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**ESCUELA DE INGENIERÍAS
INDUSTRIALES**

UNIVERSIDAD DE VALLADOLID

ESCUELA DE INGENIERÍAS INDUSTRIALES

Grado en Ingeniería de Organización Industrial

**THE EXPORT AND SALES POSSIBILITIES OF THE
CHERIMOYA FROM THE TROPICAL COAST IN SPAIN TO
LATVIA**

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TÍTULO: The export and sales possibilities of the cherimoya from the tropical coast in Spain to Latvia

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IN SPAIN TO LATVIA**

Cinco palabras claves que describen el TFG:
CHERIMOYA, LATVIA, MARKETING, EXPORT, HEALTH

Resumen en español (máximo 150 palabras):

El TFG está escrito en inglés, y comprende 92 páginas, incluyendo 41 imágenes y 22 tablas, además de dos apéndices.

El TFG consta de una introducción, ocho capítulos y conclusiones. La autora analiza la posibilidad de la exportación de una fruta tropical, la chirimoya, desde la Costa Tropical de Granada y Málaga, en España, a Letonia, cuyo entorno y condiciones climatológicas no permiten el cultivo de esta.

El trabajo estudia la situación de exportación-importación en España y Letonia, centrándose en el proceso de exportación-importación de frutas y verduras. La autora ha analizado el entorno a nivel macro y micro y el consumo de fruta en Letonia para crear una posible campaña de marketing para la aceptación de la chirimoya a través de la presentación de la fruta como un alimento con alto valor nutricional y acorde con la vida sana, así como un alimento gourmet.

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Español

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El trabajo estudia la situación de exportación-importación en España y Letonia, centrándose en el proceso de exportación-importación de frutas y verduras. La autora ha analizado el entorno a nivel macro y micro y el consumo de fruta en Letonia para crear una posible campaña de marketing para la aceptación de la chirimoya a través de la presentación de la fruta como un alimento con alto valor nutricional y acorde con la vida sana, así como un alimento gourmet.

English

The current paper is written in English, and it comprises 92 pages, including 41 pictures, 22 tables, as well as two appendices.

This thesis consists on an introduction, eight chapters and conclusions. The author analyses the possibility of the exportation of a tropical fruit the cherimoya from the Tropical Coast of Granada and Málaga, in Spain, to Latvia, whose environment and climate conditions do not allow its cultivation.

The thesis studies the export-import situation in Latvia and Spain, paying particular attention to the fruit and vegetable export-import. The author has analyzed the macro and microenvironment, the consumption of fruit in Latvia and has created a possible marketing campaign for cherimoya's acceptance through the presentation of the fruit as a nourishment with a high nutritional value and in line with a healthy life as well as a gourmet fruit.

Latvian

Darbs ir uzrakstīts angļu valodā, darba apjoms ir 92 lapaspuses, iekļaujot 41 attēlus un 22 tabulas, kā arī 22 pielikumus.

Darbs sastāv no ievada, astoņām daļām, secinājumiem un priekšlikumiem. Autore darbā apskata Spānijas dienvidu krasta augļa čerimoya (cherimoya) eksportu no Granadas un Malagas uz Latviju. Darbā ir pētīta eksporta-importa situācija Latvijā un Spānijā, īpaši pievēršoties augļu un dārzeņu eksportam–importam. Darbā veikta makro un mikrovides analīze, noteiktas augļu patēriņa tendences, izstrādāts mārketinga aktivitāšu plāns Latvijas patērētāju iepazīstināšanai ar čerimoju un pārdošanas veicināšanai.

Key Words:

Cherimoya, Tropical Coast Spain, Marketing activities, Import/Export, Health

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INTRODUCTION

Objective

The objective of the final work is to explore fruit export opportunities from Spain to Latvia and assess the market in order to forecast a possible development of the sales.

The mission is to understand the process involving the export of a fruit, the cherimoya, study the possible market and give a forecast on what to expect to sell. Give a closer idea to the marketing strategy and possible activities, and also, study some of the laws that surround the export and import of fruits in the European Union, and all permissions that have to be granted due to phytosanitary requirements.

The vision of the author is to import the fruit to Latvia, and generating a need of consumption in the Latvian population with an affordable price, and more reachable than it is nowadays, when you could barely buy this fruit.

Justification of the plan

The proposition of this plan is to get to know the market product and the market strategies, and also working with a different kind of product, a fruit that has been popping up in the average consumption of average users in southern European countries. The study of the requirements, restrictions and methodologies allows the reader to understand a bit better how the process involves so many branches of the production and marketing system.

Exceptions

This project is not focused on creating a company that acts as an intermediary between the producer and the sellers. This would mean that we had to study deeper a way to create a company and get interested in their finances and how they would have a benefit. We want to be able to create a link between the producers back in Spain and the sellers in Latvia that may be used in the future as a possible way of working together.

The main importance of the project is to acknowledge the possibility of trading a product and selling it in Latvia. Due to data confidentiality export and logistics costs have not been included.

1. PRODUCT DESCRIPTION

1.1. Generalities

The cherimoya (or cherimoya) is an edible fruit from the family Annonaceae, initially native to Central-South America countries, such as Ecuador, Colombia, Peru and Bolivia. Right now, after the previous exportation, it's also cultivated in the coast of Andalucía, the southern coast of Spain. The development of the cultivation takes place in two outstanding regions, Málaga and Granada.



Annona cherimoya, the tree that produces de cherimoya, is an evergreen low branched fast growing woody tree. The ripening happens from 5 to 9 meters tall. The crops grow in safe fresh relatively dry environments, with temperatures that fluctuate from 14°C to 24°C. The growth of the plant on the first four years is really slow, but after that period, it develops fast. Its propagation is via grafts, and in the sown fields are necessary many methods for preventing plagues and diseases, due to the active work of the *Ceratitis capitata* (Wied) or the poisonous fungi, a hard menace to the fields.

The fruit is green, heart-shaped, around 10 to 20 centimeters long, and with a diameter up to 8 centimeters. Full of holes on the outside, similar to the scales of a reptile. On the inside is white, with a jelly-like lump texture that covers the black shiny ovoid seeds. The seeds are inedible and they contain small amounts of a neurotoxic acetogenins, annonacin, linked allegedly to an atypical way of Parkinsonism in Guadalupe.

In its maturation, the cherimoya can reach a weight of 1 kilo. The optimum point of maturation appears when after 2 to 4 days of being recollected, the skin of the fruit turns yellow.

1.2. Nutritional value

Besides water, the cherimoya contains carbon hydrates, minerals and B and C vitamins. The last compound, vitamin C, is good for the immune system, as well as the production of collagen and the formation of bones, teeth and red blood cells. Moreover, it promotes the absorption of iron and acts as an antioxidant.

The cherimoya also contains potassium, a mineral of big importance in the generation and transmission of the nervous system and the normal muscular activity.

The fiber that composes the fruit helps the intestine to work better and avoids several kinds of intestine diseases as constipation, and controls the levels of glucose in blood, to reduce cholesterol.

It's rich in calcium, phosphor, iron, vitamin A and proteins. That's why it is usually recommended for people with anemia, decalcification, osteoporosis, liver pathologies and people with concentration and memory problems.

As the cherimoya is a fruit that enables a good digestion, it's prescript for convalescent people, elderly, growing children and pregnant women. Also, it reduces anxiety, although for this use should be control due to the high levels of fructose and calories. As a tranquilizer, it is commonly used as a controller of compulsive behaviors.

Table 1.1 Raw Cherimoya Nutritional Value

Raw cherimoya			
<i>Nutritional value 100 grams</i>		<i>Vitamin B6</i>	0.257 mg (20%)
<i>75kcal 313 kJ</i>		<i>Folic acid</i>	23 µg (6%)
<i>Carbohydrates</i>	16.71g	<i>Vitamin C</i>	12.6 mg (21%)
<i>Sugars</i>	12.87g	<i>Vitamin E</i>	0.27 mg (2%)
<i>Fiber</i>	3g	<i>Calcium</i>	10 mg (1%)
<i>Fats</i>	0.68g	<i>Iron</i>	0.27 mg (2%)
<i>Proteins</i>	1.57g	<i>Magnesium</i>	17 mg (5%)
<i>Vitamin B1</i>	0.101 mg (8%)	<i>Manganese</i>	0.093 mg (5%)
<i>Vitamin B2</i>	0.131 mg (9%)	<i>Phosphor</i>	26 mg (4%)
<i>Vitamin B3</i>	0.644 mg (4%)	<i>Potassium</i>	287 mg (6%)
<i>Vitamin B5</i>	0.345 mg (7%)	<i>Sodium</i>	7 mg (0%)
		<i>Zinc</i>	0.16 mg (2%)

2. MACROENVIRONMENT

2.1. PESTEL Analysis

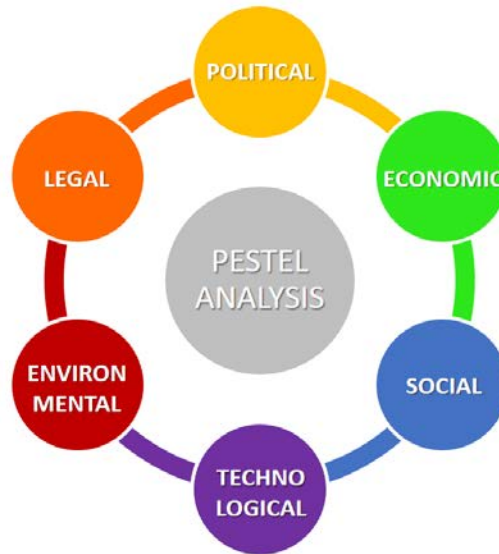


Figure 2-1 PESTEL Analysis

2.1.1. Political

Latvia's Profile

Located in north-eastern Europe, in the Baltic Sea coast. Boarding with Estonia, Russia, Belarus and Lithuania. Latvia's official language is Latvian. Almost 2 million inhabitants in the country, divided in ethnic groups, mainly Latvians (61.8%) and Russians (25.6%).

Since 1991 Latvia is independent from the former URSS. Although the transition to a liberal economy and a Western Europe country had a difficult out coming, in the following years Latvia became one of the fastest growing economies in the EU. Europe took Latvia in the EU in May 2004. By 2014, Latvia was the European Capital of Culture, and the euro was introduced as the official currency, taking out the Latvian Lats. This fact allowed Latvia to create bonds with other European countries, and develop business opportunities. Latvia established relations with 158 countries, and in Riga, capital of Latvia, there are 37 foreign embassies, and 11 international organizations.

Latvia's politics take place in a parliamentary representative democratic republic. The Prime Minister, manages both the government and a multy-party system. The president is elected by the Saeima, which in turn is elected by direct popular vote, every four years. The president appoints a prime minister who has to count with the approval of the Saeima.

Fiscal policy

The objective of Latvian fiscal policy in 2016-2019 is to raise in a substantial way the quality of life of population. Including in that goal the availability of medical services, nature environment and the elimination of the inequality income that surrounds the different aspects of population.

Security issues had to be approached as the Ukraine war had increased the Russian military presence near the border of Latvia.

Human Rights

Human rights in Latvia are generally respected by the government. Latvia is ranked above-average among the world's sovereign states in democracy, press freedom, human development and privacy.

Due to its large ethnic Russian community, and the exit of the URSS, approximately 270 thousand non-citizens within the borders of Latvia have no right to vote, because only citizens are allowed to participate in parliamentary or municipal elections. In 2011, the OSCE urged Latvia to allow non-citizens to vote in municipal elections.

There have been reports of abuse and violent incidents, judicial corruption among other crimes that don't share purpose with the Human Rights proclamation of life.

2.1.2. Economics

Latvia is part of the EU since 2004 and part of the Eurozone since January 2014. After the introduction of the new currency, more than half of the population supported it, while before it was established, over 52% opposed to it.

Since 2000, Latvia's growth rate (GDP) has been one of the highest in Europe. However, the crisis that overcame Europe between 2008 and 2009 resulted in the collapse of Latvian GDP. Latvia's economy fell 18% in the first three months of 2009, making it the biggest fall in the EU.

Right before the crisis began, the unemployment rate was around 5.4%, while in 2008 reached 22%. In 2010 Latvia had the highest unemployment rate in the UE, 22.5%, ahead of Spain with a 19.7%.

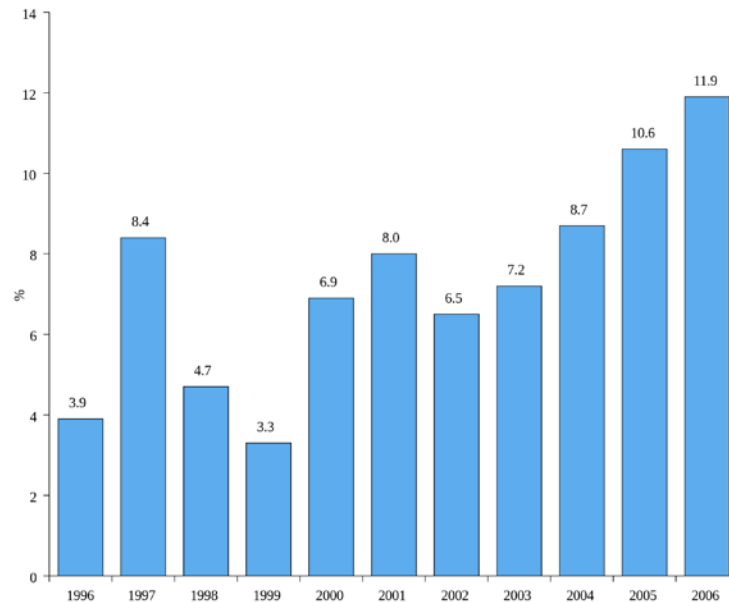


Figure 2-2 GDP Growth in Latvia

By 2010, the stabilization in the Latvian economy started to rise. And the recovery of the country was really noted in the world class environmental economy. The IMF concluded in 2012 that Latvia's economy had strongly recovered since 2010, continuing until 2012 and 2013, although the exterior conditions were falling. In 2014, the unemployment rate receded until 9.3%.

In 2015 Latvia's GDP grew 2.7% accelerating due to the steadily growing domestic demand. This achievement was characterized by the geopolitical situation and weak growth in a number of Latvia's trading partner countries.

In 2016 Latvia's GDP was the highest among Baltic Countries, and it exceeded by a 0.8% the average in the EU-28. The main trigger of the Latvia's economy was the private consumption, whereas export and investment increased slower, though growing. Local market made an interesting increase in the sectors that were focused on it. The value added of the manufacturing in 2016 grew by 4.3%, which was ensured by a steady growth in wood processing sector, as well as considerable increase in the manufacture of computers, electronic and optical equipment. Besides, good results were displayed also by agriculture, reaching 5.0% growth, thanks to the record grain yield harvested in 2016.

It should be noted that the external environment risks will remain present also this year, however Latvia's economy has demonstrated its resilience, thus the economic growth is expected to slightly accelerate in 2016.

Therefore, the forecast that was made by economic authorities, maintains a risk where we cannot define exactly how is going to affect the economy. Following this point, we can see an analysis forecast of how import in Latvia is going to work. The crescent imports with a crescent economy may suggest a growing in the exportation.

Imports

In early 2017, imports in Latvia reached 984.1 million euros, driven by the purchase of chemical and allied industries, prepared food, vehicles and transport equipment and basic metals. The main import partners were Lithuania, Germany, Poland and Estonia. Forecasts are announced like the following data:

Table 2.1 Forecast imports 2017-2020

<i>Forecast</i>	Actual	Q1/17	Q2/17	Q3/17	Q4/17	2020	Units
<i>Imports</i>	984	1036	1018	1020	1025	1025	EUR Million

<i>Latvia Trade</i>	Last	Q1/17	Q2/17	Q3/17	Q4/17	2020
<i>Balance of Trade</i>	-175	-187	-173	-177	-178	-178
<i>Exports</i>	809	872	889	871	889	882
<i>Imports</i>	984	1036	1018	1020	1025	1025
<i>Current Account</i>	114	87.86	98.17	103	104	108
<i>Current Account to GDP</i>	-1.9	-2.1	-2.1	-3.13	-3.23	-0.7
<i>External Debt</i>	36853	36502	36605	36282	36381	36019
<i>Capital Flows</i>	277700	271757	211644	231278	268336	246741
<i>Gold Reserves</i>	6.62	6.62	6.62	6.62	6.62	6.62
<i>Foreign Direct Investment</i>	36.11	46.7	45.22	45.77	45.63	45.65
<i>Terrorism Index</i>	0	0	0	0	0	0

Table 2.2 Forecast Trade in Latvia 2017-2020

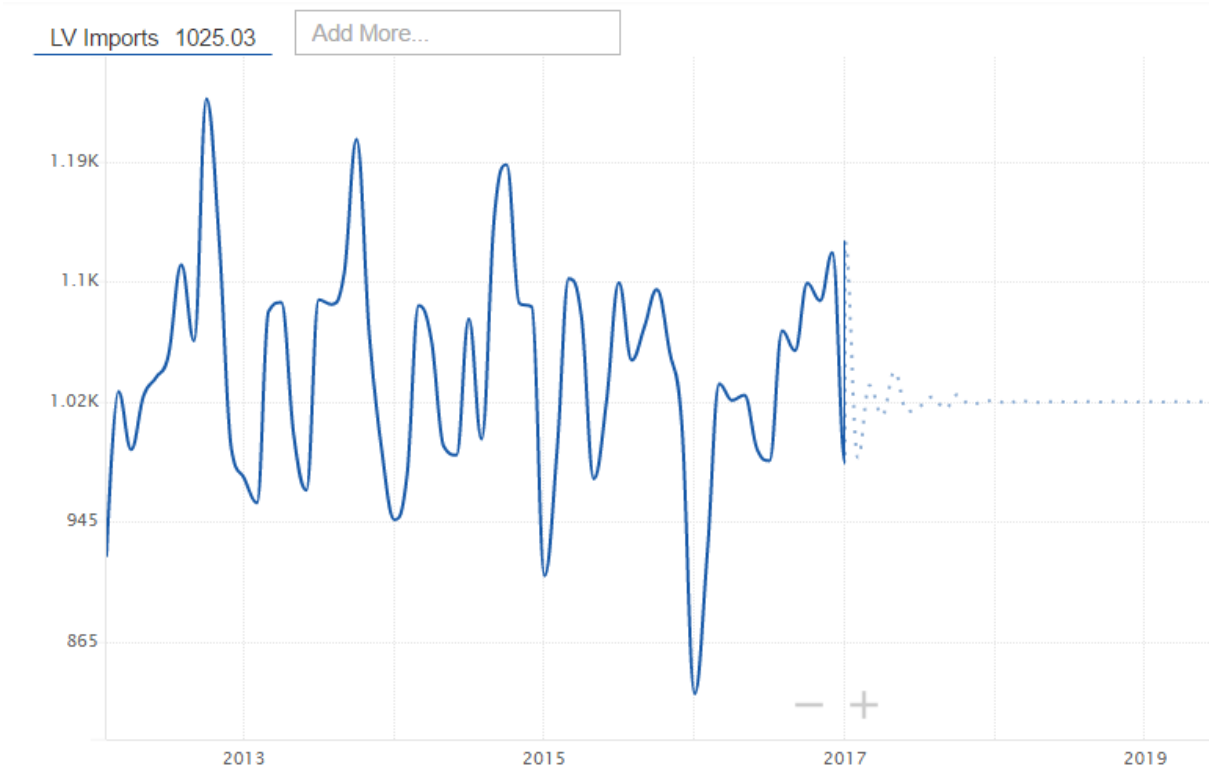


Figure 2-3 Latvia's imports

As we can see in the Tables below, Spain and Latvia have some interaction in the product import/export. Only 1.3% of the imports Latvia makes are from Spain, although Spain imports over a 5.2% of the total exportation of Latvia.



