

QUERO CHUVA - CASE STUDY

Obstacles to grow in the Brazilian market

Vanessa Gómez Peñarete

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Supervisor:
Prof. Renato Pereira, ISCTE Business School, Departamento de Marketing

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Abstract

The concept of cachaça in Brazil has been changing in recent years. In the past, cachaça was seen as the consumption of a low-income population, besides being a strong drink, not being the focus of much of the population. The production of artisanal cachaças and the diversity of them made this type of drink expand and reach another target. It stopped being consumed only as a caipirinha, thus becoming consumed as drinks, causing the consumption of cachaça to start turning into a pleasant tasting moment.

This case is about an artisanal cachaça, Quero Chuva, different from the existing ones, with a different and unique concept. Its mission is to expand not only in the Brazilian market but also in the foreign market, but because it is new, it still has some obstacles in order to succeed and grow. Obstacles that will be discussed in the course of the case.

The resolution of this case shows that the brand still has much to grow to be able to compete with the big competitors. It needs investors and with that it will manage to increase its commercial team, being able to reach more points of sale besides that with more investment the production can increase a lot.

Key Words: Startup, Strategy, Marketing.

JEL Classification System:

- M30 – General
- M31 - Marketing

Resumo

O conceito da cachaça no Brasil vem mudando no decorrer dos últimos anos, antigamente a cachaça era vista como consumo de uma população de baixa renda, além de ser uma bebida forte, não sendo foco de muita parte da população. A produção de cachaças artesanais e a diversidade delas fez com que esse tipo de bebida se expandisse e atingisse outro target. Deixando de ser consumida apenas como caipirinha passando a ser assim a ser consumida como drinks, fazendo com que o consumo da cachaça começasse a virar um momento de degustação agradável.

Este caso é a respeito de uma cachaça artesanal, Quero Chuva, diferente das já existentes, com um conceito diferente e único. Tem como missão se expandir não só no mercado brasileiro como também no mercado externo, porem por ser nova ainda possui alguns obstáculos para poder obter sucesso e crescimento. Obstáculos que serão debatidos ao decorrer do caso.

A resolução deste caso mostra que a marca ainda tem muito que crescer para poder chegar a concorrer com as grandes concorrentes. Precisa de investidores e com isso consegue aumentar a sua equipe comercial, podendo atingir mais pontos de venda, além de que com mais investimento a produção poderá aumentar bastante.

Palavras-chave: Startup, Estratégia, Marketing.

Classificações do JEL:

- M30 – General
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3. The Case

3.1. Presentation of the issue

After having exceeded expectations for five years in the Brazilian market, Quero-Chuva begins to feel the consequences of expansion and growth, but it sees two main obstacles to this. The first of all is the need to have an investor. As much as the brand is already known by the market, the target to have an investor is crucial for its growth. According to the three phases of the growth of a startup, the Quero-Chuva can already be framed in the third and last phase. It has gone through the development phase, process and now fits into the growth phase. But for this, it needs both capital and incentives and tips, for this growth to be more accentuated. Kerosene is in the perfect stage to raise an investor, since it already has a solid product and that is exactly what an investor seeks, a company that is already solid.

The second obstacle that the company finds is the increase of a workforce, of commercials to be able to sell the brand to establishments, since today this function depends only on Gabriel, the owner of the company. This makes it impossible for him to work as the owner while he is looking for investors, the brand image, for new markets, among others.

In conclusion it can be seen that the two obstacles depend on each other, since without investors, the brand cannot grow and thus cannot hire new people to expand itself.

3.2. Development of the case

3.2.1 About Quero Chuva

Quero Chuva was created in 2013 in Rio de Janeiro by Gabriel Collares. Lover of cachaça, he realized that the market was very dry, and that the cachaças in the market were always very similar. It was then that he decided to create a new concept for the cachaça besides exploring a target that is not very familiar with the product. To enjoy drinking cachaça, without doubt is totally different than to understand exactly the process of the same product. It was then that he got in touch with who really understood the product. Engenho Santo Mario de Catanduva-SP, whose owner is Mr. Mario Seghese, is responsible for the production of Quero Chuva. Thus in 2013 was launched the cachaça, that is the union of homemade cachaça with 5 different flavors and tropical ingredients. In 2018, the brand is having a restructure so the production decreased a lot comparing to the other years. At the moment they are producing 20.000 liters per month, but the estimate in 2019 is to produce 50.000 liters per month, we are talking about a growth of 150%.

The cachaça could be found in all Rio de Janeiro, especially in the boutique stores, that makes the cachaça more selective for the target that Quero Chuva has.

3.2.2 Product Profile

Different from the other cachaças, where the percentage of alcohol varies between 38% and 48%, Quero Chuva has a little percentage lower of only 20% alcohol. Another aspect that makes it different is its design and its visual communication, which shows a more youthful and relaxed air. The vivid colors on the labels, and their images that are published on social networks, is what draws the attention of an indirect consumer.

And lastly, the QueroChuva goes out of the traditional cachaça to be prepared as caipirinha, with lemon and sugar and it started to be served as cocktails and that thanks to its diversity of 5 flavors (Attachment 1) , honey, lemon, coconut, açaí and guarana, cinnamon. These cocktails can be only ice and the drink, being a pure drink, or even with the mixture of fruits, giving a kind of non-traditional caipirinha (caipichuva), and due to the flavor of cachaças, sugar does not have to be introduced.

The brand itself already suggests the way of being consumed and the suggestions are:

Honey-lemon - Ice, lemon and 100 ml of Quero Chuva flavor honey (Attachment 2)

Cinnamon - Ice, Watermelon 100 ml of Quero Chuva flavor Cinnamon (Attachment 3)

Coconut - Ice, Pineapple and 100 ml of Quero Chuva flavor Coconut (Attachment 4)

Lemon - Ice, Kiwi and 100 ml of Quero Chuva flavor lemon (Attachment 5)

Açaí with Guaraná - Ice, Strawberry and 100 ml of Quero Chuva flavor Açaí with Guarana (Attachment 6)

3.2.3. Overall of the Cachaça.

It is said that the cachaça appeared in Brazil in 1532, some years after the discovery of the country (1500). Who introduced the distillation technique and the raw material, cana de açúcar, was a Portuguese from the Madeira's island (Luís da Câmara Cascudo, *Prelúdio da Cachaça*), who learned this technique with the Arabs before he went to Brazil. In the beginning, the cachaça was just for the slaves, but then it became famous and popular, consequently important for the country's economy.

The cachaça started to be consumed and known not only in all of Brasil but also in Europe and Africa, especially because the traders used the beverage as an exchange for slaves. At the same time that the product was being well seen by everyone, the Portuguese Crown was seen as a threat, not only because the pirates were going to Brazil but also because it was a competitor for the bagaceira, a Portuguese beverage. With the cachaça in the stores, the consumers of bagaceira started to choose the cachaça instead of the traditional Portuguese beverage; in this way, the consumption of bagaceira decreased. To solve the problem and limit the entrance of the Brazilian beverage in Portugal and in other countries, Portugal increased the tax rates, which became a little inaccessible to the manufacturers.

However, in 1850 things changed. With the new social sector, the new Brazilian elite stopped consuming national products and started giving more importance to the international ones. With that, the cachaça was seen again as a product for the low levels of society and for the slaves. Just in 1996, when the president Fernando Henrique Cardoso named the cachaça a typical Brazilian product, it started being recognized by the consumers as a good drink. In 2002 a new law transformed the cachaça into a Cultural Historical Patrimony.

