

COMMUNITY FOOD ENTERPRISE: A STRATEGY FOR DEVELOPING SANCAPAC

IN COORDINATION WITH
LA ASOCIACIÓN
CAMPESENA EL CÁNTARO
DE SANCAPAC DE
CUMBE
AND WORCESTER
POLYTECHNIC
INSTITUTE

WRITTEN BY:
ANALAIDE BOISSONNEAULT
EVELINE REDDINGTON
KATHERINE JOHANNES
TRISTAN ARNOLD





Community Food Enterprise: A Strategy for Developing Sancapac

An Interactive Qualifying Project Proposal

Submitted to the faculty of

WORCESTER POLYTECHNIC INSTITUTE

Written by: Analaide Boissonneault, Eveline Reddington, Katherine Johannes, and Tristan Arnold

Sponsor: La Asociación Campesina El Cántaro de Sancapac de Cumbe

Advisors: Robert Hersh and Seth Tuler

Date Submitted: 28 February 2019

This report represents the work of four WPI undergraduate students submitted to the faculty as evidence of completion of a degree requirement. WPI routinely publishes these reports on its website without editorial or peer review. For more information about the projects program at

WPI, please see: <http://www.wpi.edu/Academics/Projects>

ABSTRACT

Our project helped La Asociación, a farmers' association in Cumbe, Ecuador (see *Figure 1*), identify strategies to market organic food products in nearby Cuenca. To help La Asociación identify potential customer and valued products, we interviewed members of the expatriate community and high-end retail stores in Cuenca. To distinguish La Asociación from its market competitors, we created a narrative. We also developed resources for them to assess their opportunities and gaps for marketing products in the future, as well as information about regulations and potential grants. These resources provide valuable insight for La Asociación to succeed, and the project provided us with insight into the challenges facing rural communities as they search for new ways to generate income.



Figure 1: View of Cumbe, Ecuador

ACKNOWLEDGEMENTS

There are many individuals and organizations we would like to thank for helping and supporting us throughout this process, allowing for the completion of a successful project.

First, we would like to thank our sponsor, La Asociación Campesina El Cántaro de Sancapac de Cumbe, for providing us with the opportunity to assist the organization, in its entrepreneurial endeavors. We would also like to thank each member of La Asociación individually: Monika Guaman, Freddy Fernandez, Antonio Zhingri, Rosa Zhingri, Esperanza Yalamo, Karol Fernandez, Elias Tenemea, Ramon Chilloalli, Rosa Puchi, Gerardina Morocho, Teolinda Chuquimarca, and Geovany Zhingri for welcoming us into their homes and sharing their culture and traditions with us.

We would like to thank our advisors, Professors Robert Hersh and Seth Tuler from Worcester Polytechnic Institute, for helping guide us through this process with their feedback and support. We would also like to thank Lauren Elgert and all other WPI faculty who helped to make this project possible.

We would like to thank Ana Loja and the University of Cuenca for generously hosting us and helping to facilitate our project work.

We would finally like to express our sincerest gratitude to Professor Pedro Mora P., a professor in the Economics Department of University of Cuenca, and Fredy Vasquez Arce, the Coordinator of AgroAzuay, for the information they provided us concerning expertise in community and product development in small communities. With their help, we were able to gain additional insight on our project to make more detailed recommendations to our sponsor.

AUTHORSHIP

Section	Main Authors	Main Editors
<i>Abstract</i>	Katherine, Analaide, Eveline, Tristan	Eveline, Analaide, Katherine, Tristan
<i>Acknowledgments</i>	Tristan	Analaide, Katherine
<i>Introduction</i>	Katherine, Analaide	Analaide, Eveline, Tristan
CFEs as a development strategy in rural Ecuador	Analaide, Eveline	Analaide, Katherine
Challenges facing CFEs	Katherine	Analaide, Katherine
Mitigating challenges	Analaide	Katherine, Analaide, Eveline
Enhancing opportunities	Analaide	Katherine
Business Plans	Katherine, Eveline	Analaide
Objective 1	Katherine	Analaide, Katherine, Eveline
Objective 2	Analaide, Katherine, Eveline, Tristan	Analaide, Katherine, Eveline
Objective 3	Eveline	Analaide, Katherine, Eveline
Objective 4	Analaide	Analaide, Eveline
Results of Applying the Business Model Canvas	Analaide, Eveline	Analaide, Katherine
Recommendations	Eveline, Analaide	Katherine, Analaide, Eveline, Tristan
Conclusions	Analaide, Eveline	Katherine

TABLE OF CONTENTS

Abstract	i
Acknowledgements	ii
Authorship	iii
Table of Contents	iv
Table of Figures	vi
Introduction	1
Background	2
1. Community food enterprise as a development strategy in rural Ecuador	2
2. Challenges facing community food enterprises	4
3. Mitigating challenges	4
4. Enhancing opportunities for community food enterprises	5
5. Business Plans	5
Summary	7
Methods	7
OBJECTIVE 1: We gained additional knowledge about successful and unsuccessful community development programs and their business strategies from experts in related fields.	8
OBJECTIVE 2: We analyzed each of the nine aspects of the BMC to distinguish activities La Asociación could complete, resources they may require, and limitations to consider.	9
OBJECTIVE 3: We investigated local markets and high-end shops in Cuenca to draw upon access to the larger customer base available in the city, including tourists, ex-patriots, and locals with high levels of disposable income. We determined business strategies that heighten sales of food products by interviewing shop representatives of these stores.	10
OBJECTIVE 4: We assessed customer label and narrative preferences in Cuenca to determine opportunities for marketing strategies through interviews with potential customers.	11
Results of Applying the Business Model Canvas	12
1. Identifying the Value Proposition for La Asociación	12
2. Marketing Strategies	13
3. Key Resources	15
	iv

4. Market Outlets	16
5. Target Customers	18
6. Product Demand	19
Limitations	19
Research Challenges	20
Recommendations	20
Recommendation 1: La Asociación must complete all legal paperwork required by the government to sell its products.	20
Recommendation 2: La Asociación should fill the gaps determined through the business model canvas.	21
Recommendation 3: La Asociación should reflect upon long-term planning to expand its business.	21
Recommendation 4: La Asociación should apply for outside funding to aid in the development of its business.	22
Conclusion	22
References	24
Appendices:	28
Appendix A: Community Development Expert Interview	28
Appendix B: Business Model Canvas	29
Appendix C: Interviews with Shop Owners	30
Appendix D: Customer Segments Interviews	31
Appendix E: Consent Form: All Objectives	32
Appendix F: Recommendations in Spanish for La Asociación	33
Appendix G: Checklist for La Asociación	36
Appendix H: Store Considerations for La Asociación	41
Appendix I: Report of Findings for La Asociación	44

TABLE OF FIGURES

Figure 1: View of Cumbe, Ecuador	i
Figure 2: Map of Cumbe, Ecuador	3
Figure 3: Azuay Region of Ecuador	3
Figure 4: La Asociación sharing its organic food products with our team	3
Figure 5: Business model canvas interactions	6
Figure 6: Toms shoe label	6
Figure 7: Business model canvas color coded by objective	8
Figure 8: Our team meeting Professor Pedro Mora	9
Figure 9: A structured discussion with our sponsor	10
Figure 10: A member of our group conducting an interview with the owner of Khatu Organic	10
Figure 11: Our group following an interview with potential consumers in Calderon Park	12
Figure 12: Potential narrative about La Asociación	14
Figure 13: Map of high-end stores in Cuenca	17
Figure 14: Store responses about typical consumers	19



INTRODUCTION

Internationally, individuals within communities have united to form community development programs promoting social, environmental, and economic growth and sustainability to improve their collective quality of life (Lindsey, 2018). Leaders in communities have focused on community development, aiming to increase local productivity and access to basic services by providing quality infrastructure and enhancing community pride (Rural Development, n.d.). Community development can lead to economic improvement through the creation of new businesses and improved productivity of existing ones (Cavaye, 2001).

One example of a community development program is a community food enterprise (CFE). Community food enterprises are businesses that utilize shared labor to produce, manufacture, or sell food (Shuman, 2009). Cargills is a CFE in Sri Lanka that focuses on selling locally grown farm products. The company has grown from the ground up and now sells its products in over 130 of its own retail locations that reach over 40,000 consumers throughout Sri Lanka. Since the company's establishment, it has had a total revenue of over 100 million United States Dollars and has created 5,000 jobs. Many of these jobs support young, rural farmers facing poverty. Cargills took advantage of the young workforce in Sri Lanka by offering training opportunities for people seeking jobs. According to Dr. Sunil Jayantha Nawaratne, Director of Human Capital, Youth Development, and Rural Network for the company, Cargills is "working towards poverty alleviation," "working with rural development," and "training the next generation of leaders" (Shuman, 2009).

The potential benefits of CFEs have inspired members of five families residing in Cumbe, a small town in Ecuador (sometimes referred to as a parish), to implement a program of their own. These families united to form a farmers' association called La Asociación Campesina El Cántaro de Sancapac de Cumbe (La Asociación) to improve opportunities for town-wide economic and social benefits. La Asociación focuses on shared contributions to emphasize individual skills and resources. This strategy of shared responsibility draws upon different strengths and produces products of the highest quality and quantity. La Asociación's intent is to share organic food with consumers on a broader scale through the sale of their products in retail markets. Currently, La Asociación lacks a strategy to develop a lucrative business that leads to community development initiatives within Cumbe.

The main goal of our project was to develop a business plan to help La Asociación identify opportunities to sell its organic food products in Cuenca. These products are intended to expose Cuencano locals and tourists to the health benefits associated with traditional Cumbean foods. The plan was designed to provide a framework for the development of La Asociación's CFE by seeking out and introducing potential business opportunities to assist in the sale of its goods. These potential business opportunities present the possibility of initiating community development. To achieve these goals, we executed four objectives:

1. We gained additional knowledge about successful and unsuccessful community development programs and their business strategies from experts in related fields.

2. We analyzed each of the nine aspects of the BMC to distinguish activities La Asociación could complete, resources they may require, and limitations to consider.
3. We investigated local markets and high-end shops in Cuenca to draw upon access to the larger customer base available in the city, including tourists, ex-patriots, and locals with high levels of disposable income. We determined business strategies that heighten sales of food products by interviewing shop representatives of these stores.
4. We assessed customer label and narrative preferences in Cuenca to determine opportunities for marketing strategies through interviews with potential customers.

The recommendations developed using these objectives will provide La Asociación with guidelines for the creation of a CFE. These guidelines will include considerations necessary for working in the Cuencano food industry, opportunities for La Asociación to differentiate itself from its competitors, and potential challenges to be vigilant of.

BACKGROUND

Sustainable community development has many impacts on a local scale, which cumulatively result in worldwide improvements, ranging from strides to end poverty to actions that help protect Earth's natural resources (Objetivos de Desarrollo Sostenible, 2019). Many strategies are implemented by communities participating in this kind of development to provide them with adequate opportunities, while many focus on the formation of community-based businesses or industries. Food-based businesses can be particularly successful due to the strong link food products create between the producers and the consumers (Christensen, 2016). Sustainable community development in rural areas can provide a source of strength to the members of the community.

1. COMMUNITY FOOD ENTERPRISE AS A DEVELOPMENT STRATEGY IN RURAL ECUADOR

Rural areas in Ecuador face many challenges that drive the need for development. In 2014, about 35% of the rural population was living below the national poverty line, which is \$1.90 per day (World Bank, 2014). High poverty rates can be associated with negative impacts, such as low education rates, little access to land, and limited market integration among some agriculturally based areas (World Bank, 1996). These rates can also be attributed to high rates of emigration from rural areas as a way to escape a life of poverty (Gray, 2014).