Figure 2-4 Origins of the main trade



Figure 2-5 Destinations of the main trade

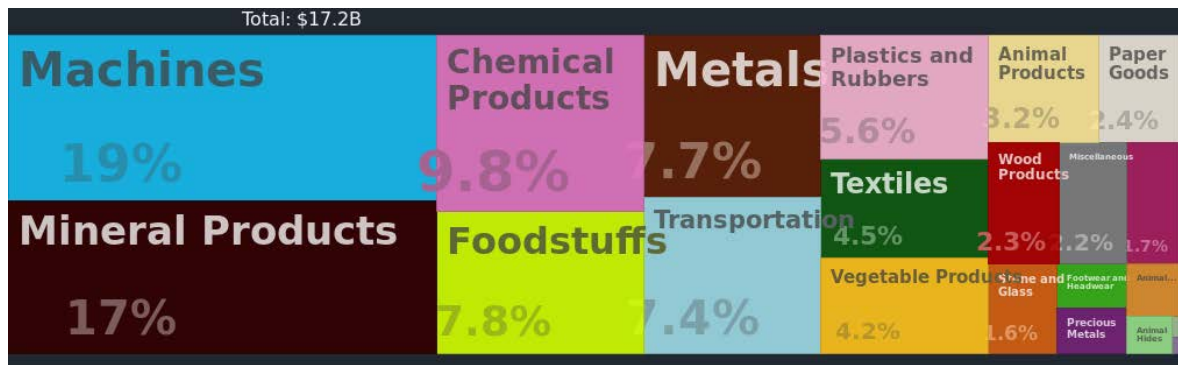


Figure 2-6 Imports in the trade

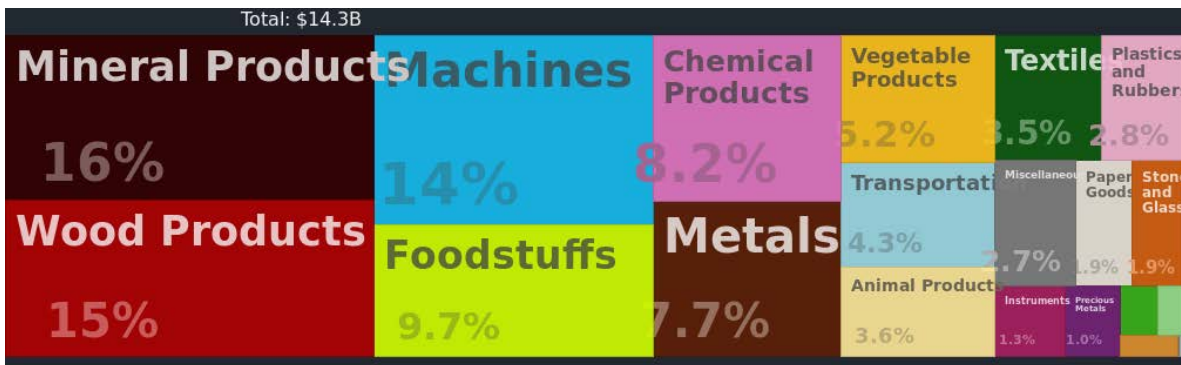


Figure 2-7 Exports of the trade

Image 1 Exports

In this tables are explained which are the products that are mainly exchange between countries. Latvia has a -5% in exporting machines, however the country is really involved with the export of Mineral products. Latvia grows because of the surrounding mineral and energetic resources, even though it has been studied the exploitation of hydrocarbons in a sea platform for the past ten years. Other than that, the woods are the only natural resource, as we can see in the graphic, which makes the wood products the second bigger block of exports.

2.1.3. Social

Demography

As to study the Latvian social environment, we shall take a look at the important data:

Table 2.3 Demographic situation of Latvia

2015	
Current population	1.968.957
Current male population	904.299 (45.9%)
Current female population	1.064.658 (54.1%)
Density (inhabitants/km ²)	31
Life expectancy (years)	74.5
Male life expectancy (years)	69.3
Female life expectancy (years)	79.7

Table 2.4 Poverty risk in Latvia 2016

	<i>% Female</i>	<i>% Male</i>	<i>% under 18</i>	<i>% 18-64</i>	<i>% over 65</i>	<i>% Average risk</i>
Poverty risk (2016)	23.9	19.4	18.6	17.7	38.1	21.8

The high poverty risk affects this prospect idea as the fruit we are building a plan to is directed to a group of people with higher incomes. Directing the selling plan towards a healthier life with a fruit that due to its import nature may have a higher price, reduces the circle of population that would be spurred to buy it.

The official language in Latvia is Latvian. The ethnic groups that coexist are Latvians (62.1%), Russians (26.9%), Belarusians (3.3%), Ukrainian (2.2%), Polish (2.2%), Lithuanian (2.1%), and others (2.1%).

Latvian population have been decreasing during the last years, due to emigration and the fall of births. This is a typical feature of the developed countries, and means that there are more deaths than births. The population gets older, and the bulk is in between 20 and 55 years. In the following years is expected to decrease more.

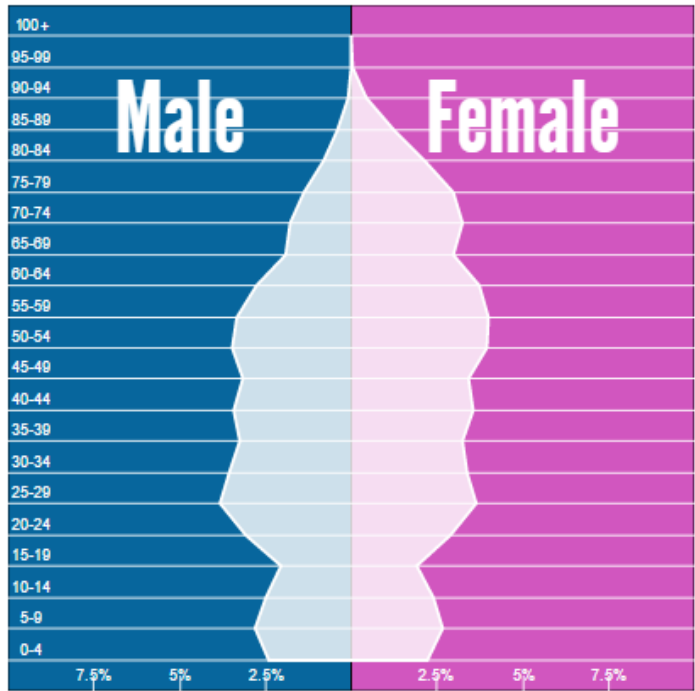


Figure 2-8 Latvia's population Pyramid

The religions in Latvia are mainly: Lutherans, Catholics and Russian Orthodox.

The alphabetization in Latvia (people over 15 years old that can read and write) is up to 99.8% in the complete population.

Unemployment

The unemployment rate in Latvia is under 9.3%, and decreased 0.2% from the previous quarter. The euro area seasonally-adjusted unemployment rate was 9.6 % in January 2017, which places Latvia under the average unemployment rate in the EU.



Figure 2-9 Latvia's unemployment diagram

Salaries

Wages in Latvia increased to 703 EUR/Month in December 2016 from 644 EUR/Month in November of 2016.



Figure 2-10 Latvia's wages

In comparison with the pre-crisis period, starting in 2007, the average gross wage increased abruptly. In the public sector, the wage was almost the same as in 2007-2008. It is in the private sector that the average gross wage increased. The difference between those two sectors has decreased considerably, shrinking the hole between sectors.

With this prospect of wages growing, it grows too the amount of money inverted in the basket food of an average Latvian, which makes space for a new kind of fruit that has a healthy impact on the population.

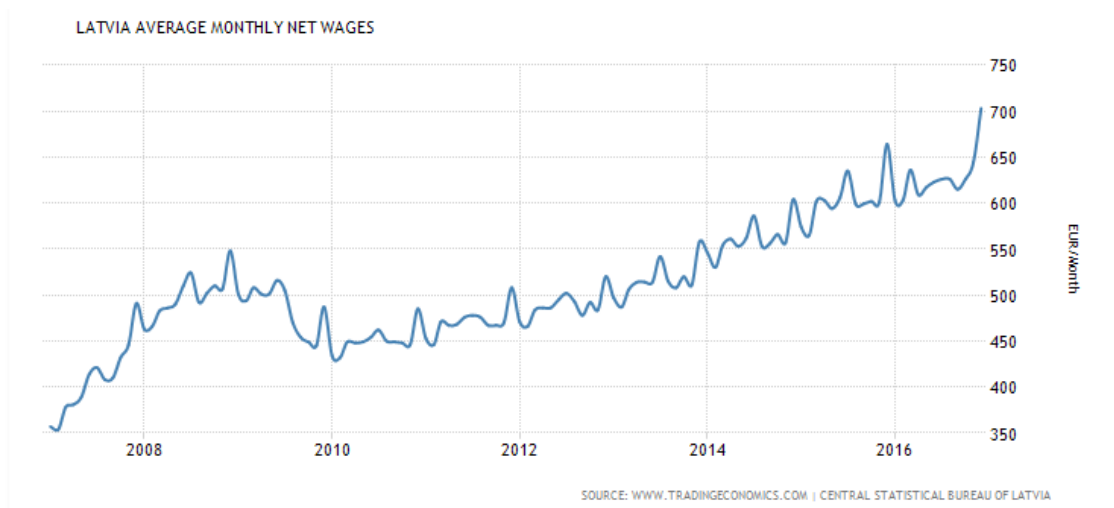


Figure 2-11 Latvia's average monthly net wages

Quality of life

Latvia offers a full range of services, activities and recreational and beauty environments. Conveniences that adjust to modern times such as the usual services and amenities, international schools and universities, modern and accessible medical care and WiFi, speed internet and phone access, as well as efficient transportation all around the country, are a basic inside the country borders.

Accessibility in business and leisure travel, as a connection between eastern and western Europe, with the biggest international Airport in the Baltic countries. As well as being an active member of the EU, the UN, NATO, and OECD among other international organizations, fully integrating Latvia in Europe.

Music, dance, history, the country's rich possessions reflects in Europe, giving insights of the past that enriched the continent.

The main city, the capital, Riga, counts on a physical crossroad of ethnics and unique groups. Riga has been designated by UNESCO as a World Heritage site. According to Lonely Planet, Riga was designated as European Capital of Culture in 2014.

According to Eurostat data, Latvian people spend by average 38.8 hours a week working in main job (1.6 hours more than European average). They expend 3.3% of their total consumption expenditure on recreational and cultural activities.

Food habits

There seems to be some uncertainty regarding the healthy or unhealthy characterization of Latvian dietary habits, as several surveys highlight contradictory conclusions. The exact composition of the healthy food basket has been developed in accordance with the national food recommendations.

The monthly budget required for a healthy diet in Latvia is 153 EUR for a single person and 574 EUR for a family of two adults and two children. The total monthly food budget amounts to 192 EUR for a single person and 794 EUR for a family of two adults and two children.



Figure 2-12 Budgets for households

According to the CSB of Latvia, a 26.5% of the average household budget is spent in food and non-alcoholic beverages. Per person, a 12% of the spend are vegetables, around 11 euros per month. The average price of a fruit like the cherimoya is around 3 euros/kilo, costing a third of the household budget for vegetables. It would depend on how people find the fruit important in their diet to determine the acceptance of the fruit by the population.

2.1.4. Technological

Latvia's technological environment produces frequently a big number of competitive advantages that can be very welcome by investors. The combination of factors such as highly IT professionals, various language skills and the mix of western working culture with the Russian market culture, provide the country of a good communication and logistic infrastructure.

Advantages:

- Knowledge of foreign languages among IT professionals
- Western-style culture
- Well-developed export market
- Very cost-competitive world class fiber optic network performance
- Supportive government policies

Since the fifties, the Latvian IT sector has been evolving, establishing within their borders some important institutes, such as the Institute of Mathematics and Computer Science and the Institute of Electronics and Computer Science.

The IT sector today accounts around a 5% of the GDP. Nowadays, Latvia is between the 10 first countries globally by average measured internet connection speed. In 2012 a massive fiber-optic infrastructure was launched, offering opportunities for data-intensive companies in Latvia.

Latvia is a nation of skilled farmers and livestock keepers, living day by day accordingly with the weather unpredictable actions. Latvia's food producers have embraced the challenge of meeting the demand for food that is fresh and natural, while taking advantage of modern technologies to ensure consistency, availability and safety. Each year around 100 food specialists graduate from Latvia's colleges and universities, supplying Latvia's food processing companies with a highly-qualified workforce. In 2013, 22% of all the people employed in manufacturing worked in the food industry.

Internet access and WiFi



Figure 2-13 Advertisement for a local company of internet access and mobile phone network

Riga is known as the European Capital of Free Wifi. As to make a reminder of this status, every border of the five largest roads entering the capital are provided with big symbolic road signs with the inscription "The European Capital of WiFi".

Free high-speed wireless internet is now easily accessible in more than 930 locations throughout the Riga, including parks, city squares and other open-air spaces. There is now one free WiFi network per 750 residents; three for each square kilometer.

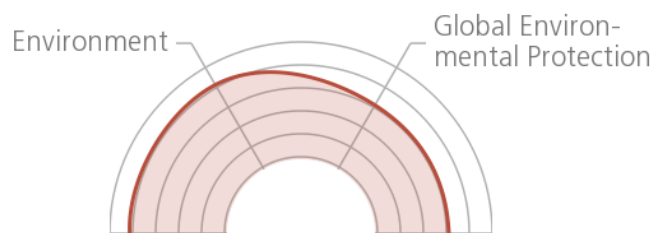
2.1.5. Environment

Environmentally rankings position Latvia in the 9th position, with regard to environmental policies.

The main strengths in environmental-health policy are air quality and biodiversity. However, Latvia stands with a weakness on climate change and energy issues. Strategies, as natural-resources tax revenues are meant to improve this situation. Protection of the country's significant forest territories is well organized.

Latvia complies with the Kyoto Protocol and other international agreements, and follows EU climate policy.

Latvia | Environmental Policies



SGI 2016 | Latvia

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Figure 2-14 Environmental policies in Latvia

According to Environmental Performance index, produced by Columbia and Yale universities, this Environmental policy ensures sustainability of natural resources, as well as protects the quality of the environment.

In 2015, Latvia adopted a new Environmental Policy Strategy for 2014-2020 period. They would priorities a new financing model, as to improve standards in the management of waste.

The Climate Change Financial Instrument, funded through the International Emissions Trading Scheme, is the main climate-change policy instrument.

Latvia is a heavily wooded country, with 2.9 million hectares (44.5% of the total area) of its territory forested, half of it owned by the state. Forest protection is very well regulated.

Biodiversity in Latvia is focused on coastal sites. Protected areas cover 11.9% of the territory. Micro-reserves are being installed since 2012.

Latvia | Environment

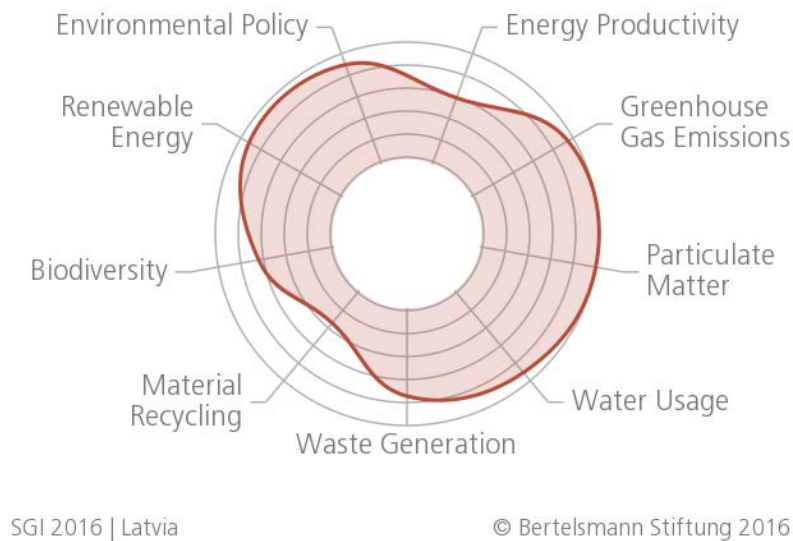


Figure 2-14 Environmental activities in Latvia

Latvia does not count with an economic capacity to lead an international agenda in the environmental area. However, they fully comply with the Kyoto Protocol policy. As an EU member state, Latvia follows European legislation, quietly big influenced.

Environmental protection conventions are known to be followed by Latvia, the Ramsar Convention on Wetlands, , the CITES (Washington) Convention, the UNESCO World Heritage Convention, the Convention on Migratory Species (Bonn Convention), the Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention), , the Agreement on the Conservation of Populations of European Bats, the Convention on Biological Diversity (Rio de Janeiro Convention) and the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention).

Latvia has also signed bilateral cooperation agreements on the issue of environmental policy with Austria, Belarus, Denmark, Georgia, Estonia, Russia, Lithuania, Moldova, the Netherlands, Poland, Serbia, Finland and Ukraine. The country is party to the Helsinki Commission Baltic Sea Action plan of 2007, which aims to improve the Baltic Sea's ecological status by 2021.

2.1.6. Legislation

All the information and legislation regarding the introduction, marketing and selling of fruits and vegetables in the EU can be founded in the information center of the European Commission of Agriculture and Rural development.

Information can be found in the following reference

<http://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:02013R1308-20140101&qid=1467365396163&from=EN>

Food allergies

As part of the European Union, the following laws have to be followed:

European Food Information to Consumers Regulation No 1169/2011 (FIC). According to this, almost all of the requirements here written must apply to pre-packed foods with mandatory nutrition declarations from 13 December 2016.

Some of the Key requirements that were new and important since the previous reconsideration of this law are:

- For pre-packed foods, allergen information must be emphasized in the ingredients list.
- For non-prepacked foods (including catering), allergen information must be made available to consumers.
- Nutrition labelling will be required for most pre-packed foods and this must be presented in a consistent format.
- A minimum font size for the mandatory information on food labels eg. name of the food, ingredients lists, date marks etc. This also extends to voluntary front-of-pack (FOP) nutrition information.
- Country of origin information will be required for fresh, chilled and frozen meat of sheep, pigs, goats and poultry. Implementing Regulation (EU) No 1337/2013 lays down the rules for this requirement and will apply from 1 April 2015. Meat already packaged may be sold after this date until stocks are exhausted.
- Date of freezing (or first freezing where products have been frozen more than once) will be required for frozen meat, frozen meat preparations and frozen unprocessed fishery products sold as such to consumers.