In 2016, 500 years after its origin, the United States recognized the cachaça as a typical beverage, but even with that, it doesn't yet have a place in the premium beverage

market abroad. (Research of *folhapress* in 2016). And the result of this is the lack of investment in the product, so to become a global player would be the key for success. In 2014, the cachaça gained a considerable "boom", because of the World Cup in Brazil, so people wanted to know more about the culture of the country, but that didn't last long, after some time it went back to be forgotten, says César da Costa Rosa. According to him, it is necessary about 110, 00 USD in investment for each point of sale for the cachaça to gain a space in the external market (2016's numbers).

According to Euromonitor, Brazil is responsible for 8% of all the spirit beverages in the whole world (Attachment 7) and is in the main spirit markets in the world (Attachment 8) but this is not enough to achieve a global market. Besides, the investment of money is also necessary in an organized sector. Another difficult factor in the expansion of the cachaça to the external market is the high value of import duties which have become 25% of the total value of the bottle, causing the decrease in the production.

In 2017, studies indicated that the sector had an increase of 7% in the beverage production, both for the internal and external sectors. The research informs that the cachaça is having a better view of the market and on the shelves. The consumer is becoming more interested in the products and choosing to pay more for a better quality, and besides the conventional cachaças, new ones are appearing, conquering a different niche, and many of them are even winning international prizes (cbn).

3.2.4 Analysis of the Cachaça in the Brazilian Market

Nowadays, cachaça is the second most consumed alcoholic beverage in Brazil, only losing for beer. But even secondly it is a big bet for the distillate market, both inside and outside the country. However, for cachaça to be produced and sold properly it must be registered by the Ministry of Agriculture, Livestock, and Supply and Other Competent Organs, since a cachaça without this seal can be detrimental to the health of the consumer.

According to a survey conducted by the Brazilian Cachaça Institute (IBRAC) in 2016, Brazil has a production capacity of 1.2 billion liters per year; there are more than 40 thousand producers throughout Brazil and more than 4 thousand existing brands. The main producing regions are São Paulo, Pernambuco, Ceará, Minas Gerais and Paraíba. And its main consumer cities are São Paulo, Pernambuco, Rio de Janeiro, Ceará, Bahia and Minas Gerais.

The cachaça market is very diversified in Brazil, and can be found in any establishment as supermarkets, micro markets, bars, restaurants, hotels among others, but for a brand to be in all these establishments it is necessary that quality, price and visual communication are well aligned.

However, even with cachaça being the second most consumed spirit, many Brazilians have no idea of the various brands and flavors. During the year there are some events to promote cachaças, events for both the end consumer (B2C) and establishments (B2B). Examples such as **Macaé Festival of Culture and Gastronomy**, where besides music and food there is also a person specialized in cachaça that explains in detail the product, the mode of consumption, the different types of flavors and its existence in the sound market. There is also the **Cachaça Trade Fair** - which is a B2B event for owners of bars, restaurants, supermarket managers, hotels, liquor stores, international importers, among others. It is a new fair with a different focus from the others. And there is also one of the most famous fairs in Brazil about the cachaça that is the **Festival of Cachaça, Culture & Flavors of Paraty**, or Festival of Pinga Paraty as it is best known. It is a festival where the public can taste the cachaças produced in the region besides visiting the stills.

3.2.5 Economic Context

Brazil is ranked among the 10 largest economies in the world, with its GDP of 2,080 trillion dollars, as well as being the largest economy in South America. The BRICS group is a member of some economic organizations and has several trading partners where the focus of its exports is manufactured products.

Its economic stability began in 1990 under the administration of President Collor, when steps were taken to open and release the economy happening to fiscal sustainability. But it was in 1994, under the Itamar Franco government, that the Real Plan was implemented, which resulted in an end to inflation, with unprecedented income improvement for the lower classes. A moment known as the "Liberal Era", which argued that Latin American countries should have the capacity to attract international capital through privatization, opening of financial and product markets, and stabilization of the exchange rate. In 1995 the country was governed by Fernando Henrique Cardoso, whose aim was to take it out of the crisis and try to increase the economy, with privatizations, keeping prices low, supporting the value of the currency; but in his second term the country went through some crises. At the end of his second term, the workers' party (PT

- Lula) has been in place for 16 years, and since 2014, Brazil has begun its great economic crisis, generating a high rate of unemployment and even the Impeachment of the President at the time (2016) Dilma Rousseff. Cachaça also went through an economic crisis between 2013 and 2016 according to Euromonitor International which in 2016 had a decrease of 3.6%; in 2017 was estimated a decrease of 2%. According to Angela Salado, cachaça had a fall due to the crisis, since it is bought mainly in bars by low-income consumers, and the cachaça that was sold was of low value (less than 20 reais per liter), which ended up being easily replaced by low value vodka. On the other hand, the fall of the most expensive cachaças (30 reais per liter) was due to the drop in consumption of consumers A and B, which instead of drinking 2 or 3 doses started to consume only 1 dose. Another reason for the reduction of consumption of cachaça in the Brazilian market is due to the experimentation of new products such as vodka, gin and tequila and once the consumer is loyal to them, he hardly returns to the cachaça market.

In order to increase the economy of cachaça, big companies such as Diageo and Bacardi bet on the visual communication of distillates as a strong point, and also in the manufacture of limited cachaças, which can thus draw the attention of the final consumer.

3.2.6 Consumer analysis

The Brazilian consumer is a consumer who values the tradition a lot, making consumer habits still reflect what was in the past. But with the financial crisis the Brazilian consumer became a more rational consumer, not caring so much about the brand, but about the quality and content. Also with the advancement of technology, consumers today are more in the trend of new products as well as more informed, which means that the information about a product is easily accessible, so that the consumer does not have to go to the place of purchase to be guided on price, variety and quality of the product and from there already has his purchase decision. (Attachment 9)

With the advancement of technology and information, new products and brands are having space in the market and on the shelves of homes. The consumer is risking more new products and cheaper, since many products such as white brands are well seen in the market, coming to compete with products that were well-known in the old days.

Understanding the consumer's need for a particular product is not easy. The consumer of alcoholic beverages, for example, buys by taste; this means that the end consumer is often loyal to a brand because he has long been aware of its side effects.

Making a consumer adapt at a brand and drink style change is not easy, but with that change of habit and financial it has become a little easier. It is at this moment, perhaps fleeting, that the owners of the new brands have to enter the market and take advantage of this wave of "new consumers".

In marketing, the consumer's involvement with the brand was well studied, developing a concept of social psychology, which determines some changes in consumer's behavior (Michaelidou & Dibb, 2006; Lin & Chen, 2006). If we consider what Wright (1974) mentions, it can be said that the consumer is attracted by the visual communication of the product, its characteristics. Already Clark and Belk (1978) consider that the consumer finalizes a purchase by his experience and involvement in the moment of the act, which can be very similar to the previous theory since the experience of the consumer in the act of the purchase can be attracted by the visual communication of the product. However for Antonides & Raaij (1998) the connection of the consumer with the product goes much beyond the shopping experience and its characteristics and becomes more the value that the product adds to the consumer, both in quality, price and risk. In a general way it is considered by marketing that the consumer is attracted by a product for different reasons and stimuli.

3.2.7 Purchase decision process

Deciding to buy a product is not so easy, sometimes. Many times the customer does not have all the necessary information regarding the product, or even time to go buy it. The product may also be depleted, or at the time of purchase the consumer sees another new product on the market that is more attractive, or even there may be an increase in the value of the product making it impossible to buy it. Anyway, making sure the product arrives on the final route (customer's home) is quite an easy path.

Consumer decisions can be separated into three types.

Routine decisions are cheap and simple shopping decisions where the customer will minimize the cost of it.

Limited decisions are decisions made by the customer, where he took time to research the product, sees their pros and cons, listens to the opinions of friends, advertisements and also sees their competitors, thus making his purchase better in relation to cost x benefit.

