru's value added, as well as degree of innovation, is relatively low. However, due to its long shelf life and temperature resistance, the product is easy to ship and has a good volume/weight ratio. Nevertheless, it should be considered that competition within the U.S. is relatively high, and most Stevia is marketed at lower prices than Amaru.

Flavoured Coffee. In 2022, the market for coffee accounted for US\$433.60 billion and is expected to grow annually by 7.64% CAGR (Statista, 2022v). This market therefore

also offers high growth potential, but as with stevia, it is also highly competitive. By offering flavoured coffee, the company differentiates itself from normal coffee manufacturers. However, there already are several established companies offering flavoured coffees, wherefore the degree of innovation can be seen as medium. Based on a high level of resistance and shelf life of six to nine months, transportation can be considered rather easy.

Vegan Protein Powder. The global vegan protein powder market is estimated to a value of USD 5.40 billion in 2021 (Fortune Business Insights, 2021), and is expected to reach \$8.03 billion by 2029, at a CAGR of 7.3% during the forecast period of 2022 to 2029 (Meticulous Research, 2022a). Key drivers of the market are a growing awareness and importance of healthy diets and lifestyle habits, which are expected to further increase in the near future (Future Market Insights, 2020a). Shelf life is between 12-24 months. Since the product does not need to be cooled, transportation can be considered as rather easy. By providing a completely vegan protein powder, Amaru is differentiating from normal Protein Powder brands. However, despite the increasing interest in vegan options, normal protein powder still remains more attractive for customers. The reasons therefore are low levels of consumer awareness and acceptance of vegan protein powders aside from soy, problems of texture, taste, and digestibility, as well as the fact that a number of vegan protein projects are affected by ultra-refined processing, wherefore the products cannot be certified as clean labels (Future Market Insights, 2020a).

Vegan Protein Bars. By 2022, the global market for vegan protein bars is expected to reach a market value of US\$ 176.2 Million, accelerating with a CAGR of 10.2% by 2022-2032. Moreover, it is expected that the sales of vegan protein bars will account for around 2.1% of the global demand for vegan proteins (Future Market Insights, 2022). Thus, the sector is offering companies a high potential for growth based on an expected increase in customers and demand. Key drivers of this growth are an increasing number of people

following a vegan diet, as well as rising numbers of consumers emphasizing wellness and healthy foods (Transparency Market Research, 2022). Moreover, the products represent a good option for securing the protein needs of people who are following a vegan diet. Due to the fact that protein bars are affordable and convenient to eat, many people prefer these products over meat alternatives (Future Market Insights, 2022a). Nevertheless, there are already a lot of established companies for vegan protein bars in the market, including One Plant, Doctor Murray, and PureFit (Women's Health, 2019). Thus, the market is highly competitive, and it is difficult for new entrants to differentiate themselves from their competitors. With a shelf-life of 6-12 months and no requirements to cool the products during shipment, vegan protein bars are considered as medium to ship.

Chocolate-Covered Fruits. In 2021, the American Chocolate market generated a revenue of 48.24 billion US-Dollars, characterized by constant growth over the past 4 years and an expected revenue of 58.85 billion US-Dollar in 2027 (Statista, 2022w). Research has shown that the industry is currently undergoing a trend towards more health-consciousness, quality foods, sustainability, as well as demand for more innovative products. As a result, customers are seeking premium products. Thereby, 75% of chocolate consumers are in quest of innovative products that are out of the norm in terms of flavors and textures. At the same time, the customers are characterized by an increased willingness of paying higher prices (Chee, 2021). These properties especially apply to chocolate-dipped fruits. Unfortunately, there is no publicly available market research regarding this product category. However, demand for these products is increasing significantly and chocolate-covered fruits are being offered in more and more supermarkets within the U.S.. Thereby, the most frequently covered products are strawberries, nuts, and raspberries. The average price of 100 grams of chocolate-covered strawberries in supermarkets is around 2.81 US-Dollars. Interestingly, the trend towards more innovative and premium chocolate is slightly stronger in Europe than in

the U.S. (Chee, 2021). Moreover, average prices for this product category are 2.12 US-Dollars for 100 Gramm of chocolate-covered strawberries slightly higher than in the U.S. where food generally is more expensive than in Europe. Thus, the European market might offer even more potential for chocolate-covered fruits than the U.S.. In relation to the potential of the Chocolate covered fruits offered by Amaru, this results in the following ratings: Dehydrated chocolate fruits have a shelf life of 6-8 months. However, due to the chocolate, it is important that the goods are transported refrigerated. Since there are few dehydrated chocolates covered fruits in Europe and the U.S., especially pineapple and mango, the degree of innovation is high. S. Donovan, expert in this field, perceives the American market for chocolate-covered fruits from South America as medium competitive. Nevertheless, based on the increasing consumption of the products, he sees a significant potential for new entrants (S. Donovan, personal Communication, July 21, 2022).

Decision Matrix. Table 5 summarizes the different findings. Thereby, it is assumed that each category is equally weighted. Based on the results, the products are ranked from least potential (1) to most potential (10): 1. Vegan Protein Powder, 2. Chocolate-Covered Fruits, 3. Flavored Coffee, 4. Vegan Protein Bars, 5. Stevia.

Table 6
Decision Matrix for the Product Selection (as a result of the analysis)

	Stevia	Flavored Coffee	Vegan Protein Powder	Chocolate Covered Fruits	Vegan Protein Bars
Market Potential and Growth	8	9	9	10	10
Shelf Life	10	8	10	7	7
Competitors	2	5	4	7	3
Ease of Transportation	10	9	10	6	9
Degree of Innovation/Differentiation	2	5	5	9	5
Total	32	36	38	39	34

Note. Decision Matrix for the Product Selection (as a result of the analysis).

6.3 Collaboration with Amaru

It is hereby mentioned that all decisions of this chapter were made in consultation with the CEOs of Amaru. The different possibilities were discussed together, criteria were set and a decision was made based on the research of the previous chapters, which happened in collaboration with the company at every step.

Chapter VII: Proposed Solution

Based on the assessment of the different solutions in Chapter six, the following solution is optimal for Amaru when entering the American market: (1) Location to enter (Where): Miami, Florida; (2) Entry Strategy (How): Shopify; (3) Products (What): Vegan protein powder, flavored coffee, stevia, chocolate-covered fruits; (4) Time Horizon (When): 6-18 months. The decision for the proposed solution was taken based on some critical factors of success, offering Amaru significant competitive advantages. The following section will explain these factors and the relevance for the project in more detail.

Location to enter (Florida). Although California has a much better port connection to Lima than Florida, the fact that Amaru already has an employee in Orlando was of greater importance than transportation times and cost. The company has a direct contact who can intervene and establish effective communication between partners and headquarters. Furthermore, Florida maintains sufficient trade relations with Lima, which simplifies the export processes. Since Florida also possesses a high percentage of the Hispanic population, it can be assumed that products will be well received due to the similar customer behavior in Peru.

Choice of entry mode (Shopify) - Since Amaru does not have any warehouses in the U.S. and, based on the low volume necessary for the test drive it would not be economical to set up its own logistics and supply chain in the beginning. Rather, it is recommended that the

company be dependent on an external service provider. Shopify, with its all-in service, offers the most cost-effective and easiest way to outsource the expansion, which is why this channel should be used for initial exportation. Once the company has established itself in the market, and should it export larger volumes to the US due to strong demand in the B2C sector or through cooperations with larger supermarkets, it should consider setting up its own supply chain in order to gain more control over distribution.

Products. The ranking showed that the chocolate covered fruits, as well as the vegan protein powder would potentially be the most successful. Based on the ranking, it is recommended that these two products be exported. Nevertheless, the founders are strongly convinced of the success of the three core products (coffee, stevia, protein) and would like to offer them in the American market. Because of the potential of chocolate fruits due to the current customer trend towards more premium chocolate, as well as the fact that there are only limited suppliers of chocolate covered pineapples and mangos on the American market, it is recommend adding this product to the portfolio as well. Even though the vegan protein bars have performed relatively well in the ranking, it seems to be more added value in keeping the portfolio small at the beginning, which is why it is suggested exporting this product only in a later step.

Time horizon. The internal analysis revealed a number of barriers that must be reduced or resolved before expansion. Main barriers are the missing certifications of the products, which are necessary for the entry into the American market (Food and Drug Administration, 2021). In addition, the product volume must be increased and a smooth supply chain and logistics must be guaranteed. A necessary timeframe of 6-12 months as preparation time is expected. It is therefore recommended to enter the market in 12 months.

Future outlook. Based on the proposed solution, main challenges of the expansion operations will be building brand awareness in the U.S., the establishment of a meaningful

network within the healthy wellness food sector to find partners and expand beyond Shopify, the adaptation of products to the American regulations and customer behaviors, as well as the implementation of a good logistics infrastructure.

Chapter VIII: Implementation Plan & Key Success Factors

The following provides an overview of the different activities and GANTT chart needed for the implementation. In addition, a list of enablers and risks regarding the expansion will be outlined.

8.1 Activities

There are a variety of activities needing to be accomplished prior to Amaru's penetration of the American market. The following chapter describes each task in depth, and is divided into its respective departments: Product Development, Human Resources, Marketing, Logistics and Distribution, and Finance.

8.1.1 Product development and packaging.

One of Amaru's core competences in Peru is marketing. Hence, it is an essential part for the expansion to the U.S. too. The following chapter elaborates which marketing activities can be done by Amaru and the associated costs. However, a profound market research must be done before starting with marketing activities.

Brand Awareness Strategy. Brand awareness will remain of utmost importance when pursuing the American market, as the space Amaru is competing in is highly saturated with big players. Therefore, Amaru must strategically communicate its products, value proposition, and quality. The recommended brand awareness strategy is two-fold: leveraging social media influencers to target the ideal consumer, and designing content which connects with the U.S. market.

Social Media Content. Amaru's social media appearance has been very successful in Peru and is one of the company's strengths. For the social media content in the U.S., it is recommended to continue using the existing account as it is very prosperous (43.7k followers; 7th of August). Previous content on Amaru's social media account should be translated to English (for the posts with the highest click rates), and future posts made in either both languages, or just in English. This is in order to identify better with the American market, boost engagement on social media accounts, and bridge potential consumers to Amaru's story. There is no associated cost with this, as social media accounts of Instagram and Facebook are free of charge, and relevant English training/classes costs will be addressed in Chapter 8.1, section Human Resources.

Influencer Marketing. Amaru is recommended to pursue a marketing strategy focused on the use of social media. While the company has previous, extensive experience contacting Peruvian influencers and has seen positive results, it is suggested that this be translated to the American market also. Micro-influencers are accounts which have between 1000 to 100,000 followers on one platform, whereas macro-influencers have more than 100,000 followers (WebFX, 2022). Often, businesses partner with micro-influencers because they are more cost effective and responsive. For this reason, Amaru is recommended to contact a list of North American micro-influencers to send samples of protein powder, coffee, chocolate-covered fruits, and flavored coffee. In exchange for financial compensation, the influencers are encouraged to try the product and provide an honest review via a public post. This strategy is aimed at increasing brand awareness within Amaru's target market; healthy conscious, lifestyle consumers. A list of relevant influencers may be found in Appendix N as well a summary of the costs for the influencer marketing. To facilitate the selection of influencers in the U.S., there exist a variety of platforms which support companies in that. BrandConnect is a platform which matches influencers and companies to one another based

on the firm's budget, target audience, and goal. Joining FameBit is free of charge, however, to find an influencer the minimum project cost is 100 USD + 10% service fee once a match has been made and approved (Youtube Advertising, 2020).

Expos. For Amaru to gain awareness with its products, it is essential to be attending expos in the U.S. and showcasing the brand and its products. There are several expos that are relevant for Amaru in the health and wellness sector. The annual Healthy Food Expo, held in September, is an important expo in Florida to raise awareness of Amaru's products and make contacts. Approximately 800 visitors are expected each year (Ten Times, 2022). A list of relevant Food Expos in the U.S. can be found in Appendix O.

8.1.2 Human resources.

In internationalization, entering new markets is challenging and risky. There are various factors to consider when planning a strategic approach to meet the demand and preferences of customers in a foreign market (Lindholm, 2022). As Amaru is planning for its expansion plan, there are two optional proposals for its human resource department to facilitate the process.

Employee training. As mentioned in chapter five, the Fishbone model, Amaru's young team specializes in various fields. In order to succeed in the American market, employee training must be conducted. English training is recommended for Amaru's marketing, human resource, R&D and quality, and logistics employees, which are five people. This is mainly because most employees are not fluent in English, and Amaru's social media is in Spanish. Since social media is one of the most profitable sales channels, it is essential to provide English content for customer service and brand identity purposes. According to Searight (2020), private English classes cost an average of five USD per hour per person in Peru. It is suggested to take at least three hours of English per week. Considering this, Amaru needs an annual budget of 3600 USD for five employees' English

training (Searight, 2020). Another option would be online business English courses in apps such as Preply and Udemy that offer vocabulary related to the industry English classes.