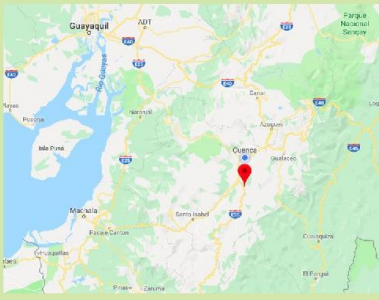


Figure 2: Map of Cumbe, Ecuador (Google Maps)

Cumbe, Ecuador is a small town located about 28.1 km south of Cuenca (Figure 2). Cumbe is comprised of about 5,000 individuals and is found in the Azuay region of Ecuador, shown in orange in Figure 3 (Parroquia Cumbe, 2010). Most of the members of Cumbe stem from Cañari ancestry (Rural Parochial Decentralized Autonomous Government). 56% of the population is in the working class or lives in extreme poverty (Ortiz, 2017).



Figure 3: Azuay Region of Ecuador (Google Sites)

La Asociación was founded in 2017 by Monica Guamán. It is comprised of twelve individuals from five families, some of which are pictured in Figure 4. It works to provide healthy food alternatives to consumers both inside and outside of their community through the production and sale of natural goods. These natural goods are representative of the community of Cumbe. The members are in the process of creating a program for community development within the town of Cumbe.



Figure 4: La Asociación sharing its organic food products with our team

A study conducted by Gray (2014) determined that between 2000 and 2008, an average of one of every five individuals residing in rural households left their homes to find work elsewhere. Migration of farmers away from their communities has resulted in an extra two to three thousand dollars received by these farmers' families annually (Caulfield, 2019). This migration led to fewer hands available to work in the fields, since 59% of the migrants were male. The insufficient workforce caused by this migration pressured many farmers to resort to the use of agro-chemicals to control the growth of weeds (Caulfield, 2019). The increased use of chemicals, along with market pushes for modernization of farming practices and replacement of native crops with non-native species (Ekorural, n.d.), has placed heightened stress on crops, land, and water in Ecuador (Ekorural, n.d.). The challenges caused by increased stress on natural resources have negative, lasting effects on the food production of the country, and consequently the economic standing of the enterprises that depend on it.

Rural communities facing environmental and social challenges have implemented strategies to diminish their negative effects. These strategies include community-based tourism, diversification by exhibiting unique skill sets, and local business development (Okazaki, 2008). CFEs are locally owned businesses that partake in the production, manufacturing, and/or sale of food (Shuman, 2009). They have been shown to promote community collaboration through creative problem solving, public education, policy advocacy, and social justice. Following participation in CFEs, 84% of individuals felt closer ties to their community and 80% claimed to have gained increased leadership skills (Community Food Security Coalition, 2010).

A study conducted by the Wallace Center researched 24 CFEs worldwide to determine how they overcame challenges concerning profit, people, and planet to heighten competitiveness and achieve success. Through this research, it was found that CFEs benefit from key strategies, such as better product accessibility, preferable taste, alluring story,

revitalizing local economies, heightened community spirit, and increased social change. These strategies were shown to provide major impacts to the community including ecological benefits, heightened local economy, and women's empowerment (Shuman, 2009).

CFEs have multiple focuses, including increases in cultural awareness, community resilience, and augmented profit, which lead to various beneficial effects on the community establishing it. There is a direct relationship between tangible social impacts, such as *economic improvements*, and intangible social impacts, such as *community upliftment and pride* or *community protection and education* (Scholtz, 2018). As tangible impacts improve, intangible impacts also increase, providing community-wide benefits.

Community development can alter cultural norms, such as *machismo*, a common Latin American idea that the man of the household is the provider for the family (NLCATP, 2014). Revising common thoughts on gender roles compliments community development programs, including CFEs, because it gives women more confidence and enhances their position in the household (Sennhauser, 2016). The idea of machismo is exemplified in Cumbe, where 71% of women and less than 1% of men are homemakers (Ortiz, 2017). Booz & Company conducted research to prove the idea that higher employment rates among women would benefit the economy of an area (Aguirre, 2012). Through this research, it was discovered that countries with higher numbers of public and privately funded actions taken to improve the economic position of women not only linked to tangible social benefits, such as a heightened per capita GDP, but also improved intangible benefits, such as literacy rates, infant mortality rates, economic prosperity, health, and security (Aguirre, 2012).

2. CHALLENGES FACING COMMUNITY FOOD ENTERPRISES

Key difficulties faced by CFEs include inadequate labor force, feasible expansion and investment rates, competition, quality assurance, absence of technology, and insufficient public policy knowledge (Shuman, 2009). Municipalities throughout Ecuador provide aid to address these problems (Professor Mora, personal communication, January 28, 2019). The services provided by municipalities include workshops, training sessions, and private counseling on effective coordination and production of goods. These services are helpful to CFEs in their beginning stages, but do not generally continue throughout the entirety of the business' existence, leading to a low success rate of Ecuadorian startup CFEs. The lack of continued support, combined with "weak innovation," "unfavorable institutions," and an "unhelpful cultural framework," increases the difficulty of creating successful businesses in Ecuador (Mora, 2018). Municipalities, private sectors, or grant-funding can help with CFE start-up costs that are often too much for a community to fund alone. CFEs often cannot obtain municipal support because the application process requires many steps and qualifications and can be highly competitive (Sustain, 2013).

3. MITIGATING CHALLENGES

Outside assistance agencies can help to close internal and external gaps that CFEs have surrounding services and human resources (CFHS, n.d.). Internal human resources include

sufficient staffing, which entails hiring ample individuals with a wide range of specialties. External human resources include providing a network of business partners that will be helpful throughout the enterprise's life cycle (CFHS, n.d.).

Panchakanya Agriculture Cooperative Ltd. is a largely female cooperative in Nepal committed to producing organic goods, which has overcome obstacles to become exceedingly successful. The cooperative does not have a working business computer, which makes it difficult to maintain organic certifications. To overcome this, members have begun using outside organizations as middlemen to connect them with certification agencies. Many new farmers are interested in joining the cooperative, but current members want to ensure that any farmer growing food under their name is fully committed to growing organic food, even if it poses a possibility of an initial net loss due to a decrease in crop yields when a field first converts to being organic. To avoid a sudden shift in supply or product standards, the cooperative is expanding at a manageable rate, ensuring that those who join the organization will remain in it indefinitely (Shuman, 2009).

In Zhucay, Ecuador, there is a small group of Cañari farmers who formed a CFE called La Asociación 40 Cuadras which focused on the sale of chocolate. The farmers were uneducated on the proper way to harvest cacao beans, resulting in harmful farming practice and low yields of chocolate. One of these farmers went to a university and learned the proper way to harvest the cacao. When he returned to his village, he taught the entire association the skills he had learned. Once each member was educated on the proper way to harvest the cacao beans, the village was able to increase production and their business flourished. This chocolate is now sold throughout Ecuador and is an example of a successful CFE. This is an exemplification of the importance of collaboration and shared knowledge to gain the largest possible profit (Personal interview, Ron, February 14, 2019) (En Zhucay, n.d.).

4. ENHANCING OPPORTUNITIES FOR COMMUNITY FOOD ENTERPRISES

In light of common challenges faced by CFEs, La Asociación is presented with the opportunity of selling their organic, family produced, and ethically sound products. Other communities within the Azuay region of Ecuador can be used as examples of CFEs that have overcome challenges to achieve success. Saraguro is an example of how challenges facing food enterprises can be combated. Saraguro is a town 75 miles south of Cuenca in which the community has maintained the authenticity of their heritage through traditional agriculture, dress, family traditions, language, and ceremonies. An agricultural program started by their Incan ancestors is maintained through shared responsibility of many members of the community (Morrill, 2018). This well coordinated program has allotted them the ability to open two Quesos Saraguros stores in Cuenca (Quesos Saraguros, n.d.).

5. BUSINESS PLANS

The use of a business plan is vital in the implementation of a startup company to maximize efficiency. Business models are advantageous for entrepreneurs to consider when organizing important aspects of how their business will operate (Magretta, 2002). A popular

business model utilized worldwide is the business model canvas (BMC) (see *Figure 5*). This model canvas consists of nine categories that interact to create strong relations between clients, producers, and products (Bartlett, 2016). The cost structure is comprised of the funding and skills needed to support key resources and key activities. Key resources are the raw materials necessary for a business to support the creation of products and other related activities. Key activities are the steps requires for producing and transporting the product. Key resources and key activities enhance the value proposition of a product, which reaches key partners through the various channels utilized by the producer. Key partners reach desired customer segments, and the value proposition of products helps to maintain strong customer relationships. The revenue stream of the business is gathered through customer segments. This revenue is then used to fund further enhancements of the key resources and activities.

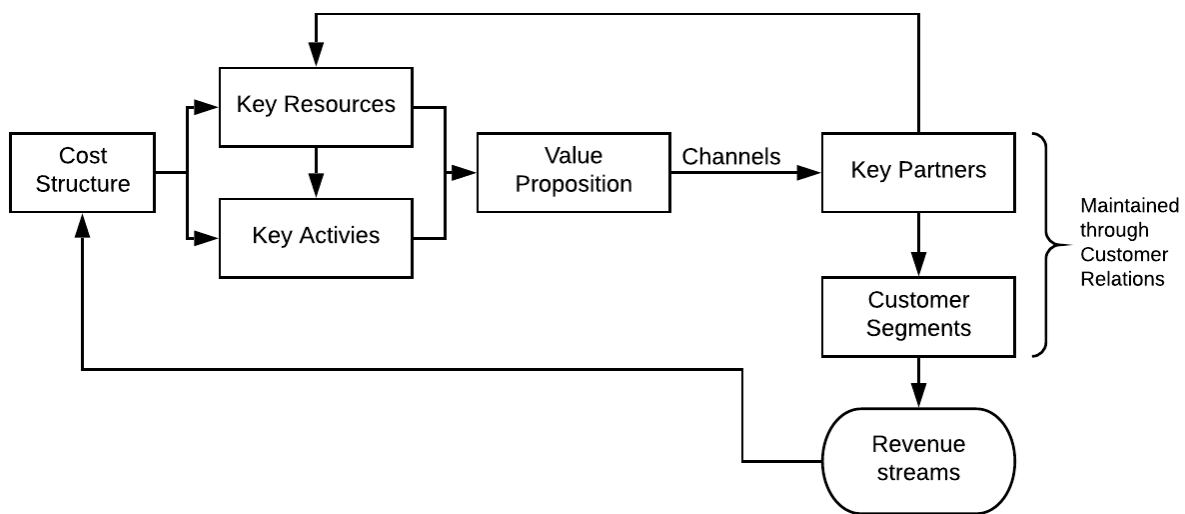


Figure 5: Business model canvas interactions



Figure 6: Toms shoe label
(Greenberg, 2015)

Value proposition is the keystone of the BMC which relies heavily on the interactions of all categories of the BMC to differentiate the product from its competitors. The value proposition directly impacts consumers' decisions to purchase the product (Yuwono, 2016) by creating a sense of comfort, reliability, and enticement (Understanding the Marketing Mix Concept, 2014). This is often formed through the creation of a product narrative to drive an emotional connection between the consumer and the product (Swahn, 2010).

Toms is a shoe company that creates a unique value proposition of supporting children in need by donating a pair of shoes for each shoe sold. Printed on the shoes is a message (see *Figure 6*) that gives meaning to the brand and can make the consumer feel as though they are buying more than just a product

(Swahn, 2010). This is a successful tactic in the promotion of a product because it creates an emotional connection with the brand. The Boston Consulting Group found that 50% of customers are aware of and motivated by the charitable aspect of the company when purchasing a pair of Toms shoes (Lebowitz, 2016).