Extensive decisions are decisions that require much more time for the pursuit of product information, with its price range.

In conclusion the customer can buy by impulse or by necessity and this all varies according to the consumer's involvement with the product. In the case of the cachaça in question, the purchasing decision process may be a bit more complex, since the final consumer, in order to buy something that he will consume, must at least have heard or tried the drink. This forces the brand to make a pre-purchase marketing process for consumers so they can think about buying the product they have heard or already experienced, since consuming something that has never been heard of is a little risky. With this, by doing these product recognition actions the risk can be minimized.

3.2.8 Consumption habits

The Brazilian consumer is a public that has suffered a major financial crisis in recent years, and since the crisis the consumptions habits changed a little. The main habits that have impacted were entertainment and aesthetics and this was due to the need for some financial cuts in the household. The Brazilian began to prioritize other needs and some of them as in the case of aesthetics they learnt to do on their own, so they could economize. But besides these two great habits, the monthly purchases in the supermarkets also received a reduction, 67% of the Brazilians say they have reduced their trips to the supermarkets or have looked for discounts in several of them, data of the research "Consumption x Crisis: How the crisis affected the habits of life of Brazilians" in 2016.

In the survey the 10 habits most impacted by the crisis are mentioned. Among them is, in the first place, the habit of dining out, which has dropped from 70% in 2015 to 55% in 2016. Second is the aesthetic, which has gone from 49% to slightly less than 38%.

One can see that because of the crisis, people had to change their spending habits, to save money and to try to replace what was common and expensive for the cheapest, or even wait for discounts to be able to make purchases. This scenario will change only when the Brazilian economy improves.

3.2.9 Analysis of the competitors

The competitors can be divided between the direct and the indirect ones, where the direct ones are the similar products, the cachaças, which want to reach the same target audience and the same niche of market as the Quero Chuva. The indirect

competitors are products or different services, but for some reason and cause they can substitute the product in question.

The direct competitors were analyzed identifying the points of sale that can sell similar products. For this it was made a research in supermarkets, liquid stores, duty free, places where the alcoholic beverage and more specifically the cachaça is sold, to be possible to analyze which competitors the product has. With this in Brazil four similar cachaças were found, but not equal, with the same concept. Among them are:

Cachaça 51 - Since 1959, when it emerged, that Cachaça 51 is known as the Brazilian beverage, only in 2000 it was internationally known as the best-selling cachaça in the world. Today, cachaça has already launched limited editions with different labels. The price in Brazil is about 10 euros in the market.

Cachaça Sururu - The price in Brazil is about 12 euros in the market.

Cachaça Ypioca - The name Ypióca comes from the Tupi-Guarani and means "purple earth". Many say that it is the oldest cachaça, produced by the slaves in 1885, and only later it gained strength after many years. It is possible to say that it is the biggest competitor of the cachaça 51. The price in Brazil is about 15 euros in the market.

Sagatiba - It was the first brand to enter a foreign market. In 2011, Sagatiba was bought by Italy's Davide Campari-Milano. There are two versions of Sagatiba: Velha, which has 40% alcohol content and its mode of distillation is in copper barrels, and pure Sagatiba which has 38% alcohol content and is used in the most traditional production techniques. The price in Brazil is about 25 euros in the market, a little more expensive than the others.

Already indirect competitors were analyzed seeing sales points, but also seeing their strengths and weaknesses, in relation to the needs of the target audience. Taking into account that the target audience is young people between 18 and 35 years old and trying to join the concept of rainfall in this niche, it can be noted that the biggest indirect competitors are:

Gin Tonic - it is a strong competitor because it is known as a lean beverage, it is one of the lowest calorie beverages in the market, it is a refreshing drink and can be consumed in different shapes and flavors, and can mix numerous ingredients. But the main and most famous combination (Gin, Lemon and Tonic Water) came in the 19th century when the English army tried to take away the bitterness of the drink by mixing these ingredients.

Strengths: it is the drink of fashion, it is relatively cheap and not caloric

Weaknesses: Bitter taste, not attracting many people.

Vodka - it is another very strong competitor of cachaça and for two reasons: it can be drunk like the cachaça in the form of shot or pure and also in a mixture with the famous Caipirinha, but in the case of the cachaça it is called Caipivodka.

Strengths: It is a drink selected by young people to become more "drunk" quickly, can be pure or drunk with an energetic, juice, soda or fruit drink, there is a great variety of quality and prices, easy access to purchase.

Weaknesses: The smell is quite strong, easily noticeable consumption through the breath, high price compared to other spirits.

Whiskey - it is an indirect competitor, however the public of this one is very selective. It is an audience that does not care for the price of the drink, but for the quality, it is an older audience who likes to enjoy the drink.

Strengths: Quality drink, easy-to-drink beverage

Weaknesses: High price, bitter taste

3.2.10 The Distribution in the Brazilian Market

The distribution channels of cachaça are diverse, such as the distilleries themselves, to the bars and some distribution centers. The distribution of alcoholic beverages in general can be represented as indirect as the off-trade as wholesale, stores and retailers, as on-trade such as bars, restaurants. And also direct distribution as on-trade as e-commerce (SEBRAE 2012). Among these reports, it was concluded that two-thirds of the distilled beverages are sold on-trade, including artisanal cachaças, since they are products of high added value, making their distribution a little difficult, which differs from artisanal cachaças that are distributed by off -trade (EXPO CACHAÇA 2014).

The distribution and the great variety of the cachaças in the Brazilian market is causing the consumers to have a great diversity in the shelves of the points of sale. As said before, the power of persuasion of the final consumer will vary among some points as the price and quality.

But nowadays the food channel is the most important channel of sale of alcoholic beverages; the Brazilians, as already mentioned, are opting for cheaper products. The hypermarkets and supermarkets make huge promotions on products thus attracting the public. In addition to large retailers, specific shops in alcoholic beverages are also well sought after, but also the cachaça nowadays is well found in bars and restaurants, since the consumption of the same is not so accentuated.

3.3. Restatement of the issue

The lack of investment and a quantity of currency in the Brazilian market is a major obstacle to the expansion of power. With one word, unless you can keep growing since there are similar products that have already conquered the foreign market by investors or by companies that bet and have managed to expand. Lack of marketing, visual communication is not the problem of Quero Chuva, since it is very attractive to its target, with colorful and flashy images, a diversity of flavors and the mode of consumption is also a differential and its presence at parties where the your public target is something positive, but that is not enough. It is necessary for more non-commercial people to be able to advertise the brand, to try to sell it in other places and not only in specific markets, it is necessary to know and mark their own area of comfort.

Based on the case described above and the Brazilian cachaça market, some questions are presented.

Question 1: According to the habits of the Brazilian consumer, what would be the main characteristics of the target audience of Quero Chuva?

Question 2: In what extent would visual brand communication attract more consumers?

Question 3: In what market mix variables should the company rely to expand in the Brazilian market?