Amaru can use these classes for one or two employees, which will cost 12.50 USD per hour for group learning. This class will bring the exact costs as private classes for Amaru, but the difference is these classes are more professional and will train only two Amaru employees (Preply, 2022).

Talent acquisition. Another option for Amaru would be hiring a part-time English content creator from the U.S to manage Amaru's social media and create English content. This person is aware of consumer behavior, trends, and sales strategies in the U.S market. The average salary of the content creator in the U.S is around 22 USD per hour. By hiring a content creator for 2 hours a day, Amaru needs to consider the cost of 10,560 USD per year (Ziprecruiter, 2022). After finding an employee, there are three primary roles for which he/she can serve: 1. Market research, 2. Contact influencers, 3. Preparation for expos, 4. Act as a U.S. consumer market consultant.

8.1.3 Finance.

Financing Logistics and Distribution. As part of the expansion, Amaru wants to collaborate with Shopify, a subscription-based software to set up online stores and sell products online (Shopify, 2022). Annual Subscription costs for this service range between 348-948 USD, a detailed cost overview of the different Shopify plans and their features can be derived from Appendix P. To reduce administrative difficulties, the shipping, importation, tax regulation, etc. will be outsourced by ShipBob. On average, a 20-foot shipping container moving between Peru and the U.S, may cost anywhere from 1700 - 2000 USD (i.Container, 2022). Since ShipBob requires verification of the company in order to receive specific pricing, the company must create a free account in the Ship Bob Growth program. However, it is known that Shipment from Lima to Miami of a pallet via DHL as a

private person (usually more expensive than business rates) costs about 1.675.33 USD (DHL International, 2022). ShipBob offers discounts of up to 88% on DHL shipping fees, so the shipping cost is calculated at 201.4 USD per pallet.

In terms of the potential expansion, it is important for the company to be able to cover these costs without jeopardizing the main business in Peru. Therefore, it is recommended that the cost of Shopify, shipping, and distribution services all be built into the price of each product. That is, a fixed cost of 3000 – 4000 USD should be considered as a cost for the products. Moreover, the company should reach out to external sales representatives at ShipBob and Shopify to obtain customized quotes and build business relationships. Since the company achieved a series A level funding worth 400,000 Dollars, financing of the project is secured, and the operations will not affect main business operations in Peru.

Pricing Strategy. To sell the products in the US, Amaru needs an adequate pricing strategy. Appendix R gives an overview of the Shipping costs and volumes based on products. For larger deliveries, lower transport costs per item can be expected due to economies of scale (Allesandria et al., 2010). The resulting landing prices per product category, competitor prices of discounters and health stores, as well as potential product prices can be derived from Table 6. Per Standard Pallet (48x40) shipment fees of 201.03 USD are estimated (Appendix R). Thus, with 4 Pallets and 12 months of ShipBob service, there would be an additional cost of 791 USD for transportation and distribution (ShipBob, 2022), resulting in a total amount of 1596.2 USD for shipping and distributing the products in the US. Based on the experience of a similar Peruvian start-up, the expansion should lead to a sales volume of 60-70% of the imported goods (I. Otero, personal communication, July 19, 2022). The goal is to reach the break-even point based on total implementation costs (product, transportation, and distribution) of 17,408.65 USD and a sales volume of 60% of the imported products. Based on this calculation, market entry prices of 9.6 USD for stevia

(Sachets), 9.9 USD (50g Jars), 21.03 USD for coffee, 10.7 USD for protein powder, and 5.3 USD for chocolate dipped fruits would have to be chosen (Appendix R).

Table 7
Production, Landing, Competitor Prices, Range of Product Prices

Product	Production costs (in Sol)	Production costs in US Dollar (Exchange rate 1 Sol = 0.26 US dollar, 06.08.2022)	Estimated Transportation Import Costs (20% of Production costs)	Landed Costs US	Average price in the US (Discounter/Walmart)	Highest price in US healthstore (BetterHealth Market)	Range of Prices
Stevia Sachet (100x)	20,09	\$ 5,22	\$ 0,52	\$ 5,75	\$ 5,26	\$ 10,41	\$5.57 - \$10.41
Stevia (50g)	22,46	\$ 5,84	\$ 0,12	\$ 5,96	\$ 1,24	\$ 20,05	\$5.96 - \$20.05
Protein Unflavoured (500g)	21,43	\$ 5,57	\$ 0,60	\$ 6,17	\$ 17,85	\$ 19,58	\$6.17 - \$19.58
(500g)	22,31	\$ 5,80	\$ 0,60	\$ 6,40	\$ 26,16	\$ 42,36	\$6.40 - \$42.36
Protein Lucuma (500g)	21,99	\$ 5,72	\$ 0,60	\$ 6,32	not available	not available	> \$6.32
(1kg)	31,59	\$ 8,21	\$ 2,09	\$ 10,31	\$ 28,88	\$ 59,00	\$10.31 - \$59.00
(1kg)	31,66	\$ 8,23	\$ 2,09	\$ 10,33	not available	not available	\$5.57 - \$10.41
(1kg)	32,07	\$ 8,34	\$ 2,09	\$ 10,43	\$ 28,60	\$ 78,51	\$10.43- \$78.51
Coffee Vanilla (1g)	41,00	\$ 10,66	\$ 2,09	\$ 12,75	\$ 28,60	47,38	\$12.75- \$47.38
Chocolate dried Mango (120g)	10,78	\$ 2,80	\$ 0,35	\$ 3,15	\$ 5,51	not available	> \$3.15
Chocolate dried Ananas (120g)	10,78	\$ 2,80	\$ 0,35	\$ 3,15	not available	not available	> \$3.15
Chocolate dipped Cashews (120g)	10,78	\$ 2,80	\$ 0,35	\$ 3,15	\$ 5,12	\$ 7,59	\$12.75- \$47.38

Note. Own calculation based on research and information from Amaru.

8.2 Implementation Gantt Chart

Preparation time is estimated to be up to 12 months depending on how fast they are.

Thus, the implementation plan in Table 7 starts in September 2022 and ends in August 2023.

By that time, they should have implemented and done all activities mentioned in chapter 8.1..

The goal is to have the product launch including the launch of the Shopify Website by the August 2023. The costs as well as the required human capital for the implementation can be found in chapter 8.1 within each activity. The implementation plan (Gantt chart) is flexible which means if they are able to finish activities earlier than planned, it is possible to move on with the next ones already. However, the first fair Amaru should attend in March 2023 as well as the product launch and website launch are recommended to be on the dedicated dates.

Table 8
Gantt Chart

Department	Activity	Start	End	Duration (months)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
PRODUCT	Packaging Re-design (English Translation)	Nov 22'	March 23'	4												
	Certificates + Labels	Sept 22'	March 23'	6												
	Product Launch	Aug 23'	Aug 23'	Launch												
MARKETING	Market Research	Sept 22'	Feb 23'	5												
	Contact Influencers	Feb 23'	July 23'	5												
	Influencer Content Posted	June 23'	Sept 23'	3												
	Instagram Content Adaption	Sept 22'	Nov 22'	2												
	Expo Research + Preperation	Oct 22'	March 23'	5												
	Attend Sept. Expo as a Guest	Sept 22'	Sept 22'	One Time Event												
HUMAN RESOURCES	Employee Training	Oct 22'	April 23'	12												
	Talent Acquisition (US employee)	Nov 22'	Feb 23'	3												
FINANCE AND LOGISTICS	Establish Shopify Website	April 23'	Aug 23'	4												
	Shopify Website Launch	Aug 23'	Aug 23'	One Time Event												
	Contact ShipBob for Quote + Information	Oct 22'	Jan 23'	3												
	Ship First Order of Products	June 23'	Aug 23'	2												
	Distribution Center Research	Dec 22'	April 23'	4												

Note. Gantt Chart which implements all the activities from chapter 8.1.

8.3 Key Success Factors

While the recommended action plan consists of expansion to the Florida market with 4 products, in 6-12 months through the use of an e-commerce platform such as Shopify, this section aims to identify both enabling factors and risks with relevance to the aforementioned implementation plan. Existing resources and factors specific to the organization which the company benefits from and will aid in Amaru's penetration of the U.S. market are outlined in the following section. Likewise, associated and relevant risks are also identified and explored.

8.3.1 Enablers.

Existing Human Resources in the Region. Amaru's CFO relocated to Orlando, Florida over a year ago, and is residing in the region while working completely from home. Therefore, Amaru must leverage this advantage in order to create and build on American distribution center relationships, partnerships, as well as capitalize on the convenience of having a team member on the ground who can be hands-on.

Latin America Market in Florida. Further, as identified in the quantitative and qualitative research in chapter four, Florida presents a significant Latin American demographic. Amaru must capitalize on this advantage, as its product's marketing strategy works to identify with those who appreciate Peruvian agriculture and foods.

Founder Experience in the U.S. Market. Founding member, Mateo, studied and lived in the U.S. during his undergraduate degree for roughly four years. Therefore, he has experience and an understanding of the U.S. market, and existing contacts. It will be important for Amaru to leverage Mateo's existing network in the region in order to form partnerships, and establish an effective supply chain.

Post-Covid Trend Opportunities. The recent shift to healthier eating, and purchasing behaviors in the food industry presents as an enabler for Amaru and indicates that the pursuit

of the U.S. market is favorable during the height of this trend. The organization will need to position itself accordingly in terms of marketing and pricing in order to capitalize on the preference for whole, organic, healthier foods and ingredients.

Extensive Experience in E-commerce. Amaru has thorough experience selling its products via social media platforms such as Instagram, and e-commerce platforms. Further, it established a Shopify website already and the founders are familiar with this user-face for selling Amaru's products. Therefore, it is important that the organization uses its experiences in e-commerce selling and marketing in order to successfully translate the model to the American market.

8.3.2 Risks.

Minimal Sales. There is the possibility that Amaru is unable to communicate its brand clearly and to a broad enough audience, resulting in little brand awareness. This may translate into minimal sales, and financial instability in terms of the American market. There is the risk that Amaru loses all resources invested in the project if sales objectives cannot be reached.

Port Risk. Florida was not identified as having the most efficient and effective port for receiving imports from Peru. Therefore, Amaru is exposed to the risks associated with port inefficiencies such as delayed orders and damaged products.

Investment Resource Allocation and Dilution. While Amaru is currently pursuing the growth strategy of expanding sales channels in Peru with the introduction of cafes, it also seeks to penetrate a market in a brand-new country. Therefore, resources needed for business development may become spread too thin, diluting the financial investment needed for entering the Florida market.

Worldwide Economic Crisis. The purchasing power of the consumer is lessening as the world is on the brink of an economic crisis. The U.S. economy is no exception, and this presents a risk to Amaru because it provides high quality, higher priced products for the

premium market. It will remain important for Amaru to pivot and reassess pricing strategy and positioning in order to remain competitive.

Loss of Control over Distribution System. Using an e-commerce site such as Shopify comes with the utilization of a processed distribution center. Therefore, Amaru will lose some control over related processes, and there is the risk that deliveries are delayed, inaccurate, goods are damaged, and orders are not processed with as much care. Amaru will be giving up some control over the distribution process, and a major part of its supply chain, therefore there must be mitigation strategies to combat.

Chapter IX: Expected Outcomes

9.1 Social Media

As discussed already, Amaru interacts with its clients in Peru primarily through social media, which is one of its main sales channels. As a result, it was advised that Amaru keeps using social media for marketing purposes. In Chapter 8.1.2 of this thesis, it was advised to leverage influencer marketing and generate English content for the U.S. market in order to replicate this success in social media marketing. The results of the implementation plan on Amaru's social media will be covered in this section.

It is anticipated that Amaru's number of followers would increase by 2% on a monthly basis, or about 860 followers each month. Active posting and micro-influencer marketing are to thank for this increase. This monthly growth will enable Amaru to gain a higher number of potential customers for its products. In the first year, this increase will lead to the addition of over 10.000 new followers (McLachlan, 2022). Moreover, depending on the post type (video or photo), this will raise Amaru's interaction rates by roughly 0.83 percent (McLachlan, 2022). Foster (2022) estimates that firms make 6.50 USD on average for every dollar spent on influencer marketing, increasing Amaru's sales and attracting potential American clients.

Furthermore, compared to other forms of marketing, such as advertisements, influencer marketing on Instagram is predicted to yield a nearly 11 times higher ROI. One of the results for Amaru's social media would be the three percent conversion to sales that influencer marketing generates for firms (Rhythm Influencer, 2022).