- Compositional standards for minced meat. Where minced meat exceeds the fat and/or collagen: meat protein ratios in the regulation, it may be sold on the UK market using a national mark along with information about its composition.
- Drinks with high caffeine content will have to be additionally labelled as not recommended for children or pregnant and breastfeeding women, with the actual caffeine content quoted.
- Added water over 5% must be declared in the name of the food for meat products and meat preparations which have the appearance of a cut, joint, slice, portion or carcass of meat. The same will apply to fishery products which have the appearance of a cut, joint, slice, portion, fillet or whole fishery product.

Any other information regarding food standards inside the EU or out of its borders can be found in the webpage of the Food Standards Agency or in the webpage of the Ministry of Agriculture of the Republic of Latvia (<http://www.zm.gov.lv/en/>)

3. MICROENVIRONMENT OF FRUIT INDUSTRY

3.1. Porter's five forces analysis

Porter's five forces Analysis is an important tool for assessing the potential for profitability in an industry. By using the five important forces that affect competition it is possible to discover the strength of the position the product is in. This five forces are: supplier power, buyer power, competitive rivalry, the threat of substitution and the threat of a new entry.



Figure 3-1 Porter's five forces

3.1.1. Supplier power

Number of suppliers

The cherimoya is a fruit that grows in the Tropical Coast of Spain. This zone, mainly Granada and Málaga, holds the certificate of origin of the production of the cherimoya. According to the *CRDO, Chirimoya Tropical Costa Granada-Málaga*, this zone with Certificate of Origin controls the almost complete production. This selling group is composed by five companies.

Size of suppliers

The company that will supply the fruit will be big as a national and international supplier that has to cover all the production of Spain and Europe.

Uniqueness of service

Suppliers don't force submission and they have liberty of selling. Not offering unique service makes them changeable, although the idea is to work with the best group of cherimoya producers, so it is interesting to keep working with this group.

Ability to substitute

There are many companies that are willing to open their growing product to an European market. Therefore, although the companies can take some risky overall costs, the quality of the fruit within the certificate of origin zone is justified.

Cost of changing

The cost of changing will not be very high, because of the similar conditions that have the different producers of cherimoya in the Tropical Coast.

3.1.2. Buyer power

Possible customers

We are going to consider two chains of work.



- Wholesalers: The wholesalers oversee the distribution through the retailers the product. In Latvia and Baltic Countries, they are really connected with the big central markets in the cities and to the retailers directly. It is important to focus on them as they can push the sales of new products in direct coordination with customers.

- Retailers: One of the biggest retailers in the Baltic area is Rimi Baltic, operating three of the favorites chains for customers, Rimi supermarkets, Rimi hypermarkets and Supernetto. The mission of the company is to be the first choice of Latvians to buy groceries.
- Customers: People that are the final consumers. These people are the ones that get the product home. With our marketing plan we have to focus in a certain group, that we will clarify in the following points.

Number of customers

The potential buyers of the cherimoya are people of all ages. However, studies of the World Health Organization have shown that the insufficient use of vegetables and fruits is one of the most important producers of sickness and ills. Historically, women are bigger fruit consumers.

Due to the nature of the cherimoya, its medical preferences make it a fruit in proliferation. This means that the market will benefit from selling as well as the population from eating it.

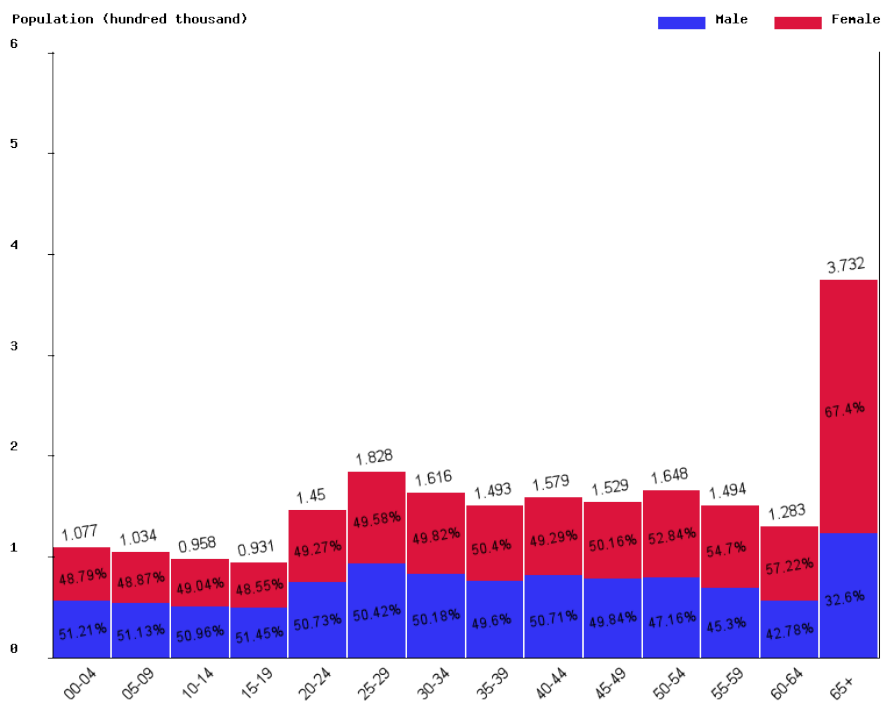


Figure 3-2 Population of Latvia

With this diagram is possible to notice the big amount of people over 65 years old. This globe of 65+ population don't have many resources so they have a low purchasing power, paying more attention to the amount of money they spend in their food basket. However inaccurate in

the design of the diagram, the crescent aging of the population brings the introduction of a new fruit that has medical care prospect is a good investment.

Size of each order

Due to the length of the export, from the south of Spain to Latvia, the orders should be studied to conquer the best prices of transportation. This being said, if transported by plane, the orders could be really big. However, if after a further study the fruit is not so viable could be diminished to a smaller way of transport.

Price sensitivity

The fruit is seasonal, which means that during the months of production is going to be profitable, but during the rest of the year, the price may vary randomly, depending on the weather conditions of the origin country.

This affects the buyer population as they may not agree with the variation of prices.

Ability to substitute

A fruit that has not weight yet in a market can be dispensable. That's why, if the buyers don't approve it would be difficult to enhance the selling in another age group that would want to buy it.

There are similar tropical fruits that can be a product of substitution, such as pineapple, mango, avocado, which we will study further ahead.

Cost of changing

The cost of changing buyers can be really high, because it would mean to force a marketing campaign or a production blueprint of the fruit in order to being able to distribute properly.

3.1.3. Threat of a new entry

Time and cost of entry

The introduction of a fruit or vegetable in a country without the proper conditions to grow it themselves is not hard, as if it is a need it will be welcome. The procedures to follow in export are regulated by the EU and shouldn't be difficult to follow.

Specialist knowledge

The fruit is seasonal, and the knowledge involved is not big. The treatment suitable for the fruit has to be the same as any tropical fruit.

Economies of scale

It could be important to take into consideration the future of the selling fruit as it could develop in an economy of scale that could be profitable.

Technology protection

The technology involving the storing of the cherimoya are not protected as they are similar to the already used by any market distributor.

Barriers of entry

The legal barriers that surround the importation of a fruit are the ones collected in the EU Agriculture Law.

3.1.4. Threat of substitution

Substitute performance

Introducing a new fruit in a market that barely knows about it, or about its properties is always hard. Moreover, there are some fruits that can give a similar outcome for people's health. Tropical fruits, as mango or pineapple, are being sold in a different state, not the fruit like itself, but processed. This could be a threat to what the idea tries to imply.

When a decision comes between choosing one kind of fruit or the other, people tend to choose the ones they know. It's difficult to adjust the palate to a new flavor. That's why either the cherimoya is fully publicize or the distributors have to make a big effort to avoid falling into oblivion with other substitutional fruits.

3.1.5. Competitive rivalry

Number of competitors

Table 3.1 Tropical fruits in Rimi Supermarket

<i>Tropical fruit</i>	Origin (import from)	Cost per kilo	Season
<i>Mango</i>	Netherlands	4.25 €/kilo	Summer
<i>Avocado</i>	Netherlands	3.05 €/kilo	Summer-Autumn
<i>Ananas</i>	Netherlands	2.35€/kilo	Summer
<i>Papaya (Processed)</i>	Netherlands	3.78€/kilo	All year

Table 3.2 Mango Nutritional Value

MANGO	
Nutritional Value per 100g	Energy 60kcal 250kJ
Carbohydrates	14.98 g
Fats	0.38 g
Proteins	0.82 g
Water	83.46 g
Vitamin A	54 µg (6%)
Thiamin	0.028 mg (2%)
Riboflavin	0.038 mg (3%)
Niacin	0.669 mg (4%)
Vitamin B6	0.119 mg (9%)
Folic acid	43 µg (11%)
Vitamin C	36.4 mg (61%)
Calcium	11 mg (1%)
Iron	0.16 mg (1%)
Magnesium	10 mg (3%)
Manganese	0.063 mg (3%)
Phosphor	14 mg (2%)
Potassium	168 mg (4%)
Sodium	1 mg
Zinc	0.09 mg



Table 3.3 Avocado Nutritional Value

AVOCADO	
Nutritional Value per 100g	Energy 60kcal 250kJ
Carbohydrates	8.53 g
Fiber	6.7 g
Fats	14.66 g
Proteins	2 g
Water	73.23 g
Vitamin A	7 µg (1%)
Thiamin	0.067 mg (5%)
Riboflavin	0.13 mg (9%)
Niacin	1.738 mg (12%)
Vitamin B6	0.257 mg (20%)
Vitamin C	10 mg (17%)
Calcium	12 mg (1%)
Iron	0.55 mg (4%)
Magnesium	29 mg (8%)
Manganese	0.063 mg (3%)
Phosphor	52 mg (7%)
Potassium	485 mg (10%)
Sodium	7 mg
Zinc	0.64 mg (6%)



Table 3.4 Pineapple Nutritional Value

PINEAPPLE	
Nutritional Value per 100g	Energy 50kcal 209kJ
Carbohydrates	13.12 g
Fiber	1.4 g
Fats	0.12 g
Proteins	0.54 g
Thiamin	0.079 mg (6%)
Riboflavin	0.032 mg (2%)
Niacin	0.5 mg (3%)
Vitamin B6	0.112 mg (9%)
Folic Acid	18 µg (5%)
Vitamin C	47.8 mg (80%)



Calcium	13 mg (1%)
Iron	0.29 mg (2%)
Magnesium	12 mg (3%)
Manganese	0.927 mg (46%)
Phosphor	8 mg (1%)
Potassium	109 mg (2%)
Sodium	1 mg
Zinc	0.12 mg (1%)

Table 3.5 Papaya Nutritional Value

PAPAYA

Nutritional Value per 100g	Energy 43 kcal 179kJ
Carbohydrates	10.82 g
Fiber	1.5 g
Fats	0.26 g
Proteins	0.47 g
Thiamin	0.023 mg (2%)
Riboflavin	0.027 mg (2%)
Niacin	0.357 mg (2%)
Vitamin B6	0.038 mg (3%)
Folic Acid	37 µg (9%)
Vitamin C	60.9 mg (80%)
Calcium	20 mg (2%)
Iron	0.3 mg (2%)
Magnesium	41 mg (11%)
Manganese	0.04 mg (2%)
Phosphor	14 mg (2%)
Potassium	211 mg (4%)
Sodium	3 mg
Zinc	0.08 mg (1%)



With this general view of other tropical fruits, we want to make a comparison. According to this, we can see that all fruits are in a range of prices high, between 2,50 to 4 euros, and the introduction of another fruit in the same range wouldn't affect excessively the perception of the price by the customers.

The nutritional value of the fruits is very similar. However, with zero saturated fat, cherimoyas are cholesterol-free, high in fiber, iron, and niacin, and contain powerful cytotoxins that are said to combat cancer, malaria, and human parasites. They're high in vitamin C, a natural antioxidant that helps the body resist infection, as well as a good source of B vitamins, notably vitamin B6 (pyridoxine), which provides 20 percent of the daily recommended value. This is an important distinctive from the other fruits, that even though they are really healthy they do not provide the same virtues.

Customers loyalty

Nowadays, in the market that we are studying, there's barely a loyalty from the consumers mainly because of the limited knowledge and use of this kind of Tropical fruit. However, it is well known used as compote.

The difference between flavors may take part as an interesting way of gather a new branch of interested consumers.

It's also known that once people choose a taste, a flavor, and admire and like it, seems difficult to open them to new fruits.

In conclusion, we should take into consideration what could be the best plans to maintain the loyalty of the consumers, and avoid our customers to leave the market we are in or to choose other product over ours.

4. EXPORTS ANALYSIS

4.1. Activity in the Tropical Coast, Spain

Spain is the biggest worldwide producer of Cherimoya, and it's cultivated mainly in the south of Spain, in the region of Andalucía. The native variety from Granada 'Fino de Jete' is the world's most important at a production level.



Figure 4-1 Quality stamp of the Cherimoya Certificate of Origin

In the coast line that goes through 10 towns in Granada and 5 towns in Malaga, 858.7 km² of land are used to cultivate the cherimoyo, the tree that produces the cherimoya, protected by the certificate of origin 'Chirimoya de la Costa Tropical de Granada-Malaga'.

The climate in this zone is a basic request for the crops to grow. This zone is a key element for the natural environment in this region, as it is the only one in all Europe that has a subtropical climate. Besides, it is important to have in mind the existence of the local smooth wind that surrounds the region at sunrise time during the months of June-July, which with adequate conditions of humidity and temperature inside the valleys, favors the natural pollination of the cherimoya.

The cultivation in the strict sense starts in the zone of Granada in the late part of the nineteenth century and beginning of the twentieth century, in local orchards in the zone of Jete. All varieties of cherimoya cultivated there were local creations, resulting from the crossbreeding of plants brought from America that soon rooted in the Valleys of the rivers Verde and Seco. It wasn't until after the Spanish Civil War that the expansion of the crops started, as a result of the substitution of the cultivation of the orange tree.

The actual plants have their origin in the native variety of 'Fino de Jete' and 'Campas', from categories Extra and Primera (First), destined to fresh consume. Over 90% of the production is 'Fino de Jete' originated as a local selection in the region of Jete, in Granada, inside the Rio

Verde valley, natural zone of expansion of this variety. This variety has more soluble sugars than other foreign crops.

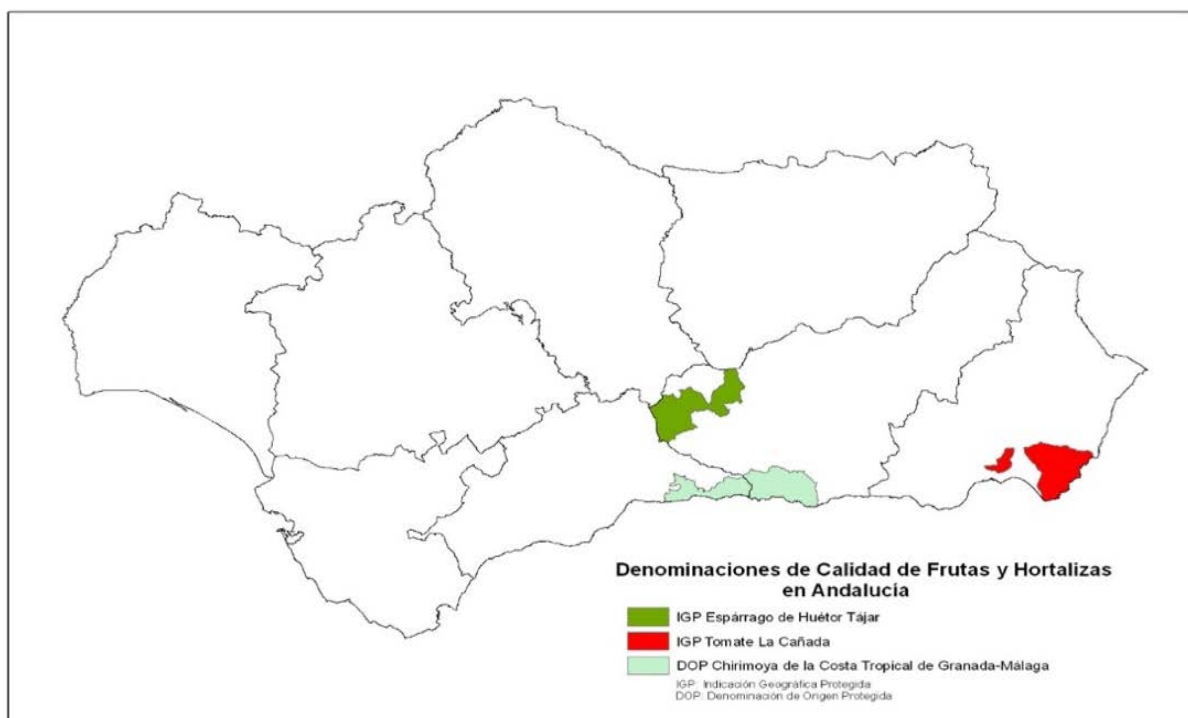


Figure 4-2 Map of the Certificate of Quality of fruits and vegetables in Andalucía

The variety ‘Campas’ is also a local selection originated from a sole tree located in the Rio Seco Valley, whose owner’s surname (Campos) named the variety. The content of sugar is similar to the other variety, and its content of organic acids is higher.

In the moment of collection, the fruits will have a rounded shape, ovoid and heart-shaped, with a symmetric tendency. At its optimum point, the peel will change its color from intense green to pale green, and it will also experience a loss of concavity, giving it an unwrinkled aspect. The pulp will have a white color tending to ivory color. The cherimoya is very aromatic and the flavor it’s subacid, that will evolve into a sweetest flavor in the moment of consumption.

Shouldn’t be forgotten that this fruit provides vitamins and minerals, being the only fresh fruit that provides vitamins of group B.

The last news about the exportation of the Cherimoya from Spain point out that this activity has grown a 18% over the previous data. The quality of the cherimoya produced in the Tropical Coast, Granada and Malaga in Spain puts Spanish production in the head of the

exportation of the fruit in the international market. Spain leads the number of tons of cherimoyas exported, followed by Chile.

Until now, Spain and Chile have been the main exporters of the fruit in Europe. Spanish exportation is diminishing due to the internal demand that absorbs almost all the production. Only 20% of the production is exported.

According to information of the *Centro de Asistencia Técnica e Inspección del Comercio Exterior (Soivre)*, organism that depends on the Ministry of Economy, until the month of December of 2016, Granada had exported to the EU more than 1.55 million kilos of this fruit.