3.4. Attachment

Attachment 1 - Diversity of 5 flavors of Quero Chuva



Attachment 2 - Quero Chuva Honey-lemon



Attachment 3 - Quero Chuva Cinnamon



Attachment 4 - Quero Chuva Coconut



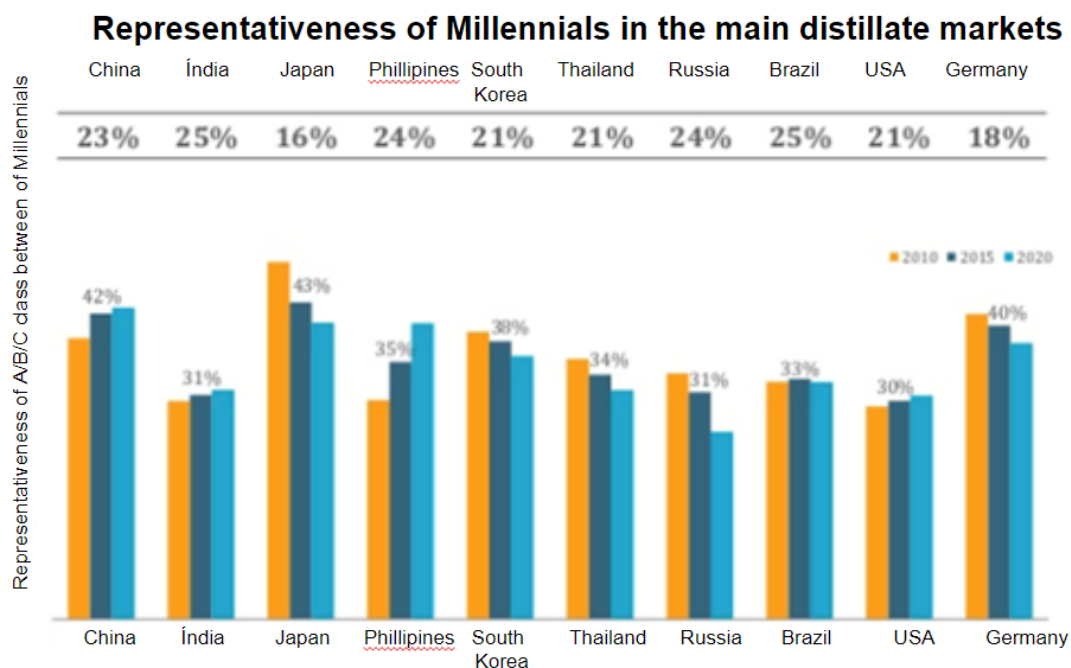
Attachment 5 - Quero Chuva Lemon



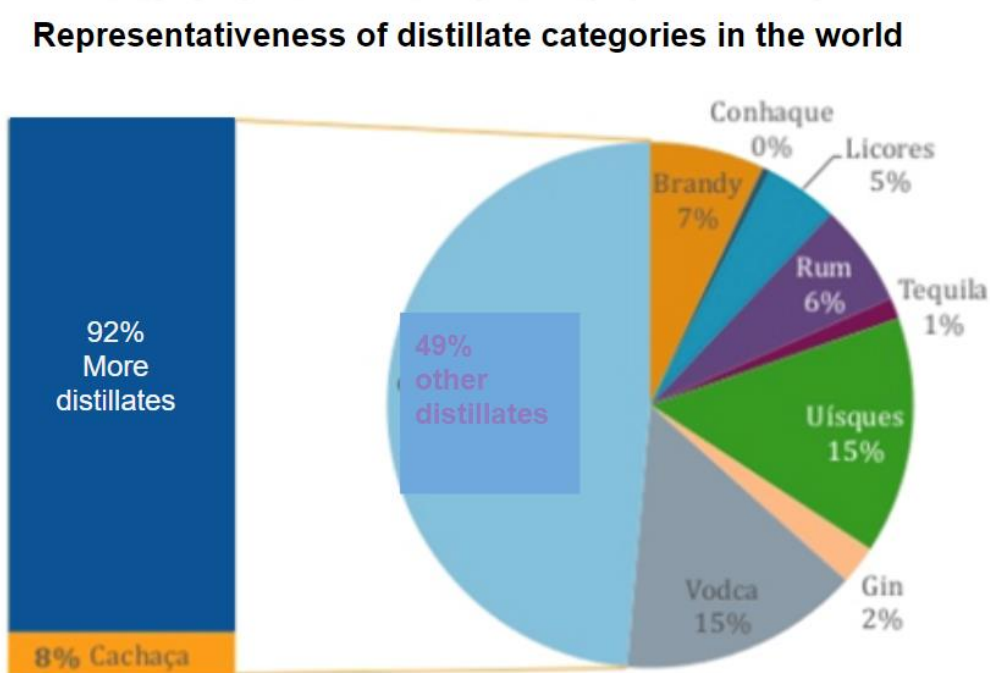
Attachment 6 - Quero Chuva Açaí with Guaraná



Attachment 7 - Brazil is in the main spirits market in the world



Attachment 8 - Brazil is responsible for 8% of the entire spirit beverage in whole the World with the cachaça



total sales by volume - 2015

Attachment 9 - Someone using the technology buying online



Attachment 10 - Major changes of habits

%	Brazilians
90	do more pre-purchase price surveys
90	Changed places of consumption
77	Reduced household expenses
74	Swapped products for similar cheaper ones
72	Deferred purchases of higher value goods
63	They switched houses to reduce costs
16	Changed children's school

Font : CNI

4. Pedagogical Note

4.1. The case's target audience

This case is intended to:

- Marketing business leaders interested in both the beverage market and the Brazilian market
- International Management Masters Students
- Marketing students in general
- Entrepreneurs and potential entrepreneurs

4.2. Educational objectives

The main objective of the thesis is to study the Quero Chuva strategy in order to become more visible in the Brazilian distillate market and in the near future. In this way, this case study was developed with the following objectives:

- Understand the main strategy of sales
- Understand the brand perception awareness of Quero Chuva according to their customers;
- Understand their direct competitors
- How to get investors for the brand
- Provide the basis for the business plan to possible expansion and growth of the business.

4.3. Literature review

4.3.1 Beverage Market

4.3.1.1 History of the alcohol.

The alcoholic beverage is part of several cultures for more than hundreds of years (McGovern, 2009). Before the Modern Age, a lot of tribes in Europe, South America, and Africa already knew the fermentation method for the alcohol. The alcohol was produced in more artisanal places, or in family houses where the consumption of alcohol was allowed, which was often part of a cultural ritual, or in festive events. (Gumede, 1995; Parry & Bennets, 1998; Room et al., 2002). During the Industrial Age, in Europe, new methods of distribution and commercialization in the beverage market were developed (Jernigan, 2000). As the beverage became more accessible to the community and the ways of transportation cheaper, the spirits drinks started to exist in any time of the year. In the 19th century, with alcohol being accessible to the public, owners of manufacturers began to see it had a harmful effect on the workload. In that time, people not only started to see the alcohol as malice at work but also harmful to health. Diseases, injuries, and disorders in the consumers started to appear. During the 20th century, more than fifteen countries started to put the minimum age to the consumption of alcohol, to eighteen years old. Later in 1920, more known as "the crazy years", the United States established, for more than twelve years, the prohibition in the consumption, fabrication, sale, and transportation of alcohol. In 1952, alcoholism was decreed by DSM-I and passed to be treated as a disease. According to Kanteres & Lachenmeier, three factors influence the consumption of alcohol in people. They are: the volume of the consumption of the alcohol how is the consumption made and the quality of the beverage (Rehm et al., 2003a; Rehm, Kanteres & Lachenmeier, 2010; WHO, 2010a).

4.3.1.2 Age Consumption

According to World Health Organization, teenagers (more than 15 year old) consume per year 6.2 liters of pure alcohol. And this greater part of consumption can be seen more in the region of Europe, then in America and finally Eastern Mediterranean Region. Some factors influenced the research; sociodemographic, alcohol abstinence rates, economic factors, culture, for example, the Islamic Region, and preference for the type of alcohol.