9.2 Brand Awareness

One of the main reasons for Amaru's expansion is to enter the American market and build brand awareness within the U.S. (M. Ruiz de Somucurcio Lanata, personal communication, July 19, 2022). Brand awareness of the target group in Lima is currently 80% (Appendix H), while brand awareness in America currently is 0%. It is assumed that the social media strategy, through which many food and health enthusiasts in Florida can be addressed in a simple but efficient way, will lead to a significant increase in brand awareness. The goal after operating within the US market for 12 months would be a brand awareness of 5-10% within the target group. However, this level of brand awareness is highly dependent on the success and aggressiveness of the chosen marketing and social media strategy (Outbrain, 2022). Since brand awareness is correlated with increased brand trust (ha, 2004), it is expected that the increased brand awareness will also have a positive impact on customers' purchasing decisions and thus lead to higher sales in the long-term. In addition, it is expected that this will lead to further expansion opportunities such as cooperation with supermarkets, addressing additional states or countries, establishing own cafes in America as sales spots, etc..

9.3 Sales

In addition to sales profit, the expansion is expected to lead to diversification of cash flows, making the company less vulnerable to local crises in the long term (Hirsch & Lev, 1971). Based on the experience of a similar Peruvian start-up, the expansion should lead to a sales volume of 60-70% of the imported goods (I. Otero, personal communication, July 19,

2022). The goal for the first year is to cover the production, transportation and distribution costs of 17,408.65 USD with this sales volume to reach the break even point. After a successful establishment of Amaru on the American market, an increase of sales based on the market growth of 9.3% (Data Bridge Market Research, 2022) can be expected in the second year. These values are estimations and are highly dependent on the market and sales development, as well as the implementation of the exportation.

Chapter X: Conclusions and Recommendations

As a fast-growing Peruvian superfoods company, Amaru has continued to leverage its core competencies while balancing a post- COVID environment to reap success in the domestic market. With plans of expanding its product portfolio and sales channels, Amaru has invested considerable financial and human resources in the newly established cafes and research and development of its product portfolio. As sales climb, the opportunity to export products becomes more attractive.

It is recommended that prior to partaking in export activities, Amaru first conducts thorough market, logistics, and product research. Special attention must be invested to packaging adaptations and supply chain efficiencies. Obtaining quotes specific to Amaru and its products for shipping, storing, and distribution services is necessary prior to establishing a price point for the American market. Once the preparation phase is complete, Amaru should seek to export its flavored coffee, protein powders, and chocolate covered fruits to the American market. Although it is not recommended to enter the U.S. market with Amaru's stevia product, it is included at request of the company representatives. The e-commerce provider Shopify should be used to advertise and sell Amaru's products, in combination with aggressive social media marketing strategies. It is further suggested that the product be

shipped from the Callao port in Peru to the Miami port in Florida. This region has been chosen because Amaru has an existing employee currently residing in Orlando, there is a strong Peruvian and Latin American demographic in the state, and shipping logistics are relatively streamlined compared to other American regions. This expansion project spans over 12 months, and may be subject to alterations as research surfaces new findings. One important aspect of the research and implementation will be to adapt Amaru's strategy to the U.S. market instead of using Peruvian proved concepts because the American market shows different characteristics.

Overall, Amaru Superfoods has realized significant development over the last two years, and has received considerable funding, spurring exponential growth projects. It remains of utmost importance that the company remains vigilant in its research and preparation phase, all while maintaining its core value of bringing healthy Peruvian foods to like-minded consumers across the globe.

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Appendices

Appendix A : Amaru's forecast for the next five years

P&L Planned

Perú - Business as Usual

		2020	2021	2022	2023	2024	2025
Exchange Rate	PEN/USD	3,50	3,84	3,80	3,80	3,80	3,80
Sales	USD	446 579	610 287	1 614 133	4 854 779	10 708 793	13 459 695
Peru	USD	446 579	610 287	1 614 133	4 854 779	10 708 793	13 459 695
USA	USD	-	-	-	-	-	-
Sales costs	USD	(302 289)	(363 899)	(1 056 676)	(3 347 136)	(7 465 175)	(9 413 201)
gross profit	USD	144 290	246 387	557 457	1 507 643	3 243 618	4 046 494
% margin gross	%	32,3%	40,4%	34,5%	31,1%	30,3%	30,1%
SG&A	USD	(81 043)	(154 064)	(272 011)	(582 573)	(1 265 275)	(1 345 969)
Marketing costs	USD	(26 714)	(43 925)	(152 034)	(432 394)	(856 703)	(1 076 776)
Distribution costs	USD	(19 112)	(22 363)	(2 916)	(3 258)	(3 502)	(4 155)
Operative Costs	USD	(126 869)	(220 353)	(426 961)	(1 018 226)	(2 125 481)	(2 426 900)
% operative costs	%	(28,4%)	(36,1%)	(26,5%)	(21,0%)	(19,8%)	(18,0%)
EBITDA	USD	17 421	26 035	130 496	489 418	1 118 137	1 619 594
% EBITDA	%	3,9%	4,3%	8,1%	10,1%	10,4%	12,0%

Note. Amaru Superfoods

Appendix B: Amaru's Product Portfolio

Producto	Presentación	Vida útil aprox	Precio Amaru		P. Sugerido (PVP)		Margen tienda
			SIN IGV	CON IGV	SIN IGV	CON IGV	
Aguaymanto deshidratado	120	4 meses	S/.9.49	S/.11.20	S/.13.56	S/.16.00	30.00%
Almendra natural	200	4 meses	S/.10.68	S/.12.60	S/.15.25	S/.18.00	30.00%
Almendra tostada	200	4 meses	S/.10.68	S/.12.60	S/.15.25	S/.18.00	30.00%
Avellana	200	4 meses	S/.13.05	S/.15.40	S/.18.64	S/.22.00	30.00%
Avena en hojuelas	500	12 meses	S/.4.96	S/.5.85	S/.7.63	S/.9.00	35.00%
Cacao nibs	200	6 meses	S/.10.68	S/.12.60	S/.15.25	S/.18.00	30.00%
Café tostado molido	250	6 meses	S/.14.24	S/.16.80	S/.20.34	S/.24.00	30.00%
Camu Camu en polvo	180	12 meses	S/.17.80	S/.21.00	S/.25.42	S/.30.00	30.00%
Canela molida	40	24 meses	S/.4.15	S/.4.90	S/.5.93	S/.7.00	30.00%

Cáscara de cacao	100	24 meses	S/.5.93	S/.7.00	S/.8.47	S/.10.00	30.00%
Cashew tostado*	200	4 meses	S/.14.30	S/.14.30	S/.22.00	S/.22.00	35.00%
Castaña*	200	4 meses	S/.10.50	S/.10.50	S/.15.00	S/.15.00	30.00%
Chocoaguaymanto	120	4 meses	S/.15.42	S/.18.20	S/.22.03	S/.26.00	30.00%
Chocoaguaymanto	35	4 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Chocomango	120	4 meses	S/.15.42	S/.18.20	S/.22.03	S/.26.00	30.00%
Chocomango	35	4 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Chocopiña	120	4 meses	S/.15.42	S/.18.20	S/.22.03	S/.26.00	30.00%
Chocoplátano	120	4 meses	S/.15.42	S/.18.20	S/.22.03	S/.26.00	30.00%
Chocoplátano	35	4 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Chocoalmendras	120	12 meses	S/.15.42	S/.18.20	S/.22.03	S/.26.00	30.00%
Chocoalmendras	35	12 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%

Chococranberries	120	12 meses	S/.15.42	S/.18.20	S/.22.03	S/.26.00	30.00%
Chococranberries	35	12 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Chococashews	120	12 meses	S/.15.42	S/.18.20	S/.22.03	S/.26.00	30.00%
Chococashews	35	12 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Cranberries deshidratados	120	4 meses	S/.7.71	S/.9.10	S/.11.02	S/.13.00	30.00%
Coco rallado*	200	4 meses	S/.7.70	S/.7.70	S/.11.00	S/.11.00	30.00%
Dátil Medjool	200	4 meses	S/.14.83	S/.17.50	S/.21.19	S/.25.00	30.00%
Granola Cacao	200	4 meses	S/.14.18	S/.16.73	S/.20.34	S/.24.00	30.28%
Granola Clásica	200	4 meses	S/.11.86	S/.14.00	S/.16.95	S/.20.00	30.00%
Granola Lúcumá	200	4 meses	S/.11.86	S/.14.00	S/.16.95	S/.20.00	30.00%
Guindones	200	4 meses	S/.8.90	S/.10.50	S/.12.71	S/.15.00	30.00%
Harina de almendras	200	12 meses	S/.13.05	S/.15.40	S/.18.64	S/.22.00	30.00%

Harina de almendras	400	12 meses	S/.22.54	S/.26.60	S/.32.20	S/.38.00	30.00%
Harina de avena	400	12 meses	S/.10.08	S/.11.90	S/.14.41	S/.17.00	30.00%
Harina de coco	400	12 meses	S/.9.92	S/.11.70	S/.15.25	S/.18.00	35.00%
Lúcuma en polvo	180	12 meses	S/.13.05	S/.15.40	S/.18.64	S/.22.00	30.00%
Maca en polvo	180	12 meses	S/.10.08	S/.11.90	S/.14.41	S/.17.00	30.00%
Macadamia	120	4 meses	S/.14.24	S/.16.80	S/.20.34	S/.24.00	30.00%
Mango deshidratado (orgánico)	120	4 meses	S/.10.68	S/.12.60	S/.15.25	S/.18.00	30.00%
Maní tostado*	200	6 meses	S/.4.90	S/.4.90	S/.7.00	S/.7.00	30.00%
Mantequilla de maní	200	6 meses	S/.9.49	S/.11.20	S/.13.56	S/.16.00	30.00%
Mantequilla de almendras	200	6 meses	S/.22.54	S/.26.60	S/.32.20	S/.38.00	30.00%
Mantequilla de chocolate	200	12 meses	S/.18.98	S/.22.40	S/.27.12	S/.32.00	30.00%
Mantequilla de lúcuma	200	12 meses	S/.18.98	S/.22.40	S/.27.12	S/.32.00	30.00%

Matcha	50	12 meses	S/.20.76	S/.24.50	S/.29.66	S/.35.00	30.00%
Nuez	200	4 meses	S/.13.77	S/.16.25	S/.21.19	S/.25.00	35.00%
Panela	400	24 meses	S/.6.53	S/.7.70	S/.9.32	S/.11.00	30.00%
Pasa morena	200	4 meses	S/.5.51	S/.6.50	S/.8.47	S/.10.00	35.00%
Pasta pura de cacao	200	6 meses	S/.11.02	S/.13.00	S/.16.95	S/.20.00	35.00%
Gotas de chocolate	150	4 meses	S/.14.24	S/.16.80	S/.20.34	S/.24.00	30.00%
Pecana partida	200	4 meses	S/.20.17	S/.23.80	S/.28.81	S/.34.00	30.00%
Piña deshidratada (orgánica)	120	4 meses	S/.14.24	S/.16.80	S/.20.34	S/.24.00	30.00%
Polvo de cacao	180	6 meses	S/.10.68	S/.12.60	S/.15.25	S/.18.00	30.00%
Polvo de Moringa	180	12 meses	S/.13.05	S/.15.40	S/.18.64	S/.22.00	30.00%
Semillas de Ajonjolí*	200	12 meses	S/.5.60	S/.5.60	S/.8.00	S/.8.00	30.00%
Semillas de Calabaza*	200	12 meses	S/.11.20	S/.11.20	S/.16.00	S/.16.00	30.00%

Semillas de Chía	200	12 meses	S/.8.31	S/.9.80	S/.11.86	S/.14.00	30.00%
Semillas de Girasol*	200	12 meses	S/.7.80	S/.7.80	S/.12.00	S/.12.00	35.00%
Semillas de Linaza*	200	12 meses	S/.4.90	S/.4.90	S/.7.00	S/.7.00	30.00%
Semillas de Linaza*	400	12 meses	S/.7.00	S/.7.00	S/.10.00	S/.10.00	30.00%
Stevia - Caja	x30	36 meses	S/.11.27	S/.13.30	S/.16.10	S/.19.00	30.00%
Stevia - Caja	x100	36 meses	S/.28.47	S/.33.60	S/.40.68	S/.48.00	30.00%
Stevia - Frasco	50	36 meses	S/.35.00	S/.41.30	S/.50.00	S/.59.00	30.00%
Avena Mix Chocoplátano	400	6 meses	S/.11.27	S/.13.30	S/.16.10	S/.19.00	30.00%
Avena Mix Lucumango	400	6 meses	S/.11.27	S/.13.30	S/.16.10	S/.19.00	30.00%
Avena Mix Canela & Berries	400	6 meses	S/.11.27	S/.13.30	S/.16.10	S/.19.00	30.00%
Mix Amazónico	40	6 meses	S/.4.15	S/.4.90	S/.5.93	S/.7.00	30.00%
Mix Amazónico	120	6 meses	S/.8.90	S/.10.50	S/.12.71	S/.15.00	30.00%