In December 2016, the data showed that the main importers of this fruit in the EU were Portugal, followed by Germany, United Kingdom, Netherlands, France and Belgium. If this tendency continues, the goal that the '*Consejo Regulador de la Denominación de Origen de la Chirimoya*' set for 2016-2017 would be achieved, or really close to it. [January 2017]

Cherimoya season has a duration of nine months approximately, as it starts in September and ends in May. Thanks to the technological advances of the past few years, the main achievement is going to be the deseasonalisation of the product. The producers of the Protected Guarantee of Origin (DOP) of the Cherimoya in the Tropical Coast of Granada-Málaga had planned to overcome the 50.000 tons during this last campaign. This quantity is going to be reduced due to the high temperatures reached at the beginning of the campaign. However, the CO of the DOP declared that they would achieve a smaller goal, around 45.000 tons.

The variable quality of the cherimoya that it is offered is owe to:

- Bad handling of the production techniques, such as pruning, pollination or irrigation, which translates into small fruits with a big rate of seeds.
- The collection before the optimum time can reduce the flavor of the fruit, and raise the number of seeds inside.
- A wrong handling of the fruit during the collection or in the storage. The bruised fruits have a bad presentation. The cherimoya is especially sensitive to harm in its skin when one fruit rolls over another.
- The cherimoya is a fruit that matures really fast after its collection. That's why it needs a fast cooling to 9-10°C, especially when the fruit is destined to exportation.

The lack of organization of the origin market is the main characteristic of the commercialization of the cherimoya in Spain, against each day bigger organized demand.

More information can be found in the following webpage:

<https://encolombia.com/economia/agroindustria/cultivo/cultivodelachirimoya/4/-sthash.RoseF2Ee.dpuf>

4.2. Certificate of origin

4.2.1. The Certificate of Geographical Origin?

The Certificate of Origin (CO) is an important international trade document that certifies goods in a particular export shipment are wholly obtained, produced, manufactured or processed in a particular country. They also serve as a declaration by the exporter.

4.2.2. The Protected Certificate of Origin?

A Protected Certificate of Origin (PCO) is the name of a region, a particular place or in special cases, a country, that is used to designate an agricultural or alimentary product that:

- is native to that region, that location or that country,
- its quality or characteristics are due to fundamental or exclusive geographical environmental with certain natural and human factors, and
- its production, transformation and processing takes place in delimited geographical area.

4.2.3. Difference between the CO and PCO

There is a difference between these two documents. The Certificate of Origin, is a geographical identification, which shows the sire to the land in at least one of the phases of production, transformation or elaboration of the product, while the Protected Certificate of Origin states of certification of a product with a production, transformation and elaboration take part in a specific geographical zone, with a specialization recognized and checked.

4.2.4. Field of Protection of the Certificates

The Certification of Origin of agricultural business products can be protected in an International level as well as a communitarian level.

4.2.5. Requirements to own a Certification of Origin

Sheet of conditions:

- Name with the geographical zone or the origin denomination
- Product description with its physical, chemical, microbiologic and organic characteristics.
- Geographical zone delimitation
- Prove of the origin of the product
- Elements that justify the bond between the product and the geographical site
- Description of the obtaining method of the product, and all the process around it that make the product what it is. Also information of the packaging that guarantees the quality, origin and the control of the product
- Name and address of the authorities and organisms in charge of verifying the compliance of the indications written in the sheet of conditions
- Any specific rule regarding the labelling of the product
- Requirements that should be fulfilled in communitarian or national disposals

To be able to apply to the international registry of the certification or origin, the company must have the certification of origin protected in its origin country previously. It's not a certification of Origin registered in any country, but only on those countries involved in the Lisbon Agreement.

4.2.6. The countries that take part in the Lisbon Agreement?

Right now, there are 26 countries that have signed the Lisbon Agreement: Algeria, Bulgaria, Burkina Faso, Congo, Costa Rica, Cuba, Slovakia, Spain, France, Gabon, Georgia, Greece, Haiti, Hungary, Iran, Israel, Italy, Morocco, Mexico, Montenegro, Nicaragua, Peru, Portugal, Czech Republic, Moldova, DPR Korea, Romania, Togo, Tunisia and Turkey.

Latvia is not included in the Agreement, and there's no record whatsoever that they have applied for their inclusion. This means that Latvia would import products from a country adhered to the Lisbon Agreement, thereby supporting the protection that the Agreement gives to Spain.

This also means, that the product that Latvia would be importing follows a certain process that would assure the quality of the fruit that are important.

4.2.7. Latvian Chamber of Commerce

The Latvian chamber of commerce and industry issues certificates of origin. Application for the certificates of origin is determined by the legislation or practice of the state which is importing the goods.

Certificates of origin may:

- serve as a basis for applying customs tariffs and trade policy measures, for example, anti-dumping measures, quantitative restrictions, tariff quotas;
- be included in the list of documents necessary for the processing of a letter of credit;
- be necessary for the collector of goods in another member state of the European Union or outside of it, etc.

Determination of the origin of goods and issuance of the certificates of origin is regulated by the following laws and regulations:

- The Community Customs Code: Council Regulation (EEC) No 2913/92, Articles 22 – 26.
- Regulations for the implementation of the Community Customs Code: Commission Regulation (EEC) No 2454/93, Articles 35 – 54 and Amendments 9 – 11 (Consolidated version).
- Customs Law of the Republic of Latvia (Articles 23 – 25). Cab. Reg. No. 239 *Procedure of issuance of certificates for goods with non-preferential origin and assessment of the issued certificates.*

The combined classification code used for the application of regulations of origin may be found in Commission Implementation Regulation (EU) No 1001/2013 (4 October 2013) amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (EU OV L 290, 31.10.2013).

4.3. History of exports in Spain

4.3.1. Evolution of the Commercial Balance

Due to political and economic reasons, Spain has not been a exporter country. However, for a few years now the exportations have increasing exponentially. As we can see in the following picture, the importations in 2015 were really low due to a slight growth in the economy of the

country. The exportations had been really high, and now they are going down again. That's why the commerce needs a boost.

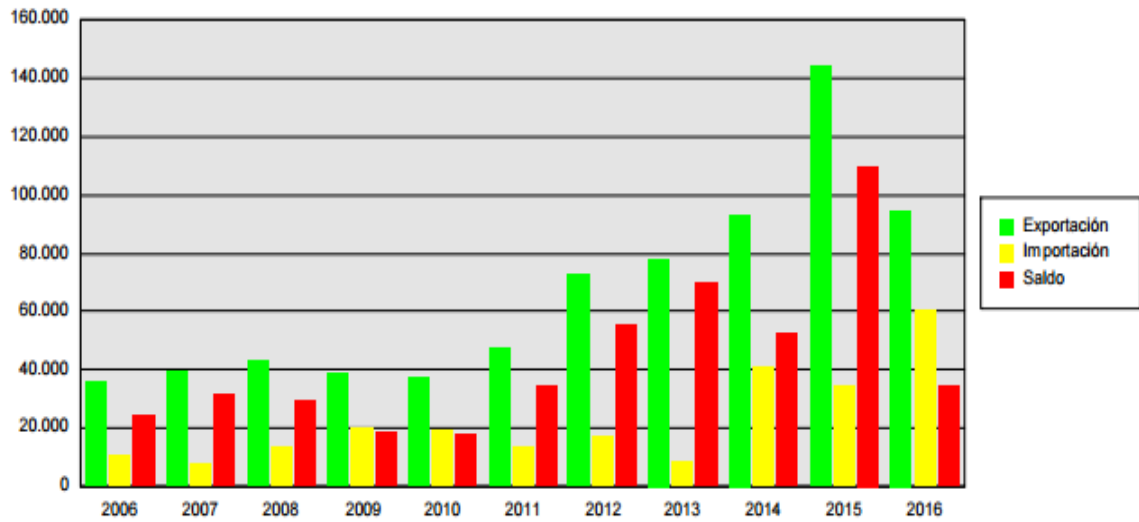


Figure 4-3 Comparison between Exports and Imports

Table 4.1 Comparison Exports/Imports and balance

	Exportación		Importación		Saldo		Cobertura	
	Valor	% Año anterior	Valor	% Año anterior	Valor	% Año anterior	%	% Año anterior
2006	35.656,84	36,11%	11.018,85	5,01%	24.637,99	56,89%	139,55%	192,62%
2007	39.772,94	11,54%	7.917,23	-28,15%	31.855,71	29,30%	43,16%	-69,07%
2008	42.966,15	8,03%	13.901,83	75,59%	29.064,32	-8,76%	151,40%	250,77%
2009	38.737,91	-9,84%	20.072,14	44,38%	18.665,77	-35,78%	99,02%	-34,59%
2010	37.571,26	-3,01%	19.663,74	-2,03%	17.907,52	-4,06%	8,06%	-91,86%
2011	47.557,02	26,58%	13.280,48	-32,46%	34.276,54	91,41%	0,19%	-97,59%
2012	72.639,05	52,74%	17.090,24	28,69%	55.548,81	62,06%	111,78%	57.391,00%
2013	77.984,95	7,36%	8.471,44	-50,43%	69.513,52	25,14%	836,06%	647,98%
2014	93.125,53	19,41%	41.084,41	384,98%	52.041,12	-25,14%	102,68%	-87,72%
2015	144.238,59	54,89%	34.295,54	-16,52%	109.943,06	111,26%	37.779,77%	36.692,95%
2016	94.674,37	-34,59%	59.940,76	73,59%	34.733,61	-68,48%	157,95%	-62,45%

4.3.2. Representability for the selected products

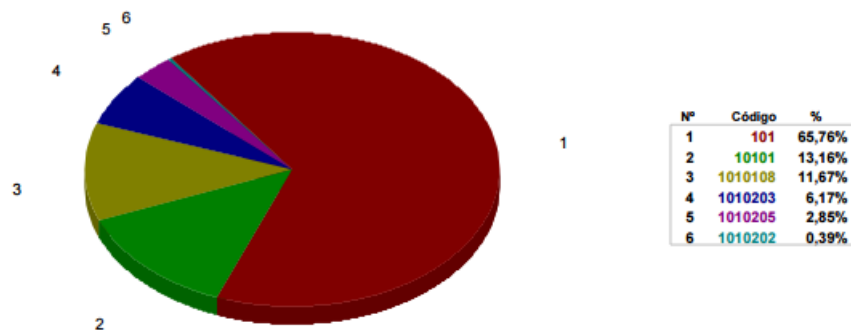


Figure 4-4 Sectorial diagram of the representability of the products

Code:

- **101** Products of vegetal origin
- **10101** Vegetables, fresh and frozen
- **1010108** Vegetables with fruit, fresh
- **10101203** Fruits with stone, fresh
- **1010205** Subtropical fruits, fresh
- **1010202** Fruits with pit, fresh

We can see Latvia is within the 10 first countries to whom Spain is exporting.

Table 4.2 Evolution of the exportation in the EU

EVOLUTION OF THE EXPORTATION IN ZONE (*)												
	2013			2014			2015			Jan-Dec 2016		
	Value	% Total	% Inc.	Value	% Total	% Inc.	Value	% Total	% Inc.	Value	% Total	% Inc.
EUROPA	22.744.935,9	94,4	9,0	22.781.650,2	93,2	0,2	25.244.217,3	92,7	10,8	26.251.233,0	92,4	4,7
UNION EUROPEA	21.428.603,6	88,9	8,8	21.587.626,0	88,3	0,7	24.385.926,6	89,5	13,0	25.373.083,1	89,3	4,8
ZONA EURO	16.192.704,1	67,2	9,7	16.072.023,4	65,8	-0,8	18.093.621,1	66,4	12,6	18.780.630,5	66,1	4,7
AT -- Austria	266.693,0	1,1	6,8	285.957,3	1,2	7,2	309.936,1	1,1	8,4	335.415,2	1,2	9,1
BE -- Bélgica	767.679,1	3,2	3,7	712.154,2	2,9	-7,2	805.499,1	3,0	13,1	834.715,3	2,9	6,6
CY -- Chipre	18.106,3	0,1	-50,9	33.337,4	0,1	84,1	44.388,5	0,2	33,2	14.969,1	0,1	-64,7
DE -- Alemania	5.288.234,3	21,9	12,1	5.331.553,7	21,8	0,8	6.104.173,5	22,4	14,5	6.586.106,8	23,2	9,1
ES -- España	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EE -- Estonia	25.226,5	0,1	-4,9	21.527,8	0,1	-14,7	24.996,6	0,1	16,1	65.831,9	0,2	160,8
FI -- Finlandia	172.547,0	0,7	9,2	190.343,8	0,8	10,3	195.606,6	0,7	2,8	208.920,6	0,7	6,0
FR -- Francia	4.475.887,6	18,6	11,1	4.331.126,8	17,7	-3,2	4.863.308,6	17,9	12,3	4.963.742,3	17,5	-3,3
GR -- Grecia	43.203,8	0,2	-3,8	55.765,1	0,2	29,1	64.576,0	0,2	15,8	46.885,5	0,2	-24,8
IE -- Irlanda	122.053,1	0,5	16,1	120.450,3	0,5	-1,3	137.632,7	0,5	14,3	167.794,1	0,6	22,0
IT -- Italia	1.571.416,4	6,5	7,6	1.589.993,2	6,5	1,2	1.855.592,3	6,8	16,7	1.696.991,6	6,0	-8,6
LU -- Luxemburgo	7.249,9	0,0	-9,3	6.903,4	0,0	-4,8	10.912,2	0,0	58,1	11.589,4	0,0	5,8
LV -- Latvia	77.985,0	0,3	7,4	93.125,5	0,4	19,4	144.238,6	0,5	54,9	94.674,4	0,3	-34,6
MT -- Malta	8.741,3	0,0	-6,3	10.849,9	0,0	24,1	10.651,6	0,0	-1,8	12.054,4	0,0	11,9
NL -- Países Bajos	2.085.746,0	8,7	6,7	2.008.226,2	8,2	-3,7	2.202.069,5	8,1	9,7	2.293.895,7	8,1	4,4
PT -- Portugal	1.144.493,4	4,7	9,4	1.160.472,7	4,7	1,4	1.189.579,3	4,4	2,5	1.332.902,1	4,7	11,6
SI -- Eslovenia	41.722,9	0,2	24,4	36.062,9	0,1	-13,6	41.177,2	0,2	14,2	36.165,4	0,1	-11,5
SK -- Eslovaquia	75.718,7	0,3	5,0	84.173,0	0,3	11,2	89.282,8	0,3	6,1	77.976,7	0,3	-12,8

Table 4.3 Evolution of the exports for the 10 top countries from Spain

EVOLUTION OF THE EXPORTATIONS TO THE 10 FIRST COUNTRIES (*)																
	2013				2014				2015				Jan-Dec 2016			
	Value	RK	% Total	% Inc.	Value	RK	% Total	% Inc.	Value	RK	% Total	% Inc.	Value	RK	% Total	% Inc.
DE -- Alemania	5.288.234,30	1	21,9	-13,4	5.331.553,72	1	21,8	-12,7	6.104.173,54	1	22,4	0,0	6.586.106,84	1	23,2	9,1
FR -- Francia	4.475.887,65	2	18,6	-8,0	4.331.126,84	2	17,7	-10,9	4.863.308,56	2	17,9	0,0	4.963.742,30	2	17,5	3,3
GB -- Reino Unido	2.834.314,49	3	11,8	-16,6	2.994.497,96	3	12,3	-11,9	3.397.574,33	3	12,5	0,0	3.644.844,25	3	12,8	7,9
NL -- Países Bajos	2.085.746,04	4	8,7	-5,3	2.008.226,24	4	8,2	-8,8	2.202.069,54	4	8,1	0,0	2.293.895,68	4	8,1	4,4
IT -- Italia	1.571.416,36	5	6,5	-15,3	1.589.993,17	5	6,5	-14,3	1.855.592,31	5	6,8	0,0	1.696.991,64	5	6,0	-8,6
PT -- Portugal	1.144.493,37	6	4,7	-3,8	1.160.472,69	6	4,7	-2,4	1.189.579,29	6	4,4	0,0	1.332.902,10	6	4,7	11,6
PL -- Polonia	859.011,47	7	3,6	-5,1	862.494,07	7	3,5	-4,7	905.168,54	7	3,3	0,0	972.365,11	7	3,4	7,2
BE -- Bélgica	767.679,14	8	3,2	-4,7	712.154,20	8	2,9	-11,6	805.499,15	8	3,0	0,0	834.715,30	8	2,9	6,6
SE -- Suecia	499.079,63	10	2,1	-13,0	502.142,68	9	2,1	-12,5	573.881,29	9	2,1	0,0	595.879,17	9	2,1	4,1
US -- Estados Unidos	295.701,97	14	1,2	-38,0	351.663,19	12	1,4	-26,2	476.793,57	10	1,8	0,0	476.999,28	10	1,7	-1,5
LV -- Latvia	77.984,95	26	0,3	7,4	93.125,53	27	0,4	19,4	144.238,59	23	0,5	54,9	94.674,37	26	0,3	-34,6
Subtotal	19.821.564,42		82,2	-11,4	19.844.324,76		81,2	-11,3	22.373.640,13		82,1	0,0	23.398.441,67		82,3	5,3

In conclusion, the export activity in Spain comprises a high quantity of vegetable stuff and mostly products of vegetable origin are the ones that should be taken into account when studying its activity. Latvia has evolved to the high part of the table to receive exports from Spain, as the offer that Spanish agriculture has it is demanded in the Baltic countries.

5. IMPORT ANALYSIS

5.1. External trade regime. Procedure of the importations.

Since 1st May of 2004, Latvia is a member of the UE and it is forced to develop a common commercial politic. The introduction of commodities from countries members of the UE or from third countries that indulge in the free practice in the States members, is not subject to quantitative restriction nor licenses. It is not either subjected to the expedition of Latvian commodities to the members of the EU. The importation of agricultural products originating from third countries it's set accordingly with the common commercial politics of the EU.

Requirements are the submission of a certificate of importation (AGRIM) to have free commerce of certain products, according to the communitarian rule relative to the pertinent sector or agricultural product. As an exception to the general rule, the administrative authorization for the importation of ivory and certain kind of tobacco still holds.

The importation of industrial products from third countries it's effectuated in the commercial free regime with some exceptions of conformity with the communitarian law: the importation of certain commodities (textiles, footwear, porcelain and ceramic objects and some steel products) from certain countries it's submitted to the quantitative restrictions or to vigilance measures; and the importation of other especial merchandise (drugs, explosives, fire gun and munition) is subjected to especial licenses.

5.2. Custom tariffs. Economic Custom Regimes.

The introduction of merchandise from other States members of the EU is exempt of the payment of fees. The importation of commodities coming from third countries is subdued to the wrights of the European Common Customs Tariff.

There are four especial economic zones in the country, three of them are located in the free zone of the ports of Ventspils, Riga and Liepaja, and the fourth in the city of Rezekne, in the east of Latvia, close to the border with Russia and Belarus. This zones apply advantageous fiscal discounts to the companies that are established there, but since January 2003 those discounts cannot exceed the 50% of the invested quantity.