The age influences the pattern of consumption of alcohol both young and old. By statistics made by WHO the regions of European Region and the Americas are regions which have a high level of teenagers consumers (14 till 19 years old), and the regions

which have the lowest one are in South-East Asia Region e Eastern Mediterranean Region, as shows the graphic (Page 36 . apps.who.int, figure 9)

4.3.1.3 Gender Consumption

Related to gender, women have more abstinence from alcohol in relation to men, also relative to the consumption of alcohol women have a lower percentage than men. About the regions, where it exists a greater difference between female and male is in South-East Asia Region, Western Pacific Region and Eastern Mediterranean Region

4.3.1.4 Future Market Prospection consumption

According to WHO, regarding the causes of the increase in the consumption of alcohol beverage in China and India, the prospects of the alcohol market is that it will grow more in the coming years. The prediction is that, in five years, in some regions like America and Africa, the consumption of alcohol will be unstable, but in Africa and some countries in Europe the trend is that it will decrease a little. (figure 12 page 41). According to the magazine in 2015, the expectative is a significant growth, principally in China, with 1.5 liters per person of pure alcohol, then in America and South-East Asia Region. Europe will have a decrease in consumption in the next years, but even in this way it will continue to be the region with the highest consumption index in the world. (figure 13)

4.3.1.5 Subsectors of the beverage market

According to the Beverage Marketing Corporation, the beverage market contains approximately 6.700 different beverage companies, more than 19.500 beverage executives, and more than 14.000 brands (Beer, Wine, Spirits, Soft Drink, Distilleries and non-alcoholic drinks). We are talking of more than 6.000 different beverage companies, where the competitive market is huge and much diversified.

To better understand the leaders of some subsector of the market, BIG did an analysis of each sector, and it can be concluded that the sector of soft drinks is dominated by North American Companies, as Coca-Cola and Pepsico, the most popular. In the beer sector, the leaders are more fragmented as Anheuser-Busch (USA), SABMiller (United Kingdom), Heineken (Dutchlands) and Carlsberg (Denmark). And finally in the spirits drinks the dominants are companies who control almost all the brands, they are Pernod-Ricard (France), Diageo (United Kingdom), Remy Cointreau (France) and Davide Campari-Milano (Italy).

After the 2008 crisis, the Beverage Index posted a marginally higher return than the S & P 500. From 2008 to 2012, growth was noted, mainly in the soft drinks sector, but in 2013 the trend stopped being only soft drinks and became the sector both from soft drinks and from beer spirits.

The consumption of drinks is increasing, especially inside people's home. This trend is gaining strength after the crisis, as the beverages in the retail are cheaper than in the restoration. Another analysis is due to the increase of jobs positions, so people are back to consuming more (BIG). The distribution channels are increasingly being reinforced, such as in convenience stores and e-commerce, these factors are helping the growth of the global market. The brands are betting more in the product marketing and increasing more and more the competitive benchmarking, where the companies try to understand where their competitors are having success and where they are not, this could create a plan to which the brand exceed.

But according to the research, a factor that hampers the growth of this sector is the increase in the production costs that is higher than inflation, complicating consequently the companies to increase the price of their products. Other factors that delimit the entrance of new brands in new markets are the competitor and the customer retention, beyond the increase in the raw material prices.

4.3.2 Entrepreneurship

Entrepreneurship emerged in France in the fifteenth century, when the French began to differentiate an entrepreneur from a capitalist. To better understand the concept, the entrepreneur came up with an independent piece in the capitalist market, it was he who aimed at something new, he had his own plans and investments. The entrepreneur was and is the one who designates something new that no one has ever done, both in technology and innovation.

According to Peter Drucker (1985) the main characteristic of an entrepreneur is the search for opportunities to create a new project or even a product. He believes that entrepreneurship is 'not a science, not an art, but a practice, and another typical phrase of it' and is more risky than to change 'and continue doing the same thing'. Drucker who is considered the father of modern administration, with lots of influences. More recent authors such as Gomez and Haro and Bosma and Amoros in 2014 take into account that entrepreneurship is born from a set of activities of a social, interpersonal and individual nature, which is responsible for making decisions possibly leading to the activity of undertaking with a growth and profitability success for a new company.

However, for its various existing theories there is no single meaning and concept for entrepreneurship. Among them is the combination of resources, new opportunities, creation of new business, etc.

For a person to begin to think to undertake there are some factors that influence such behavior as the psychological and personality that influence the decision to undertake, interpersonal as the influence of friends and family, and economic and social factors.

4.3.2.1 Entrepreneurship in Brazil

With the modernization in the 1990s, companies had to adapt to national imports, since in the past the economic pole did not allow companies to export and import nationally. With this economic opening the Brazilian government made a series of changes, managed to regularize the economy and control inflation. With this, Brazil has been gaining more and more financial stability. It was at this time that SEBRAE (Brazilian Service of Support to Micro and Small Companies) emerged in the country, founded by Brazilian entrepreneurs with an already vast experience in order to give support to those who wanted to open a new company.

In 2015, Brazil had an increase rate of entrepreneurial companies almost 40% more than in the last 14 years. According to SEBRAE, entrepreneurs range in age from 18 to 64 and were a total of almost 52 million people, with a desire to undertake, or who are involved in the maintenance of a project.

In 2017 it was launched the JEPP, Project Young Entrepreneur First Steps, a project that has as an ideal to teach entrepreneurship to schools, thus being able to train young entrepreneurs from an early age.

With the economic crisis in Brazil, it was stipulated that in 2018 this number of entrepreneurs increases, precisely because of the lack of employment in large companies, which is a way to manage the crisis and be able to sustain itself financially. Thus, with all these incentives and happenings in the country, Brazil is being recognized as one of the countries that encourage more entrepreneurship, staying ahead of Mexico, Argentina, China, South Africa and India.

4.3.3 Start Ups in Brazil

The term Startup has come to be used to name new, profitable companies that have any innovative business idea in any area. But maintaining a startup is not easy, many of them have a short life cycle and it is then that a startup rates itself as a good success if it finds the ability to survive within the market with so many obstacles.

There are two terms for a startup: accelerators and incubators. The difference between them is that incubators are born from universities, offer services such as marketing and press services, they try to support some company through public investments and this period has a duration of approximately two years, arriving at that time the company is already considered a graduate. Already the accelerators focus on companies that can have some potential for rapid growth, thus becoming partners of the startups, giving a space of the company to the company without cost and besides providing a large number of contacts, network.

In Brazil, the startup market has grown significantly, mainly in the region of São Paulo, with more than 700 companies incorporated. Minas Gerais is also strong with new companies with more than 200, soon after that is Rio de Janeiro with more than 150. This large number of startups has attracted much attention from risky investors since investment in venture capital technology has increased significantly in recent years in the country.

Nowadays opening a company is much more affordable than it was 10 years ago. According to research conducted by the FGV's Venture Capital Institution, investment in companies has increased significantly in recent years. From 2009 to 2011 the amount invested increased from USD 2.5 billion to USD 7 billion, but in the following year that number fell sharply due to the onset of the economic crisis, dropping to USD 850 million.

To encourage programs and improve the country's economy, Brazil has made a number of incentives such as in 2014 the so-called Startups Brazil of the Ministry of

Science, Technology and Innovation. That consisted of selecting 100 startups that had the support of accelerators, then for 12 months these companies consolidated or accelerated their production through private or public contributions. With this, the idea was for Brazil to improve economically, in addition to making the country a great incentive for innovation.

A survey conducted by Outsource Brazil on "Business Maturity of Brazilian Nascent Companies" showed that even though startups are still growing and maturing, many of them still cannot compete with startups generated abroad, competitiveness is still very high. And this is due to the way of thinking of the Brazilian, leaving the country a little behind the market.

4.4. Methodology

The planning used for the methodology in this case study was the intervening variable, which is the union of the independent variable that is the variable that aims to verify what types of influences the results exert on the topic addressed (Quero Chuva consumption), that is, considering the consumption of cachaça in the Brazilian market and its target, one can see that some factors influence the consumption and the purchase of the bottles, different from the purchase of other brands, since these variables affect the decision end of consumer's purchase, for example. And the dependent variable, that are the phenomena to be explained through the results of the independent variable, that is, according to consumer's behavior one can reach the conclusion about the purchase and consumption of Quero Chuva.