Mix Choco Boost	40	6 meses	S/.4.15	S/.4.90	S/.5.93	S/.7.00	30.00%
Mix Choco Boost	120	6 meses	S/.8.90	S/.10.50	S/.12.71	S/.15.00	30.00%
Mix Macadamia & Friends	40	6 meses	S/.4.15	S/.4.90	S/.5.93	S/.7.00	30.00%
Mix Macadamia & Friends	120	6 meses	S/.8.90	S/.10.50	S/.12.71	S/.15.00	30.00%
Proteína Cacao	38	24 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Proteína Cacao	500	24 meses	S/.53.39	S/.63.00	S/.76.27	S/.90.00	30.00%
Proteína Cacao	1,000	24 meses	S/.94.92	S/.112.00	S/.135.59	S/.160.00	30.00%
Proteína Lucuma	38	24 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Proteína Lucuma	500	24 meses	S/.53.39	S/.63.00	S/.76.27	S/.90.00	30.00%
Proteína Lucuma	1,000	24 meses	S/.94.92	S/.112.00	S/.135.59	S/.160.00	30.00%
Proteína Unflavored	38	24 meses	S/.5.34	S/.6.30	S/.7.63	S/.9.00	30.00%
Proteína Unflavored	500	24 meses	S/.53.39	S/.63.00	S/.76.27	S/.90.00	30.00%

Proteína Unflavored	1,000	24 meses	S/.94.92	S/.112.00	S/.135.59	S/.160.00	30.00%
Protein Pancake Cacao	350	12 meses	S/.21.48	S/.25.35	S/.33.05	S/.39.00	35.00%
Protein Pancake Lucuma	350	12 meses	S/.21.48	S/.25.35	S/.33.05	S/.39.00	35.00%
Protein Pancake Unflavored	350	12 meses	S/.21.48	S/.25.35	S/.33.05	S/.39.00	35.00%
Brownie Mix	420	12 meses	S/.17.63	S/.20.80	S/.27.12	S/.32.00	35.00%

Note. Amaru Superfoods

Appendix C: Amaru's Suppliers

Tienda	Ubicación
La Sanahoria	San Isidro, Surco, Barranco, La Molina
Flora y Fauna	Surco, San Borja, Miraflores, La Molina
Thika Thani	San Borja, Miraflores
Paramo Wellness	San Borja
La bodega orgánica	La Molina
La Moranda	Miraflores
Kalya Organic	Surquillo
Kento Mercado saludable	Trujillo
Mama Teo	Ayacucho
Freshmart	Miraflores / virtual
Sayariq	Los Olivos
Orgánica Biobodega	Trujillo
Bio Fio	Tacna
Ponte Verde	Piura
Natural Ica	Ica
Mercari Saludable	Surco, Miraflores
Bodega Berde	San Borja
Tiendita natural	Jesús María
UPLC	Talara
El orgánico	La Molina
Biofood Market	Pacasmayo
Plaza verde	Los Olivos
Punto orgánico	Miraflores
Nutriendo	Virtual
Rappi Turbo	Ecommerce

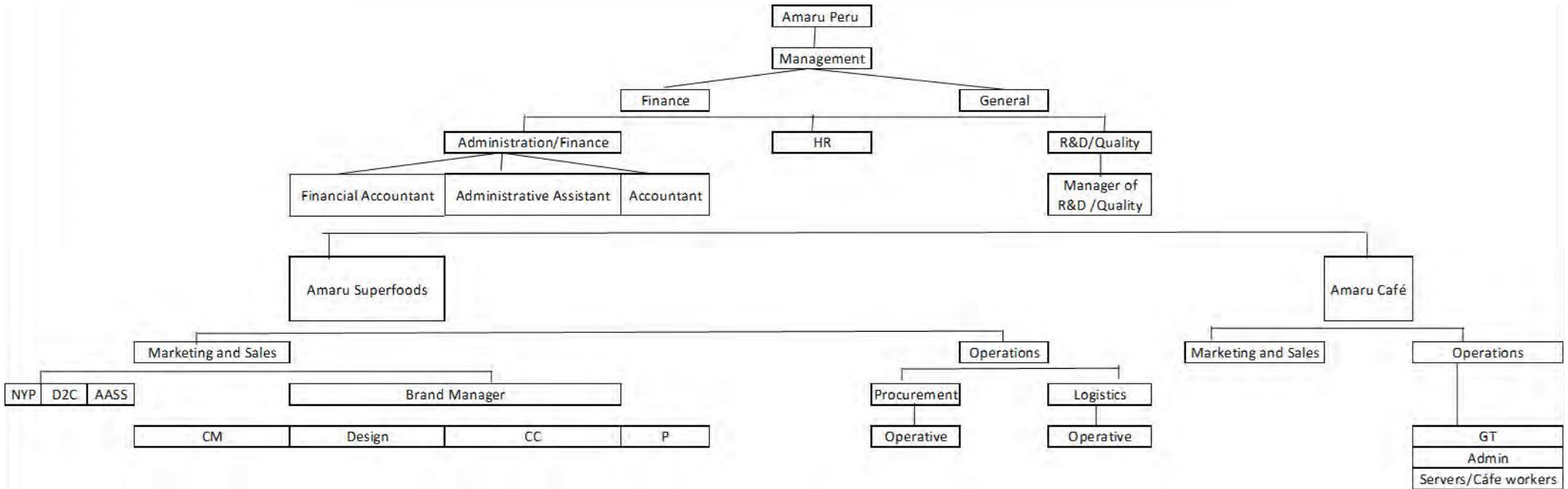
Qhali	Surco
Mirita	Pucallpa
Jokr	Ecommerce
Alma botánica	Lince, San Borja
Verdeando SAC	San Isidro
Clan R	Surco
Bazar el Sol	Trujillo
Sognare	San Miguel
Madre Natura	Miraflores
Madre Natura	Surco
Siclo	San Isidro
Vida market café	Punta Hermosa
Valle escondido ecotienda	Cañete
Ecoorganic	Los Olivos
La Cristina	San Isidro
Almendrados Biomarket	Huancayo
Mappu	Lince
Estación orgánica	Barranco
De raíz natural market	Huaral
Medio kilo market	Piura
Nuna	SJL, Los olivos
JJESH COMERCIALIZADORA	Arequipa
Greendesk Bio	La Molina
Berrliz Organico	Miraflores
Verde Natural market	Miraflores, San Borja, Magdalena, Surco
Gourmety	Surco
Gakrist	Magdalena del Mar

Delifruti	Surquillo
Grupo VVM	
Edén orgánico	La Molina
Menta organika	Los Olivos
Il Pastificio	Miraflores, Surco, San Borja, La Molina
Moovin SAC	Virtual
Garelli	Surco
Puku Puku	San Isidro
La cocinade Ximena	San Isidro, Jesús María
Meraki Biomarket	Trujillo
Natural Market	Chiclayo
Bio-Adale Market	Surco
Greenspot	Chaclacayo
Más Sano	San Juan de Lurigancho
Preventis Biomarket	Chiclayo
Yayi's	Cajamarca
Dedalo	Barranco
Greta	San Borja, Miraflores
Vive Orgánica	Arequipa
Gatti	San Borja
Healthy Food. A	Chimbote
Vintage Green Biomarket	La Molina
Lakshmi Casa orgánica	Jesús María
Fitmarket	Virtual
Dulce Miel Fit	Ica
Ritz Retail	Barranca
Moray Market	Magdalena del Mar
Jappi	Virtual

El Frutal	San Juan de Miraflores
Tiendita Panqoy	Surco
Acari foods	La Molina
La Canastería	Chorrillos
Bio granos	Surquillo
Mama Sara	Piura
Food Fair	Miraflores
Caseros Market	La Molina
Grapsta Orgánica	Surquillo
Club Las gramas	Cañete
Qollqa orgánica	Virtual
Modo Verde	Trujillo
Kisa orgánica	Miraflores
Tienda la Lache	Barranco
701 Cofi Jaus	Miraflores
Sweet & Fit Cuzco	Cusco
Cristel Tello	Los Olivos
Jorge Derteano	San Miguel
Ecolive Biomarket	Tienda virtual
Ecovive	Barranco
Thaya Peru	Sucro
Ricardo Prado	Ayacucho
Microbotanica	Santiago de Surco
Café Amaru	Miraflores, Surco
Natwasi	Santiago de Surco

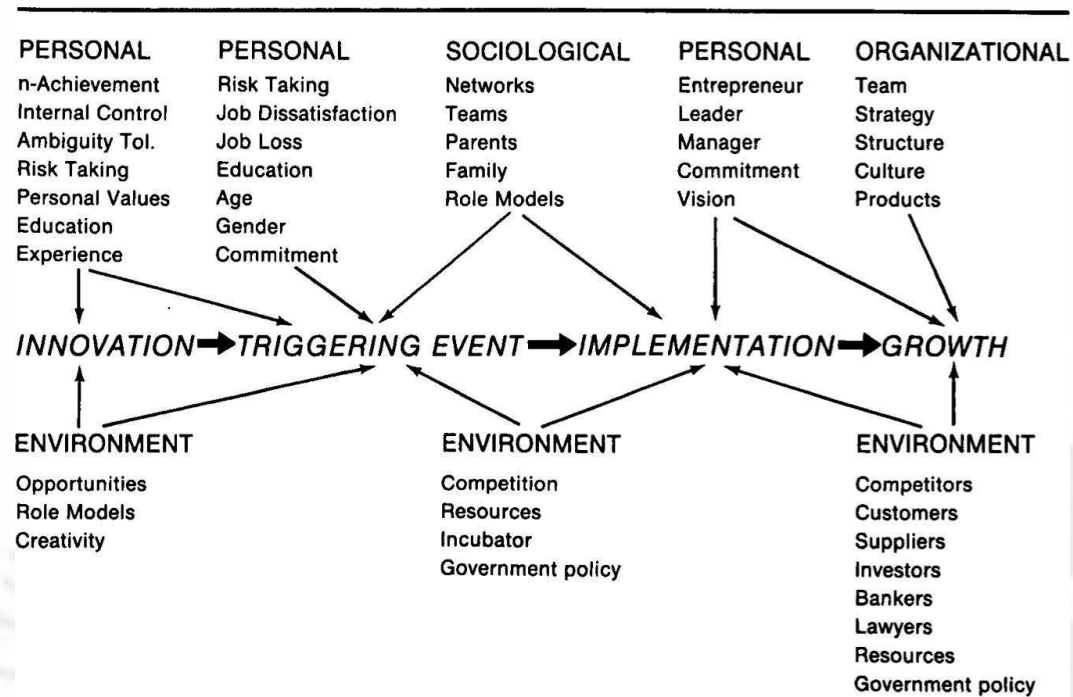
Note. Amaru Superfoods

Appendix D: Organigram of Amaru



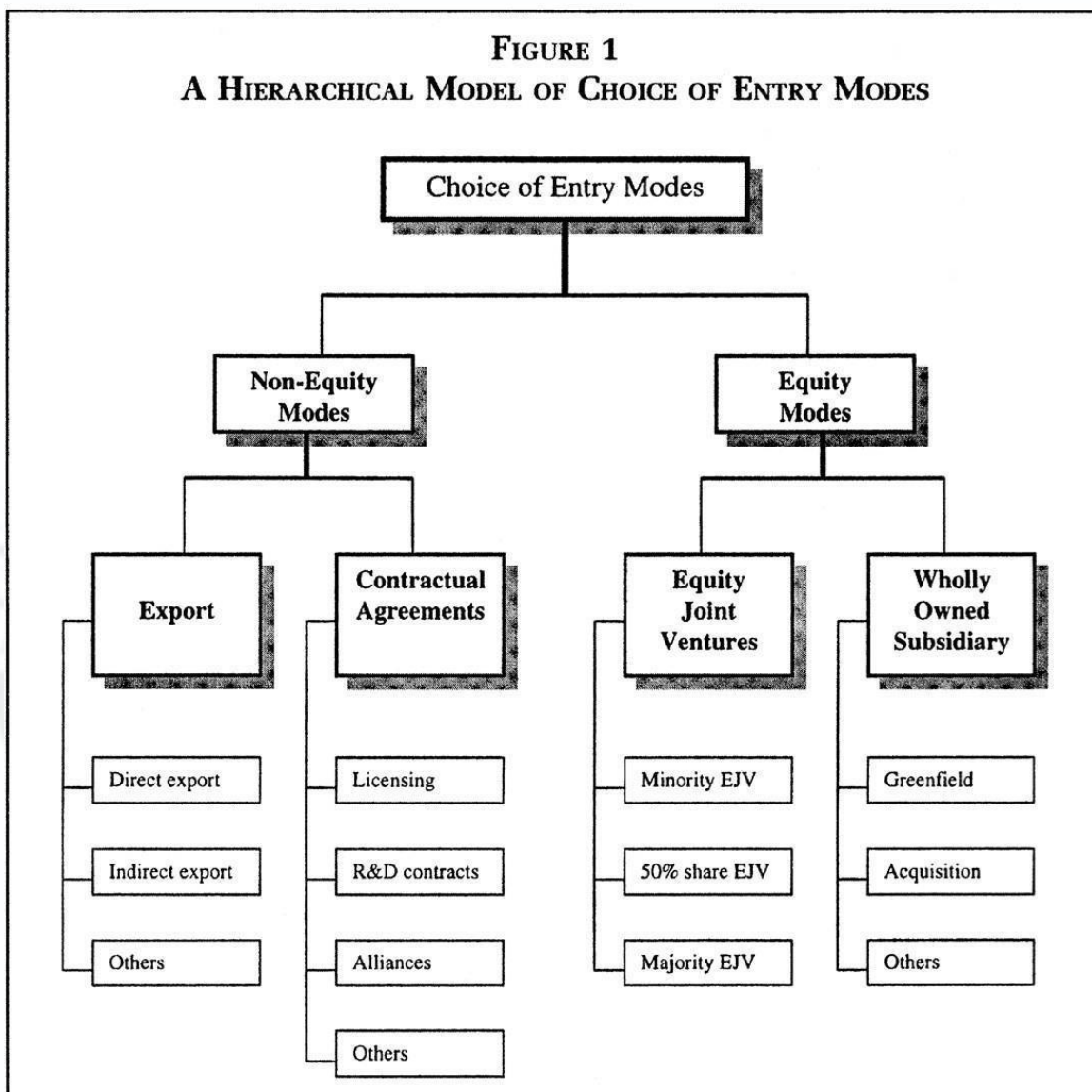
Note. Amaru Superfoods

Appendix E: Entrepreneurial Process according to Bygrave



Note: Churchill and Bygrave (1989)