5.3. Rules and technical requirements. Type approval, certification and labeling. Barriers.

The Latvian Standard (LVS) (www.lvs.lv) is the competent authority in terms of standardization and it represents Latvia as a corresponding member of the ISO. The special organism of accreditation for industrial products and services, LATAK (www.latak.lv) provides information via Internet about the needs and requirements of the type approval.

Ever since their entry in the EU, Latvia implements the Directives and Regulations characteristic of communitarian techniques.

There are no significant entry barriers to Spanish goods and services.

5.4. Conclusion

There are no laws that impede in any way the access of products from the EU to Latvia, therefore it is as simple as the bureaucracy allows the action of import from Spain. They have to follow a certain type of rules, as labeling and other requirements that are implicit in any kind of import inside the European Union.

6. MARKETING MIX

6.1. General information

6.1.1. SWOT Analysis

SWOT Analysis is a useful technique for understanding the Strengths and Weaknesses of a prospective business, and for identifying both the Opportunities open to it and the Threats that the business can face. This analysis will help carve a sustainable niche in the market of study.

What makes SWOT particularly powerful is that, with a little thought, it can help uncover opportunities that are well-placed to exploit. And by understanding the weaknesses of the business, we can manage and eliminate threats that would otherwise catch us unawares.

More than this, by looking at ourselves and our competitors using the SWOT framework, we will start to craft a strategy that helps us distinguish ourselves from our competitors, to compete successfully in our market.

Strengths

- The cherimoya is a tropical product with high nutritional value
- Latvian's market is used to this tropical kind of fruit as it has similar products
- Acceptable price in the market
- The certificate of origin characterizes the fruit as high quality
- The idea of a tropical fruit in Baltic countries is a calling one
- The origin of the fruit is one of the best in the world
- Technological advances make the transportation easier

Weaknesses

- The transportation of the fruit from Spain has a higher cost in big amounts
- Cherimoya has a short expiry date
- It's not a good prospective market to sell the fruit in markets that have big stocks
- Cherimoya has possible substitutes
- We need a good marketing and selling project to introduce the cherimoya in a daily basis product
- The price of the cherimoya is still high for an average person

Opportunities

- With the boom of a healthy life we can get good publicity
- The inner European market makes easier to export and import goods.
- Access to the internet provides a wonderful amount of recipes and uses to this fruit
- The reachable market are women of 26+ years old, who may be the most important focus of interest and the more reachable market
- Socially accepted healthy life stands up for central markets and food directed from the wholesalers, which reduces the time from the collect of the fruit until the consume

Threats

- Growth of the big centrals for sales
- Fall of the consume
- International blocks due to phytosanitary problems
- Introduction of bigger origin companies
- Other countries apart from Spain producing cherimoya
- Non acceptance of the fruit in Latvia



Figure 6-1 SWOT Analysis

6.2. Target market

Given the European consumer interest for the healthy life, it has increased consume of healthy and natural products as fruits and vegetables. This gives us a niche in the Latvian population to introduce a fruit that until now has been overlooked.

The 'ready to eat' food has increased its demand in the European market. The fruits, as cherimoyas, agrees with this tendency.

Among the buying criteria of the consumers are the price, social responsibility and environmental issues in the production process. Fruits like cherimoya, with a very important Certificate of Origin, fulfills these requirements.

In Europe, there are different types of consumers, as we are going to describe five of these types, there are several others depending on how the market is developing. In the fruit and vegetables market are the following:

- **Alter shopper:** this client looks for something simple with a fair price and good quality. He is not very interested in certifications or the looks of the product's packaging.
- **Emo-shopper:** this client looks for a memorable experience in the consumption of the product, that gets him pleasure and satisfaction. This client wants and likes to try new things and wants to be surprised.
- **Vigi- shopper:** people really interested in knowing the production process of the article that are acquiring. They are conscience of the quality, transparence, honesty and sincerity of the product.
- **Social- shopper:** it is a consumer really connected to the world. He is the kind of consumer that would buy the new products or the fashionable ones.
- **Slow-shopper:** it is a buyer that is really committed to the tendency of buying only organic products.

Due to the amount of information on the internet, and considering Latvia one of the best-connected countries in the EU, we determine that there's a mix of this five profiles of people that are able to consume.

Therefore, our interest is to direct the publicity and marketing to the emo-shopper (due to their pleasure search of new experiences), vigi-shopper (due to the interest for our fruit which has a certificate of origin and great quality), social-shopper (it is a new product that would

interest at first to all the consumers with fashionable tastes) and slow-shopper (due to the origin of the fruit, and the organic methods of its collection and cultivate).

6.3. Objectives

6.3.1. Commercialization study

The generic strategy that will be used is differentiation, because this product is not commercialized in a traditional way, with pesticides, and is a product totally natural and with a better quality.

Market strategy will be the entering to a market already existent, the organic products consumers, which is growing and is forecasted to keep growing in the following years.

Natural products are orientated to a life style and a way of consuming really healthy. However, the niche of organic products, that don't use agrochemicals or fertilizer at all is smaller but may be more interesting. The growth of the organic market has bigger prices, over a 30% more than traditional products.

6.4. Marketing Strategy

According to the information we have on Marketing mix, we planned to focus on the four 'P's; study of the product, the price, the place (distribution) and the promotion of the cherimoya.



Figure 6-2 Marketing Mix

6.4.1. Product

Product description

The product we want to introduce in Latvian market is the Cherimoya. The cherimoya is a green fruit, smooth in the inside, with a characteristic smell and taste. It is a tropical fruit that grows in the southern part of Spain. As specify before, the cherimoya has healthy qualities that makes it a fruit recommended for healthy diets.

Cherimoya contains 75% of water, and a big quantity of carbon hydrates, glucose and fructose, and also calories, due to the sugar they have. The cherimoya stands because of its fiber and big laxative power, so it's prescribed for people with intestine problems.

Its high content in vitamin C works as an antioxidant and it turns out to be really useful to battle colds. Due to its low contribution in sodium, its richness in potassium and low fat, it is really recommended in people with arterial hypertension or cardio alterations of the blood vessels. Likewise, it helps reduce cholesterol.

Cherimoyas are also known for their balancing action of the nerve system, as they can be used as an anxiolytic and tranquilizer.

What we want to sell is the full fruit, not in pieces, and not dehydrated or in packs, although that could be an interesting point of view, and another niche to cover. However, we found more interesting the product to make the most of its qualities that are more worthwhile with the fresh fruit.

The cherimoyas have the inconvenient that cannot be preserved for long time, and they require of a very careful handling. They should be protected, because their peel is really sensitive to the touch and it gets black easily. However, they can be eaten without problem even if the peel gets a dark color or it's smooth in the outside. It's recommended to consume them when they are completely mature, which is after 5-6 days of the recollection, if maintained at ambience temperature, over a no so cold surface, preferable a basket made of hemp or a light wood.

We must avoid keep them in the refrigerator, as the maturation is interrupted. In case the consumer wants to eat it cold, the refrigeration must be moments before consuming, and always for the shortest period possible.

The cherimoya turns out to be delicious fresh. To eat it, the fruit is cut in half, and the consumer eats the inside with a tea spoon, avoiding the seeds. The pulp blackens in contact with the air. This could be avoided by sprinkle lime or lemon juice over it.

Also, the cherimoya can be used as a raw material for the elaboration of jams, shakes, juices and ice creams.

6.4.2. Price

Pricing strategy

Finding an adequate pricing strategy is an important point of the development of the business. The price can be set in order to provide the maximum profitability to all the participants in the process or only the wholesalers or retailers in particular. It can be used too to entry new markets, or fight other possible entries in the one we stand in.



Figure 6-3 Stages for pricing strategy

Business may benefit of the changing of the prices, accordingly to the demand, and the offer that is procured, and depending on the clients and customers' habits.

If the social environment changes, and the population start to look for a healthier way of life, and our product starts to grow in acceptance, then the producer can play with the prices and assure themselves a better margin of benefits.

1. Price and availability of substitutes

In the external analysis, we studied the possible competitors or substitutes to the cherimoya. The four preferable fruits to be substitutes are mango, pineapple, avocado and papaya. The prices vary from 2,35€(ananas o pineapple) to 4,25€(mango) so the

price of cherimoya could be in between of those two, competing in price with the avocado and the papaya.

2. Characteristics relative to the competitors

The main characteristic that distinguish cherimoya of the other fruits is that right now it's only sell as a fruit, and doesn't have any preservatives or colorants. Maybe one of the most interesting things besides it's natural effects on the human health is that the ugliest it looks, the better it tastes. It's a fruit that doesn't appeal for its look, but trying it is a new experience.

It has more calories than other competitor fruits (70kcal per 100 grams, for 50kcal per 100 grams that the pineapple has), but also counts with numerous healthy indications, as it acts as a tranquilizer.

3. Income

To create an adequate price, we should think about the income, and the buying power of the customers, and also, we should check whether we can sell the fruit every time of the year, or if it's seasonal, how much would the cost rise to cover the costs of transporting it to Latvia from Spain due to the difference weather and climate.

We are comparing the fruit to the other tropical fruit that are already in the market. According to that, and knowing that people buy this fruit fresh, we must set a price in accordance with that of those fruits.

The cherimoya is a seasonal fruit, although a long one, because it lasts from September to May. The fruit needs of warm temperatures, although not too warm. The climate in the south of Spain in fall-winter-spring varies between 8 degrees the colder months to 22 degrees the warmer months, this has an average temperature in the tropical coast of 13 degrees. This temperature is the best for the cultivation of the cherimoya, and is the main reason why from Latvia we are importing the fruit, and not trying to cultivate it in the country, as the weather conditions are not suitable for the correct grow of the cherimoya.

Therefore, it should be set a price accordingly to the price already set for the tropical fruit settled in Latvia, even if as we saw before comes mainly exclusively from the Netherlands, and keeping in mind that as a seasonal fruit, the summer production might be mesmerized, and the price might go up.

Maybe too, we should remember that the cherimoya is a fruit with a really high quality as it counts with the certificate of origin that provides the CO board. Quality is an essential matter in the sale of cherimoya, and it should be representative in the price.

4. Price/Strength of demand for related products

Other costs associated to the sale of the cherimoya are the transport from the origin in Spain to the wholesalers in Latvia, and after that the probable channels that should transit the fruit towards the retailers and after the maintenance of the fruit in a safe environment until it arrives to the customer's hands.

5. Market environment

Due to the internet culture, and the healthy life social push, the consumption of fruit and vegetables has increased in the last few years. Also, studies show that women are way more interested and devoted to habits of a healthy life than other people, and in that circle of women, the ones with purchasing power are those in working age.

The market that we are focusing on is the vegetables and supermarket type, as we want to sell to retailers that are going to distribute closer to the clients.

Supermarket environment has usually a good portion of their spaces related and inspired in fruit/vegetables selling, then the main importance for retailers to sell the fruit will have to make it visible and appealing for the consumers.

6.4.3. Place

The distribution of the cherimoya, and the positioning in the market stands has to be an effort from every part of the chain.

We are going to focus on the big supermarkets as distributors of the fruit.

The distributors are in order of more to less open spaces in Riga: MAXIMA and Rimi hypermarkets and supermarkets, Sky, mc2.



Figure 6-4 Maxima Supermarkets in Riga



Figure 6-5 Rimi Supermarkets in Riga

In the image, we can see the main Rimi supermarkets we can find in Latvia. The main weight is spotted in Riga, where we can find up to 21 spaces.

This are the main retailers we would work with. Each of them, in their spaces destined to fruit and fresh vegetables, have room to place the cherimoya in their shelves.

The cherimoya can also be considered a gourmet fruit, that is why we can sell it in some other important gourmet placements, such as mc2 or Sky. This two chains are specialized in a population with a higher income level, therefore it is a plausible market we can focus on.

Sky has 4 establishments in Riga, all of them in the outskirts of town, and it is specialized in food that has a fixed origin, with a quality highly controlled and a price higher than the average level of groceries shops.

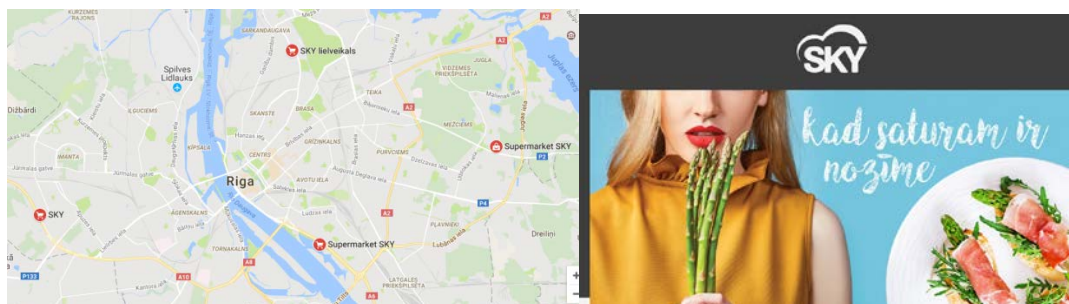


Figure 6-6 SKY in Rimi



On the other side, mc2 only has one establishment in Riga, and it counts on a big variety of gastronomic food, that can be purchased in his various delicatessen ways. The main

importance of mc2 is to give customer a higher service in a gourmet way, that's why they count with Gourmet shop, gastronomie restaurants, cafeteria and production, as well as a service center that offer even buffets and other special services. As it is an exclusive service, the price is higher than the average supermarkets, and so this fruit could fit perfectly as a gourmet dish.

6.4.4. Promotion

The promotion of the cherimoya is very important, as it is only a product that customers will find in the retailers or supermarkets. Therefore, we have to make sure that people know what it is, or we have to show them the benefits of it. There are several ways that we can use as promotion. We are going to divide the types of promotion with the two strategies to consider: pull and push.

Pull strategy

A pull strategy involves motivating customers to seek out your brand in an active process.

Internet adds

When a brand wants to be out in the market and wants to make a name for itself, it is important to cover all the networks that are more used by the customers. Internet is the most effective method to develop a sense of need in the population. With certain cookies that affect the motor search of the people, we can arrange to focus on a sector that is willing to take in new living healthy suggestions.

Creating Internet adds and expand them through all the social networks can be a good way of spreading the word about the nutritional value and the characteristics of the cherimoya and give the market a new staring point.

Events

One way of getting people conscious about healthy issues is to create events where specialist talk about it. Arranging a health event on how to make people more conscious about their food habits, and introducing there the cherimoya as a new possible alternative to other fruits and veggies is a good publicity.

We could work with a weekend event on how to prepare your own diets, according to several factors, as age, sex, constitution, cultural habits, working preferences and sport habits. Also, it would be possible to set up fairs where several retailers could show their products, and their qualities. Our main supplier of cherimoyas would have a chance to promote his business by giving cherimoyas to the customers to try, and also have a little direct sale relation.

The program may consist on these two previous events, and other event created for kids, in order to instill the idea of a healthy diet. With entertainers that can teach the kids about the fruits, and how is good for them to balance healthy diet with candies. Parents could also benefit from it as there could be workshops on how to prepare some fruit shakes for the kids to eat fruit more often without knowing.

Cooking programs

Information can get to the consumers through several channels. Nowadays, television and internet take an important part in this spread of information, therefore we have to assure that these channels remain open.

Cooking programs, and the trendy 'do it yourself' have increased the number of sales in cooking books. We want to approach this publicity by promoting new cooking habits with recipes that include the cherimoya on them.

Some of this recipes with cherimoya are attached in the Appendix 1

Push strategy

A push promotional strategy involves taking the product directly to the customer via whatever means, ensuring the customer is aware of your brand at the point of purchase.

Loyalty programs

A loyalty program is a marketing strategy that a company establish with the purpose of rewarding the buying behavior of their clients, which produces in them a sense of loyalty and fidelity towards the company.

This kind of programs offer access to shop credits, discounts, prices or any other profit that manages to state the client's commitment with the brand.

Some supermarkets and big chains work with loyalty programs. This way they secure some clients that are going to be regulars. We could use this in our benefit by including in this loyalty programs the importance of consuming cherimoyas.

Cherimoyas could have their own price discount with the fidelity card. With this, both the supermarket and the supplier of cherimoyas would benefit. On one side, a person would sign up for the fidelity card because he is a regular, and that would benefit the retailer, and on the other side, knowing that there's a possibility to buy cherimoyas cheaper, would increase the sale of the fruit.

Tasters

The brand can arrange to set booths to give people a sample of the cherimoya. According to investigators that published a paper in 2011, 'free samples are a very effective way of inducing to buy between the less educated consumers'. It is not only that we want to sell the fruit to anyone, of course it would help to have a bigger circle of consumers, but it is necessary to let the people taste it, like it, and then buy it, not as a one-time appeal, but as a regular fruit in their food basket.

Arranging booths to let people taste a bit of the fruit would not require a big amount of money to invest in. With only a small stand, and plastic teaspoons it is possible to make people try the cherimoya. Also the clients will have a sense of exploitation of the supermarket, as they will fill like the visit to the supermarket has been useful.

Coupons

A coupon is a marketing tool destined to increase the sales of a product or service and also as a loyalty program for the client.

It is usually a printed material included in the package, or in our case would be printed in the purchase ticket of the groceries, or in a communication support, for which the consumer can

trade a gift, a certain amount of cherimoya, according to the supermarket or chain policy. Coupons are used to get a product out in the market and to give them publicity. Coupons offer an advantage to the usual consumer, by promoting its loyalty, and increasing the sales by cheapening a product.

Coupons have been used as a promotional mean to achieve certain goals in the market: counteract the actions of the competency, increase market share, increase loyalty, reduce inventory, etc.

An example of a coupon could be this like the one in the following picture



Figure 6-7 Coupon example

7. ACTION PLAN

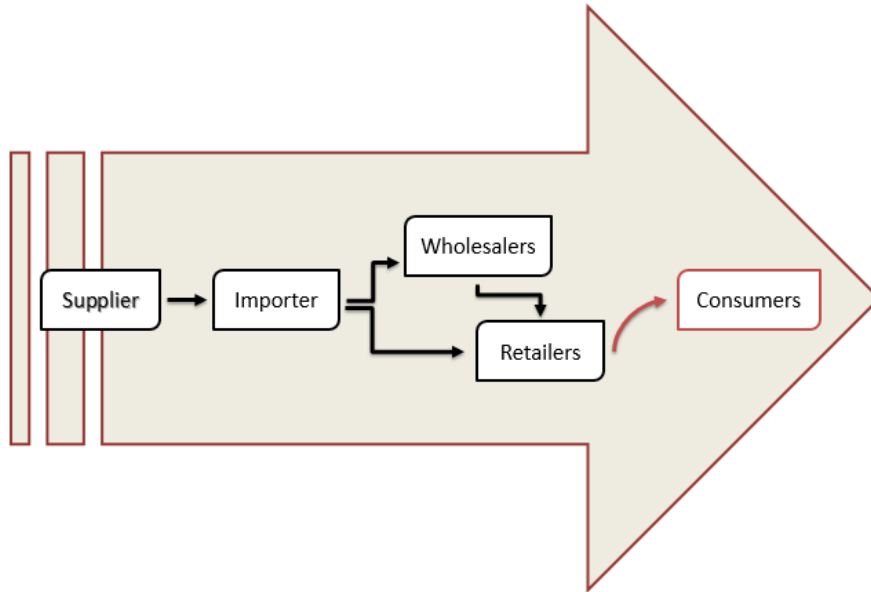


Figure 7-1 Action Plan

7.1. Tasks

1. Create an agreement with the producer
2. Assess the transportation channel
3. Import and display the sale
4. Marketing and promotion
5. Settle sales

7.2. Action and Chronogram

Chronogram	1	2	3	4	5	6	7	8	9	10
Create an agreement with the supplier	█									
Assess the transportation channel		█								
Import and display the sale				█						
Marketing and promotion			█							
Settle sales							█			

Figure 7-2 Chronogram

7.2.1. Create an agreement with the producer

After an exhaustive study of all the characteristics of the business we are getting into, it is important to arrange a meeting with the producer to sign the accords. The contract signed by the two parts has to specify every part of the supply chain: production, collection, certification, maintenance, handling, transport and distribution of the cherimoya.