The method of qualitative research appeared in the second half of the nineteenth century, with a focus on finding more qualitative and descriptive data, data that were not explored in quantitative research. Many people believe that the qualitative method is not as complete as the quantitative one, but this research can raise a lot of structured data, it is possible to understand the behavior of the consumer and the processes observed. Finally the method aims to understand the result that the phenomenon has in the life of the interviewee.

Due to the qualitative method carried out in this case study there was an exploratory research, a research that aims to raise information rather than draw statistical conclusions. It is perfectly used for researching a company that is in the beginning of a study. The methods used for both were the secondary surveys, used data already existing

inside the company, it was needed reliability of the sources and quality of the information. With this research there was a familiarization with the subject under investigation, being able to then make a decision on the topic addressed.

The analysis and resolution of this case study require a set of qualitative information in order to have a more in-depth analysis.

The qualitative tools used in this case study were as follows:

- The history of the company, to understand how it started, the year of the foundation, the concept of the brand
- The development of the company until nowadays
- The history of their success competitors to understand where they did right and wrong
- The main strengths, weaknesses, opportunities and threats to help the construction of the SWOT analysis;

4.5. Analytical tools

In order to analyze the case, we will analyze it internally and then externally.

Internal Analysis

- Value chain

According to Michael Porter, the value chain aims to interconnect the needs of the company with the customers, showing from the relationship with the suppliers, logistics of the entry and exit of the product, the distribution of the same and delivery to the final consumer. It may be realized that all these activities are all the time intertwined.

At the base of the table are the primary activities, which are those that relate to the creation and transformation of a product (purchase, services and sale), it is where all the logistics of entry and exit of the product, the marketing of the product from the advertising and branding of the brand, the commercial part, important for placing the product in the best sales gondola and services, those responsible for after sales / purchase, consumer support and etc. On top of these activities are the secondary activities, or the support activities, which are those that, as the name already says, support the primary activities (development and resources) where the administrative and

financial part of the company is, the human resources of the company and the part of the company's entire technological development.

The company in question, for being a startup, does not yet have all these sectors well developed and separated, which hampers the part of sales and distribution.

The following are responsible for each sector in the primary activities:

Internal logistics: The mill itself (plant) buys, receives, stores and controls the stock of inputs needed to produce the product.

Operations: The sugar mill is also responsible for production.

External logistics: The mill dispatches from their stock in Catanduva-SP directly to the customers. They issue invoices to the owner of Quero Rain and the company itself issues invoices for the sale customers. On the carrier the invoices are exchanged.

Marketing and Sales: The owner himself - Gabriel Colares with the help of a marketing agency to do the brand promotion on social networks.

Service: Own owner - Gabriel Colares

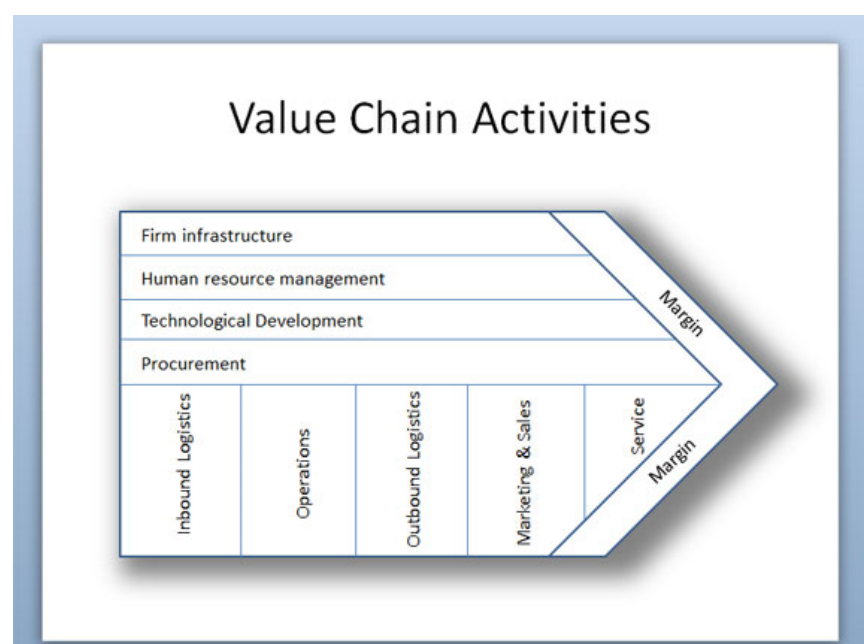
In secondary activities, the following are responsible:

Infrastructure of the company: Own owner - Gabriel Colares

Human Resource Management: The Owner - Gabriel Colares

Technological Development: The owner himself - Gabriel Colares

Acquisition: Own owner - Gabriel Colares



source: adapted from Epstein and Roy (1998)

- Marketing Mix: 7 P's

The Marketing Mix is the set of variables that should be considered by the companies when creating their sales strategy created by Philip Kotler. They are:

Product - it is the main variable of the marketing strategy, which can be tangible or intangible, it is the most important item because it will be which will satisfy the final consumer in its design, branding, services, guarantees, among others.

Price - The price is very important because it is one of the decision makers of the final consumer. Promotion - This is where the outbound and inbound marketing of the company occurs, it is the actions that are taken to engage the consumer and show them the launches or what is new.

Place - The square is exactly where the product can be found, in which gondolas it is found and it depends very much also on the conditions of each space.

People - This P is very important because people are the final consumer, they are going to be interested in the other P's involved if they are well executed.

Process - it is the sum of all the steps that happen from the manufacture of the product until the arrival to the final consumer.

Physical evidence - it is a work done to be able to understand what the final consumer thinks about the product, if the customer is satisfied, if the process described above goes well.

External Analysis

- SWOT

In order to understand the strategy of the internal environment (strengths and weaknesses) and external (opportunities and threats) of the company, the SWOT analysis tool was used.

In the internal environment, it explains the strengths in relation to the company with its competitor, such as good service to the customer, a financially solid company, product quality among others. Their weaknesses in relation to competitors such as the past bad image, the high costs of production, the brand is weak among others.

In the external environment, it explains the opportunities that can enhance the success of the brand relative to others such as competitor bankruptcy, changes in consumer tastes, competitor price elevation among others. Their threats that can hurt the

success of the brand relatively to competitors, such as plagiarism, entry of new competitors.

- PEST Analysis

It is a more macro analysis made to assess the political, economic, social and technological changes in the business environment, thus bringing a vision of opportunities and threats to the brand concerning the external world and its competitors. Following the same principle of analysis made (SWOT), it helps both the planning of the company and its strategic planning.

4.6. Case study lecture plan

To solve the case, the teacher will divide the students into a maximum group of 4 people. The case will be delivered and the students will make a first reading of it in class during the first 20 minutes of class. Once they are familiar with the theme, they will gather and brainstorm on the theme and will understand what are the crucial points for the expansion of the brand in the Brazilian market and what is the strategy currently addressed according to the Marketing Mix, SWOT Analysis and PEST Analysis.

In the next class, students who have previously met and researched further on the issues discussed above will present a PowerPoint on the conclusions that come to them in 15 minutes maximum . After all groups present, a debate will be held on the similar or different conclusions between groups.