**Appendix F: Hierarchical model of entry modes according to
Pan and Tse**



Note: Pan & Tse (2000), p.4

Appendix G: Overview and Characteristics of Market Entry Strategies

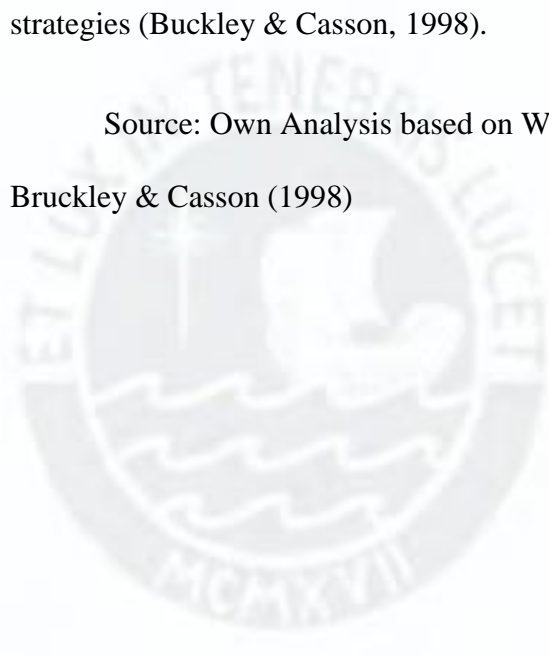
Exporting. One of the significant foreign market entry modes is exporting. The exporter will produce domestically and then sell the products or services abroad. Applying this strategy for Amaru, its products, which are 100% sourced from Peru, would continue to be produced within Peru. The finished goods would then be delivered to the foreign country (USA). The primary advantage of this market entry strategy is the minimal assumed risk. Moreover, there is a limited commitment as the export could be stopped at any point depending on the profitability of Amaru's products. In addition, exporting allows the company to maintain flexibility and does not require significant financial capital or time compared to other market entry strategies. Nevertheless, there is a lack of control as the company is dependent on intermediaries in the foreign country. Moreover, exporting brings tariff barriers and makes a company vulnerable to trade disputes (Watson et al., 2018).

Franchising. The idea of franchising is to provide a whole system of products and management to a foreign firm for a fee. As the system is usually well established, the quality of the service or product is mostly assured, and there is adequate control over the brand image. In addition, franchising allows access to local capital, labor, and skills. It provides flexibility and control. Moreover, the company has limited commitment and risk as it can stop a franchising contract. However, limited profit makes it less attractive for many firms (Hoffmann & Preble, 1991).

Joint Venture. Joint Venture is a strategy where two international firms jointly set up a separate legal entity and share the management and returns. For this case, it would be Amaru Superfoods as one firm and an organization based in the U.S. as the other international firm. Sharing one new entity means sharing risk and control with the partner.

Oftentimes, a joint venture is chosen for production or distribution. It is possible to combine complementary skills and resources and have better relationships with other local firms (because of the connection with the international organization based in the target country). In addition, the company can maximize the leverage of the invested capital. However, there is not as much flexibility given as with other strategies. Moreover, the company could lack total control, which might lead to difficulties working with local partners. Sharing risks and the entity also means that the profit must be shared somehow, leading to less profit than other strategies (Buckley & Casson, 1998).

Source: Own Analysis based on Watson et al., (2018); Hoffman & Preble (1991); Bruckley & Casson (1998)



Appendix H: Survey Results Brand Awareness Amaru

Note. Own illustration based on personal survey



Appendix I: Internal Analysis Feasibility

			Comments
	Current Business Stage	☆☆☆	<ul style="list-style-type: none"> Expansion phase where the company is looking for new opportunities Departments and new Structures are only recently established
	 Finance	☆☆☆☆	<ul style="list-style-type: none"> Company is self-financing Amaru is expecting US\$400,000 funding though A level seed funding Budget of US\$120,000 -150,000 for international expansion
	 Adaptability and Flexibility of Team	☆☆☆☆☆	<ul style="list-style-type: none"> Highly flexible and adaptive Team Departments are helping each other out in case of Bottlenecks
	Human Resources	☆☆☆☆	<ul style="list-style-type: none"> Fast hiring process (2-4 weeks) Fast onboarding process (2-3 month) Easy to attract talents HR Department is relatively new
	Current Business Stage	☆☆☆☆	<ul style="list-style-type: none"> Good relationship Reliable Suppliers No exclusivity
	 Supplier Capacity	☆☆☆☆	<ul style="list-style-type: none"> Lead time for increase of Coffee and Stevia 2-3 days Lead time for increase of Protein powder, chocolate covered fruits, etc.: 2-3 weeks
	 In-house production capacity	☆☆	<ul style="list-style-type: none"> Limited production capacity due to "Sticker problem" Plan: Outsourcing
	 Logistics and Supply Chain	☆☆	<ul style="list-style-type: none"> Limited storage capacity Prone to delays due to poor road conditions and strikes, roadblocks, etc. Dependent on third party
	Adaptation and Flexibility of the Team	☆☆☆☆☆	<ul style="list-style-type: none"> Team reacts and adapts easy to changes a Different Departments are helping each other out in the case of bottlenecks High degree of collaboration between the departments
	 International Experience	☆☆	<ul style="list-style-type: none"> No experience in exporting or international operations Theoretical knowledge of international business through studies
	 Knowledge about the american market	☆☆	<ul style="list-style-type: none"> The CEO studied in the US and is familiar with the American Culture Limited knowledge about customer behaviour in the US Limited knowledge about entry regulations, etc.
	 Language Skills	☆☆☆	<ul style="list-style-type: none"> 50% of the employees speak english on a B1 level or better Critical departments (Marketing, Sales, Supply Chain, etc.) have at least one person that is able to speak english
	 Certifications	☆☆	<ul style="list-style-type: none"> No FDA, vegan, gluten free certifications yet Suppliers are able to provide the certificates and comply with the regulations

Note. Own Elaboration

Appendix J: Questions of the Survey and relevance for Amaru

Question	Goal / relevance for the company
Section “coffee”	
<p>Who buys the coffee for your household?</p> <p>Answers (Single choice + “others”):</p> <ul style="list-style-type: none"> • I do • Parent(s) or guardian(s) • Spouse or partner • Housemate/roommate • Others: 	<p>This question is asked in order to know WHO should be addressed when it comes to marketing activities. When evaluating the results, a connection to the demographic information at the beginning of the questionnaire must be drawn to get the right data.</p>
<p>When purchasing coffee for your household, which type do you usually buy?</p> <p>Answers (Single choice + “others”):</p> <ul style="list-style-type: none"> • Instant coffee • Coffee beans • Ground coffee • K-cup/K-pod (single cup brewer) • Ready-to-drink in a bottle or can • Others: 	<p>Amaru is currently offering ground coffee in the coffee shops and in a later stage for the customers to purchase directly. However, an analysis about the types of coffee is required to ensure the type of coffee Amaru wants to offer in the U.S. is the preferred one. Furthermore, this question can support future product diversification in case Amaru wants to offer different products in the U.S. in a later stage.</p>
<p>Which flavored coffee do you typically consume?</p> <p>Answers (Multiple Choice + “other”):</p> <ul style="list-style-type: none"> • Unflavored • Vanilla • Hazelnut • Coconut • Lucuma • Chocolate • Caramel • Others: 	<p>When launching Amaru’s ground coffee, the company will offer Vanilla, Coconut, Lucuma and Chocolate flavor. This question aims to find out the preferences of US citizens right now. Moreover, it shows whether Americans are consuming unflavored and/or flavored coffee. In addition, this question can lead to indicators which products would be sold in a higher quantity.</p>
<p>How likely are you to try coconut flavored</p>	<p>The aim of this question is to find out more about</p>

<p>coffee? Linear scale from 1 (not likely at all) to 5 (extremely likely)</p>	<p>the coffee flavor preferences in the U.S., especially about coconut flavor – are the customers willing to buy this kind of flavor? The answers might give an indicator for future sales (when comparing to the other flavors which will be offered).</p>
<p>How likely are you to try vanilla flavored coffee? Linear scale from 1 (not likely at all) to 5 (extremely likely)</p>	<p>The aim of this question is to find out more about the coffee flavor preferences in the U.S., especially about vanilla flavor – are the customers willing to buy this kind of flavor?</p>
<p>How likely are you to try lucuma flavored coffee? Linear scale from 1 (not likely at all) to 5 (extremely likely)</p>	<p>The aim of this question is to find out more about the coffee flavor preferences in the U.S., especially about lucuma flavor – are the customers willing to buy this kind of flavor? As Peruvians are more familiar with this fruit than customers from the U.S., the awareness of this fruit must be analyzed before entering the market (are customers willing to buy a flavor they might not know?)</p>
<p>How likely are you to try caramel flavored coffee? Linear scale from 1 (not likely at all) to 5 (extremely likely)</p>	<p>The aim of this question is to find out more about the coffee flavor preferences in the U.S., especially about caramel flavor – are the customers willing to buy this kind of flavor?</p>
<p>How important are the following criteria when purchasing coffee?</p> <p>Categories:</p> <ul style="list-style-type: none"> • Price • sustainable brand/company • fair trade and labor standards • flavor • country of origin <p>Answers (for each category):</p> <p>Not important at all, somewhat important,</p>	<p>Amaru's values is one of their unique selling propositions. They offer sustainable products, the farmers work under fair labor standards, the flavors are special, everything is 100% Peruvian sourced. This question aims to answer which of those criteria/factors are important for the customer in the U.S.. Moreover, the price was included in the question to find out how price sensible the consumers are in terms of flavored coffee. The results help for future communication</p>

fairly important, very important (single choice)	(which criteria/facts should be posted in high/low frequency?). Moreover, the packaging for products in the U.S. could be adapted to the most and least important criteria.
Section “Protein powder”	
<p>What type of protein powder do you typically use?</p> <p>Answers (single choice):</p> <ul style="list-style-type: none"> • Whey/casein based protein powder • Plant based protein powder 	<p>According to statistics (see quantitative analysis), many US inhabitants only consume whey or casein based protein powder. The aim of this question is to either confirm or disprove this fact. Thus, an indicator for market potential with Amaru’s plant-based protein powder is provided.</p>
<p>How important are the following criteria when purchasing protein powder?</p> <p>Categories:</p> <ul style="list-style-type: none"> • Price • sustainable brand/company • fair trade and labor standards • protein base (soy, pea, rice, etc.) • origin of the product • flavor offerings <p>Answers (for each category):</p> <p>Not important at all, somewhat important, fairly important, very important (single choice)</p>	<p>Amaru’s values is one of their unique selling propositions. They offer sustainable products, the farmers work under fair labor standards, the flavors are special, everything is 100% Peruvian sourced. This question aims to answer which of those criteria/factors are important for the customer in the U.S.. Moreover, the price was included in the question to find out how price sensible the consumers are in terms of protein powder. The results help for future communication (which criteria/facts should be posted in high/low frequency?). In addition, the protein based was chosen as an additional criterion when purchasing protein powder.</p>
<p>Have you ever heard of Sacha Inchi as a base for protein?</p> <p>Answers (single choice):</p> <ul style="list-style-type: none"> • Yes • No 	<p>Amaru’s base for protein powder is Sacha Inchi. The aim of this question is to find out how aware this base is for US customers. Consequently, the communication must be based on the awareness of Sacha Inchi.</p>
<p>What flavors of protein do you purchase?</p> <p>Answers (Multiple choice + “others”):</p> <ul style="list-style-type: none"> • Unflavored 	<p>When launching Amaru’s protein powder, the company will offer unflavored. This question aims to find out the preferences of US citizens</p>