Another example of using added value proposition to increase product sales is done by Ock Pop Tok, an artisan craft company in Laos. On the company website, images and background stories of each artisan and some examples of their intricate detailing work are displayed to the consumer as they shop (Ock Pop Tok, n.d.). It also provides a quote from each of the women to help the consumer relate to the product on a deeper level (Ock Pop Tok, n.d.). The stories about artisans set the crafts apart from other artisan crafts because they create an emotional connection between the customer and the craft. This example provides a model for the successful use of producer narratives as a way to pull at the heartstrings of consumers and cause them to develop emotional connections with a product.

A third example of enhanced value proposition of a product is completed through the organic labeling on Pacari Chocolate, a chocolate company in Ecuador. The company strives to use solely organic certified farms, so they can label their products as organic, attracting more consumers through an added value proposition. In addition, their website displays a narrative about the company, describing their family-owned business and their aspirations of creating products that maintain environmental sustainability (Pacari Chocolate, n.d.).

SUMMARY

Rural communities in Ecuador face challenges of poverty, emigration, and environmental degradation. CFEs are a way for small communities to combat some of their large issues, and improve upon social and economic factors of the area. While these organizations face many challenges, the potential benefits they implement inspire many organizational leaders to persevere and find solutions to overcome problems. The modeling of an effective business plan for community development focuses on the main stakeholders. The main stakeholders in CFEs include community members, key partners, and desired customer segments. Understanding the needs and concerns of each stakeholder is crucial when fabricating a plan that has the capability of adapting and growing with the business.

METHODS

The main goal of our project was to develop a business plan to help La Asociación identify opportunities to sell its organic food products in Cuenca. These products are intended to expose Cuencano locals and tourists to the health benefits associated with traditional Cumbean foods. The plan was designed to provide a framework for the development of La Asociación's CFE by seeking out and introducing potential business opportunities to assist in the sale of its goods (see *Figure 7*). These potential business opportunities present the possibility of initiating community development. To achieve these goals, we executed four objectives:

1. We gained additional knowledge about successful and unsuccessful community development programs and their business strategies from experts in related fields.
2. We analyzed each of the nine aspects of the BMC to distinguish activities La Asociación could complete, resources they may require, and limitations to consider.
3. We investigated local markets and high-end shops in Cuenca to draw upon access to the larger customer base available in the city, including tourists, ex-patriots, and locals with high levels of disposable income. We determined business strategies that heighten sales of food products by interviewing shop representatives of these stores.
4. We assessed customer label and narrative preferences in Cuenca to determine opportunities for marketing strategies through interviews with potential customers.

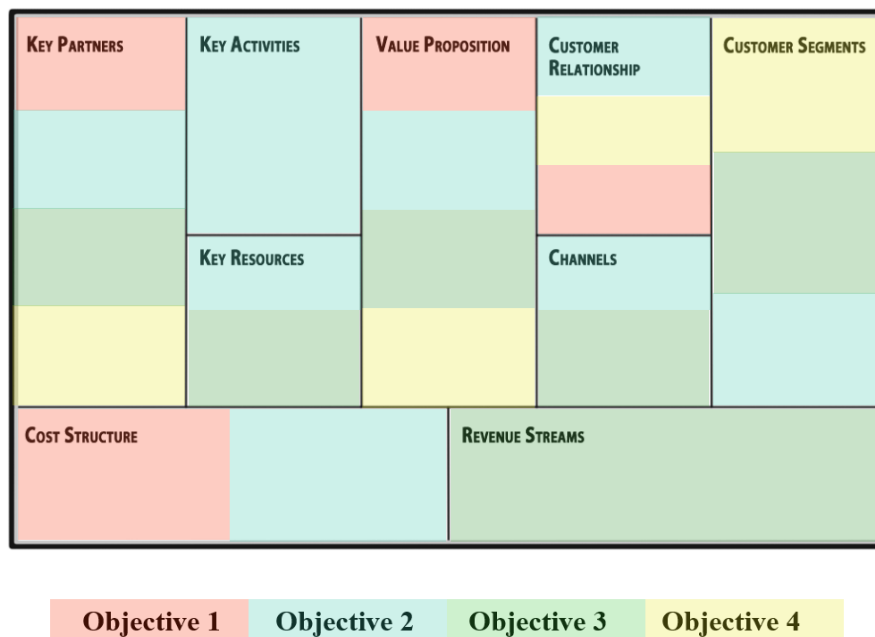


Figure 7: Business model canvas color coded by objective

OBJECTIVE 1: We gained additional knowledge about successful and unsuccessful community development programs and their business strategies from experts in related fields.

We interviewed the following experts:

- Econ. Pedro Mora P., a professor in the Economics Department of University of Cuenca, and

- Ing. Com. Fredy Vasquez Arce, the Coordinator of AgroAzuay, a company dedicated to helping with the coordination and production of food products generated by small communities.

We inquired about tactics used in the creation of successful community development programs and the factors contributing to failed business startups (see *Appendix A*). Through these interviews (see *Figure 8*), we gained insight into how other communities have developed value propositions, business partnerships, and customer relationships, as well as labor and requirements that make up the cost structure of the BMC.



Figure 8: Our team meeting with Professor Pedro Mora

OBJECTIVE 2: We analyzed each of the nine aspects of the BMC to distinguish activities La Asociación could complete, resources they may require, and limitations to consider.

Through structured discussions with members of La Asociación (see *Figure 9*), we assessed aspects of the BMC. We created a large chart displaying the BMC framework and placed sticky notes with ideas, questions, and concerns under each category. This gave us information about potential concerns and opportunities presented to La Asociación, including market and resource gaps.

We created a fill-in-the-blank story with members of La Asociación to identify a potential narrative to be written on the label of their products. In designing the layout for the narrative, we analyzed stories we found through our literature review and from customer interviews. The themes we gathered from the interviews helped us to frame specific questions and narrative aspects that appealed to potential customers.



Figure 9: A structured discussion with our sponsor

OBJECTIVE 3: We investigated local markets and high-end shops in Cuenca to draw upon access to the larger customer base available in the city, including tourists, ex-patriots, and locals with high levels of disposable income. We determined business strategies that heighten sales of food products by interviewing shop representatives of these stores.

Based on responses from La Asociación and research gained from our literature review about artisanal and natural food in Cuenca, we evaluated varying potential partners (see *Figure 10*). This evaluation was done to see how each business opportunity overlapped with aspects of the business model canvas. Seven stores in Cuenca were investigated: La Chakra, Khatu Organic, El Mercado, El Tokte, Vida Nueva Centro Naturalista, Café Ñucallacta, and Warmikuna. These stores were chosen through online research followed by suggestions from interviewed potential consumers about possible placement for La Asociación’s products (Objective 4).



Figure 10: A member of our group conducting an interview with the owner of Khatu Organic

We asked shop representatives of these businesses questions (see *Appendix C*) to determine their business strategies. We discovered their expectations when considering products from a new producer involving potential concerns highlighted in Objective 2, such as aspects from the BMC, including: Food quality, supply, sanitation, packaging, branding, and pricing. The responses were compiled and evaluated following these interviews to determine which businesses aligned with the interests of capacity of La Asociación. We analyzed each store in search of similar products to those made by La Asociación. Gaps in the types of foods available in these stores were also evaluated to determine opportunities for the association.

We spoke with shop representatives from potential key partners to determine if the products in their stores had stories displayed with them about their conception or distribution (see *Appendix C*). We inquired about whether they felt a story had an impact on how well the products sold to investigate research conducted in our literature review.

OBJECTIVE 4: We assessed customer label and narrative preferences in Cuenca to determine opportunities for marketing strategies through interviews with potential customers.

We conducted interviews with 30 tourists, expats, and Cuencano locals in various locations throughout Cuenca: Parque de la Madre, Calderon Park, Plaza Abdon Calderon, the Museo Pumapungo plaza, and throughout the streets of El Centro (see *Figure 11*). Through interviews with individuals from the customer segments determined through Objective 2, we evaluated relevant aspects of the BMC to determine what makes a product valuable in the eyes of a customer. We asked potential customers what products and product characteristics they searched for during shopping trips. An example of one of the domains investigated was a statement on the label that the product is organic, natural, or has an emotionally connective narrative (see *Appendix D*). We conducted individual interviews (see *Appendix D*) from desired customer segments to interpret how impactful a community-based narrative would be in their decision to purchase a product. We also investigated what aspects of the narrative, such as community history, producers, etc., are most effective in swaying the consumer's decision to purchase a product.



Figure 11: Our group following an interview with potential consumers in Calderon Park

The information gathered from these four objectives helped us in developing guidelines and recommendations to assist La Asociación in the creation of a CFE. These guidelines and recommendations will serve as a step-by-step process to assist La Asociación through the challenges and opportunities associated with startup CFEs in Ecuador.

RESULTS OF APPLYING THE BUSINESS MODEL CANVAS

1. Identifying the Value Proposition for La Asociación

1.1 Identifying a value proposition for La Asociación was difficult due to factors, such as “weak innovation,” “unhelpful cultural framework,” and “unfavorable institutions”

The value proposition of a product is what sets it apart from other similar products and fulfills a need or desire. Often times, it is difficult for businesses to put themselves in the shoes of their consumers and understand what truly sets them apart from competitors. During our interactions with La Asociación, the members have stated that their products are organic and natural. While this may be true, it is difficult to determine if this makes La Asociación unique from its competitors whose products have similar qualities. When asked the perceived importance of having organic products, the potential customers that answered negatively often added that they believed that the products sold in Ecuador were already organic or were less chemically rich than other food.

Through interviews with Professor Mora, we learned about a town, Gualaceo, that was an example of a failed attempt at community development. An association within this town hoped to form a community development project selling straw hats to gain additional income. Their

business was unsuccessful due to the lack of uniqueness associated with the product and the association's unwillingness to adapt to match consumers' desires.

We have investigated various options to use as La Asociación's value proposition, but the program is too premature to successfully implement them. Without a unique value proposition, La Asociación does not have an upper hand over other CFEs in the region. As La Asociación's CFE develops, the creation of a unique value proposition will be important in diminishing the homogeneity between itself and its competitors to attract consumers.

2. Marketing Strategies

2.1 Narratives are an effective marketing tool to attract consumers

Through interviews with 30 potential customers, we found that 83% of interviewees thought having displays, tags, or a brief message written on the product would attract customers. Forty percent of those interviewed believed the most successful message would be about the producer, explaining the backstory of La Asociación, while 30% believed an explanation of the origin of the product, explaining the culture of Cumbe, would be most successful. The remaining responses were either varying opinions or not applicable. Of the seven stores we inquired about, only La Chakra expressed that its products promoted a backstory about the producer, origin, or product description on either a display or the product label.

The underutilization of narratives on labels in stores could be drawn upon by La Asociación's products by promoting a story that includes information about the producer to make them unique and appealing to consumers. Based on interviews conducted with shop representatives, each of the store representatives we spoke with, with the exception of El Tokte, allow producers to display their own brand and narrative on the label. According to several potential customers we interviewed, a narrative should be written on the label in both Spanish and English "to appeal to the widest array of consumers." In collaboration with La Asociación, we used a fill-in-the-blank to create a potential narrative to be showcased on its products' labels, as shown in Figure 12.



LA ASOCIACIÓN

La Asociación se formó en mayo de 2017 por Monica Guaman y se creó con el propósito de promoviendo la cultura de Cumbe. Doce miembros dinámicos de cinco familias formaron la asociación para difundir el conocimiento de su comunidad. Esperan ser conocidos por sus costumbres e historia al promocionar sus productos de alimentos orgánicos, que son representativos de su comunidad.