Also, the contract has to specify the price, the price variation that is sensitive to happen, the quantity that is supplying and all the charges in the middle of the chain. For that the contract will consist on three parts: Form of Agreement, Terms and Conditions of the contract and Schedules that will specify certain characteristics.

An example of a contract with the producer is attached in the Appendix 2.

7.2.2. Assess the transportation channel

There are two important matters to have in mind when we are to study the transportation procedures:

First, Spain and Latvia are both part of the EU, therefore, there are no customs or tariffs out of the already set in the EU. It would be possible to transport the goods directly via ground transportation, and since there's no frontiers in between that could block the transit, it is the cheapest way. However, we have to assess the time it would take to bring the fruit from Spain to Latvia, as the cherimoya has a certain time of maturation, and it's important for it to be consume within 7-8 days of its collect. The other option we are going to value is air transportation.

Air transportation is very costly and it is only justifying for exporting products of high value, such as tropical exotic fruits and vegetables in the European markets, North America and other countries that are nor producers. These markets are really sophisticated and demand products of the highest qualities, with the appropriate packaging in standardized containers and correctly labeled.

All the airway exportations require a careful market analysis, pacification, organization and administration. To be successful it is necessary to add inside the infrastructure a precooling facility, fridge trucks and possibly containers with refrigerating systems in the airport. Due to the weight of the installations and the isolation devices it's impossible to build fridge planes. The difficulties on the isolation emphasize with the difference of pressures between the

conditions in earth and air during the flight over 9.000 meters. Besides, the possibility to use dry ice systems and nitrogen are reduced due to the danger a reduction of oxygen may cause inside the plane. The only admissible solution is the transportation in containers.

Secondly, the cherimoya is a very delicate fruit and the handling should be done with extreme care so the fruit doesn't suffer the consequences of transportation. Also, there are certain environmental control issues that must be applied to the containers that transport the fruit. These rules are

1. Workers Training. The management of the producer must guarantee:
 - a. Supervision and instruction or training of all the alimentary products handlers, in matters of alimentary hygiene, according to their working life.
 - b. The fulfillment of all the requirements of the national legislation relative to the training programs of certain alimentary sectors.
2. Design and maintenance of the vehicles/containers
 - a. They will be designed and built, if necessary, to allow a perfect cleanliness and disinfection.
 - b. When necessary, the receptacles of vehicles and containers have to be able to keep the food products at an adequate temperature, and adjustable.
 - c. It won't be necessary to install a thermograph when the products to be transported are not deep-frozen, or when the distribution is local.
 - d. The alimentary products in bulks, either liquids or small solids will be transported in receptacles, boxes, containers or tankers reserved for its transportation. The containers must have an inscription with all the information in the communitarian languages about its uses and characteristics.
 - e. The receptacles or containers of the vehicles will be at any moment in the adequate conditions of maintenance, in order to guarantee the protection of the product to external contamination.
3. Cleaning and disinfection
 - a. The receptacles or containers of the vehicles will be at any moment clean and in the adequate conditions of cleanliness, to guarantee the protection of the product of external contamination.
 - b. A deep cleaning of the containers must be made between loadings to avoid risk of contamination when in the same container had been transported non-alimentary products.

- c. The products used to clean must have been regulated.
 - d. The cleaning must be done by suitable personal with the proper procedure, having in mind the prescriptions of the uses recommended by any disinfectant, especially when applied onto surfaces that may be in direct contact with the food.
4. Plague control
- a. The proper procedures will be applied in order to avoid any animals to come inside the boxes or the vehicles where the products are being transported.
 - b. In case of the need of chemical treatments, the products used must be acceptable in the alimentary industry, and applied by a company with an authority in plagues.
5. Good practices in the handling
- a. The boxes or containers destined to be used as harboring of the alimentary products must be clean and in a good state.
 - b. The alimentary products must be protected of any contamination source that may make them unsuitable to human consume, or harmful for human health, or contaminate them in any way that can be reasonably inadvisable for its consumption.
 - c. The products must be placed and protected in order to reduce the risk of contamination
 - d. When vehicles or containers are used to the transportation of any other item, there must be a separation of the products.
 - e. If the alimentary products are susceptible of contamination, only this merchandise can be transported.
 - f. The alimentary products in bulks, either liquids or small solids will be transported in receptacles, boxes, containers or tankers reserved for its transportation. The containers must have an inscription with all the information in the communitarian languages about its uses and characteristics.
 - g. If necessary, the receptacles and containers of the vehicles must be able to control the temperature inside.
6. Traceability
- a. All food companies must secure the traceability of its foodstuff with a duty to identify any person that may have received a product from them.

- b. To that end, the company will put in practice systems and procedures that allow the competent authorities to dispense of that information if these authorities seek it.
- c. The companies for delivery hired by the retailers will only follow the traceability procedures towards the retailer, not towards the consumer.

The airway transport of products that require a specific temperature has a high risk because of the big amount of critical points that the logistic chain holds, and that are a menace to the chain. From the cargo at the origin, the waiting in the track, sometimes under the sun, the time in the hold, with temperatures that may vary from -18°C to $+20^{\circ}\text{C}$, to the time waiting in a storage; there are many external threats that affect the products temperature, which requires a special treatment.

It's fundamental to plan, calculating not only the length of the fly, but also the waiting times between transfers, the cut-offs before any flight. The necessary times for deliver etc.

Depending on the product, the flight time and the connection time, several solutions exist to keep the cold chain working from the origin to the destination:

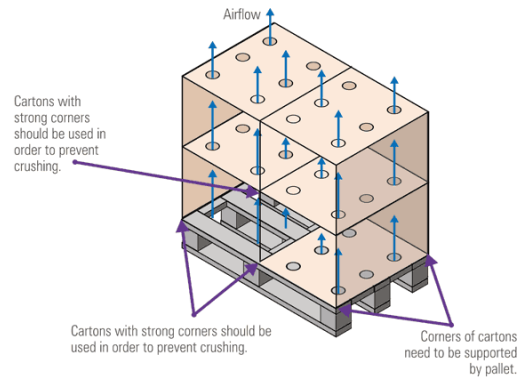
Isothermal containers:

- Envirotainers:

There are ULD prepared with a motor, batteries and a dry ice compartment that maintain the temperature constant up to 72 hours. There are the perfect solution for pharmaceutical products but they increase the price of the product in a 50-60%, comparing to a normal freight.

- AcuTemp:

There are ULD equipped with a compressor and batteries for over 100 hours control of the temperature. They don't carry dry ice, dangerous good, so it is possible to board it in any kind of plane, even in passenger planes.



Insulating packaging

The development of technology made possible to create cardboard boxes with polystyrene or aluminum sheets. There are different sizes and they are usually good enough to maintain the temperature in direct flights, when combined with a cooling material.



Cooling material for aerial transport

- Dry ice

Carbon dioxide in its solid state, it comes cut in blocks or pellets, in different sizes, depending on the application. The dry ice doesn't leave a residue. However it evaporates, and it is then considered a dangerous good. This fact usually raises the price of the cargo, and it means a limitation to the type of planes that can carry it.



- Gel packs:

Bags filled with a cooling liquid that absorbs the heat and helps maintaining the temperature. Even though is not considered a dangerous good, when it comes to aerial transportation are more expensive than dry ice.

Cooling aerial transport for alimentary goods

Aerial transport is the only solution for those shipments of perishable products that, either for its short lifespan, or for its unavailability to travel by boat or truck, must be sent by plane.

There are companies that prepare the goods to be send in their storages in the main cities with international airports. The preparation process includes the wrapping with insulation and cooling materials, as well as the placements of thermographs that allow the client to check the temperature at all time.

In conclusion, the way to transport the goods from Spain (storages in Málaga and Granada) to Latvia (Riga) include on one side, the transportation from the storages to the airport in trucks with the proper conditions adjusted to the needs of the cherimoya, during all year and vice versa, from the airport to the storages in Riga where is going to be distributed accordingly to the wholesalers and retailers that will buy the fruit there. And on the other side, the transportation, via plane, from the main international airport that allows the best conditions and the appropriate price in Spain, probably Madrid Barajas Airport due to its important business in trading, to the main airport in Latvia, Riga International Airport, to its cargo unit.

The quality of the product should not be damaged at any point in the transportation, and it must follow the indications that the security in Spain approve, and the Latvian procedures that are implanted in the country, so as to maintain the best quality of the exotic product.

7.2.3. Import and display the sale

Once all the transportation business is set, it's time to carry out the import. There must have been a precious marketing campaign, so as to guarantee a certain amount of sales. However, there is not going to be a sudden sale of the fruit. This kind of appearance in the market has to be carried on gradually, and the sales likewise. This means that the quantity of cherimoyas imported are hopefully going to be increasing, but at first, it's a strategy of penetration in the market.

7.2.4. Marketing and promotion

For the marketing strategy, it's important to start with the display of publicity before the actual market starts selling the cherimoya.

Creating a need is a way of selling more. By advertising the apparition of a new exotic tropical fruit, and with the proper propaganda ingredients, consumers are going to be urged to buy it as soon as it appears in the market.

With the health courses, different ways of marketing and the trials starting, it is a matter of time until the fruit is fully involved in the market, and it turns out to be a special need in the groceries of any family.

We should make an important emphasis on the origin and quality of the cherimoya, as it is on what we are going to focus our marketing campaign, together with the fact that it is good for your health, and that is a fashionable fruit to add to a healthy diet.

To conclude, it is important to carry on selling the product as long as there is not a established market. This way we can guarantee the sale of the fruit and cover the costs of selling the cherimoya by importing it from Spain.

7.2.5. Settle sales

During the period of insertion in the market, the benefits that we will get won't be high, however it is important to hold a good marketing campaign, and use that push to maintain a good sale range. After the initial increase of sales, there will be a moment where we will stabilize, and it is this point that we have to analyze in order to finally discover what the perfect amount of sales is to cover all the demand.



8. CONSUMPTION ANALYSIS AND MARKETING PLAN

Given the importance that has the correct elaboration of a financial analysis of a Project in the strategic plan, in this case, an export/import plan, it is important to pay careful attention to the details and to the reality surrounding the national and international environment.

The project's success depends on how efficient are the linings of this study. The objective of a financial study is to order, coordinate, define and classify the information that other studies may provide, to establish the financial characteristics to evaluate a project, besides reading the profitability that returns of the investment.

To be able to fulfill the financial evaluation of this project, we consider necessary to know in a detailed way how much is going to be the investment that is going to be necessary, the cost, the expenses and the incomes that are going to be obtained, either operational or non-operational, which means, obtained or no from the social object of the plan, considering the estimate duration of the plan itself.

8.1. Contrasting the consumption

8.1.1. Sales forecast

Current situation in Spain

Right now, in Spain, the southern community (Andalucía) controls the 80% of the national production of subtropical fruits, with over 16 thousand hectares of crops. The commerce of subtropical fruits in Andalucía is on the rise. This sector generates between 150 and 200 million euros a year.

The agriculture minister agreed that the subtropical fruits, and its production are products of big potential, more and more consumed each day, and not only because of their healthy qualities, but also because of the interest that raises in the new gastronomy.

In this group of subtropical fruits, we can of course include the cherimoya. The seasonal campaigns this past two years (2015-2016) have been looking good. The cherimoya that is going to be collected has a great quality according to the statements of representatives of the Spanish Association of Tropical Fruit Producers.

The production from the previous campaign was of 40 million kilos of cherimoya, while the prospect of 2016-2017 that will end in May 2017 is of 50 million kilos. Of this whole volume of product, over 2.5 million will be sold with the seal of quality of DOP.

Out of all the production in the European countries, Spain has traded the most in the European market, being the leading trader in fresh fruit and vegetables, where the cherimoya it is included. The subtropical fruits are basically produced in Spain.

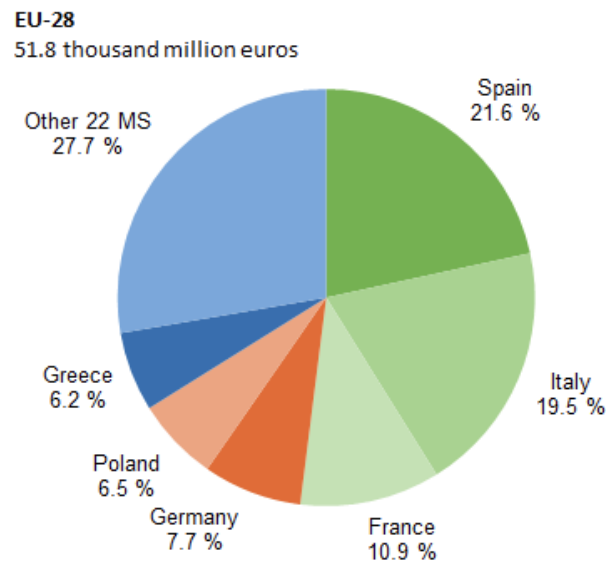


Figure 8-1 Sector diagram for main traders of vegetables and fruit among the EU-28

In the image below, we can study the evolution of the amount of cherimoya trees in the south of Spain.

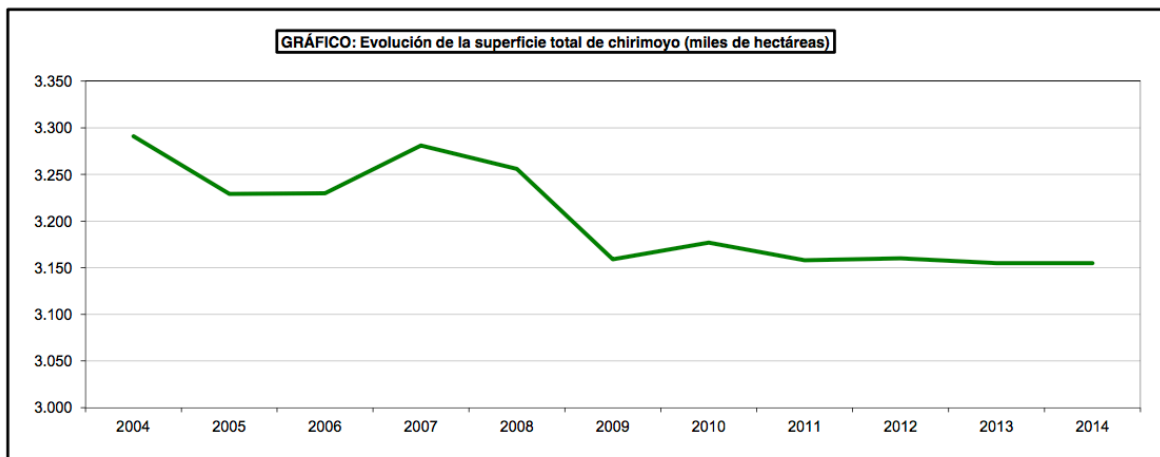


Figure 8-2 Diagram of the evolution of cherimoya crops

In the next graphic, we see the evolution of the production of cherimoya, in tons of product. In the last two years, due to the climate and weather conditions, the production has grown surrounding the 50 thousand tons of fruit. Out of this, 5% of this amount is destined to the DOP.

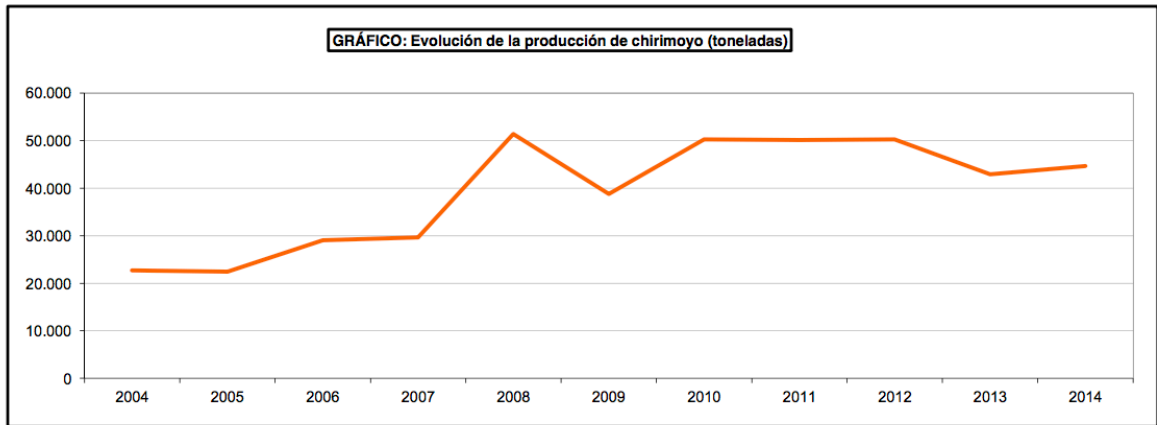


Figure 8-3 Evolution of the production of cherimoya

The price and value of the cherimoya has oscillated in the past years, mainly because it is a product that depends on the weather conditions, as we said before.

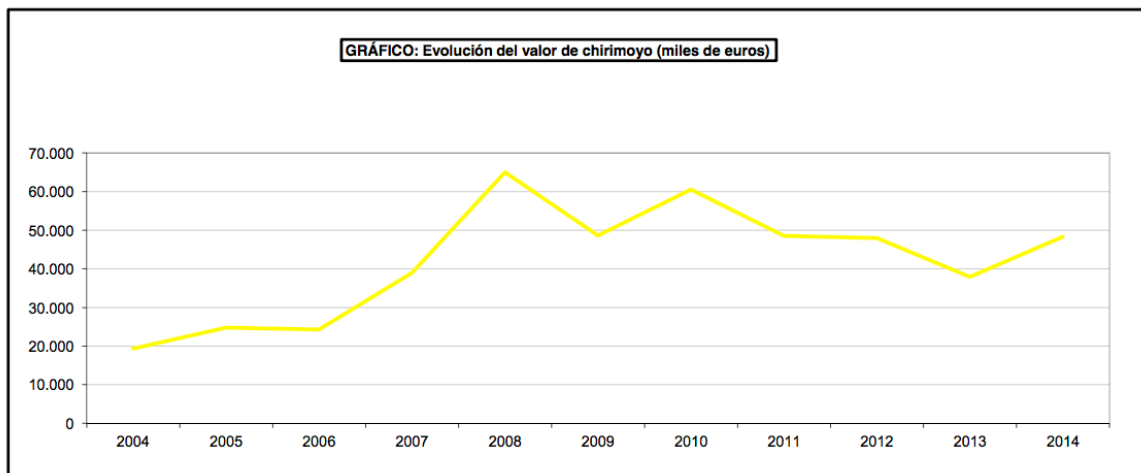


Figure 8-4 Evolution of the price of the tree of cherimoya

The average price of the cherimoya can be checked in the table below. It is possible to realize that during the months that the fruit is not its season, the prices are higher than during those months that the fruit has more impact.