<ul style="list-style-type: none"> • Cocoa • Lucuma • Vanilla • Chocolate and peanut butter 	<p>right now. Moreover, it shows whether Americans are consuming unflavored and/or flavored coffee. In addition, this question can lead to indicators which products would be sold in a higher quantity.</p>
<p>Which protein powder brand do you normally purchase?</p> <p>Answers (Multiple choice + “others”):</p> <ul style="list-style-type: none"> • Vega • BioSteel • Online companies • NOW Foods • Others: 	<p>The U.S. market for protein powder is satisfied, according to Statista. Thus, an overview of the main competitors is essential. Amaru’s task is to differentiate their protein powders from other big players. Moreover, the price must be a realistic price range – the competitors can give an overview about the range.</p>
Section “Stevia”	
<p>What is your perception of stevia as a sugar substitute (food safety, health, etc.)? Linear scale from 1 (very bad) to 5 (very good).</p>	<p>Studies shown that the perception of stevia in the U.S. changed in the past. Thus, the perception of Stevia in the present must be examined to gain information on the market potential.</p>
<p>How important are the following criteria when purchasing stevia?</p> <p>Categories:</p> <ul style="list-style-type: none"> • Price • sustainable brand/company • ingredients (organic) • taste (aftertaste) • origin of the product <p>Answers (for each category):</p> <p>Not important at all, somewhat important, fairly important, very important (single choice)</p>	<p>Amaru’s values is one of their unique selling propositions. They offer sustainable products, the farmers work under fair labor standards, the flavors are special, everything is 100% Peruvian sourced. This question aims to answer which of those criteria/factors are important for the customer in the U.S.. Moreover, the price was included in the question to find out how price sensible the consumers are in terms of stevia. The results help for future communication (which criteria/facts should be posted in high/low frequency?). In addition, the taste/ and aftertaste was chosen as an additional criterion when purchasing stevia as according to past studies, it is one of the main reason for purchasing stevia or</p>

	not.
How willing are you to buy new stevia products? Linear scale from 1 (not willing at all) to 5 (very willing).	Brand loyalty is higher in some product categories compared to others. To find out how brand loyal the U.S. customers are and whether Amaru's stevia is able to establish on the market, this question was asked.
Which stevia brand do you typically purchase? Answers (Multiple choice + "others"):	The U.S. market for stevia is saturated, according to Statista. Thus, an overview of the main competitors is essential. Amaru's task is to differentiate their stevia from other big players. Moreover, the price must be a realistic price range – the competitors can give an overview about the range.
<ul style="list-style-type: none"> • Sweet N' Low • Splenda • Equal • Others: 	

Note. Own description of the question and relevance

Appendix K: Survey about American Consumption habits

American Consumption Habits: Coffee, Protein Powder, and Stevia

We are a team of PUCP Centrum Masters students consulting for an organization. We are hoping to obtain information regarding the American purchasing habits and consumer behaviours for three different product categories. We appreciate your time in filling out the following questionnaire honestly to help improve the results of our research. All answers are anonymous

* Required

Introduction

1. How old are you?

Mark only one oval.

- | | |
|-----------------------|----------|
| <input type="radio"/> | Under 18 |
| <input type="radio"/> | 18-24 |
| <input type="radio"/> | 25-29 |
| <input type="radio"/> | 30-39 |
| <input type="radio"/> | 40-49 |
| <input type="radio"/> | 50+ |

2. Are you regularly consuming coffee (more than once a week)? *

Mark only one oval.

- Yes
- No *Skip to question 11*

Section "Coffee"

3. Who buys the coffee for your household?

Mark only one oval.

- I do
- Parent(s) or guardian(s)
- Spouse or partner
- Housemate/Roommate
- Other:

4. When purchasing coffee for your household, which type do you usually buy?

Mark only one oval.

- Instant coffee
- Coffee beans
- Ground Coffee
- K-cup/K-pod (single cup
brewer)
- Ready-to-drink in a bottle

or can Other:

5. Which flavoured coffee do you typically consume?

Check all that apply.

- Unflavoured
 Vanilla
 Hazelnut
 Coconut
 Lucuma
 Chocolate
 Caramel
 Other:

6. How likely are you to try coconut flavoured coffee?

Mark only one oval.

	1	2	3	4	5	
Not likely at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely likely

7. How likely are you to try vanilla flavoured coffee?

Mark only one oval.

	1	2	3	4	5	
Not likely at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely likely

8. How likely are you to try Lucuma flavoured coffee?

Mark only one oval.

	1	2	3	4	5	
Not likely at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely likely

9. How likely are you to try caramel flavoured coffee?

Mark only one oval.

	1	2	3	4	5
Not likely at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Extremely likely

10. How important are the following criteria when purchasing coffee?

Mark only one oval per row.

	Not	Some impo	impo	impo
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sustaina brand/compa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fair trade labour	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fl	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country of	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Introduction Protein Powder

11. Are you regularly consuming protein powder (more than once a week)?

Mark only one oval.

- Yes
- No *Skip to question 17*

Section "Protein Powder"

12. What type of protein powder do you typically use? *

Mark only one oval.

- Whey/casein-based
protein powder
- Plant based protein
powder

Other:

13. How important are the following criteria when purchasing protein powder?

*

Mark only one oval per row.

	not	some impo	impo	impo
Origin pr	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sustaina brand/compa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fair trade labour	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Protein base pea, rice,	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flavour	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ingredi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand/compa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Have you ever heard of Sacha Inchi as a base for protein? *

Mark only one oval.

Yes No

15. What flavours of protein do you purchase? *

Mark only one oval.

Unfavoured

Cocoa

Lucuma

Other:

16. Which protein powder brand do you normally purchase?

Check all that apply.

Vega

BioSteel

Online company (Women's Best,

Alani nu) NOW Foods

Other:

Introduction Stevia

17. Are you regularly consuming Stevia as a sugar substitute? *

Mark only one oval.

- Yes
 No

Section "Stevia"

18. What is your perception of stevia as a sugar substitute (food safety, health, etc)? *

Mark only one oval.

	1	2	3	4	5	
Very bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very good

19. How important are the following criteria when purchasing stevia? *

Mark only one oval per row.

	Not impo	Some impo	impo	impo
Origin pr	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sustaina company/bra	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taste	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ingredi or	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. How willing are you to buy new stevia products? *

Mark only one oval.

<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Not willing at

Very willing

all

21. When purchasing Stevia, what packaging do you opt for? *

Mark only one oval.

- Sachets
- Small containers of
- loose stevia Other:
-

22. Which stevia brand do you typically purchase?

Check all that apply.

- Sweet N' Low
- Splenda
- Equal
- Other:
-

This content is neither created nor endorsed by Google.

Google Forms

Note. Survey conducted by the Authors

Appendix L : Results of the Survey

7/19/22, 6:01 PM

American Consumption Habits: Coffee, Protein Powder, and Stevia

American Consumption Habits: Coffee, Protein Powder, and Stevia

70 responses

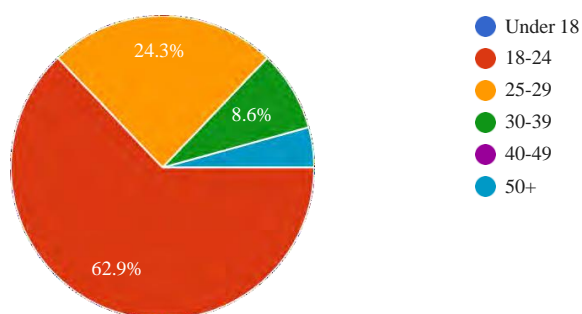
[Publish analytics](#)

Introduction

How old are you?

 Copy

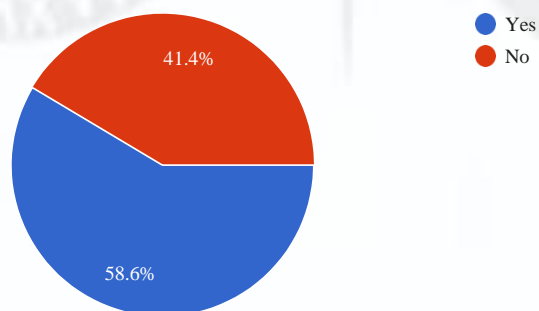
70 responses



Are you regularly consuming coffee (more than once a week)?

 Copy

70 responses



Section "Coffee"





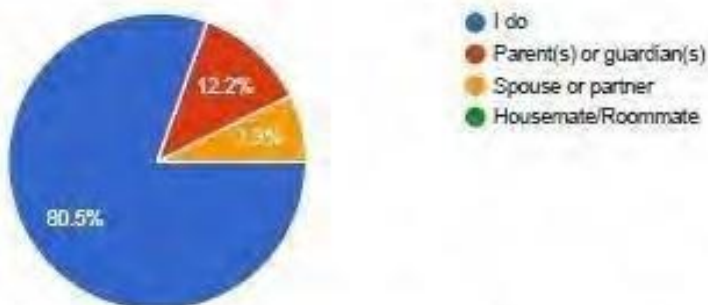
7/19/22, 6:01 PM

American Consumption Habits: Coffee, Protein Powder, and Stevia

Who buys the coffee for your household?

Copy

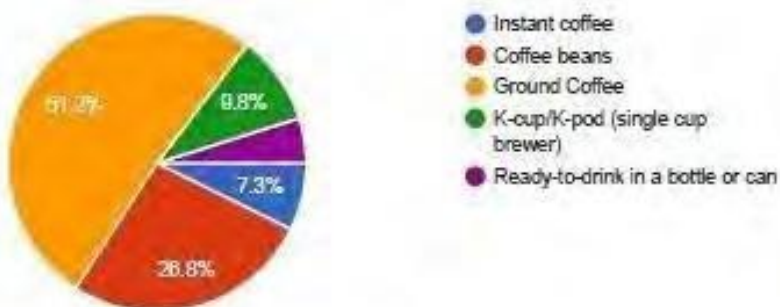
41 responses



When purchasing coffee for your household, which type do you usually buy?

Copy

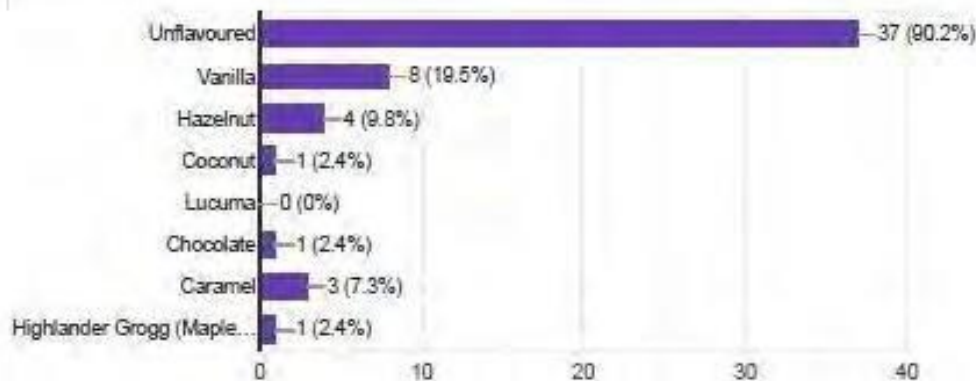
41 responses



Which flavoured coffee do you typically consume?