1st Session	Introduction session	Give the case study to students	20 min
		Creation of work groups.	100 min
		Brainstorm of the case	
		understand what are the crucial points for the expansion	
		what is the strategy currently addressed	
Out of class	Understand the most relevant facts of the case study	researched further on the issues	
		Create the powerpoint	

2nd Session	Case study presentation and discussion.	Presentation of the conclusions of the questions	120 min
		Debate will be held on the similar or different conclusions between groups	

4.7. Animation Questions

- What questions would they include in the case?
- What was the biggest challenge you faced in resolving the case?
- Make a strategic reformulation proposal for the brand.
- Propose how the owner can raise investors for the brand

4.8. Case Study Proposal Resolution

In order to make plans for the brand growth, you need to understand where the brand is positioned today, where they want to go and what they should do to reach their goal of success

Question 1: How is the brand positioned these days?

In order to evaluate where the brand is positioned at the moment it is necessary to make an internal analysis of the company and an external one. With this, we used some specific evaluation for each analysis. At first the main thing is to evaluate the macro environment to later be able to evaluate the micro, so the first SWOT matrix will be used to later be able to reach some conclusions.

Strengths	Weakness
Craft drink	Low notoriety
Authenticity and quality of products	Weak offline communication
Strong online communication	Lack of technique
Low production cost	Limited government support for producers

Raw material in the country of production	Lack of more commercial workforce
Low percentage of alcohol	Lack of investors
Variety of flavors	
Attractive visual communication	
Opportunities	Threats
Partnerships with stakeholders	Strong market competition
Participation in parties and events	Possible products that can replace the drink (caipirinha)
The market of spirits beverage is increasing	Difficulty certification of quality of cachaça
Strategies to sign the brand internationally	High tariff costs
The government is investing in startups	Copy of concept by competitor

After analyzing the SWOT matrix, it is able to analyze where the brand can neutralize its threats and put more emphasis on its opportunities.

The Quero Chuva has as an opportunity and also a bit of differential to be able to participate in events where its target is, different from many cachaças that are only found in bars and supermarkets. Being at parties makes the public feel like experimenting and so in the future to be able to buy on their own. Another opportunity found is the incentive in startups that Brazil is having. Because she is still a little new, she needs investors to be able to grow even more, because now she has reached a stage that has no more money and needs to be able to expand. But the owner is facing great difficulties in this case. What determines one of the company's great weaknesses today, which consequently is the lack of commercial workforce to be able to expand the brand and give it more notoriety.

But its strengths are many, as it is a craft drink, different from its indirect competitors; it has a diversity of five flavors, which almost no cachaça has this

differential, besides its visual communication is totally attractive, the cost of production and the price of the raw material in Brazil are very cheap.

With all these factors, one can perfectly understand the differential of the brand, and the difficulties that it presents in the market.

The other analysis made from the external environment is the PEST analysis, when this analysis is made it can be perceived what impact the product suffers with the external environment. As explained earlier it is divided into four ratings, which will be explained below:

Political Analysis, it is related to the regulation of the beverage industry in the Brazilian market. Brazil has a specific law for any transmission (Law No. 9, 294, July 15, 1996), according to this law, it is prohibited to disclose beverage with a percentage greater than 13% alcohol during the period between 6 am and 8 pm, and it prohibits these beverages from associating with any type of sport, driving or the healthy performance of any activity. As early as January 2012, the Brazilian government implemented the Law Seca 11.705 / 2008, which states that anyone who drives drunk will have to take a breathalyzer test and if they accuse the presence of alcohol the driver's license is seized and a fine is paid.

The Ministry of Industry, Foreign Trade and Services (MDIC), created in 1960 by the government of Juscelino Kubitschek, has actions aimed at the beverage sector, it evaluates and executes public policies to promote competitiveness, investment, innovation in business and foreign trade.

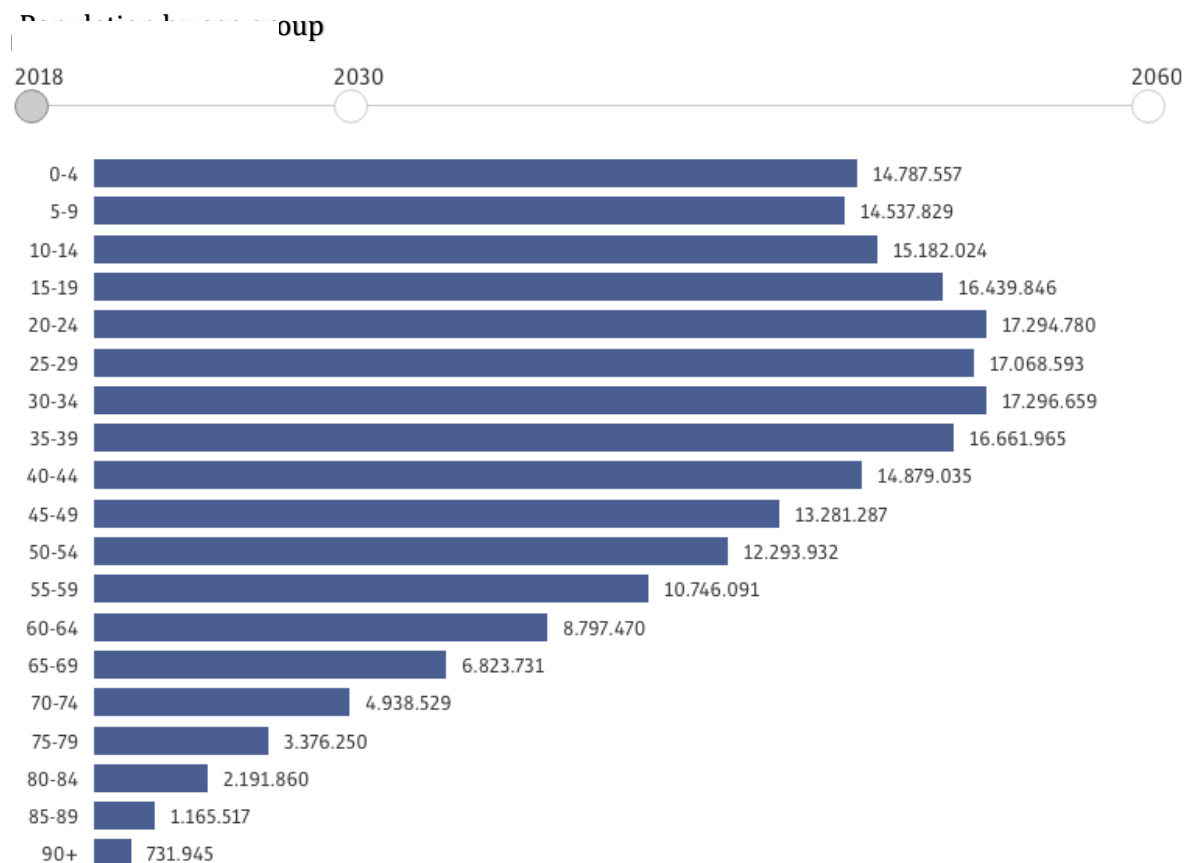
The body responsible for product quality is the PIQs (Identity and Quality Standards).

Economic Analysis, through this analysis it is possible to identify the possible presence of the competition, possible incentives associated to the business among others.

The sector of artisanal cachaça as already seen is a sector that is growing in the market, however long the manufacturing process is, better the quality of the final product is, superior to an industrial cachaça. But a negative point of artisanal cachaça is its final price that ends up being superior to the other type of cachaça due to its process of three stages of distillation. Unfortunately, only 1% of the production of cachaça is exported, a figure that is expected to increase in coming years. Brazil earns a little more than US \$ 17 million from the export of cachaça, much lower than Mexico and its

revenue from tequila, the country's typical drink. The BNDES has had specific financing for the beverage sector in the years between 2002 and 2014, there was an increase of almost 37% per year (alcoholic beverages in general).

Socio-cultural analysis, with this analysis it is possible to identify consumer's behavior. According to research done by the IBGE, 8.9 million Brazilians have the habit of ingesting two to three doses of alcohol per day. Alcohol consumption begins to be part of the Brazilian when they are approximately 19 years old and 24% drink alcohol once or more per week. It can be seen that the target audience of the brand fits perfectly among this percentage of people who consume alcohol.



Fonte: Projeção da População - IBGE

Technological Analysis, with this analysis you can see what impact the brand will receive in the part of the disclosure. Today we live in a very technological era, where everything that is around is generated or influenced by technology and with sales and promotion of products it is no different. Technology is a great tool also to reduce the costs of the company, with a good disclosure of ad words it can reach an audience by an organic search. Nowadays many brands make only online advertising and many others

make sales by e-commerce. It is a new trend that is increasing a lot in the market. Quero Chuva has a positive point in publicizing its brand in social networks, first by knowing exactly who to reach once its public is young and user of these networks and secondly by being able to have a projection of market acting in the online market. A company with a good online marketing strategy manages to go much further than a company that has stopped in time and only uses offline strategies.

Internal evaluation

In order to make the internal evaluation, besides the SWOT analysis already done above, the Marketing Mix: 7P's will be analyzed.

Product - At this point the Quero Chuva is well targeted, since its visual is very flashy with its colors and its visual communication people show interest in the label and consequently curiosity in knowing what this new product is about, the quality of the product. Cachaça is quite good since it is handmade as previously mentioned, goes through three manufacturing processes and it is made in alembic and has a wide variety of products within the same line, there are 5 different flavors each can be consumed in a different way.

Price - The Quero-Chuva in the Brazilian market is positioned correctly among its direct competitors, the big bottle costs 50,00 reais and the kit with the five flavors at 50ml costs 69,00 reais, it is a great price to be able to give as a gift. Nowadays, one of its direct competitors, as the bee cachaça, which is a cachaça that has been in the market for the same time as the Quero-Chuva and only has a flavor (honey) is costing 80,00 reais, a much higher price. Thus in relation to consumer indecision on the price the brand may be one of the selected.

Promotion - The publicity made by the brand is quite good, they act at parties, where they reach their target audience, in some festivals and in addition to divulgations in events of cachaça. The help of social networks to promote it is also very useful, since nowadays online communication is a very important factor for any disclosure of any brand.

Place - As previously mentioned, Quero Chuva, besides being in many supermarkets, also obtained a space in Duty Free; it was not easy to be able to enter this space, because it was necessary to show that the brand really was a differential. With the construction of the new airport in Rio de Janeiro, the duty-free had a "carioca" space, where products that resemble the Rio de Janeiro are exhibited, so tourists can take as a

souvenir and Quero Chuva managed to conquer a space in this airport shelf, a perfect door to the outside world.

People - The target of the brand are people between 18 to 35 years, young people who are beginning to consume alcohol and those who are already adults who understand the difference of flavors between drinks, who value more the quality of a drink and do not mind paying a little more money for something that is better and makes the act of consumption a good experience among friends. Today they are Brazilian, at the moment the main audience are people who live in Rio de Janeiro and São Paulo, since they are the two larger poles that the drink meets, but with exposure at airports the tendency is to spread its target.

Process - The existing process for this product is not very complex, the plant master himself produces, stores, and controls the inventory of inputs needed to produce the product. Having the cachaça already ready he dispatches from the stock in Catanduva São Paulo directly to the customers, such as supermarkets, duty free, and some smaller customers. Once the product is on the shelves it can already be marketed.

Physical evidence - In order to understand what the end consumer wants and thinks about the product and to try to improve the quality of the product more and more, Quero Chuva, at the beginning did a market research, since the cachaça, as seen previously, is a product that refers to the lower class, it is a strong drink and little consumable. So in order to reach its young audience, a public that was not accustomed to drinking this type of alcohol had to do some tests and some activation to show how good the drink is for the consumption, the low alcohol content helped a lot for the satisfaction of customers and the diversity of flavors as well.

Question 2: Where they want to go?

In order to understand where the Quero Chuva wants to come, some strategies must be made. Like the creation of Mission, Vision and Values, the three important pillars for a company to position itself well in the market.

Mission: To offer quality cachaça, with different flavors providing unforgettable moments of joy to people, for a drink different from others.

Vision: To reach the international market, being recognized as a unique cachaça of Brazilian quality.

Values: Dedication, Quality, Innovation.

Objectives: The brand aims to respond to all the needs of consumers, giving them the best quality cachaça in the market and to remain as an affordable cachaça in relation to price. Expanding the brand throughout Brazil and later to the foreign market, like Portugal and Spain, countries that have a similar culture to Brazil.

Critical factors of success: The critical success factors for the brand are the low costs in the production of cachaça, thanks to the low cost of the raw material, being a different product in relation to the products already existing in the market, with a differentiated concept, a very affordable price to the final consumer and attractive visual communication giving customers notoriety.

Question 3: How they should do to reach their goal of success?

To begin with, it is suggested to reformulate the 4 P's, aiming that may have factors to be modified for the good of the brand.

Product - Increase the productivity of cachaças by at least 50% more than last year, thus increasing the quantity of products on the shelves, giving a greater awareness of the brand, in the client's field of vision. Also improve services, and increase your online store on websites so you can do the distribution of products in a greater radius.

Place - Try to place the bottles in more international airports in Brazil, in addition to Rio de Janeiro and São Paulo, already existing.

Price - With the price already very accessible to the public, in order to attract the attention of new consumers, make a promotion "buy 1 and take 2", or even brand loyalty cards, by having the consumer join in.

Promotion - With this affiliation mentioned above, you can build a database and bet on Google ad words, getting more leads and reaching more customers, already having an initial database of your primary audience. In addition, you can make promotions that each person suggested, for example the already loyal customers will receive a 10% discount on the next purchase of the bottle. These are methods to draw the attention of the existing consumer and the eventual consumer.

It is important to remember that all these actions and plans for brand expansion are only possible with the acquisition of investors, with today's income and with only one person (the owner himself) doing this customer acquisition and the road to international success is slower, it would be quicker if there were more people in the commercial part.

4.9. Conclusion

Consumption is increasing more and more and brands are continuously having difficulty keeping their customers fixed, as competition is building up, a product is no longer unique in the market for a long time, and the final decision of the customer starts to vary between price and quality.

After analyzing the external and internal market and seeing the greatest difficulties of the brand presented, it can be concluded that the product is very well positioned in the market of distilled beverages in Brazil, it has a great potential to go further than it already is, but it lacks the investor resource, because with the lack of money the brand cannot go beyond what it already is. As a result, the brand cannot increase its workforce by having only one person to take care of it from the follow-up of the process and manufacture of cachaça, its distribution and sale. This hardens the chances of expansion since he does not have time to do the commercial part and to be able to reach new points of sale, thus stagnating.

One can take advantage of the incentive to startups that the country offers, incentives mentioned above. This search for investors may take a little time, leaving behind production and sale, however once these investors are obtained it is much easier to expand nationally and maybe in a few years to expand internationally, since the brand already has one success among the desired audience and has a differential among the cachaças that many do not have; low alcohol content and the diversity of flavors.

I also believe that in this first moment you can make investments, cheap, online, in social network announcements. With that more people can be reached not only from Brazil but also in countries that can be a future for the brand. Such disclosures can be made in parallel by the pursuit of investors, and this will increase their attention.

A good point for the brand is that the cachaça market has changed a lot for a few years and this has caused the consumer to start seeing the drink as a drink and not as the drink that was previously seen by a lower class, a strong drink and with consumption in specific places. Nowadays, because of the diversity of cachaças in the market, and because there are two types of cachaças, both industrial and artisanal, as well as the fairs mentioned above, the consumer is more attracted and curious, especially when the product is different and has a different communication from the others.

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