La Asociación was formed in May 2017 by Monica Guaman and was created with the purpose of promoting the culture of Cumbe. Twelve dynamic members spanning five families formed the association to spread the knowledge of their community. They hope to become known for their customs and products by the promotion of their organic food products, which are representative of their community.

Figure 12: Potential narrative about La Asociación

2.2 Added health benefits improve the quality of marketing

Based on consumer interviews, our literature review, and visits to local stores, we believe an organic certification and a statement on the label that the product is organic could be a selling point for products produced by La Asociación. Sixty-three percent of customer interviewees believed having labels on products advertising organic or natural would sway consumers' decisions to purchase a product. Some interviewees mentioned that "the products [in Cuenca] are all organic" and a label would not sway their decision about purchasing the product.

Due to customer interests in organic products and concerns about organic authenticity, we looked into regulations and processes to gain official organic certifications for La Asociación's products to enhance their value proposition. We learned that there is paperwork all producers are required to fill out to be recognized by the government and accepted to sell their goods within Cuenca. In Ecuador, to be considered for organic certification, the cultivation of all food products must exclusively utilize natural resources. ARCSA states that to be considered for an organic certification, one's products must be made without the use of genetically modified organisms, including the seeds, fertilizer, soil, etc. (Cabezas, n.d.).

2.3 Promotional tactics influence the consumers decision to purchase a product

We asked 30 potential consumers what aspects would enhance their attraction to and trust in a food product. Forty-seven percent responded with quality, 23% responded with an attractive package and label, 13% responded with online presence, and 17% of the responses were not applicable. A more attractive label or shop display is likely to draw consumers to the product.

Of the store representatives interviewed, six explained that they utilized social media to market their products and believed this was a successful tactic in getting their products known. La Asociación has access to internet and a Facebook page that could be used to help promote its

products, but it is not maintained. La Asociación is currently lacking capacity to use social media, radio, and physical store displays to promote the sale of its goods.

3. Key Resources

3.1 Resources available to La Asociación provide them with a solid starting point to grow their CFE

La Asociación plans to sell dulce de leche, dulce de sambo, yogurt, and marmalade. It is open to exploring new products based on customer interests. La Asociación has farming fields, coops for free range chicken, guinea pig cages, and a fish pond, as well as a smokehouse and a kitchen.

Many members of La Asociación spend most of their time working at other jobs in Cuenca and surrounding towns, taking their time away from working with La Asociación. These jobs often do not have set schedules, making it difficult to determine the amount of time they can devote to labor for La Asociación and a set quantity of products each member can produce. In addition, it is challenging for the members to devote adequate amounts of time to plan and coordinate activities and resources necessary for their business, including the acquisition of materials, coordination of packaging, and labeling.

La Asociación is a collaborative business based on individual contributions. Effort is distributed among individuals and broken down into segments for farming and food production. It is hard to quantify the time and cost spent on labor by each member, posing an issue for La Asociación and making it difficult to price products based on required monetary inputs.

3.2 La Asociación does not currently have a vehicle to transport its products to retail shops or open markets in Cuenca

Through interviews conducted with store representatives, we learned that it is the producer's responsibility to transport their goods to the stores. When discussing transportation with our sponsor, we learned that this is an area in which they are lacking. Many products produced by La Asociación require special care, such as refrigeration and careful handling.

This produces a problem for La Asociación because depending on the products they sell, they may require a refrigerated car and a driver to transport goods from Cumbe to stores in Cuenca.

4. Market Outlets

We identified varying business opportunities, including direct marketing and indirect marketing, within Cuenca that offer products similar to those produced by La Asociación. Direct marketing requires personal interaction between the supplier and the consumer, while indirect marketing involves a third-party medium, typically a retail store, to bring the product from the producer to the consumer.

4.1 Vendors in open air markets compete on price, not value, and in this way are not an effective outlet for La Asociación to sell its goods

Our sponsor expressed interest in two open air markets: AgroAzuay and University of Cuenca. AgroAzuay open air markets focus mainly on agricultural products and fresh meat. Of the 200 participants, there are two yogurt and marmalade producers, and no producers of dulce de sambo or dulce de leche. The products in these markets are inexpensive and the sale would require a member of La Asociación to be present each week. When investigating the feasibility of joining the University of Cuenca open air market, we found that it was only for producers associated with the university.

To participate in open air markets, La Asociación would have to complete paperwork required by El Ministerio de Agricultura y Ganadería (MAG) to be recognized by the government as an association, followed by applying to the market itself.

Direct marketing is not a good option for La Asociación at this stage in its business because it does not produce an ideal ratio between effort applied and revenue received. In addition to this, it would be difficult to get into these markets because La Asociación does not currently possess the necessary certifications and qualifications.

4.2 High-end shops throughout Cuenca are a potential option for selling La Asociación's goods, but require certifications and product quantities that would challenge its current capacity.

We identified seven shops in Cuenca as possibilities for indirect marketing of La Asociación's products (see *Figure 13*). These stores were selected through online research and recommendations from potential customers. Seventy-nine percent of interviewed individuals stated that they shopped at public markets or small high-end shops. We asked consumers where they would expect to see the products sold by La Asociación and their responses included Warmikuna and El Mercado (see *Findings 6.1*).



Figure 13: Map of high-end stores in Cuenca

We also focused on gathering more detailed information concerning these stores' interests in working with small community food enterprises. La Chakra, El Tokte, Khatu Organic, El Mercado, Warmikuna and Café Ñucallacta have expressed interest in working with producers in small communities. Through interviews with store representatives, we determined how each store finds new products to sell. La Chakra, El Mercado, Café Ñucallacta, Vida Nueva Centro Naturalista, and Warmikuna find new products through direct contact with the producer. Khatu Organic finds most of its new products through Empresa Pública de Desarrollo Económico de Cuenca (EDEC)'s database, a compilation of community development programs in the area and the products they have available for purchase, but the store is also willing to work with producers who contact them directly. El Tokte finds new products to sell exclusively through outside references.

A sanitation certification obtained through the government is a requirement for producers of processed foods. La Asociación does not currently have the sanitation certifications required for processed food production. It is especially crucial for La Asociación to obtain sanitation certifications because La Chakra, El Mercado, and Khatu Organic expressed that in the past, they had troubles with producers lacking this certification and discontinued working with them.

Indirect marketing is a good option for La Asociación because it provides the potential of high return rate with less effort than selling at outdoor markets. All seven of the stores we interviewed are potential venues for La Asociación's products.

4.3 Each store requires different quantities of product and creates a unique payment plan with their partners

We inquired about product sourcing and demand required by the investigated stores. We learned the quantity of products each store expected their producer to supply each week. La Chakra and El Tokte require 100 units of a single product per week, Khatu Organic requires 4-5 units per week, and Café Ñucallacta and El Mercado did not specify a specific amount, but base the quantity on supply and demand.

Through interviews conducted with store representatives, we learned about partnerships they create with their producers. We learned that El Mercado and Café Ñucallacta pay their producers wholesale for their products. The amount paid to La Asociación depends on the quality and quantity of products provided as assessed by the stores. Khatu Organic and El Tokte work with producers to determine the best payment plan based on the quantity of goods being sold. La Chakra keeps 25% of all sales and pays the producer the remaining 75%. La Asociación can consider which payment method is most desirable to them and use that information when deciding between these stores to market its goods.

5. Target Customers

5.1 Foreigners and locals with high expendable incomes are the desired customer segments for La Asociación because they are able to spend large amounts of money on high quality goods

Our sponsor wants to create products for people motivated by health and organic farming. Interviews conducted with shop representatives from organic stores and other stores that sell organic products claim that while both locals and foreigners shopped at these stores, foreigners were the target consumer for natural goods. Through our literature review, we found that on average, expatriates make a salary double that of Cuencano locals (Álvarez, 2017) (Cumbeo, 2019). The expatriates in Cuenca follow similar shopping patterns to those of the upper middle-class natives (Keeble, 2017), meaning that both expatriates and locals are a target consumer.

Three of the stores we investigated, La Chakra, Khatu Organic, and Café Ñucallacta, cater primarily to foreigners according to interviews with shop representatives. The data suggested in Figure 14, in addition to data gathered through our literature review and conducted interviews, emphasizes that preferable locations for La Asociación's products are shopping centers and high-end specialized stores in proximity to expatriate neighborhoods and tourist locations. Selling La Asociación's products in these stores would allow it to increase the price of its products because the typical consumers that shop at these stores are willing and able to spend additional money in exchange for quality.

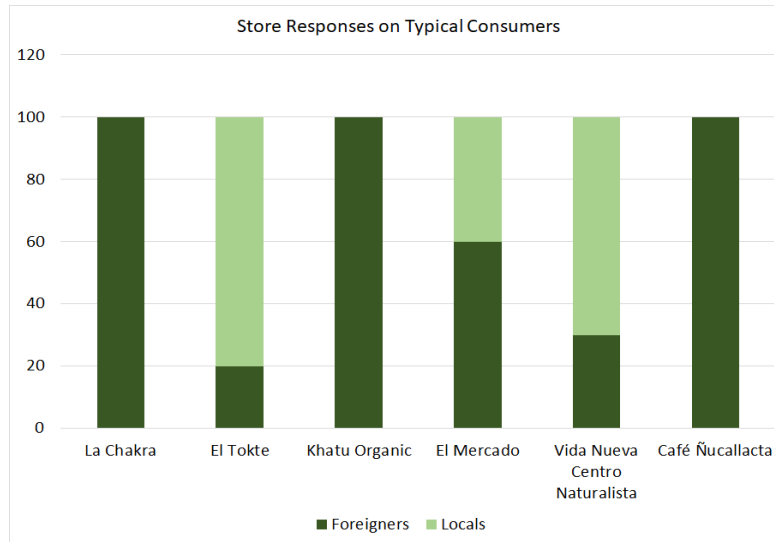


Figure 14: Store responses about typical consumers

6. Product Demand

6.1 Fulfilling market desires will improve La Asociación's success rate

When we asked customers about gaps they have noticed in Cuenca food markets, they mentioned products they desired in larger quantities or better quality: Four people said nut butters, two said toasted nuts/seeds, three said dried fruit, and three said dulce de leche flavored yogurt.

LIMITATIONS

Coming into this project, we were presented with many obstacles. A limitation we faced was our method for finding high-end stores in Cuenca. Since we found potential business opportunities through internet searches and customer recommendations, the only stores highlighted were those with an online presence and those frequented by individuals from our desired customer segments. In addition to this, the locations at which we searched for individuals from our desired customer segments to interview may have led to a skew of information toward foreigners' opinions. Since tourists and expatriates were our main desired customer segments, we picked high tourist areas in Cuenca to search for these individuals and ended up interviewing more foreigners than locals.

A major limitation we faced throughout the course of this project was the formidable language barrier. This made it difficult for us to fully understand our sponsor's intentions for the

project and minimized our ability to express our progress. This barrier was particularly present when interviewing store representatives and community development experts, as those interviews were conducted in Spanish. Through interviews with shop representatives, we found that our desired customer segments were foreigners, tourists, and Cuencano locals. When conducting interviews with consumers from these categories, we were able to gain more detailed knowledge from those who spoke English than from those who spoke Spanish because we had the language capability of asking more specific questions about their responses. We often wanted to ask more in-depth questions to Spanish speaking interviewees, but were limited by our Spanish abilities.