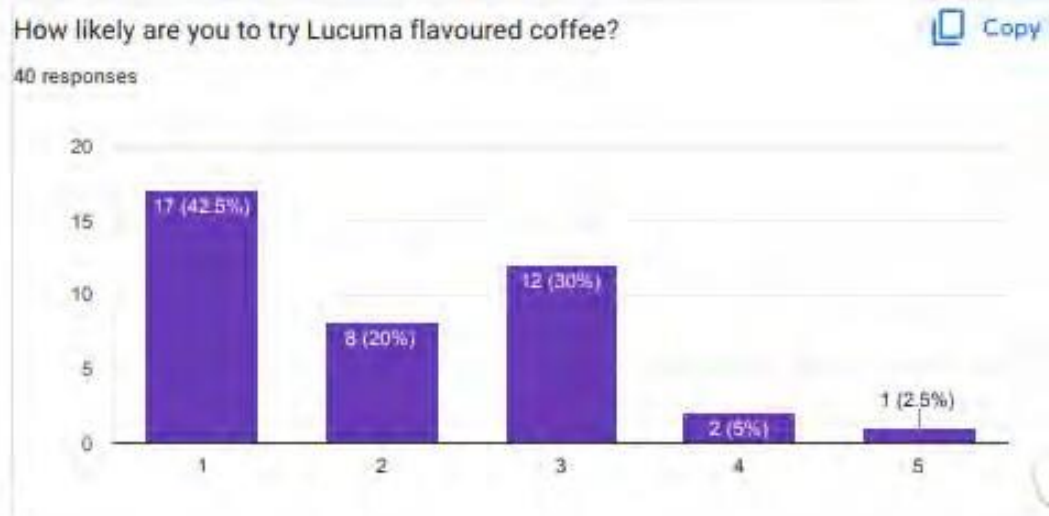
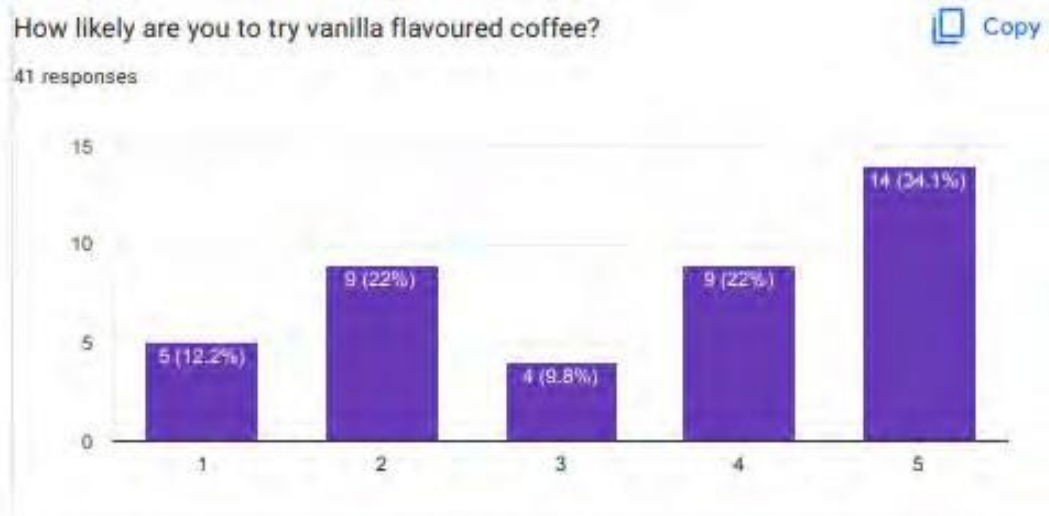
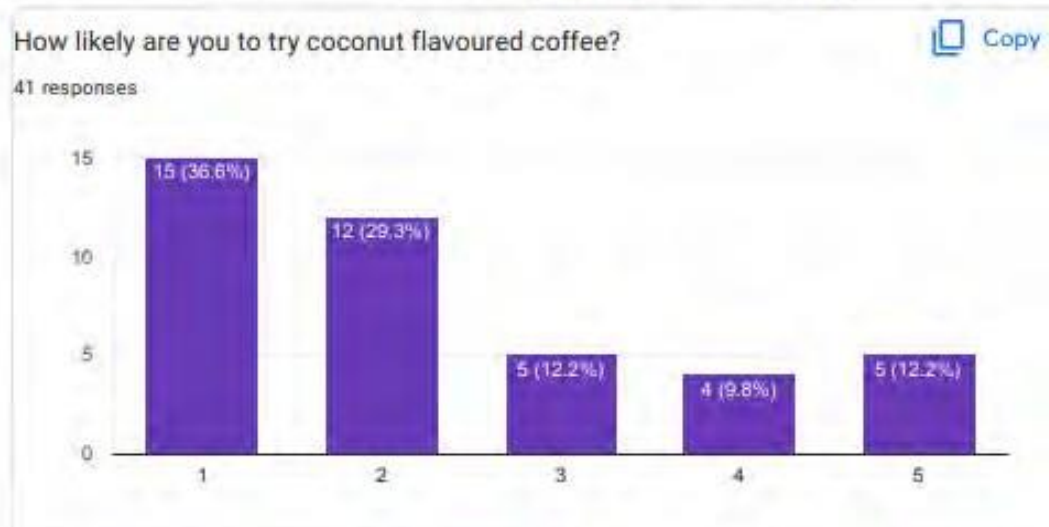
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41 responses



7/19/22, 6:01 PM

American Consumption Habits: Coffee, Protein Powder, and Stevia



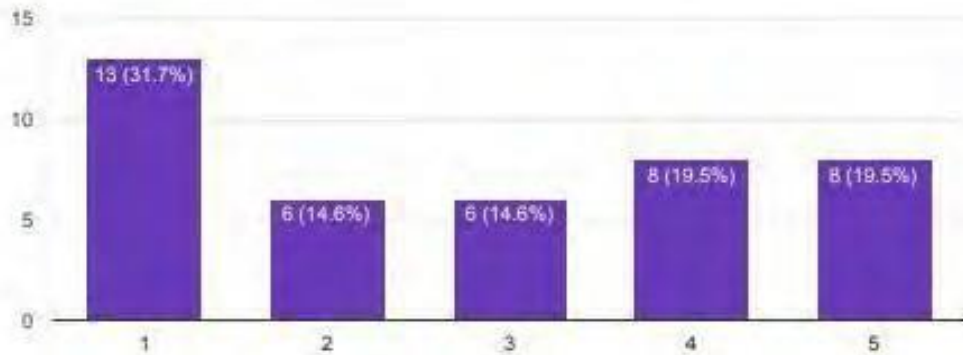
7/19/22, 6:01 PM

American Consumption Habits: Coffee, Protein Powder, and Stevia

How likely are you to try caramel flavoured coffee?

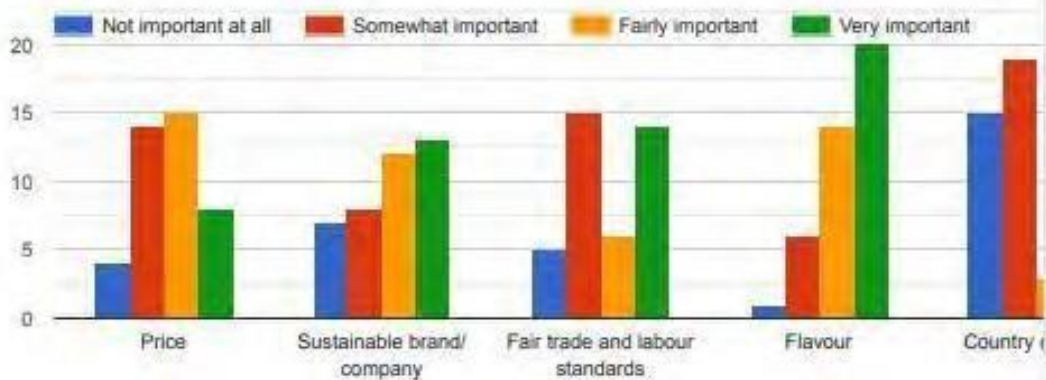
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41 responses



How important are the following criteria when purchasing coffee?

Copy

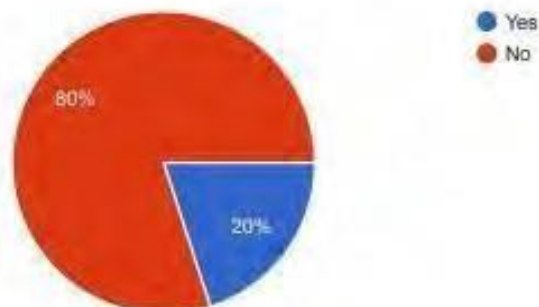


Introduction Protein Powder:

Are you regularly consuming protein powder (more than once a week)?

Copy

70 responses

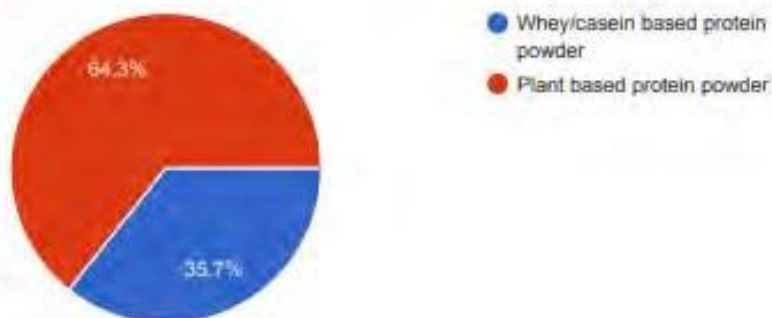


Section "Protein Powder"

What type of protein powder do you typically use?

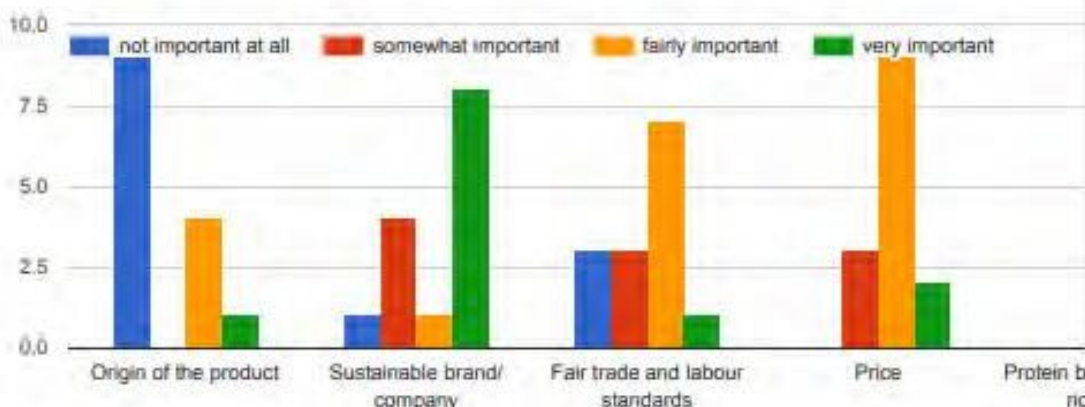
Copy

14 responses



How important are the following criteria when purchasing protein powder?

Copy

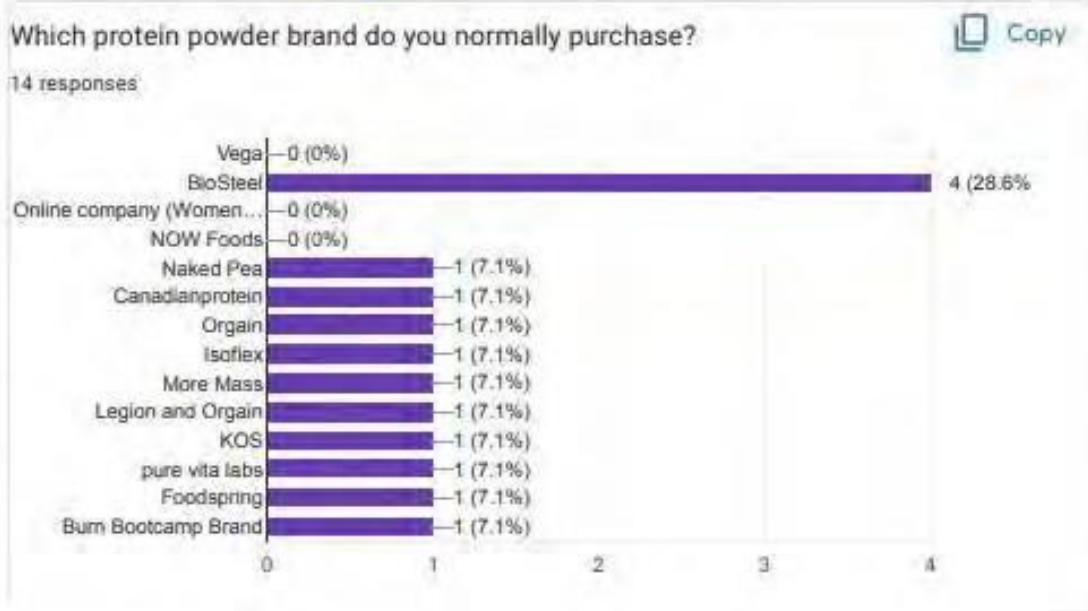
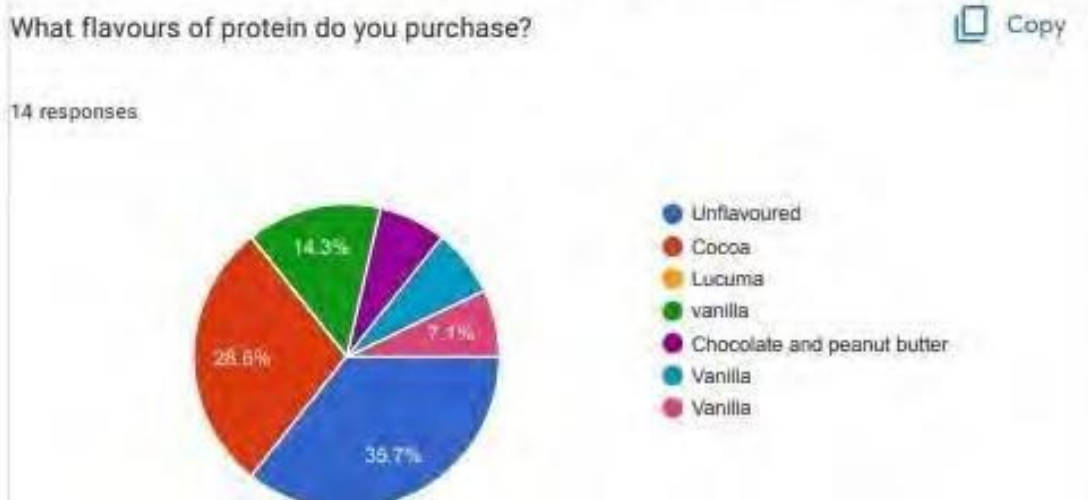


Have you ever heard of Sacha Inchi as a base for protein?