Table 8.1 Price of cherimoya per kilo

<i>Date</i>	Product	Average price (€/kilo)
<i>May 2016</i>	CHERIMOYA	2,84
<i>June 2016</i>	CHERIMOYA	2,88
<i>July 2016</i>	CHERIMOYA	2,86
<i>August 2016</i>	CHERIMOYA	2,14
<i>September 2016</i>	CHERIMOYA	1,81
<i>October 2016</i>	CHERIMOYA	1,30

<i>November 2016</i>	CHERIMOYA	1,52
<i>December 2016</i>	CHERIMOYA	2,04
<i>January 2017</i>	CHERIMOYA	2,52
<i>February 2017</i>	CHERIMOYA	2,73
<i>March 2017</i>	CHERIMOYA	2,76
<i>April 2017</i>	CHERIMOYA	2,29
<i>May 2017</i>	CHERIMOYA	-

As this goes, the prediction for the prices for the next year, calculated with a simple lineal regression are the following:

Table 8.2 Predicted prices of the cherimoya following an algorithm based on a linear simple regression

<i>May 2017</i>	CHERIMOYA	2,19
<i>June 2017</i>	CHERIMOYA	2,17
<i>July 2017</i>	CHERIMOYA	2,15
<i>August 2017</i>	CHERIMOYA	2,13
<i>September 2017</i>	CHERIMOYA	2,12
<i>October 2017</i>	CHERIMOYA	2,10
<i>November 2017</i>	CHERIMOYA	2,08
<i>December 2017</i>	CHERIMOYA	2,06

The history of cherimoya in the last year is the following: in central markets, the price of the cherimoya is quite like that in the prediction, while, counting on average, the different markets that sell it work with different origins for the fruit. For 2015:

Table 8.3 Different market sales in 2015

<i>Product</i>	Selected period	Accumulated total	Origin
	Total kilos origin	Total kilos origin	
<i>Cherimoya fruit</i>	15.319	16.868	ALICANTE
<i>Cherimoya fruit</i>	58.143	34.369	ALMERÍA
<i>Cherimoya fruit</i>	36.605	26.943	BARCELONA
<i>Cherimoya fruit</i>	35	0	CADIZ
<i>Cherimoya fruit</i>	466	1.710	CASTELLON
<i>Cherimoya fruit</i>	1.879.586	1.554.731	GRANADA
<i>Cherimoya fruit</i>	540	0	LOGROÑO
<i>Cherimoya fruit</i>	8.761	3.974	MALAGA
<i>Cherimoya fruit</i>	2.000	0	MURCIA

The one that interest us is the one with origin in Granada, which as we can see has the biggest number of kilograms sold around the different markets in the country.

Households in Spain have the cherimoya in their baskets, mostly in the south. It is a fruit that has a history, and it is included in the Mediterranean diet, menu that has a great importance and basically lives within the Spanish population. That is why it has been a regular sale and it is going to even grow with the pass of the years and the different actions that the marketing procedures will impact on people.

Current action plan in Spain

In Spain, to promote the consume of fruits and vegetables among kids in the schools, the Minister of Agriculture came along with a plan.



Figure 8-5 "Plan to consume fruit and vegetables in the schools"

According to the WHO World Health Organization, and the FAO Food and Agriculture Organization, to fight obesity and other non-transmissible sickness, through the promotion of a healthy and balance diet, together with some physical activity, it is recommended at least a consume of 400 grams of fruits and vegetables per day (excluding potatoes and other tubercles). The consumption of fruits and vegetables worldwide it's below this recommendation. That is why the EU agreed in 2009 to co finance with the States members of the union, the distribution of this products in schools through a program to consume fruit and vegetables in the schools.

This plan is therefore a voluntary European program whose purpose it's to promote the consume and contribute to the promotion of healthy habits, the reduction of obesity and other sickness related to it. Spain is one of the countries that had participated.

In Spain, it began in the scholar year 2009-2010, and has continued ever since. It consists on the distribution of free fruits and vegetables in the schools out of the lunch Schedule, to children between 6 and 12 years old. The delivery is free, and it's important for an effective intervention that allows to counteract the social differences to the Access to this kind of food. The schools are an ideal place to increase the consumption of fruits and vegetables, as the kids can combine the practical and theoretical ideas of it.

This plan affects directly to our study as it increases the probable acquisition of fruit in the families of the children that have benefitted from the plan. If the idea follows as it has been going on since it started 7 years ago, it is safe to say that the possibility of an increase and a bigger use of the cherimoya is now true.

This plan goes on in all the countries of the EU, although not all of them have stick to it. Then it is important for our study to conscious Latvia's government of it, and maybe implant it in the public schools of the country.

Current situation in Latvia

Latvia as part of the European Union, can be study within the criteria to realize what is the consumption of fruit and vegetables nowadays.

According to the data of Eurostat, in the EU-28, two thirds of population consumed at least one portion of fruit and vegetables daily.

Table 8.4 Daily consume of fruit and vegetables over 15 years old

	Not daily	Daily	
		From 1 to 4 portions	5 portions or more
EU-28	34.4	51.4	14.1
Belgium	16.1	71.2	12.7
Bulgaria	58.6	37.0	4.4
Czech Republic	46.3	44.6	9.1
Denmark	37.6	36.5	25.9
Germany	45.2	44.9	9.9
Estonia	34.9	47.8	17.3
Greece	30.1	62.1	7.8
Spain	25.0	62.6	12.4
France	34.7	50.4	14.9
Croatia	27.5	65.5	7.0
Italy	23.0	65.2	11.9
Cyprus	32.6	51.3	16.1
Latvia	48.5	40.2	11.4
Lithuania	41.5	44.5	14.1
Luxembourg	36.2	48.7	15.1
Hungary	33.1	56.8	10.1
Malta	35.6	47.6	16.8
Netherlands	45.9	29.0	25.0
Austria	31.8	61.1	7.2
Poland	33.2	56.8	10.1
Portugal	20.7	61.1	18.2
Romania	65.1	31.4	3.5
Slovenia	27.0	65.5	7.5
Slovakia	46.6	42.6	10.8
Finland	42.3	44.8	12.9
Sweden	36.5	54.5	9.0
United Kingdom	21.3	45.6	33.1
Norway	30.9	62.6	6.5
Turkey	33.7	63.2	3.0

The comparison between Spain and Latvia is that in Spain, over 62.6% of the population aged 15+ are consuming from 1 to 4 portions a day, while in Latvia, the same range, it is only 40.3% of the population. This is beyond cultural, as we can see that in the countries geographically close have a similar range of action. Meanwhile, those countries that are culturally and geographically harvesters, have numbers that imply the proper introduction of a culture of healthy fruit and vegetables diet.

The smallest share of no daily consumption (16.1 %) was recorded in Belgium, along with the highest share (71.2 %) of from 1 to 4 portions consumed in a day. The opposite was found in Romania, where almost two thirds (65.1 %) of the population did not consume any fruit or vegetables daily.

In Latvia, the structure of households' consumption changed during the past years, mainly because of the economic development that acted on the country, as well as the growing employment rate. The share of food is decreasing yearly, meaning that each year the families are spending less and less money on food and using more on other goods as transports and traveling or other leisure activities.

However, the expenditure on food is still higher than other European Union countries, developing at the same time as others that joined the EU at the same time.

The difference between men and women's habits were subject of study by Central Statistical Bureau (CSB). The results of the European Health Interview Survey show that in 2014, 46% of females and 32% of males were eating fruit at least once a day, whereas vegetables were 47 to 37%, except for potatoes.

In Latvia, 40% of residents were eating fruit on daily basis, and vegetables 43% of them. The main share of fruit is consumed by males between 35 and 44 years old and females between 35 and 64. We can observe that this range is wider in women. That's why is a target market in our commercial plan.

The higher socio-economic indicators of population (related to education, income, and employment), the healthier eating habits thereof.

As population with a higher income may be more interested in high nutrition value, or other diversity products, those with a lower income are more interested on having food that allows them to reach the amount of proteins and carbohydrates that are healthy for their life, not caring excessively on how would that affect their healthy diet.

Evolutionally, the changes that suffered the Latvian society on their diet have increased the consumption of proteins, and it has affected recently the 'healthy life' propaganda typical of the western countries, that has had a great impact in all society.

According to data from the WHO in 2009, Latvia had a fruit and vegetable supply of 414 grams per capita per day. Among other countries in the EU, Latvia is placed under the recommendation of the WHO.

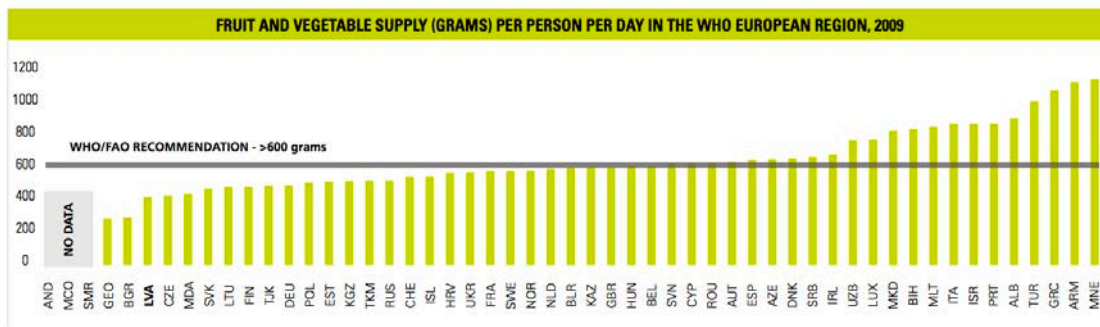


Figure 8-6 Fruit and vegetable supply per day in the EU region

Comparing Latvia to Spain, the last one is slightly over the recommendation. Both countries far from the leader, Montenegro.

Forecast sale conclusion

In 2014, the average consumption on household expenditure decrease a 0.4% from the previous years, after several years going up. The difference with 2010 was that of 50€ more in 2014. This may come as a result of the entrance of Latvia in the EU.

Statistics show that the more children in household, the smaller sum may be spent per household member. This affects our study as we want to direct the sale of our product to a range of population that has a higher income, and that it's directly affected by children education on healthy life. In 2014, consumption expenditure on average comprised 198 euros per household member, per month, while in families without children, the sum went up to 1.7 times that amount, 329 euros per person.

Out of the 299.48 euros on average that included all the expenditures per month of a Latvian citizen, 82.40 was destined to food and non-alcoholic beverages. In this group of expends is included vegetables and fruit.

Other field of study that has an impact in the society and in the expenditure budget population project on their households is the obesity. Nowadays, the obesity has spread as a sickness

more and more dangerous day by day. Not only that, but also, within the population, there's a big difference between men and women. Women between 37 and 65 are more prone to obesity, while men range is a bit wider (33-67), with a 30% of population in this range overweight.

In conclusion, when we talk about sale forecast we can focus on doing a regression on how the prices and consumption of food, fruits and vegetables have been working for the past years, and then try to apply it to our study. However, I find interesting and revealing, that if we study a marketing plan properly, and intensely affect the population with a higher income and healthy interests on food, we can make our sale profitable.

8.1.2. Marketing Activities

Description

The idea is to sell the cherimoya in a Baltic country, Latvia, as a fruit with certain nutritional characteristics that make the product a suitable ingredient in a healthy diet. The cherimoya is a perishable product that must be consumed within a certain period so it can hold its properties.

The focus that we want to give our marketing plan to publicity the consumption of the fruit and promote its use in a wider range is that it has so many advantages for people's health and contributes to reduce the obesity and increase the levels of healthy life.

We consider that there are some other tropical fruits that can compete with what the cherimoya means. These other fruits were considered before, and although they are already quite installed in the Latvian society and market, they can be left aside or coexist with the cherimoya.

The market we are focusing on are supermarkets with a high reputation and also those that combine gastronomical and gourmet products. The people we are focusing on are adults with a regular-high income that are interested in healthy life, and in families with children that could benefit of the nutritional value of the cherimoya.

The main sale from the producer will be to wholesalers. Also, there is another way of action that acts directly onto retailers. From wholesalers to retailers the marketing activity is going to be a push strategy. We want wholesalers to put in the market the cherimoya. Retailers are

going to act as the customers, therefore, they are going to need a pull strategy, where the customers and clients are going to need the cherimoyas, ask for it and then buy it.

Marketing activities

Translation

A barrier that we are finding in order to sell our product in Latvia is mainly the language. For this, we'd have to hire translators, and their duty will have an effect in everyone around them. Without them it wouldn't be possible the connection Spain-Latvia product.

Public relations and social media

Those in charge of making the important decisions about marketing must be updated in every moment about what's going on and they are the main directors of what happens with the selling of the products.

The public relations team must be in charge also of the internet and social media. They must work accordingly with the webpages developers so all the information is updated. It is important for them to be near the customer and the producer. How the season campaign of fruit goes and how is the acceptance among the customers is important information that have to be contrasted and used to the traders' benefit.

Printing

Fliers and leaflets are advertising or information material with text and images that are distributed or sent. There are some of the most effective ways of distributing advertising materials and one of the most popular methods to reach consumers. Is simple accessible, and not excessively expensive.

Leaflets are usually sent by post, or distributed given in hands. Promoters are in charge of the design and the distribution. After designing, it is necessary to find an affordable price to print.

Flyers are effective to reach an audience that is already in the marketing strategy, and to catch them to assist to a sale, discount, opening event or other kind of event.

For the design, it has to be colorful and bright, easy to see in a glance and flashy. Nowadays it is easy to find a designer with good taste, and the investor is the one that is going to decide the looks of their printing.

Offset printing is now fast and easy with modern machines. To get to the final point, we go through different stages:

- 0- Collecting information
- 1- Developing the idea, design, sketches...
- 2- Process the mock-up and create a valid file.

The cost of this activity may vary, but we are going to set an example: To distribute 500 flyers in different sizes, approximately the cost would be:

Table 8.5 Costs of printing example

Product	Cost
<i>General design</i>	35€
<i>Design A4 model</i>	20€
<i>200 flyers A4</i>	90€
<i>Design A5 model</i>	20€
<i>300 flyers A5</i>	101,25€
<i>VAT (21%)</i>	55,9125
<i>Total</i>	322,1625€

This mean of marketing is really interesting because it gives the possible customer an idea of what they can find, and it is a good advertisement because it is usually remembered. If someone keeps the flyer, after a certain time it is a good reminder.

The good thing about paying for the design it is that the blueprint can be used also as a product to send via email.

The distribution should be taken place in strategic places, for example, close to a supermarket, so it doesn't alter the walk of the pedestrian. Other idea is next to shopping centers, where is taking part an event.

For time schedule, it would be interesting to have it during the time when people go to supermarkets, and preferably as it is a product of high quality and an over the line price, after the clients have received their monetary compensation on their jobs, therefore, at the beginning of the month.

Television activity

The television advertising market shrank by 40 per cent in 2009 compared to 2008, but television remained the market leader in terms of proportions of advertising. It controlled a 40

per cent share of that market. In 2009, 30-second spots accounted for 62% of all ads on television; 15-second spots were just 35%. In 2013, the percentage of 30-second ads fell to 53% and 15-second spots increased to 44%," the story reports.

We study the share of the market in television visualization in National TV channels. It is interesting to know which are the more visualize channels, which are also those that have the biggest price when adding advertisement. LTV1 channel and TV3 are the more interesting to get information on, But we shouldn't leave aside some others, like PBK or LNT. Therefore, we can look into the prices of these ones.

**Comparison of Share of national TV channels (Share %)
February 2016 - March 2016**

Channel	February 2016	March 2016	Comparison
1BM	0,2	0,3	+0,1
3+	3,2	3,4	+0,2
360TV	0,1	0,1	+0,0
CTC Baltija	0,8	0,7	-0,1
FOX	0,3	0,3	+0,0
Fox Life	0,5	0,4	-0,1
Kanāls 2	0,9	0,8	-0,1
Kidzone TV	0,5	0,5	+0,0
LNT	7,7	6,7	-1,0
LTV1	10,2	9,3	-0,9
LTV7	2,7	2,2	-0,5
National Geographic Channel	0,5	0,5	+0,0
Nickelodeon	0,7	0,8	+0,1
NTV Mir Baltic	7,5	6,5	-1,0
PBK	8,4	8,4	+0,0
Re:TV	0,4	0,3	-0,1
REN TV Baltic	2,9	3,3	+0,4
RīgaTV 24	1,2	1,1	-0,1
RTR Planeta Baltija	7,1	6,4	-0,7
Sony Channel	0,1	0,1	+0,0
Sony Turbo	0,1	0,1	+0,0
Sportacentrs.com TV	0,1	0,2	+0,1
STV	0,4	0,3	-0,1
TV3	11,6	12,2	+0,6
TV5	3,5	4,7	+1,2
TV6	2,4	2,2	-0,2
Time-Shifted Viewing	5,0	6,1	+1,1
Other Viewing	21,1	22,3	+1,2

Data source: TNS, TAM, February 2016 - March 2016 (01/02/2016-31/03/2016)

Figure 8-7 Share of National TV Channels

These values are the cost per second of advertisement in the different time ranges. Of course it's not the same to have your advertisement broadcasted at 6 am in the morning or at 10 pm, because it depends on how much viewers the television expects. Also, depending on the number of seconds the add has, it can get several discounts.