RESEARCH CHALLENGES

One of the challenges that is faced by La Asociación is that most of its members do not work for La Asociación full time. To begin a partnership with potential business opportunities, they need to determine the amount of each product they can produce. Another challenge our sponsor faces is understanding what products and label aspects are appealing to potential customers. This affects how popular its products are and the rate at which its goods sell.

Monika, the leader of La Asociación, exemplifies many positive characteristics, including her entrepreneurial ideas, enthusiasm about her business, and drive to succeed in the establishment of a CFE. These positive characteristics came with the challenge of extravagant ideas without structured designs of implementation and disorganization of thoughts. These challenges made it difficult to form a plan of action that reflected Monika's vision for La Asociación and produce the outcome she hoped for. Monika's dreams and large aspirations for La Asociación led her to be very goal-oriented, often stating many extravagant ideas for future advances. It was our responsibility when working on this project to think of all the tangible tasks that are necessary to complete parts of these goals. The difference in mindset of approaching these projects often led to conflicting opinions about the project goals and the feeling that our project was scattered.

RECOMMENDATIONS

Based on our findings, we have identified steps La Asociación can take to launch its organic food production business. These recommendations and associated deliverables will give La Asociación a framework to meet and identify immediate steps and future considerations for its business.

Recommendation 1: La Asociación must complete all legal paperwork required by the government to sell its products.

1.1 La Asociación must file paperwork with MAG to be recognized by the government as an association. If approved, this paperwork will grant them the ability to legally distribute food in Cuenca. Fredy Vasquez Arce has offered to guide La Asociación through the process of filing paperwork with MAG as it requires many steps.

1.2 La Asociación is required to obtain a sanitation certification to sell their products in Cuenca. La Asociación must apply through La Agencia Nacional de Regulación, Control y Vigilancia Sanitaria (ARCSA) following the guidelines presented in our deliverables. Prior to applying for a sanitation certification, La Asociación needs to apply for an operating permit following the guidelines provided in our deliverables.

1.3 We advise that La Asociación obtains organic certification with MAG using the form provided in our deliverables, and state on their label that the product is organic to further enhance its added value proposition (see *Findings 1.2*).

Recommendation 2: La Asociación should fill the gaps determined through the business model canvas.

2.1 We recommend that La Asociación determines what makes its unique from other CFE programs.

2.2 We recommend that La Asociación contacts an organic store based on shared values and requirements highlighted in the store overviews we created (see *Appendix H*). This is necessary for La Asociación so that it can promote and stimulate the sale of its products.

2.3 We recommend that La Asociación includes a narrative, using the example shown in Figure 12, in both English and Spanish on its product label to brand its products.

2.4 We advise that La Asociación determines a steady quantity of each product it can produce per week throughout the year to ensure that it can keep up with the supply and demand of its business partners.

Recommendation 3: La Asociación should reflect upon long-term planning to expand its business.

3.1 We recommend that as La Asociación begins selling its products, it addresses the market gaps as suggested through interviews with customers about what products they hope to see in the stores and add these products to its repertoire. The addition of consumer recommended products will increase product desirability and will add to La Asociación's value proposition.

3.2 We recommend that La Asociación expands its agricultural infrastructure to meet the supply quota of the stores marketing its products.

3.3 We advise that La Asociación maintains its online presence and furthers its social media pages to market its products and make its name known.

3.2 We suggest that La Asociación forms a business relationship with Professor Pedro Mora to obtain detailed and experienced advice based on the research he has completed at the University of Cuenca. Professor Mora has 14 years of experience working with community development programs and has expressed interest in assisting La Asociación by providing it with information throughout the establishment and growth of its business.

Recommendation 4: La Asociación should apply for outside funding to aid in the development of its business.

4.1 We recommend that La Asociación applies for aid through the government. As stated in the Organic Law on Food Sovereignty, the state will provide direct incentives to small and medium producers and subsidize insurance on harvests and livestock to support production, storage, marketing, and consumption of products produced by small businesses. The state will promote marketing mechanisms, training programs, and special credit lines, prioritizing small businesses (Registro Oficial, 2010).

4.2 We advise that La Asociación establishes a business relationship with AgroAzúay, an organization that works with small communities to produce and commercialize their agricultural products.

CONCLUSION

Using the BMC, we have given La Asociación guidelines to identify possible opportunities and anticipate challenges. These guidelines highlight areas of weakness in

resources available to La Asociación and sectors to improve upon. La Asociación has not identified a value proposition that marks them as unique from other CFEs in the area and La Asociación is not sufficiently organized to determine the quality and quantity of products it can produce. The BMC framework allowed us to make recommendations for steps to be taken to formulate a successful CFE. These steps were based upon information gathered from our literature review and our three main stakeholders: La Asociación, our desired customer segments, and potential business partners. This information provided us with technical considerations, strategies, and potential opportunities for helping a rural community develop a prosperous business.

Our project opened our eyes to the difficulties of working with a small, developing community enterprise. We faced many obstacles throughout the course of this project, such as differences in research expectations, time constraints, and learning about interdisciplinary collaboration, but we were able to persevere and give back to a deserving community. The outcome of this project may not provide the impact we hoped for in the community, however, the impression it has left on us will remain forever imprinted in our memories. The kindness and selflessness of the residents of Cumbe are awe-inspiring and humbling. At times, some of the activities the members of La Asociación wanted us to participate in, such as teaching their children English and helping prepare traditional cuisine, seemed irrelevant to our project, but have etched out as being the most memorable times. We arrived in Cuenca with lofty aspirations of creating opportunities for community development based on ideas about making a difference. While research from our literature review presented potential problems associated with similar projects, our enthusiasm for helping Cumbe blinded us to many complications, such as communication problems, cultural differences and varied project aspirations. As our advisor said, “If it was easy to make a large impact in a short amount of time, they would have done it already” (Seth Tuler, personal communication, February 12, 2019). The journey of learning new customs and the importance of opportunities we are presented with, that we often take for granted, helps us understand that we are the ones with the major growth experience.

REFERENCES

Aguirre, D. (2012). *Empowering the Third Billion* (Rep.). Strategy&. Retrieved from: https://www.strategyand.pwc.com/media/file/Strategyand_Empowering-the-Third-Billion_Full-Report.pdf

Bartlett, C. (2016) How to: Business Model Canvas Explained. Medium. Retrieved from <https://medium.com/seed-digital/how-to-business-model-canvas-explained-ad3676b6fe4a>

Cabezas, D. A. V., (n.d.). *Instructivo de la normativa general para promover y regular la producción orgánica - ecológica - biológica en el Ecuador*. Ministerio de Agricultura, Ganadería, Acuacultura y Pesca. Retrieved from: <http://www.agrocalidad.gob.ec/wp-content/uploads/pdf/certificacion-organica/1.Normativa-e-instructivo-de-la-Normativa-General-para-Promover-y-Regular-la-Produccion-Organica-Ecologica-Biologica-en-Ecuador.pdf>

Caulfield, M., Bouniol, J., Fonte S. J., Kessler A. (2019). How rural out-migrations drive changes to farm and land management: A case study from the rural Andes. *Land Use Policy* 81:594-603. doi.org/10.1016/j.landusepol.2018.11.030

Cavaye, J. Rural Community Development - New Challenges and Enduring Dilemmas. *The Journal of Regional Analysis & Policy* 31(2).<http://ageconsearch.umn.edu/bitstream/132204/2/2001-2-8.pdf>

Community Food Security Coalition (CFSC). (2010). Community Food Projects, Indicators of Success. Retrieved from https://www.commddev.org/userfiles/CFP_IOS_FINAL_Report-22Apr2011_0.pdf

CFHS. (n.d.). Adding to the Mix. Community food initiatives and the private sector working in partnership. Retrieved from <https://www.communityfoodandhealth.org.uk/wp-content/uploads/2012/05/cfhs-adding-to-the-mix.pdf>

Christensen B., Phillips R. (2016). Local food systems and community economic development through the lens of theory. *Community Development* 47(5): 638-651. doi-org.ezproxy.wpi.edu/10.1080/15575330.2016.1214609

Ekorural. (n.d.). Mission. Groundswell International. Retrieved from <https://ekorural.org/about-ekorural/mission/>

En Zhucay se realizó el primer Festival del Cacao, Salud y Trueque. (n.d.). Retrieved February 28, 2019, from <https://www.agricultura.gob.ec/en-zhucay-se-realizo-el-primer-festival-del-cacao-salud-y-trueque/>

Google (n.d.). [Google Maps Cumbe, Ecuador]. Retrieved February 6, 2019, from <https://www.google.com/maps/place/Cumbe/@-2.9922538,-79.1949164,9.9z/data=!4m5!3m4!1s0x91cce0843505282d:0x69e75bfe1bae9bc6!8m2!3d-3.0902132!4d-79.0079949>

Google Sites. (n.d.) Province of Azuay. Retrieved from <https://sites.google.com/site/azuayprovinciainfo/>

Gray C. L., Bilsborrow R. E. (2014). Consequences of out-migration for land use in rural Ecuador. *Land Use Policy* 36:182-191. doi.org/10.1016/j.landusepol.2013.07.006

Greenberg, A. (2015). The TOMS word “With”. Retrieved from <https://medium.com/@CREATEandGIFT/the-toms-word-with-1c4ad156e335>

Lebowitz, S. On the 10th anniversary of TOMS, its founder talks stepping down, bringing in private equity, and why giving away shoes provides a competitive advantage. Retrieved from <https://www.businessinsider.com/toms-blake-mycoskie-talks-growing-a-business-while-balancing-profit-with-purpose-2016-6>

Lindsey E., Stajduhar K., McGuinness L. (2008). Examining the process of community development. *Journal of Advanced Nursing* 33(6). doi-org.ezproxy.wpi.edu/10.1046/j.13652648.2001.01722.x

Magretta, J. (2002) Why Business Models Matter. *Harvard Business Review* R0205F. Retrieved from http://designblog.uniandes.edu.co/blogs/dise2102pc/files/2013/08/Why_Business_Models_Matter2.pdf

Microloan Program | The U.S. Small Business Administration | SBA.gov. (n.d.). Retrieved November 22, 2016, from <https://www.sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/microloan-program>

Mora, P. (2018) Revision De Políticas Públicas y Emprendimientos en Países Desarrollados, De América Latina y El Ecuador

Morrill, D. (2018). Saraguros maintain their independence and cultural ties to their inca ancestors. CuencaHighLife. Retrieved from <https://cuencahighlife.com/the-saraguro-people-of-southern-ecuador-maintain-their-independence-and-strong-ties-to-their-inca-ancestors/>

NLCATP. (2014). Gender roles in hispanic culture | NLCATP.org. Retrieved from <http://nlcatp.org/gender-roles-in-hispanic-culture/>

Objetivos de Desarrollo Sostenible. (2019) El PNUD en Ecuador. Retrieved from <http://www.ec.undp.org/content/ecuador/es/home/sustainable-development-goals.html>

Ock Pop Tok: Discover Laos Through Textiles. (n.d.). Retrieved December 6, 2018, from <https://ockpoptok.com/>

Okazaki, E., (2008). A Community-Based Tourism Model: Its Conception and Use. *Journal of Sustainable Tourism*. 16(3), 511-529. Doi: 10.1080/09669580802159594

Ortiz R. Torres M., Cordero S. P., Quinde G., Durazno G. C., Palacios N., Verdugo C. Rivera A. C., Leon S. A., Añez R. J., Rojas J., Bermudez V. (2017) Sociodemographic characteristics of the adult population of the Cumbe parish, Cuenca-Ecuador. *Venezuelan Archives of Pharmacology and Therapeutics* 36(2).

Pacari Chocolate: The Pacari Story. (n.d.). Retrieved February 22, 2019 from: <https://pacarichocolate.us/about-us>.

"Parroquia Cumbe". Asociación de Juntas Parroquiales Rurales del Azuay. Retrieved February 26, 2010.

Quesos Saraguros. (n.d.). In *Facebook* [Business Page]. Retrieved February 13, 2019, from <https://www.facebook.com/pages/category/Cafe/Quesos-Saraguros-1061649283865419/>

Registro Oficial. (2010). "Ley Orgánica del Régimen de la Soberanía Alimentaria" . Quito – Ecuador: Asamblea Nacional. 13 Págs.

Rural Development: Sustainable Development Knowledge Platform. (n.d.). Retrieved January 29, 2019, from <https://sustainabledevelopment.un.org/topics/ruraldevelopment>

Scholtz, M., & Slabbert, E. (2018). A remodelled approach to measuring the social impact of tourism in a developing country. *Development in Southern Africa*, (35(6): 743-759) Retrieved from Doi: 10.1080/0376835X.2018.1461609

Sennhauser, E. (2016). What India's successful rural development programs can teach the world?. World Bank. Retrieved from <http://blogs.worldbank.org/endpovertyinsouthasia/what-india-s-successful-rural-development-programs-can-teach-world>

Shuman, M., Barron, A., Wasserman, W. (2009). Community Food Enterprise: Local Success in a Global Marketplace. Wallace Center. Retrieved from https://static.squarespace.com/static/520ed291e4b066a62d157faa/5232585be4b003f010fec77d/5232585be4b003f010fec7e1/1375755317787/CFE_complete%20book.pdf

Sustain. (2013). Financing Community Food: Securing money to help community food enterprises to grow. Retrieved from http://www.feainetwork.org/wp-content/uploads/2014/08/Financing-community-food_Securing-money-to-help.pdf

Swahn, J., Mossberg, L., Ostrom, A., & Gustafsson I. (2010). Sensory description labels for food affect consumer product choice. *European Journal of Marketing* 46(11/12), 1628-1646. DOI: 10.1108/03090561211260013

Understanding the marketing mix concept -4PS. (2014). Retrieved from <https://www.cleverism.com/understanding-marketing-mix-concept-4ps/>

World Bank. 1996. *Ecuador - Poverty report (English)*. A World Bank country study. Washington, D.C. : The World Bank.

<http://documents.worldbank.org/curated/en/169191468746785336/Ecuador-Poverty-report>

World Bank. For up to 800 million rural poor, a strong world bank commitment to agriculture. (2014). Retrieved from

<http://www.worldbank.org/en/news/feature/2014/11/12/for-up-to-800-million-rural-poor-a-strong-world-bank-commitment-to-agriculture>

Yuwono M. A. B. (2016). Impact of Coffee product packaging and labeling on purchase intentions with mediating of brand image. *Academy of Strategic Management Journal* 15(3), 150-154.

APPENDICES:

Appendix A: Community Development Expert Interview

1. What is your profession?
2. What sparked your interest in community development?
3. Can you tell us about a successful community development program focused around agriculture that you have encountered?
4. How long did this program take to become successful?
5. What were their strategies?
 - a. Short term?
 - b. Long term?
6. How many people were involved in the program and dedicated to making it successful?
7. Have you been a part of a failed community development? Why did the program fail?
8. What are some challenges that small communities have when trying to compete in retail food markets?

Appendix B: Business Model Canvas

<p>Key Partners</p> <ul style="list-style-type: none"> • Organic Stores • Markets/Fairs • Public Organizations • Private • Educational establishments • Clinics 	<p>Key Activities</p> <ul style="list-style-type: none"> • Make Dairy products (cheese, yogurt) • Animal Breeding • Plowing Land • Cooking Products • Harvesting • Advertising • Packaging • Transporting Goods 	<p>Value Propositions</p> <ul style="list-style-type: none"> • The Products • The story about <ul style="list-style-type: none"> ◦ Product ◦ Culture ◦ the Association • The history of Cumbe/The association and the people who make the food <p>Organic, natural products</p>	<p>Customer Relationships</p> <p>The quality of the food Maintain the price of food</p> <p>People want</p> <ul style="list-style-type: none"> ◦ Nuts/ seeds ◦ dried fruit ◦ yogurt flavored with dulce ◦ yogurt with seeds <p>Foreigners like organic products and like the idea of a story about the product or association in English and Spanish</p>	<p>Customer Segments</p> <ul style="list-style-type: none"> • Foreigners <ul style="list-style-type: none"> ◦ Expat ◦ Tourists • Vegetarian/Vegan • People who want to be healthy • People who are interested in culture (cultural tourists)
<p>Cost Structure</p> <ul style="list-style-type: none"> • Cost of resources • Transportation cost • Marketing Material • People to work • Money • Time 		<p>Revenue Streams</p> <ul style="list-style-type: none"> • Profit • Knowledge • Skills 		

Appendix C: Interviews with Shop Owners

1. Who are the consumers that shop here?
2. How many products do people typically purchase when they shop here?
3. What products are best sellers in this store?
4. How much do these best sellers cost?
5. Do you utilize any specific marketing strategies to advertise products within your store?
 - a. What are they?
 - b. Are they effective?
6. How do you find new products to sell in your store?
 - a. From markets?
 - b. Directly from communities?
7. Are there new products you would consider selling in your store? If so, what are they?
8. Would you be interested in adding more products from a new supplier to sell in your store, such as manjar de leche, dulce de sambo, semillas de sambo?
9. If you were to work with a new partner, how much product would you need them to supply each week? Each month?
 - a. How much product do you need to initially stock the store?
10. How much would you pay for wholesale of new products? Would your supplier get a commission from each product?
11. What is the quality and quantity you expect from your suppliers?
12. How do suppliers get their products to your store? Do they deliver them to you or provide their own transportation?
13. If the producer cannot keep up the supply and demand of products, are the producers able to rotate products out with the season? Do your suppliers change their products with the season?
14. What are some difficulties you have experienced from working with small community suppliers?
15. Are any products produced by a small community outside of Cuenca?
16. Are there any stories you know about how these products were made or about where they came from? Do you use these to market your products?
17. Do your customers ask about where the products came from or the story behind them? What stories are most appealing to the clients?

Appendix D: Customer Segments Interviews

1. How long have you been in Cuenca?
2. Where do you like to shop?
3. What do you look for in products?
 - a. Health benefits, labels, displays, availability, etc.?
4. If a product had a narrative, would you be more likely to purchase it?
5. What would increase the value of a product to you?
 - a. Vegan, organic, locally grown
6. Who would be likely to purchase the products produced by Cumbe: dulce de sambo, manjar de leche, yogur?
7. Are there any products you haven't seen often that you would like to purchase?

Appendix E: Consent Form: All Objectives

We are doing a project concerning the marketing of local Ecuadorian products. We are conducting research involving interviewing tourists and locals in the community. We would like to ask if we have your consent to gather some information from you and that we may audio record your answers. All information given or otherwise recorded in some way will be kept confidential

Signature _____ x

Appendix F: Recommendations in Spanish for La Asociación

Basado en nuestras investigaciones, identificamos algunas acciones que La Asociación puede tomar para empezar su negocio de producción de la comida orgánica. Estas recomendaciones y entregables asociados van a darle a La Asociación una estructura para cumplir e identificar las acciones inmediatas y las consideraciones futuras para su negocio.

Recomendación 1: La Asociación debe completar todos los papeles legales requisitos por el gobierno para vender sus productos.

1. La Asociación debe completar los papeles con MAG para registrar como una asociación por el gobierno. Si los papeles son aprovechados, estos papeles van a concederle la habilidad para distribuir la comida legalmente en Cuenca. Fredy Vasquez Arce ha ofrecido ayudar La Asociación con el proceso de completar los papeles con MAG porque requiere muchas acciones.
2. Es necesario que La Asociación obtenga una certificación sanitaria de los productos para venderlos en Cuenca. La Asociación debe aplicar por La Agencia Nacional de Regulación, Control y Vigilancia Sanitaria (ARCSA) siguiendo las pautas en el apéndice H. Antes de aplicar por una certificación sanitaria, La Asociación necesita aplicar por un permiso funcionamiento siguiendo las pautas proporcionado en el apéndice G.
3. Avisamos que La Asociación obtenga una certificación orgánica con MAG usando la forma proporcionada en apéndice I, y ponerla en la etiqueta que el producto es orgánico para mejorar su propuesta de valor adicional.

Recomendación 2: La Asociación debe llenar los espacios determinados por el esquema del modelo de negocios.

1. Recomendamos que La Asociación determine los aspectos que distinguen a una comunidad de otras por dirigido su propuesta de valor.

2. Recomendamos que La Asociación contacte una tienda orgánica basado en los valores compartidos y los requisitos explicados en los comentarios de las tiendas (mira apéndice J). Lo es necesario por La Asociación así que para promover y estimular la venta de los productos.
3. Recomendamos que La Asociación incluya el narrativo como se describe abajo en inglés y en español en la etiqueta de los productos para marcar los productos.
4. Avisamos que La Asociación determine una cantidad estable de cada producto que puede producir cada semana durante el año para asegurar que puede mantener las ofertas y las demandas de los compañeros de los negocios.

Recomendación 3: La Asociación debe reflejar en los planes de largo plazo para expandir su negocio

1. Recomendamos que como La Asociación empieza vender sus productos, dirija los espacios del mercado como sugieren las entrevistas con consumidores sobre cuáles productos esperan ver en las tiendas y añada estos productos a su repertorio. La adición de los productos que recomiendan los consumidores va a aumentar el deseo del producto y añadirá a la propuesta de valor de La Asociación.
2. Recomendamos que La Asociación expanda su infraestructura agrícola para cumplir la cuota de oferta de las tiendas que promocionan sus productos.
3. Avisamos que La Asociación mantenga su presencia de la red y mejore sus páginas de las redes sociales para promocionar sus productos y dar a conocer su marca.
4. Sugerimos que La Asociación forme una relación de negocios con Profesor Pedro Mora para obtener avisos detallados y experimentados basados en las investigaciones que él ha completado en la Universidad de Cuenca. Profesor Mora tiene 14 años de experiencia trabajando por los programas de desarrollo comunitario y ha expresado el interés en la asistencia de La Asociación por darle la información a través del establecimiento y crecimiento de su negocio.

Recomendación 4: La Asociación debe aplicar por las fuentes fuera de dinero para ayudarlo en el desarrollo de su negocio.

1. Recomendamos que La Asociación aplique por ayuda del gobierno. Como se explica en la Ley Orgánica de Soberanía de Comida, el estado va a proporcionar los incentivos directos a los productores pequeños y medios y va a subvencionar el seguro en las cosechas y ganaderías para apoyar la producción, el almacenamiento, el marketing, y la consumación de los productos producidos por las empresas pequeñas. El estado va a promover los mecanismos de marketing, los programas de formación, y las líneas de créditos especiales; va a dar la prioridad a las empresas pequeñas (Registro Oficial, 2010).
2. Avisamos que La Asociación establezca una relación de negocios con AgroAzuay, una organización que trabaja con las comunidades pequeñas para producir y comercializar sus productos agrícolas y sus animales.

Appendix G: Checklist for La Asociación

Obtención de Notificación Sanitaria de Alimentos Procesados

1. La Asociación debería llenar los papeles para obtener el permiso de funcionamiento. El objetivo del permiso de funcionamiento es para obtener una notificación de sanitaria. La ubicación de la producción de los productos necesita estar sanitaria por las reglas de ARCSA. Usar las instrucciones de ARCSA abajo para aplicar por el permiso de funcionamiento.
 - a. Solicite un permiso de funcionamiento de ARCSA válido. Hacer clic en el sitio según: <https://www.controlsanitario.gob.ec/emision-de-permisos-de-funcionamiento/>
 - b. A continuación, deben iniciar sesión en VUE para realizar una aplicación por este sitio: <https://portal.aduana.gob.ec/> y registrar un representante técnico <http://www.controlsanitario.gob.ec/representantes-tecnicos-de-plantas-procesadoras-de-alimentos/>
 - c. Después, los datos y documentos van a registrar y el sistema va a emitir una orden de pago según la categoría incluida en el permiso de operación concede por ARCSA. La Asociación tiene 5 días laborables para hacer el pago o la solicitud va a ser cancelado definitivamente. El voucher debe enviarse a la siguiente dirección (arcsa.facturacion@controlsanitario.gob.ec) para confirmar el pago.
 - d. ARCSA revisará los requisitos basado el perfil de Riesgo del Alimento: <http://www.controlsanitario.gob.ec/clasificacion-de-alimentos-procesados-por-riesgo/>
 - e. Una vez completado el pago, ARCSA podría emitir observaciones si necesita. Las rectificaciones deberían hacer en máximo de 15 días days y únicamente se podrán realizar 2 rectificaciones a la aplicación original o el caso va a dar baja importancia del proceso.
 - f. El resto de la información está accesible por el documento en esta sitio de web: <https://www.controlsanitario.gob.ec/>
2. La Asociación debería llenar los papeles para obtener las notificaciones de sanitaria por ARCSA. Es un requisito por el gobierno para tener la notificación sanitaria para los

alimentos procesados. La Asociación es una empresa pequeña. Los productos: manjar de leche, dulce de sambo, yogur y mermelada están necesarios para

- a. Por yogur y manjar de leche usar el código 14.1.5.5. El costo es \$15 por una empresa pequeña para obtener la notificación de sanitaria.
- b. Por dulce de sambo usar el código 14.1.10.5. El costo es \$8 por empresa pequeña para obtener la notificación.
- c. Por mermelada usar el código 14.1.9.5. El costo es \$0 para obtener la notificación.

Para Registrar como un Operador Orgánico

Para registrarse como operador orgánico, hay información específica que La Asociación necesita conocer y llenar en el **“Formulario RG-OR-O5 Registro de Operador Orgánico”**. Esta información incluye:

1. Información sobre La Asociación incluyendo su nombre, tipo de operador, la ubicación de La Asociación y la información del contacto
2. El alcance del registro de operador que incluye el tipo de certificación que La Asociación quiere recibir, como la producción agrícola orgánica y la producción ganadera ecológica
3. Descripción del producto para registrarlo
 - a. Productos sin procesar y el estado en lo que se encuentra, por ejemplos, el nombre del producto, su estado y la producción estimada en montonos.
 - b. Producto procesado con información sobre el tipo de producto, capacidad de procesamiento por peso o volumen por día, y la cantidad estimada del producto orgánico producido cada día.
4. Adonde La Asociación va a vender sus productos, incluyen los mercado objetivos
5. Actualización del listo de los productos
 - a. Actualización por el grupo de productores
 - i. La entrada de nuevos productores al registro en Agrocalidad
 - ii. Productores del grupo que salen del registro en Agrocalidad

- iii. Productos sin procesar que entran al registro en Agrocalidad
 - iv. Productores sin procesar que salen del registro en Agrocalidad
 - v. Productos procesados que salen del registro en Agrocalidad
6. Llenar los requisitos por la registraci3n de operadores como siguen:
- a. Solicitud dirigida al Coordinador General de Inocuidad de los Alimentos
 - b. Enviar en forma digital, en formato PDF, en un CD-ROM, los anexos requeridos seg3n el tipo de operador, como est3n marcados. Esta documentaci3n debe ser organizada en carpetas digitales seg3n a las indicaciones presentadas por Agrocalidad
7. Declarar la firma del formulario

Costo y ganancias

La asociaci3n debe tener en cuenta todos los gastos y beneficios que se atribuyen a todos los aspectos de su negocio. Esto implica el precio de los recursos clave, como el transporte, el empaquetado y el etiquetado, as3 como el beneficio que la asociaci3n obtiene en colaboraci3n con sus contrapartes. Todos los factores deben considerarse y registrarse para garantizar que la asociaci3n pueda mantener un beneficio. Tambi3n es importante llevar un registro de todas las finanzas, incluidas las ganancias y el costo de producci3n. La contabilidad adecuada es esencial para mantener la integridad de los registros financieros. Esto tambi3n asegura que si mantienen sus registros financieros, pueden ser responsables de sus acciones.

Envasado de los productos

La Asociaci3n debe determinar los envases necesitados por sus productos, c3mo conseguir3n el embalaje y qui3n tiene la responsabilidad de empaquetar los productos para la entrega a las tiendas.

Las etiquetas de los productos

La Asociación debe utilizar la historia creada en colaboración con los estudiantes de IQP para añadir a las etiquetas que utilizan en sus productos cuando venden en las tiendas. Esta historia añadirá a la propuesta de valor único de sus productos.

Recursos

La Asociación debe determinar los recursos que faltan y que necesitan. También necesitan catalogar aquellos que tienen disponibles y en qué cantidad. Esto incluye la cantidad de productos que pueden hacer cada semana/mes.

1. Algunos recursos que deben tener:
 - a. Contenedores para productos, impresión de etiquetas, ingredientes, labor, etc.

Transportación

La Asociación debe determinar cómo van a transportar sus productos a la tienda que la acompañar. Algunos factores para considerar están:

1. ¿Necesitan rentar un camión o comprar uno?
2. ¿Es posible utilizar los coches que ya tienen?
3. ¿Necesitan un refrigerador o alguna manera de mantener los productos fríos?

Colaboración

Utilizando la hoja informativa que creamos proporcionada en nuestro entregable, "Comentarios de las tiendas", La Asociación debe decidir en una tienda para acompañar. Lo incluye como cada tienda encuentra los productos nuevos para vender. Debe contactarlas y preguntarles sobre la posibilidad de vender sus productos en las tiendas. Además, La Asociación debe trabajar con AgroAzuay para llevar potencialmente sus productos a las ferias y con el profesor Pedro Mora, de la Universidad de Cuenca, para aprender más sobre la manera de tener éxito en un programa de desarrollo comunitario

Determinar una estructura organizativa de La Asociación

La Asociación necesita crear una estructura a su organización para que todos los miembros conozcan su papel. Algunos ejemplos incluyen la persona que está a cargo de la agricultura, cocinan los productos, empaquetan, transportan y mantener las fianzas.

Posibles trampas para ser cautelosos

De nuestras conversaciones con el profesor Pedro Mora, nos enteramos de los programas de desarrollo comunitario fallidos y qué aspectos de esos programas fueron la causa de su caída. Algunos de los aspectos más importantes a considerar son:

- Asegurarse de hacer un trato con su socio de negocios que le permitiría obtener un beneficio para poder no sólo continuar su negocio, sino también expandirse.
- Asegúrese a las brechas del mercado del dirección enojadas evidentes por los clientes y ajustan a sus necesidades.
- Asegúrese de hacer un seguimiento de los trámites legales para que pueda seguir vendiendo sus productos en Cuenca
- Asegúrese de tener una fuerte presencia de marketing ya sea en línea o de otro modo para mantener un flujo constante de clientes.

Comentarios de las Tiendas

Marketing Indirecto



Gran Colombia,
Padre Aguirre 993

EL TOKTE

- Tienda de alimentos orgánicos, producidos localmente cerca del Centro
- Requiere que los proveedores produzcan 100 unidades de los productos cada semana
- Trabaja con comunidades pequeñas para obtener productos, pero se usan la marca de la tienda para todos los productos
- Encuentra nuevos productos a través de las referencias



Esquina de las
Artes, Piso Bajo,
Ave 12 de Abril

LA CHAKRA

- Tienda orgánica está ubicada cerca de la Universidad de Cuenca
- Requiere que los proveedores produzcan 100 Unidades de los productos cada semana
- Trabaja con comunidades pequeñas para obtener productos
- Encuentra nuevos productos de los productores que vienen a ellos
- Promociona principalmente a través de redes sociales



Hermano Miguel
5-42

WARMIKUNA

- Tienda/restaurante/cocina está ubicado cerca del Centro
- Vende productos de otras productores si son productos diferentes
- Está interesado para trabajar con comunidades pequeñas si tienen productos diferentes



Calle Larga 8-27

EL MERCADO

- Cafetería/restaurante/tienda está ubicada en calle larga
- La cantidad de productos requeridos depende de la demanda de estos productos
- Trabaja con comunidades pequeñas para obtener productos
- Está dispuesta a rotar productos para satisfacer la oferta y la demanda estacionales



Hermano Miguel,
Exterior:10-33

VIDA NUEVA CENTROS NATURALISTA

- Tienda medicinal cerca de el centro
- La mayoría de los productos provienen de EEUU o Perú
- Encuentra nuevos productos de los productores que vienen a ellos
- El mayoría de los productos son vitaminas y suplementos dietéticos



Hermano Miguel
541

KHATU ORGANIC

- Tienda orgánica está ubicada cerca del Centro
- Los productores deben suministrar 4-5 productos cada semana
- Encuentra nuevos productos a través de EDEC o y redes sociales
- La mayoría de la promoción es por las redes sociales
- Trabaja con comunidades pequeñas para obtener productos



Calle Hermano
Miguel, Exterior:
5-62

CAFÉ ÑUCALLACTA

- Un café situada cerca del Centro
- La cantidad de productos requeridos depende en la demanda del producto
- Ha trabajado con comunidades pequeñas en el pasado
- Encuentra nuevos productos por el contacto directo de los productores

Comentarios de las Tiendas

Marketing Directo



FERIAS DE AGROAZUAY

- Las ferias ocurren todos los sábados y domingos
- La mayoría de los productos agrícolas, pero algunos vendedores tienen los productos transformados
- Debe aplicarse para ser una asociación agrícola reconocida por MAG



FERIA DE LA UNIVERSIDAD DE CUENCA

- Las ferias ocurren en la Universidad de Cuenca todos los jueves
- Los vendedores deben tener lazos con la Universidad para vender sus bienes

Appendix I: Report of Findings for La Asociación

La identificación de la propuesta de valor

La propuesta de valor de un producto es la cosa que puede separar otros productos similares y completar un necesito o deseo. A veces, es difícil para los negocios para ponerles en los zapatos de los consumidores y comprender las cosas que hacerles diferente de los competidores. Durante las interacciones con La Asociación, los miembros han dicho que sus productos son orgánicos y natural. Este es la verdad, pero es difícil para determinar si La Asociación va a hacer única de los competidores quienes productos tienen las calidades similares. Cuando preguntamos la importancia de tener los productos orgánicos, los consumidores potenciales que respondan negativamente a veces dicen que creen que los productos vendidos en Ecuador ya son orgánicos o tiene menos químicos de otra comida.

Por las entrevistas con 30 consumidores potenciales, encontramos que 83% de los entrevistados piensan que tener las muestras, las etiquetas, o un mensaje breve escrito en el producto va a atraer los consumidores. Cuarenta porcientos de los entrevistados creen que el mensaje más exitoso debe estar sobre el productor, el narrativo de La Asociación, hasta 30% creen que una explicación del origen del producto, explicando la cultura de Cumbe, va a ser más exitoso. El resto de las respuestas, tienen opiniones variedades o no fue aplicados. De las siete tiendas preguntamos sobre, sólo La Chakra expresa que sus productos promocionan la historia del productor, origen, la descripción del producto en una muestra o etiqueta del producto.

La subutilización de los narrativos en las etiquetas de las tiendas puede estar usando por los productos de La Asociación por la promoción de una historia que incluye la información del productor para hacerle única y atractiva a los consumidores. Basado en las entrevistas conduzcan por las representativas de las tiendas, cada de las representativas que hablamos, con la excepción de El Tokte, permitan a los productores para mostrar sus marcas y narrativos en la etiqueta de los productos. Muchos consumidores potenciales dicen que un narrativo debe ser escrito en la etiqueta en inglés y en español para “atraer a todos los consumidores”. En colaboración con La Asociación, usamos una llenar-en-los-espacios para crear un narrativo potencial para poner en sus etiquetas de los productos como la figura abajo.



LA ASOCIACIÓN

La Asociación se formó en mayo de 2017 por Monica Guaman y se creó con el propósito de promoviendo la cultura de Cumbe. Doce miembros dinámicos de cinco familias formaron la asociación para difundir el conocimiento de su comunidad. Esperan ser conocidos por sus costumbres e historia al promocionar sus productos de alimentos orgánicos, que son representativos de su comunidad.

La Asociación was formed in May 2017 by Monica Guaman and was created with the purpose of promoting the culture of Cumbe. Twelve dynamic members spanning five families formed the association to spread the knowledge of their community. They hope to become known for their customs and products by the promotion of their organic food products, which are representative of their community.

Basado en las entrevistas de los consumidores, nuestras investigaciones de la literatura, y las viajes a las tiendas locales, creemos que una certificación orgánica y un mensaje en la etiqueta que el producto es orgánico puede ser un punto de vender para los productos producido por La Asociación. Sesenta y tres por ciento de las entrevistas de los consumidores creen que una etiqueta en los productos que promociona que el producto está orgánica o natural va a cambiar las decisiones de los consumidores para comprar un producto. Algunos entrevistados dicen que “todos los productos en Cuenca son orgánicos y una etiqueta no va a cambiar su decisión comprar un producto.

Basado en los intereses de los consumidores en los productos orgánico y las preocupaciones sobre la autenticidad orgánica, miramos entre las regulaciones y los procesos para obtener una certificación oficial de los productos orgánicos para mejorar la propuesta de valor de los productos de La Asociación. Aprendimos que hay papeles legales que todos los productores necesitan llenar para ser reconocido por el gobierno y aceptado para vender sus bienes en Cuenca. En Ecuador, para ser considerado por la certificación orgánica, la cultivación de los productos debe usar sólo los recursos naturales. ARCSA dice que, para ser considerado por una certificación orgánica, los productos deben ser cultivados sin el uso de los organismos genéticamente modificados, incluyen las semillas, la fertilización, la tierra, etc. (Cabezas, n.d.).

Preguntamos 30 consumidores potenciales sobre los aspectos importantes que va a atraerlos y la confianza en un producto de comida. Cuarenta y siete por ciento responden con la calidad, 23% responden con un contenedor atractivo y una etiqueta, 13% responden con una presencia de la red, y 17% respuesta fueron no aplicados. Una etiqueta más atractiva o muestra de la tienda va a atraer los consumidores al producto.

De los representativos de las tiendas, seis explican que utilizan las redes sociales para promocionar sus productos y creen que es un táctico exitoso para marcar el nombre. La Asociación tiene acceso al internet y una página del Facebook que puede usar para promocionar sus productos, pero no está mantenido. La Asociación no tiene la capacidad para usar las redes sociales, el radio, o las muestras físicas para promocionar la venta de los bienes.

Los mercados indirectos son la mejor opción para vender los productos de La Asociación

Identificamos algunas oportunidades de negocios, incluyen el marketing directo e indirecto, entre Cuenca que ofrecen los productos similares a los producidos por La Asociación. Marketing directo necesita una interacción personal entre el productor y el consumidor, hasta marketing indirecto incluye otra persona en el medio, generalmente una tienda, para llegar los productos del productor al consumidor.

Nuestro sponsor expresa interés en las dos ferias: AgroAzuay y la Universidad de Cuenca. Las ferias de AgroAzuay enfocan primariamente en los productos de agricultura y la carne. De los 200 participantes de estas ferias, sólo hay 2 vendedores de yogur y mermelada, y no hay ningunos vendedores de manjar de leche o dulce de sambo. Los productos en estas ferias son baratos y la venta va a requerir un miembro de La Asociación para estar allí cada semana. Cuando investigamos la feria a la Universidad de Cuenca, encontramos que fue sólo para los productores asociados por la Universidad.

Para participar en las ferias, La Asociación necesita completar los papeles requisito por MAG para ser reconocido por el gobierno como una asociación, seguir por aplica a la feria.

El marketing directo no está una buena opción para La Asociación ahora porque el negocio no va a producir una proporción ideal entre el trabajo y el dinero recibido. Adicional, va a ser difícil para entrar las ferias porque La Asociación no tiene las certificaciones y calificaciones necesitas.

Identificamos siete tiendas en Cuenca como posibilidades para marketing indirecto de La Asociación productos, y son en la figura abajo. Estas tiendas fueron seleccionadas por la investigación por internet y las recomendaciones de los consumidores potenciales. Setenta y nueve por ciento de entrevistados dicen que compran a los mercados públicos o las tiendas orgánicas. Preguntamos a los consumidores donde quieren ver los productos vendido por La Asociación y las respuestas incluyen Warmikuna y El Mercado.



Enfocamos en la colección de la información más detallada sobre el interés de las tiendas de trabajar con las pequeñas empresas comunitarias de comida. La Chakra, El Tokte, Khatu Organic, El Mercado, Warmikuna, y Café Ñucallacta expresan interés de trabajar con productores de las comunidades pequeñas. Por las entrevistas con los representantes de las tiendas, investigamos como todas las tiendas encuentran productos nuevos. La Chakra, El Mercado, Café Ñucallacta, Vida Nueva Centro Naturalista, y Warmikuna encuentran los productos nuevos por Empresa Pública de Desarrollo Económico de Cuenca (EDEC)'s base de data, una compilación de programas del desarrollo comunitario en el área y los productos disponibles para comprar, pero la tienda va a trabajar con los productores le contactan directo. El Tokte encuentra los productos nuevos para vender sólo por las referencias afueras.

Una certificación sanitaria puede ser obtenido por el gobierno y es un requisito for los productores de la comida procesado. La Asociación no tiene la certificación necesaria para la producción de alimentos procesados. Es importante por La Asociación para obtener la certificación sanitaria porque La Chakra, El Mercado, y Khatu Organic expresan que en el pasado han terminado trabajar con algunos productores porque no tenían las certificaciones sanitarias.

El marketing indirecto es una buena opción por La Asociación porque proporciona la potencial de más dinero ganado con menos esfuerzo que vender los productos a las ferias. Todas las siete tiendas están negocios potenciales que La Asociación puede vender los productos.

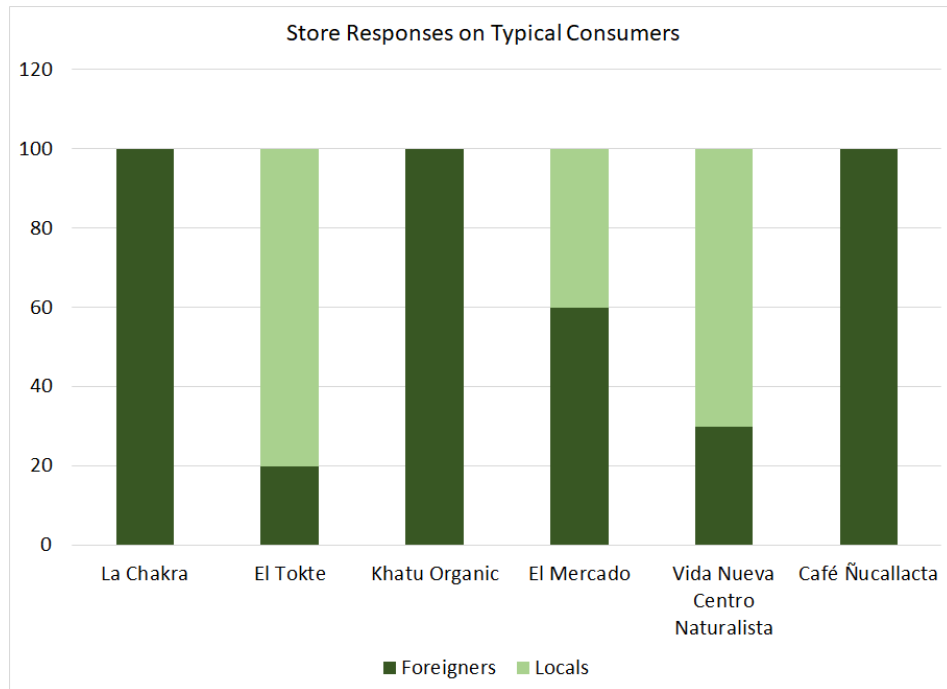
Nos preguntamos sobre la oferta y la demanda requerida por las tiendas investigadas. Aprendimos la cantidad de productos que cada tienda requiere que el productor suministrará cada semana. La Chakra y El Tokte requieren 100 unidades de un solo producto por semana, Khatu Organic requiere 4 o 5 unidades cada semana. Café Ñucallacta y El Mercado no especificaron una cantidad específica, pero basan la cantidad en la oferta y la demanda.

Por entrevistas realizadas con representantes de tiendas, aprendimos sobre las compañeros que crean con sus productos. Aprendimos que El Mercado y Café Ñucallacta pagan a sus productores al por mayor por sus productos. La cantidad pagada a La Asociación depende de la calidad y cantidad de los productos proporcionados según lo evaluado el mejor plan de pago basado en la cantidad de productos vendidos. La Chakra mantiene el 25% de todas las ventas y paga al productor el 75%. La Asociación puede considerar cuál método de pago es más deseable para ustedes y usar esta información para decidir entre estas tiendas para comercializar sus bienes.

Los consumidores objetivos son los extranjeros y los locales

Nuestra sponsor quiere crear productos para personas motivadas por la salud y la agricultura ecológica. Las entrevistas realizadas con representativas de tiendas orgánicas y otras tiendas que venden productos orgánicos afirman que, si eran el consumidor objetivo de bienes naturales compran en estas tiendas, los extranjeros encontramos que en promedio, los expatriados hacen un doble de salario que de los locales de Cuenca (Álvarez, 2017) (Cumbeo, 2019). Los expatriados en Cuenca siguen patrones de compras similares a los de los locales de la clase media alta (Keeble, 2017), lo que significa que tanto los expatriados como los locales son un consumidor objetivo.

Tres de las tiendas que investigamos, La Chakra, Khatu Organic, y Café Ñucallacta, atienden principalmente a los extranjeros de acuerdo con las entrevistas con las representativas de las tiendas. Los datos sugeridos en la figura abajo, además de los datos compilados por nuestras investigaciones de la literatura y entrevistas, encontramos que los lugares preferidos para los productos de La Asociación son los centros comerciales y las tiendas orgánica en proximidad a los barrios expatriados y lugares turísticos. La venta de productos de La Asociación en estas tiendas le permitiría aumentar el precio de sus productos porque los consumidores típicos que compran en estas tiendas están dispuestos y capacidades de ganar dinero adicional a cambio de calidad.



Productos para mejorar la satisfacción de los consumidores

Cuando preguntamos a los consumidores sobre los espacios de los mercados de alimentos Cuencanos, mencionaron los productos que quisieron en cantidades más larga o de mejor calidad: cuatro personas respondieron con mantequillas de nueces, dos personas respondieron nueces/ semillas tostados, tres respondieron frutas secas, y tres respondieron con yogur con sabor de manjar de leche.