Copy

14 responses





Introduction Stevia

Note. Charts generated by Google Forms

Appendix M : Certifications for Amaru's products in the U.S.

FDA certification. The Food and Drug Association (FDA) is required for every product Amaru wishes to export. It provides necessary information about the product and the company. The FDA certificate also implies that all food regulations of the U.S are met. It is suggested that Amaru obtains this approval before all other certifications as without this one, it is not possible to legally enter the American market (Food and Drug Administration U.S., 2022). The costs for this certificate are very high, at 175 USD for the initial certificate (first product), 155 USD for the second certificate (second product), and then any product after that costs 100 USD (U.S. Food and Drug Administration, 2022). As Amaru will start to expand with flavored coffee, stevia, protein powder, and chocolate covered fruits, the associated costs will be at least 530 USD.

The FDA is the only certificate which is required to legally enter the U.S. market. However, there are several certificate or product feature which should be part of the packaging and may act as a competitive advantage in the U.S. market.

Vegan Label. There are a variety of organizations providing vegan labels. Amaru must choose one organization to certify all its vegan products as the trend towards a vegan lifestyle is becoming more prevalent in the U.S.. The V-Label is internationally recognized and it is suggested that Amaru pursues this certificate for its products. This label provides consistency, reliability, and is well-known in the U.S. market. However, the V-Label needs to be registered for each country, thus Amaru can only use it for the U.S., and will be subject to additional fees if the company wishes to use it for future regions (V-Label, 2022). Unfortunately, the costs of the V-label are not published on its website. Amaru must get in contact with the V-Label and ask for information and register.

Gluten Free. The goal of the Gluten Free Certification Organization is to protect customers who are unable to consume or digest wheat-based products. To certify, it is necessary to review the GFCO Manual and the Branding standards. The costs for this certificate depend on the company size as well as on the number of gluten free products. Thus, it will vary between 3,000 and 5,000 USD maximum (Gluten Intolerance Group, 2020).

Lactose Free. As for the *Gluten Free Certification* and the *Vegan Label*, there are many providers who certify lactose free products. The Libero Assurance is an organization which provides such certifications. These certifications are recognized in the U.S. and considered to be very reliable. It is therefore suggested that Amaru obtains the *Lactose Free* certificate for its lactose free products from the Libero Assurance. The associated costs are not publicly published. It is recommended that Amaru contact the organization to obtain an official quote for the certification, and related information (LiberoAssurance, 2021).

Organic. As some of Amaru's products are organic, there is the possibility to advertise relevant Organic Labels on the packaging. However, the regulations are quite complex and the process of obtaining organic certification is time-consuming. The costs for labelling certain products is roughly 750 USD annually (USDA, 2022).

Appendix N : Information about Social Media in the U.S.

Influencers- Criteria. In order to successfully target the desired market for Amaru, it is crucial to identify which values, traits, and habits the influencer should have prior to working with them. The ideal influencer will post about healthy eating habits, lifestyle, fitness, and organic products.

Influencer	Number of Followers	Location	Alignment
@sydprogress	139k	Vancouver, Canada	
@fitbykiki	266k	St Louis, USA	Fitness, fashion, mom, lifestyle, workout
@vickyjustiz	187k	Miami, Florida, USA	Youtuber, coach, travel, food, good vibes + fitness

Twitter. Typically charges \$2 per 1000 followers.

Followers	Cost/Post
10,000	\$20
100,000	\$200
1,000,000	\$2000

Youtube. The costs on Youtube are around \$20 per 1000 subscribers. Once an influencer reaches over one million subscribers, they have more freedom per their rates. In fact, YouTubers with that large of a reach may charge up to \$50,000 per video

Number of Followers/Audience	Cost/Video
10,000	\$200
100,000	\$2000
1,000,000	\$20,000

Facebook

Number of Followers/Audience	Estimated Cost per Post
10,000	USD\$250
100,000	USD\$2500
1,000,000	USD\$25,000

Instagram. Tends to be \$10 a post per 1000 followers.

Followers/audience	Cost/Post
10,000	\$100
100,000	\$1000
1,000,000	\$10,000

Summary of Costs for Social Media Marketing. The cost for influencers is dependent on the individual and influenced by the number of followers or reach the influencer has. It is also dependent on which platform the influencer uses for paid advertisements.

Platform	Cost per follower
Facebook	25 USD/1000 followers
Instagram	10 USD/1000 followers
Twitter	2 USD/1000 followers
YouTube	20 USD/1000 subscribers
SnapChat	10 USD/1000 followers

Therefore, if Amaru focused on partnering with influencers who have 50,000-100,000 followers, then the estimated cost per post would be between 500 USD - 1000USD.

Calculating with the average price of USD 750 per post, it is recommended to have two posts a month from influencers. This activity should start two months before the product launch in the U.S. in order to build brand awareness before entering the market. Total costs will be 1500 USD per month.

Source: WebFX (2022, May 12).

Appendix O : Relevant Expos in the U.S.

Expo	Location	Date	Description	Link
Healthy Food Expo	Miami, Florida	September, annually	This expo is all about healthy snacks and beverages, with focus on sustainability.	https://10times.com/healthy-food-expo-florida
Food Automation & Manufacturing Conference & Expo – FA&M	Miami, Florida	September, annually	This food and beverage event in hybrid form presents the latest trends in the food sector.	https://www.foodengineeringmag.com/food-automation-symposium
Sweets & Snacks Expo	Chicago City, Chicago	May, annually	It is the largest confectionery, sweets & snacks trade event in North America.	https://sweetsandsnacks.com/
Americas Food and Beverage Show	Miami, Florida	September, annually	This expo aims to bring new innovative products on the U.S. market.	https://www.americasfoodandbeverage.com/
Coffee Fest	New York City, New York	March, annually	This expo is focused on coffee products. As Amaru will gain brand awareness with its flavored coffee, it is recommended to attend this fair.	https://www.coffeefest.com/new-york

Note. Source: Exponents Insta USA (2022)

Appendix P : Shopify Subscription Plans

Basic	Shopify	Advanced
Best for new ecommerce businesses with occasional in-person sales	Best for growing businesses selling online or in-store	Best for scaling businesses that require advanced reporting
\$29 ^{USD} /mo	\$79 ^{USD} /mo	\$299 ^{USD} /mo
Online credit card rates: 2.9% + 30¢ USD	Online credit card rates: 2.6% + 30¢ USD	Online credit card rates: 2.4% + 30¢ USD
In-person credit/debit card rates: 2.7% + 0¢ USD	In-person credit/debit card rates: 2.5% + 0¢ USD	In-person credit/debit card rates: 2.4% + 0¢ USD
Try for free	Try for free	Try for free

— Hide plan features

	Basic \$29 ^{USD} /mo	Shopify \$79 ^{USD} /mo	Advanced \$299 ^{USD} /mo
FEATURES			
Online Store Includes ecommerce website and blog.	✓	✓	✓
Unlimited products	✓	✓	✓
Staff accounts Staff members with access to the Shopify admin and Shopify POS.	2	5	15
24/7 support	✓	✓	✓
Sales channels Sell on online marketplaces and social media. Channel availability varies by country.	✓	✓	✓
Inventory locations Assign inventory to retail stores, warehouses, pop-ups, or wherever you store products.	up to 4	up to 5	up to 8
Manual order creation	✓	✓	✓
Discount codes	✓	✓	✓
Free SSL certificate	✓	✓	✓

Abandoned cart recovery	✓	✓	✓
Gift cards	✓	✓	✓
Reports	Basic	Standard	Advanced
Third-party calculated shipping rates Show calculated rates with your own account or third-party apps at checkout.	-	-	✓
Customer segmentation Filter and group customers into hundreds of segments.	✓	✓	✓
Marketing automation Send automated emails with templated or custom workflows.	✓	✓	✓
Unlimited contacts	✓	✓	✓
Ecommerce automations Automate manual tasks, build workflows, and grow your business.	-	✓	✓
SHOPIFY SHIPPING			
Shipping discount Competitive shipping rates from DHL Express, UPS, or USPS.	up to 77%	up to 88%	up to 88%
Shipping labels Print shipping labels for orders using a standard printer—no special equipment required.	✓	✓	✓
USPS Priority Mail Cubic® pricing	-	✓	✓
USPS Parcel Select Cubic® pricing	-	✓	✓
SHOPIFY PAYMENTS			
Fraud analysis	✓	✓	✓
Online credit card rates	2.9% + 30¢ USD	2.6% + 30¢ USD	2.4% + 30¢ USD
Online International/Amex credit card rates	3.9% + 30¢ USD	3.6% + 30¢ USD	3.4% + 30¢ USD
In-person credit/debit card rates	2.7% + 0¢ USD	2.5% + 0¢ USD	2.4% + 0¢ USD
3rd party fees on transactions not processed through Shopify Payments	2.0%	1.0%	0.5%
POINT OF SALE			
Shopify POS Lite Accept in-person payments instantly at pop-ups, markets, fairs, and more.	✓	✓	✓
Shopify POS Pro (per location) Choose locations to upgrade to POS Pro for faster workflows, staff permissions, and advanced inventory tools.	+\$89 USD/mo	+\$89 USD/mo	+\$89 USD/mo
INTERNATIONAL COMMERCE			
International market management Define geographic market areas to ensure you are providing a localized buying experience for customers in different regions.	✓	✓	✓

Market domains and subfolders Assign custom web addresses for each market that are optimized for search results and automatically redirect customers to the right domain based on their market.	✓	✓	✓
Language translation Assign translated languages to customers in different markets to provide a familiar shopping experience.	✓	✓	✓
Currency conversion Automatically convert prices into your customer's local currency to drive conversion in each market (requires Shopify Payments).	✓	✓	✓
Local payment methods Set local payment methods to appear for customers who check out in specific markets (requires Shopify Payments).	✓	✓	✓
Duties and import taxes Estimate and collect duties and import taxes at checkout to give customers total cost clarity.	-	-	✓
Custom pricing by market Take greater control of your international pricing strategy by setting specific prices for products or product variants in each market.	-	-	✓


Note. Source: Shopify (2022a)



Appendix Q : Information on ShipBob


HOW IT WORKS

How ShipBob goes from your online store to your customer's door




1. Connect

Connect your store, import your products, then send us your inventory.



2. Store

We store your inventory in any combination of our fulfillment centers.



3. Ship

As soon as a customer places an order, we ship it from the nearest fulfillment center.

[How It Works](#)

CORE COSTS

ShipBob offers simple, transparent pricing with no hidden fees.


At ShipBob, we value the success of our customers. Each pricing quote is customized to your unique needs.


How much does fulfillment cost?


Width	Height	Length	Weight	
3.82	2.13	2.09	3.53	lb oz

[Calculate](#)

SHIPPING SAMPLES








 Supplements

 Apparel

 Subscription Box

Included Monthly for all ShipBob customers:

STARTING AT:

 Total Fulfillment Cost	\$5.38 to \$5.91
 Pick & Pack	Included
 Packaging	Included
 Customer Support	Free (24/7)
 Storage per Bin	\$5
 Storage per Shelf	\$10
 Storage per Pallet	\$40

[Reset](#) [Request A Quote](#)

At ShipBob, we value the success of our customers. Each

Note. Source: ShipBob (2022)

Appendix R : Shipment Costs and Volume per Pallet

Product	Price per Pallet	Products per Box	Products per Pallet	Transportation Costs per Product Unit	Total costs for products (based on pallets)	Product prices necessary to break even with 60% of Sales
Stevia Sachet (100x)	\$ 201.04	48	384	\$ 0.52	\$ 2,206.83	\$ 9.6
Stevia Jar (50g)	\$ 201.04	210	1680	\$ 0.12	\$ 10,011.57	\$ 9.9
Protein Powder (500g)	\$ 201.04	42	336	\$ 0.60	\$ 2,150.41	\$ 10.7
Coffee (1kg)	\$ 201.04	12	96	\$ 2.09	\$ 1,224.40	\$ 21.3
Chocolate covered fruits (120g)	\$ 201.04	72	576	\$ 0.35	\$ 1,815.45	\$ 5.3

Note. Own calculations based on DHL (2022) and internal company information