Apjoma atlaides no sekundes cenas:

Investīcija, EUR	Atlaide
1 000	50%
2 500	60%
5 000	70%
7 500	75%
10 000	80%
15 000	82,5%
20 000	85%
25 000	87,5%
>30 000	90%

Figure 8-8 TV ad discounts for seconds

TV3			LNT		
Stunda	Darba dienas	Brīvdienas	Stunda	Darba dienas	Brīvdienas
6:00 - 6:59	12,10	12,10	6:00 - 6:59	1,05	1,05
7:00 - 7:59	18,70	12,10	7:00 - 7:59	22,05	2,10
8:00 - 8:59	18,70	24,20	8:00 - 8:59	16,80	5,25
9:00 - 9:59	18,70	54,45	9:00 - 9:59	11,55	11,55
10:00-10:59	18,70	66,55	10:00-10:59	5,25	11,55
11:00-11:59	18,70	66,55	11:00-11:59	5,25	11,55
12:00-12:59	18,70	66,55	12:00-12:59	5,25	16,80
13:00-13:59	18,70	66,55	13:00-13:59	5,25	16,80
14:00-14:59	30,25	66,55	14:00-14:59	11,55	16,80
15:00-15:59	48,40	66,55	15:00-15:59	13,65	18,90
16:00-16:59	48,40	66,55	16:00-16:59	22,05	27,30
17:00-17:59	48,40	66,55	17:00-17:59	22,05	27,30
18:00-18:59	84,70	72,60	18:00-18:59	33,60	38,85
19:00-19:59	133,10	133,10	19:00-19:59	66,15	66,15
20:00-20:59	133,10	133,10	20:00-20:59	77,70	77,70
21:00-21:59	133,10	133,10	21:00-21:59	77,70	77,70
22:00-22:59	133,10	133,10	22:00-22:59	66,15	66,15
23:00-23:59	133,10	133,10	23:00-23:59	33,60	49,35
0:00-0:59	60,50	60,50	0:00-0:59	7,35	11,55
1:00-1:59	24,20	24,20	1:00-1:59	2,10	2,10
2:00-5:59	12,10	12,10	2:00-5:59	1,05	1,05

Figure 8-9 TV frames prices for National TV Channels

So if we calculate the price for two ranges in the two channels that we could see before, the result would be, for 20 seconds advertisement:

Table 8.6 Costs of TV example

TV Channel	Time frame	Working days	Total	Holidays	Total
TV3	14.00-14:59	11,55 €/sec	231 €	16,80 €/sec	313,6 €
	21.00-21.59	77,70 €/sec	1554 €	77,70 €/sec	1554 €
LNT	14.00-14:59	30,25 €/sec	605 €	66,55 €/sec	1331 €
	21.00-21.59	133,10 €/sec	2662 €	133,10 €/sec	2662 €

The main activity that televisions are going to host on cherimoya advertising is going to be cooking programs. As we said in previous points, it is important that people find an interest on how to cook with this new product. It would be easy to add some of the recipes that are attached in the appendix to any of the known cooking programs, as Ciemiņš virtuvē, Cepiens, Gatavo 3, Mana mamma gatavo lābāk nekā tavējā, Glabējkomanda, Cepums, or La Dolce Vita ar Roberto.

The channels that we should reach have to be chosen carefully, is not going to be effective an ad in a kid's channel, as they don't have the economic power. However, a certain ad about healthy diet and how much fun are the vegetables and fruits could be inserted in this line.

The range of time, or time schedule would need to be during a time that has more impact. For example, if someone is on his way to the supermarket and previously watching the TV, it

would have more impact than someone who is going to bed at night. For this it would be necessary to study the buying habits of the population.

To conclude, it would be interesting to invest in these TV channels mentioned previously, and the investor should study which time range it is more suitable for their benefits. It would also be compelling to search the market to find a niche in which we could introduce the cooking recipes.

Radio activity

The latest results of the survey evidence that 78% of the inhabitants of Latvia aged from 12 to 74 have listened to the radio at least once a week during the spring of 2013 that makes 2 per cent points less than in winter. During the spring period, 59% of the surveyed age group have listened to the radio at least once a day.

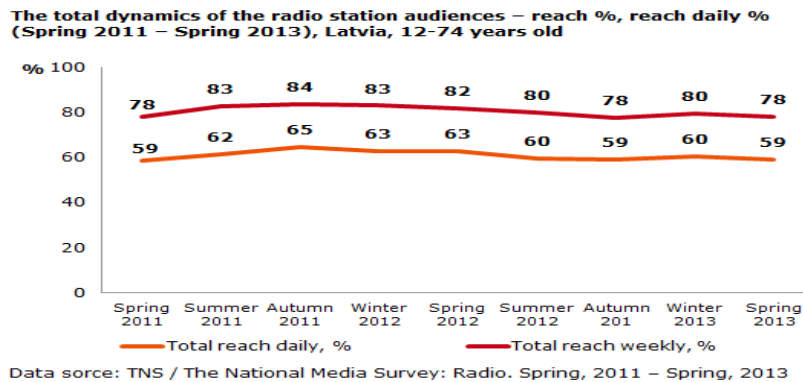


Figure 8-10 Share of radio listeners Latvia

Weekly audience of radio stations (Reach) in Latvia during the winter and spring period, 2013

No	Radio station	Winter 2013		Spring 2013	
		Reach ('000)	Reach %	Reach ('000)	Reach %
1	Latvijas Radio 2	402	22,7	404	22,8
2	Radio Skonto	255	14,4	299	16,9
3	Latvijas Radio 1	203	11,5	255	14,4
4	Radio SWH	174	9,8	194	10,9
5	Star FM	145	8,2	169	9,5
6	EHR (Eiropas hitu radio)	168	9,5	160	9,0
7	Hiti Rossii / Ruskoje Radio	151	8,5	153	8,7
8	Latvijas Radio 4	158	8,9	134	7,6
9	SWH +	111	6,3	121	6,9
10	TOP Radio	88	5,0	107	6,0
11	RETRO FM	83	4,7	102	5,8
12	Super FM	88	5,0	101	5,7
13	AUTORADIO	104	5,9	99	5,6
14	Radio 101	53	3,0	71	4,0
15	Latvijas Kristīgais radio	62	3,5	67	3,8
16	Jumor FM 88,6	70	4,0	65	3,7
17	EUROPA PLUS 99,5 FM	63	3,6	53	3,0
18	Radio MIX FM 102,7	66	3,7	53	3,0
19	Latvijas Radio 3	46	2,6	49	2,8
20	Radio PIK 100 FM	32	1,8	46	2,6
21	Radio Baltkom	40	2,2	45	2,5
22	Radio Valmiera	30	1,7	42	2,4
23	SWH Rock	43	2,4	39	2,2
24	Capital FM	23	1,3	23	1,3
25	SPIN FM	22	1,2	22	1,3
26	Radio NABA	8	0,4	12	0,7
27	Radio Merkurs	9	0,5	11	0,6
28	BBC World Service	11	0,6	7	0,4

Data source: TNS / The National Media Survey: Radio. Winter 2013 (29.10.2012 - 03.02.2013), Spring 2013 (04.02.2013 - 12.05.2013)

Figure 8-11 Weekly audience of radio stations

The most listened radio in the country it is Latvijas Radio 2, followed by Radio Skonto. It would be interesting to have an advertisement in either of these radio stations. A short radio ad about cherimoya could be announcing other cooking recipes or cooking programs, advertising the nutritional values of it, where can the consumers find it in the supermarket or central markets or advertise some other event about healthy food and healthy life, which is the most important activity to show the people what we are selling.

The prices for an advertisement in the radio is related to the length of the advertisement.

So if we calculate the price for the main radio station that has the biggest amount of listeners, the result would be, for 30 seconds advertisement:

Latvijas Radio 2	
Laika zona LR2	audioreklāma EUR / 1 sek.
6:59 - 13:00	1.90
13:00 - 16:00	1.25
16:00 - 19:00	0.90
19:00 - 21:00	0.50

Figure 8-12 Radio frame prices for Latvijas Radio 2

Table 8.7 Costs of Radio example

Radio Channel	Time frames	Price/second	Total
Latvijas Radio 2	6:59- 13:00	1,90 €/sec	57 €
	13:00 – 16:00	1,25 €/sec	37,50 €
	16:00 - 19:00	0,90 €/sec	27€
	19:00 - 21:00	0,50 €/sec	15€

To conclude, the investor should study which is the range that is more suitable for their benefit, and create a radio advertisement that could reach the audience in the best way. It is important to realize that it is harder to get to the audience by voice. While television helps itself with the visual capacity, the radio has to capture the listeners attention in some other way, only by sounds. It is the marketing strategist to obtain this ad, and it is a hard job for them to get it in the best way.

Online activity

To advertise on the internet, we can use different means. For example, via YouTube. YouTube ads are videos that are added to a certain video, and that are only paid for if the viewer gets interested on the advertisement. If the viewer skips the add in a period or doesn't

enter the web page then the advertiser doesn't pay for that add. The average cost goes between 10 cents and 30 cents per click, depending on the marketing strategy the advertiser wants to create.

This way we could create videos that would link to webpages that advertise the healthy use of the cherimoya, or to videos of cooking programs. With YouTube, you can decide how much one wants to spend on a certain add.

Other way to create ads is via Adclick. The budget for a marketing campaign is hard to foresee, as it depends on the target market, the category of the webpage, the advertisement format and some other factor. The managers of these pages usually recommend that when there isn't a sure objective, the investor should apply the minimum quantity that the system allows, which is 70€+IVA.

The costs for one-click, are the following:

Table 8.8 Costs per Ad activity example

<i>Category</i>	Banners	Texts	Text + small image
<i>Business and news</i>	≥ 0,21€	≥ 0,09€	≥ 0,15€
<i>E-commerce</i>	≥ 0,21€	≥ 0,09€	≥ 0,15€
<i>Entertainment</i>	≥ 0,21€	≥ 0,09€	≥ 0,15€
<i>Women</i>	≥ 0,21€	≥ 0,09€	≥ 0,15€
<i>RU</i>	≥ 0,21€	≥ 0,09€	≥ 0,15€
<i>+18</i>	≥ 0,19€	≥ 0,09€	≥ 0,15€

Direct marketing (supermarkets)

Free samples are a good way to promote a product inside the different stores. By creating a relation between the seller and the client, it is easier to promote the fruit directly. The seller has a bigger chance of success if they can explain straight to the customer what the fruit is. By tasting it, the own client can prove first-hand how the fruit is, and therefore decide whether they like it or not.

To put into work this idea, it would be necessary to work out a stand that can hold different information about the cherimoya. It would also be interesting to create a tropical atmosphere, as it is the fruit. Studies have shown that the ambience around a subject influence deeply on the interest of one person.

Loyalty programs

Create a long list of truthful, trustful, regular clients is difficult, and a fidelity program requires a lot of effort. However, some of the companies and supermarket that will act as retailers in our plan have already this kind of activity as their own marketing business, that's why we can make the most of it.

The alternative that generates more benefits is email marketing. By bombing those with fidelity programs with information about our new product, we can easily get ahold of a new number of people willing to try the cherimoya. Email marketing has a cost affordable, as it only needs of some program that maintains the news updated and it's able to send it to all the possible consumers,

Maintenance

Marketing requires of a lot of regularity, as the campaign goes on and on, there's no place for error. Due to that, it is quite important to make sure that the advertising that is being used is updated, the people that give it to the customer has cached up with the news and every web page and add that is used has the correct information. A bad reputation in advertisement could harm the whole commercial plan.

The cost of it shouldn't be high if we consider that by not getting distracted off our objectives, the harm is minor, or null. Therefore, we should realize that there's no need of maintenance if we continue the line of work without getting out.

Events

An interesting event that could take place, besides those that we learned before in the marketing strategy point, is a photo contest. On it, people should take a picture of their family, or kids having a lunch that would include a cherimoya. They would post on the internet webpage that we create, or in any social network (Twitter, Instagram, Facebook) up to our choice, and then pick up a winner that could win cherimoya for a certain time.

8.2. Conclusion

The purpose of the study of marketing activities is not to achieve a final price on the different activities, but to understand better when and where it is supposed to happen.

Market timing is the strategy of making decisions around buying or selling after a prediction of the future market price movements. The prediction may be based on an outlook of market

or economic conditions, after a certain type of analysis. We should then look for an aggregate market, rather than the advertising itself.

As the cherimoya is a seasonal fruit, there are times of the year where is more profitable to sell it, mainly because its quality is better, the return of the investment is more interesting and the population are more receptive.

If we remember, the season of the cherimoya goes from September to April-May. Then, if we want to prepare a proper marketing strategy, it should be focused on the preparation for this campaign.

According to this, is possible that this preparation we are talking about should start at the end of August, when the fall is about to arrive. We should concentrate on highlighting the properties of the fruit that are showier, as its nutritional value and the prevention of certain sicknesses due to its big amount of vitamin C.

The conclusion we can get here from this could be sum up in the following table:

Table 8.9 Conclusions for Marketing Activity

Activity	Period	Characteristics
Translation	During the design stage	The importance of the translators is obvious always, as they are the link between the characteristics of the cherimoya in Spain and the customers in Latvia, and all the channels in between
Public relations and social media	During the preparation of each campaign. June-May	They are in charge of the proper introduction of the fruit in the market. Therefore, it is a job that requires a big amount of time and a helpful hand of the translators and really linked to the rest of the activities
Printing material	During events in the cherimoya season time. September-May.	It is their mission to enhance the consumption of the cherimoya during the months that is in the market. Flyers and leaflets have the purpose of inviting customers to try a new product.

Activity	Period	Characteristics
Television activity	September-May. Ads on TV during certain time zones where is more impacting.	<p>Apart from the different prices that a TV ad could have, it is important to focus on the channel, and how is the ad going to get to the ears and eyes of the customer. Therefore, we should focus on the destined viewers more than how much would cost in a certain channel.</p> <p>The range of time, or time schedule would need to be during a time that has more impact. For this it would be necessary to study the buying habits of the population.</p>
Radio activity	September- May. During the time that more adults listened to the radio.	<p>Radio activity impacts overall in the event creation. So, it would interest to have a good advertisement on every event that could be hosted to promote the cherimoya.</p> <p>The time zone to be broadcasted an ad on TV depends on the amount of adults listeners that are in charge of the households.</p>
Online activity	During all year, in online shops, and with cookies that shoot with information.	<p>Videos and simple ads are to be the fastest way to get someone to be interested on the fruit. The high use of internet nowadays makes it easier to spread news.</p> <p>Shop online webpages and healthy life ones are the target we should focus on.</p>
Direct marketing	Season. September-May.	<p>With panels, stands and promoters inside the supermarket, during the higher affluence hours, to drag the bigger number of customers possible.</p>

Activity	Period	Characteristics
<i>Loyalty programs</i>	All year	Loyalty programs are not a direct marketing, as they depend on the supermarket. However, the distribution of coupons for the purchase of cherimoya during its seasonal time is a good strategy, and, the coupons for that time when the price is higher (June-August) so the market would become reachable.
<i>Events</i>	September-May. During high affluence hours in supermarkets and in health events, air events, gastronomic events...	With contests where customers can get free samples, or other activities that introduce the consumption of the cherimoya.

CONCLUSION

The main point of this work was to expose the probability of exporting a fruit that does not have a possibility of being cultivated in Latvia, from the Tropical Coast in Spain, and to analyze the market environment surrounding the Latvian population, through a marketing strategy that, as general as it is, is really focused on one important issue.

During this work, the market has been analyzed, and therefore the conclusion is that the main targeted group was that part of the population that are really interested in healthy life diet and fruit investment, as well as high income families that are prone to try new sensations when it comes to the households.

However, previously it has been studied the concepts that are more common when talking about the cherimoya from Spain, like Certificate of Origin, the different types of this fruit, the probability of being substituted by other tropical fruits, the sensitivity around seasonal activities and therefore exports activity in Spain.

Thereby, it was needed to have a general view of Latvian economic and social activity, and the previous ventures that the country has been into. With that information, it was possible to forecast limitedly a consumption in fruit in general and the evolution of the price in its place of origin, even though the focus was not on achieving a price in the Latvian market.

To conclude, it is safe to assume that the marketing strategy that has been planned in this work needs an investor to take over it and open the market for a different species of fruit that has been introduced gradually in other non-tropical countries. This work offers a general view of the project that could be carried through towards a benefit business.

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APPENDIX

APPENDIX 1 - RECIPES

CHERIMOYA AND PAPAYA SMOOTHIE

Ingredients

1 medium ripe papaya
1 large ripe cherimoya
½ cup crushed ice or 1 pre frozen banana
1 Tbsp honey
Pinch of sea salt
1 Tbsp coconut oil (Optional)
2 Tbsp full fat coconut milk or to desired consistency (Optional)
Probiotic capsules for extra boost (Optional)

Instructions:

1. Peel and de-seed the cherimoya and the papaya
2. Puree the fruit and honey in the blender. Add the ice or banana and continue to puree until smooth
3. Add the coconut oil and probiotics if using
4. If you need to thin out the smoothie you can add more ice, but it's even better with coconut oil
5. Put into chilled glasses and serve at once
6. Enjoy!



TROPICAL CHERIMOYA SALAD DRESSING

Ingredients

1 cup pureed cherimoya pulp (about 2 small cherimoyas)
1 cup extra virgin oil
3 Tbsp rice vinegar
1 Tbsp lemon juice
Pinch of sea salt
1 Tbsp sesame tahini, sesame oil or powdered sesame seed
1 clove fresh, organic garlic, minced (about ½ teaspoon)
1 Tbsp fresh organic cilantro, minced (Optional)

Instructions:

1. Peel and de-seed the cherimoya until puree
2. With the blender on a low setting, mix pureed cherimoya pulp with the extra virgin olive oil
3. Add the rice vinegar, lemon juice and salt
4. Add sesame tahini, sesame oil or powdered sesame seed
5. Add garlic, then cilantro, and blend just until completely mixed
6. Enjoy with salads or as a marinade for fish, seafood or chicken



TROPICAL SOUP

Ingredients

1 large ripe cherimoya
1 large ripe mango
1 cup apple juice
1 cup milk (organic cow's milk is the best)
1 Tbsp of honey
Pinch of ground cinnamon

Instructions:

1. Chill the ingredients for at least an hour before preparing
2. Peel and de-seed the cherimoya and mango and cut them into pieces
3. Put the fruit, apple juice, milk, honey and cinnamon in a blender and puree till smooth
4. Pour into serving bowls add garnish of choice and serve
5. Enjoy as a bright fresh appetizer or dessert



CHERIMOYA AND LEMON FROZEN DAIQUIRIS

Ingredients

3 cherimoyas, peeled and halved length wise
4 cups ice cubes
 $\frac{3}{4}$ cup white rum
300 grams frozen lemonade concentrate, thawed and undiluted
Lemon wedges (Optional)

Instructions:

1. Cut each cherimoya half into 2 wedges
2. Remove seeds from cherimoya pulp; discard seeds
3. Place pulp in blender
4. Add ice, rum and concentrate to blender
5. Puree until smooth
6. Divide cherimoya mixture evenly among each glass
7. Garnish with lemon wedges if desired
8. Serve immediately and enjoy!



APPENDIX 2 – CONTRACT SUPPLIER

SUPPLY AGREEMENT

Date: _____

Parties:

Of (the Client)

Of (the Supplier)

Introduction:

The Supplier has offered to supply and distribute to the Client the product according to the details attached in the Terms and Conditions described in the file that follows, at the Client's premises.

The parties agree as follows:

The supplier will provide the product and services as detailed in Schedule 1.

The Client will give the Supplier 15 days notice to enable the Supplier to manage the production and transportation.

The Contract price is€and details are attached in Schedule 2

The Contract between the two parties consist on this form of Agreement, the attached Terms & Conditions and Schedules and comes into effect upon signature

Signed by or on behalf of the Client and the Supplier on the date specify above.

SIGNED by:

[Name of the Client]

In the presence of:

SIGNED by:

For and on behalf of the Supplier

In the presence of: