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NATARÍA PORTUGUESA: A BUSINESS PLAN FOR ARGENTINA

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1. Abstract

This thesis consists on a Business Plan for the Portuguese custard tarts in Argentina. *Nataría Portuguesa* is already being implemented and so, this project will serve as a support for the same. After developing the literature review, a description of the business idea was made, followed by a macro-environmental analysis of the country and an analysis of the baked industry specifically. Afterwards, the Business Model Canvas was applied to connect the key elements of the business. The brand positioning was defined to reach target consumers and a communication plan was described. In the end, a financial contextualization was also conducted.

Keywords: *Business Plan, Custard Tarts, Baked Goods, Argentina*

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2. Introduction

The aim of this product-oriented thesis is to develop a business plan for the implementation of the famous Portuguese *Pastel de Nata* (puff pastry filled with cream) in Argentina.

Custard tarts for the English speaking countries, is one of the most distinguished pastries in Portugal, representing a symbol of the country overseas. In 2009, custard tarts were considered one of the best gastronomies worldwide (The Guardian 2009). This small and tasty dessert is absolutely appreciated by the Portuguese people, as well as by foreigners. According to the *Confraria do Pastel de Nata*¹, there are more custard tarts being sold abroad than in all Portugal. The Portuguese entrepreneurship spirit is driving this iconic dessert around the world, from London to unpredictable places such as Shanghai. *Nataría Portuguesa* (NP) is not an exception, as it came from the desire of the entrepreneur Luis Infante da Câmara of bringing something new and sweet to Argentinian people.

According to Schumpeter (1934) an *entrepreneur* is a person who creates new combinations of something new or something already made but in a different way to gain strategic advantage. These combinations can be from introducing a new product, developing a new system of production or opening a new market, among others (Hitt, Ireland, Camp and Sexton 2002).

This project will serve as a support for the business by working as a guideline for NP in Argentina. Therefore, the main research question is, how to create a feasible business plan for a start-up pastry business?

To answer this question, a literature review will be described highlighting the key concepts of entrepreneurship, strategy and marketing relevant to the project. Then, a brief explanation of the product and of the business idea will be clarified. Next, the situation analysis will be conducted by using a macro-environmental tool to understand factors outside control of the company, as well as a description of the baked goods market both globally and in Argentina.

¹ Portuguese community which aims to project the image of the country abroad by promoting this typical pastry.

Also, the Business Model Canvas will be developed to join all the major elements of the business model together. After completing the analysis of the external environment and market trends, the marketing strategy will be defined. For last, a financial estimation will be prepared as well.

3. Methodology

I have been following the project NP since it started. Before my master I went to Argentina for six months to work on the project and help build the company and the factory, and came back in March 2018 to assess the state of the project. I have a special interest in this business and so, after finishing my masters there is a possibility to go work there.

Hence, after describing the business idea and defining the research objectives, secondary and primary data were collected, to obtain deeper information about the market, customers, forecasts and competitors. *Secondary data* is the already available data, gathered for another purpose, whereas *primary data* is the data recently collected for a particular research project (Kotler and Keller 2012). The first case includes industry reports (Euromonitor International), consulting websites and books, while for the second one the data collection method used was the quantitative research through an online survey as well as numerous conversations with the owner. The overall analysis was always sustained with a theoretical contextualization.

4. Literature Review

4.1. Entrepreneurship and Business Planning

In the past, in response to huge investment budgets and large economies of scale, large enterprises were considered dominant players in the markets (Duarte and Esperança 2014). However, in the late 70s and early 80s, this tendency begun to change and *small and medium-sized enterprises* (SME) started to gain importance due to economic growth, stimulation of competition and creation of new jobs. Globalization led to higher levels of performance

standards, improvements in costs reduction and higher pressures on competition (Duarte and Esperança 2014; Hitt, Ireland and Hoskisson 2008).

Correspondingly, the traditional managerial mind-set was replaced and a new mind-set took place where flexibility, speed, innovation, integration, and challenges from constant changes became the new source of competitive advantage (Hitt, Ireland and Hoskisson 2008). Hence, SME enhanced as a source of entrepreneurship due to its promotion for innovation and its higher capacity to adapt to changes (Duarte and Esperança 2014).

This has led to the concept of *entrepreneurship*, which is based on the creation and development of economic activities, taking into account risk, creativity and innovation, with the purpose of achieving competitive advantage (Duarte and Esperança 2014).

Although there are several ways to define entrepreneurship, most of them share three common ideas: (1) identify/create opportunities and take advantage of them; (2) create value regardless of the dimension of innovation; (3) existence of certain level of risk that can led to possible failure (Bessant and Tidd 2016).

To increase chances for success by reducing the risk in the entrepreneurial process, it is essential to develop business plans. A *business plan* is a written document with a narrative of a business idea in a clear and objective way, to evaluate the feasibility of a specific project (United Nations 2002). This document defines business strategies, tactics and operations grounded on a thorough analysis and understanding (Friend, 2004). The elaboration of this roadmap is crucial as it is a way for entrepreneurs to obtain financing, and simultaneously, have a complete image of the business (United Nations 2002).

4.2. Key Strategic Aspects

In today's rapidly changing and intensely competitive world it is not enough to have a large and growing market. For a company to set the best possible strategy and achieve organizational

efficiency and effectiveness is essential to define clear goals, utilize its resources wisely and understand the environment (Grant 2010).

Evidently, there are several analytical methods to help understand the business environment and support organizations in their strategic decision-making.

The *PEST analysis* is a macro-level environment tool useful for understanding the political, economic, socio-cultural and technological characteristics that an organization works in. This is a powerful method as it considers factors that are outside the control of the organization. Nevertheless, it should represent only a piece of the strategic process (Hitt, Ireland and Hoskisson 2008).

Then, to evaluate the industry attractiveness regarding industries' profitability, most companies use the *Porter's Five Forces analysis*. However, as the baked industry in Argentina is highly competitive, presenting high levels of internal rivalry, the overall results of the analysis would conclude the industry is unattractive. Since the product was already tested several times in the market and the results proved to be positive, this approach is not applicable in this case. Two examples are *Lollapalooza 2018* (Buenos Aires) and *Moto GP 2018* (Terms of Santiago Del Estero) where approximately 12.000 and 5.000 custard tarts were sold, respectively. Hence, by conducting an analysis using only traditional frameworks, there would not be a position within the industry where custard tarts could survive (Hitt, Ireland and Hoskisson 2008).

Lastly, the Alexander Osterwalter's *Business Model Canvas* (BMC) was developed to align the activities of the business and clarify possible trade-offs. Business models describe "how a company creates, delivers and captures value" (Blank and Dorf 2012). For a business that is starting, it is essential to find a business model that is repeatable and scalable. Also, by creating a business model, all the pieces of the business plan become interconnected (Blank and Dorf 2012).

4.3. Key Marketing Aspects

After identifying the organization's position, capabilities, objectives and constraints that help define how the company creates value for the market, it is essential to understand the consumer. The market place is composed with many types of people, with different preferences, perceptions and buying standards. In a highly competitive environment, consumers are faced with a plentiful number of choices, and so it is crucial for the company to define to whom they want to reach. To meet these different demands and focus on the right consumers, the company must scheme the *segmentation, targeting and positioning* of the market (STP) (Kotler and Keller 2012). *Market segmentation* refers to the division of the market into several clusters of homogenous consumers with similar needs and behaviour. These can be based on a consumer-oriented segmentation, which relates to what kind of person the customer is, or based on a behavioural segmentation, related to how consumers use the brand (Kotler and Keller 2012). As the market segmentation is finalized, the company must decide which market segment(s) to target. *Targeting* means to select the segments that fit the company best, and consequently increase the chances for consumer satisfaction (Kotler and Keller 2012). Lastly, the *positioning* refers to "the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market" (Kotler and Keller 2012). Its results is the successful creation of a customer-focused value proposition, a logical reasoning why the target should choose the product. Thus, is what differentiate brands to competitor, making them appeal to consumers (Kotler and Keller 2012).

When the positioning strategy is defined, the *marketing mix* must be developed as it works as a support to the STP framework, helping to meet the consumer needs by using the model of the four Ps: Product, Price, Place and Promotion (Kotler and Keller 2012).

5. Nataría Portuguesa

5.1. Custard Tarts

Pastéis de Nata, referred as custard tarts in English speaking countries, were created in 1837 by the clerics of a monastery located in Belem, Lisbon. This was a measure of survival in response to the liberal revolution that was felt at that time. Since then it is a speciality that attracts many visitors. Having gained a great reputation, it is now world-renowned as one of the most popular Portuguese pastries. Inclusive was chosen as one of the seven wonders of the Gastronomy of Portugal in 2011 (7 Maravilhas de Portugal 2011). The original store, called *Pastéis de Belém*, in its high season, sells 50.000 custard tarts per day.

Given the reputation this pastry is already spread across the world; from franchising's of the brand *Nata Lisboa – The World Needs Nata* – in Spain, Abu Dhabi, Angola, Austria, Netherlands, England, France, Germany, Belgium and Slovakia, to independent businesses such as in France, England, Brazil, EUA, China and Japan. In Paris for instance, a pastry shop called “*Comme à Lisbonne*” six months after opening doors was already selling 1.000 custard tarts per day (Jornal de Negócios 2012). Moreover, in London, “*Lisbon Patisserie*” produces around 18.000 custard tarts per day (Portugal Daily View 2012).

5.2. Business Idea

Present in several countries, the custard tarts are entering into the Argentinian market, through an idea developed by the Portuguese Luis Infante da Câmara and his family. As an entrepreneur living in Argentina for the past twenty years, always thought that this pastry would be a success in the country due to the population's strong tradition in eating sweets/desserts.

Since 2016, the business idea has been implemented, from the construction and assembly of the factory, to the teaching and learning of the whole production process. Hence, *Nataría Portuguesa* arises as a registered trademark of custard tarts, based on the city of San Javier, province of Santa Fé (600 kilometres from the capital).

NP will be an enterprise specialized in the production of custard tarts, acting in the ready-made and deep-frozen food products sector. The intention is to launch a new concept of the pastry shops in Argentina, starting by the capital Buenos Aires. This concept relies on the idea of opening pastry shops that will offer only one product – custard tart - plus drinks (e.g. *Manteigaria* in Lisbon). Additionally there will be as well the possibility of distribution to restaurants, hotels and caterings. All products leaving the factory, for the stores or to distribute, will be already ready and frozen, hence, it is only necessary to heat in a normal oven.

5.3. Internationalization Process

Despite the fact that is not an internationalization process, as the required infrastructures and the productive process is based on the country, is necessary to take into account cultural differences. There are no equal countries, markets neither standardized products, so to be successful its essential to understand what consumers actually want. The key issue to have a prosperous business overseas is to have the customer in consideration to meet cultural variations.

Therefore, one of the challenges NP faced was understanding Argentinian consumers. A quantity of tests and experiences were conducted and a number of questions were answered.

The first aspect was related to the physical environment (variations in climate). The weather in Argentina is characterized by being very humid, in opposition to Portugal, and so, this plays an important role in the production process. If the factory does not have the right conditions for good isolation of the product, the custard tart does not get good. Also, the ingredients vary depending on weather conditions. If the temperatures are too high, the butter for instance, needs to be harder. Then, in what concerns to the product itself, from all the tasting experiences that were already made, consumers prefer the custard tarts less sweeter than those made in Portugal. Therefore, the original recipe was changed, and now, less sugar is used.

Thus, is essential to keep the essence of the business without disregarding the environment where the product is entering and have the willingness to accept and adapt to possible differences that may occur.

6. Situation Analysis

6.1. PEST Analysis for Argentinian Market

6.1.1. Political Context

Argentina, positioned as the second largest economy in South America, in “the 21st century it has convulsed under the mismanagement of former leftist populist President Cristina Fernandez de Kirchner and her late husband Nestor Kirchner” (Forbes 2016). During the Kirchnerismo period, the country was defined by the economic and political instability, and by severe levels of corruption (Forbes 2016). With the elections in 2015, Argentina became under the command of Mauricio Macri, first president belonging to the centre right party since Argentina returned to democracy, in 1983 (Gov.uk 2017).

This new administration is showing signs of moving away from the legacy of the old government, by cracking down corruption and trying to restore the confidence of the country. According to the Corruption Perceptions Index of 2017, Argentina was ranked as 85 out of 180 countries, with a score of 39² - 7 points more than in 2015 (Transparency International 2018). However, President Macri is going to face some barriers as the opposition controls the Congress. Meaning that his effort to introduce new reforms, which can improve bureaucracy, judiciary effectiveness and independency, can be obstructed (2018 Index of Economic Freedom).

6.1.2. Economic Context

Macri was faced with the challenging task of enhance growth and employment, and simultaneously, decrease the existent inflationary pressure (Forbes 2016). With the new

² Scale of 0 to 100, where 0 is highly corrupt and 100 is very clean.

presidency takeover, the country's economy already suffered significant changes (World Bank 2017). "Real GDP increased by 2,8% in 2017 and growth of 2.9% is expected in 2018" (Euromonitor International 2018). In respect to unemployment in 2017 represented 8,5%, whereas in 2018 is estimated to decrease to 8,2% (Euromonitor International 2018).

Despite the fact that the present government was already able to decrease the public spending from 50% to 41% of GDP (Euromonitor International 2018), the public deficit generated before led Argentina to be considered one of the countries in the world who needs the most international financing.

After Venezuela, Argentina was the Latin American country with the highest inflation rate. "Without a fixed exchange rate, without any type of price controls, we have been reducing inflation", affirmed Macri to Bloomberg Television (Bloomberg 2017). According to Euromonitor International, inflation in 2017 was 25,5% in comparison with 41,5% in 2016.

Moreover, as an attempt to open up the economy after years of isolation and return to international capital markets, "Argentina has taken a very active role on the international stage and will hold the presidency of the G20 in 2018" (World Bank 2018; Fortune 2017).

However, despite the efforts to win back market confidence, create long-term sustainable growth and integrate in the global economy, this month Mauricio Macri announced that the country is in negotiations with the International Monetary Fund (IMF) to help decrease uncertainty and currency volatility. The purpose of the loan (about US\$30.000 million) is to prevent increases of inflation as well as uncontrolled decreases of the Argentinian peso – decrease of 10% against the dollar in ten days, reaching a value of US\$23,4 (Clarín 2018).

6.1.3. Socio-cultural Context

Respecting to food trends, Argentina is a country with high European influences consequence of migrations occurred in the 20th century, particularly from Italy and Spain (Euromonitor

International 2016). Therefore, their consumption practices are much more similar to the European standards than to Latin American countries.

“Argentiniens have a special connection to food, not because of gastronomic reasons, but because they regard it as a time for getting together” (Euromonitor International 2016). As people have more and more this culture, the role of cafes are gaining more importance in the Argentiniens big cities. “These places are the heart and soul of urban culture in Argentina” (Euromonitor International 2016). In fact, people nowadays are looking for places with superior quality products and more comfortable.

Typically, Argentinian is not an adventurous person in what respects to trying new and unusual flavours and combinations. Nonetheless, the population is known as one that really enjoys sweet treats (e.g. *Dulce de Leche*). According to a study made by Euromonitor International in Argentina, each person consumes more than 72 grams of sugar per day, in comparison with Portugal, which on average consumes approximately 52 grams (The Washington Post 2015).

6.1.4. Technological Context

Due to the country’s economic situation, the values concerning investments in research and development (R&D) are relatively low, balancing between 0.6% and 0.7% of the country’s GDP. According to the reform program created by the government, the plan includes the increase of private and public investment in R&D to extend to 1.5% of GDP until 2020 (OECD 2017).

As innovation is key to achieve economic development, the government’s objective is to adopt new measures to make the most of the national capabilities, and led to improvements in the competitiveness of the economy (Argentina Innovadora 2020, 2018).

The majority of the economic activity is made around the province of Buenos Aires that produces more than half of the country’s GDP. According to a survey made by the World Bank (2017), Argentina is perceived as the 109th country worldwide in respect to the quality of

infrastructures. By improving the infrastructures, cities such as Santa Fé or Cordoba for instance, would have better chances to participate in new economic opportunities, as their logistic costs for exporting would be much lower. This would contribute to reduce the disparities between regions as well as reduce the number of isolated areas (OECD 2017).

6.2. Description of the Market

6.2.1. Global Baked Goods Market Overview

“Health, quality and convenience seem to be the keywords to success in a mature industry that is still hungry for growth” (M&A Worldwide 2017)

From the global perspective, the baked goods category³ in 2017 was estimated to have a market size of US\$352.791 million (Euromonitor International 2017). Although, Europe and North America are considered to be the largest markets, in what respects to future growth, emerging markets located in East Asia and Latin America are the ones with the highest potential for growing (M&A Worldwide 2017).

Additionally, there is an increased consciousness regarding healthy and environmentally friendly food, mostly in developed countries. Consumers purchasing decisions are made taking in consideration the quality and safety of food, as well as the impact that can have on the environment, and price becomes less important. Moreover, as people nowadays are faced with busy schedules, they are starting to look for more convenient food options. So, bakery and pastry goods as ready-to-eat products are gaining popularity. Also, packaged and premium bakery products are becoming more attractive for consumers (M&A Worldwide 2017).

6.2.2. Contextualization of the Baked Goods Market in Argentina

Due to the recent economic crisis, the Argentinian’s purchasing power suffered a drop that led consumers to change their buying habits in search for cheaper options. In what respected to goods that where not considered essential, people decreased purchasing. “In 2017, baked goods

³ This concept includes bread, pastries, cakes, dessert mixes and frozen baked goods.

declines by 3% in retail volume terms but records 25% current value growth, reaching ARS95 billion” (Appendix 1). Due to inflation the average unit price suffered an increase of 19% in current value terms (Euromonitor International 2017).

Baked goods in-store are classified as unpackaged/artisanal, in opposition to the packaged/industrial products. Products that are produced in one location and then transported frozen to be finished in-stores are considered artisanal as well (Euromonitor International 2017). This is the case of the custard tarts, that are produced in the factory located in San Javier, province of Santa Fé, and later transported to the stores/warehouse in Buenos Aires or distributed.

The pastry segment refers entirely to unpackaged products, and last year, was placed as the second largest of the category with 22,6% of growth. The artisanal baked goods are considered to be leader in the market, showing a value share of 77% in 2017 (the second highest was Grupo Bimbo with 3%). This scenario is due to Argentinian´s having a huge tradition of going to local bakeries and consume unpackaged products. According to a study, there are about one bakery for 1200 Argentinian´s (Euromonitor International 2017).

This market is very competitive as there are several players competing and offering huge varieties of products that satisfy the same needs. According to the Asociación de Hoteles, Restaurantes, Cafés y Confiterías, in Buenos Aires, 42% of the products bought in pastries shops are *facturas*, which represent mainly the traditional *medialunas* (mini croissants) (Clarín 2017). Therefore, *medialunas* are considered to be the biggest competitor for the custard tarts.

7. Business Model Canvas

7.1. Value Proposition

The objective of NP is to offer a unique, tasteful and high-quality product to its customers. The pastry shop must be derived by a fast and convenient service for customers to enjoy their experience. The atmosphere in-store needs to reflect the quality of the product and suggest the

Portuguese origins. The packaging of the products it is also relevant, presenting a distinctive design, characteristic of this differentiated product. The brand must be transparent.

Regarding to distribution, NP must ensure that buyers who are going to sell the product in their establishments, treat the product correctly, selling it with the same quality.

7.2. Customer Segments

NP will focus on consumers with low time available. NP will offer convenience and fast service (due to low level of preparation), as well as high quality. Hence, this is a great option for customers as they can quickly grab and go, and at the same time have good and tasteful pastry.

NP will also target customers that are looking to have a good food experience and a pleasant time in-store. Another important segment refers to the “foodies”, which are the group of people who see food as an interest/hobby and enjoy to search for new gastronomic trends. This group is becoming more and more demanding, since besides the product itself they expect transparency from the company. Moreover, is important to remember the early adopters as are the ones who experiment the product before everyone else and act as influencers. Their commentaries and shares of the brand may influence other persons to try the product or not. Besides, they constitute an important segment because they will be the ones who will give feedback about the product/brand.

7.3. Channels

For the B2C segment, consumers will only be able to buy the product in physical stores. To start, there will be two stores in Buenos Aires one representing the concept of “grab and go”, and the other one, offers the possibility to seat on tables to enjoy the in-store experience.

In specific periods, there is the possibility to be present with the brand in determined events.

In the B2B segment, there is also the possibility of distributing the product to hotels, caterings and restaurants.

7.4. Customer Relationships

Developing customer loyalty/retention is essential for the business to be successful as it is the customer who creates value for the company. Nowadays, people go to new places depending on the family/friends recommendations. And, as customers are becoming more critical, consequence of the digital era, they expect more than just satisfying products. They expect companies to connect with them, give them feedback and be transparent. Therefore, is essential to develop customer reviews to understand what customers value more, create special offers and promotional events to retain frequent customers and gain new ones (Kotler & Keller 2012).

Also, for customers to enjoy their time in-store, the products will be sold by trained personnel to ensure that is delivered with the best quality possible and with a fast service.

7.5. Revenue Streams

In what concerns revenue streams, will be originated by sales from the stores (custard tarts and drinks) and from the distribution in other places (despite not being the core of the business).

7.6. Key Resources

Recipe and know-how: custard tart is a Portuguese cake that requires a great deal of knowledge in the pastry field. It's a delicate dessert that needs a meticulous treatment in what regards to the production process. Infrastructures: the factory is where the production process is developed and the stores, which must offer a pleasant environment, since is where the final customer can find the product for sale. Human resources: stores' employees dealing directly with customers, thus training and motivation being necessary to deliver high-quality products, with a good service and create a welcoming environment. The employees of the factory need to be qualified as well to work in the production process. Brand: by having a strong brand, the company offers in some way, differentiate dimensions from competitors, that are meant to satisfy the same need.

7.7. Key Activities

Suppliers: to ensure quality of the product is essential to choose suppliers wisely. Handling the product: the factory and stores' environment, must be according to the regulations of safety and quality, with the necessary machinery and equipment to make sure the product is produced in the right way. Transport: the transportation of the product from the factory to the stores must be done without damaging the product. Cleaning: the factory and stores must be always clean and respecting all the hygienic conditions to have a healthy and enjoyable environment. Service in-store: Stores must offer the best service and quality possible for customers to enjoy their experience and return. Marketing and advertising: as a small company with small amounts of budget, is important to use online sources to attract new customers (bloggers to make reviews and share the brand) as well as word of mouth, for instance.

7.8. Key Partnerships

Suppliers: there are partnerships with suppliers of raw materials, with factories responsible for the production of the packaging, with suppliers of drinks, and finally with a brand of coffee. Outsourcing company: responsible for the design of the brand and the website. Banks: to facilitate the electronic machines in the stores for customers to pay with credit cards, and possible financing. Bloggers: Possibility to create a partnership with bloggers to share the brand. Franchisees: For the future, if the company decides to open franchisees, they will be considered as key partners as well.

7.9. Cost Structure

Raw materials: these costs refer to the production of the custard tarts. There are considered to be variable. Personnel: constitute a large part of the company's costs. Renting: the rent of the stores represent a sizable cost for the company as it is a fixed cost, and so, does not depend on the quantity sold. Marketing: marketing is an important part as well and varies a lot from company to company. In this case, as a small business it should made as efficient as possible

trying to spend as less money possible. Promotional costs: these costs includes money used for the website construction and maintenance.

8. Marketing Strategy

In this section, the STP methodology will be applied to describe the market segmentation, the target segment and the brand positioning (Kolter and Keller 2012). This method is essential to focus the company's resources within the highest level of efficiency.

8.1. Segmentation and Targeting

From the analysis already made, is possible to state that there are two ways for the company to be successful in the market. The first one refers to the B2B organizations, where it may include selling the product to hotels, restaurants and catering services. The second one refers to the B2C segment, where the company will have the custard tarts in their own stores for sale. Yet, due to the high level of complexity in collecting data for the B2B segment, in this report, the focus will be only on the B2C segment.

Hence, for a higher understanding of the habits of the Argentinian's consumers in respect to sweets and pastries, a quantitative-based research was conducted, by using an online survey as a tool (Appendix 2). The idea was to comprehend consumers tastes, preferences and willingness to pay for desserts. By answering these questions, is possible to observe the potential of the market of pastries in Argentina. The survey was randomly distributed in the country, with a total number of 141 respondents (Appendix 3 for a detailed description of the research). By using taste and frequency of consumption of pastries/cakes is possible to define four major market segments:

- Heavy consumers: represent the population that consumes desserts/pastries every day (sometimes, more than once a day) - denoting 8% of the population.

- Medium consumers: respects to people that consumes desserts/pastries more than once a week, corresponding to 45% of the population.
- Light consumers: regards to consumers that only eat desserts/pastries once a month, representing as well 45% of the population.
- Non-consumers: reflects the population that never consumes desserts/pastries, which expresses 2% of the population.

Due to the huge dimension of Argentina, counting with approximately 44.3 million people, the first stage of the business must be focused only on the capital Buenos Aires⁴, with a population of 3.12 million (Euromonitor International 2018). Furthermore, it must comprise the group of people with ages between 25 and 64 years old and belonging to the middle, upper middle and higher income groups. This is due to the fact that people with lower income cannot afford to buy desserts in a pastry/bakery as it is seen as a “luxury” (Euromonitor International 2016). Since the population between 25 to 64 years old in the middle (C), upper middle (B) and higher income (A) segment represent 19% of the total (Appendix 4), in Buenos Aires there are approximately 600.000 potential buyers.

Thus, assuming the target will be focused on the heavy consumers, there are 50.000 potential consumers in the city of Buenos Aires. Nonetheless, is important to consider the medium consumers as they eat desserts every week (more 270.000 potential consumers).

8.2. Positioning

Positioning Statement

“For heavy consumers with ages between 25 to 64 years old, in the middle, upper middle or higher social classes, living in Buenos Aires, seeking for new food experiences (*Target*), Nataría Portuguesa is the only custard tart brand in the country (*Brand/Point of Reference*),

⁴ The province of Buenos Aires aggregates nearly 16.7 million people.

offering the expertise to provide the most authentic custard tart experience at the best quality/value (*Points of Difference*), due to its legacy as a Portuguese company and unique know-how (*Reasons to Believe*)” See Appendix 5 for a detailed description of this model.

9. Marketing Mix

After developing the positioning of the company, the Marketing Mix will be utilized throughout the 4P’s framework: Product, Price, Place and Promotion (Kotler and Keller 2012). This model is useful to illustrate the benefits of the business and mostly to generate awareness.

9.1. Product

The production process of custard tarts constitute a very complex process, requiring a lot of attention to detail. It is not a simple dessert that can be made quickly, and involves a considerably amount of effort to achieve the desired consistency. The recipe was carefully adapted to the country’s environmental conditions and the ingredients chosen meticulously, to offer high quality. Therefore, after almost two years of learning and training, the custard tarts are already ready to enter the market.

The product is produced and then frozen (already baked), within a temperature of approximately minus 20°C, in the factory. Afterwards, is transported (frozen) to the stores or to be distributed, in which is stored frozen until consumed. In-store, the custard tarts only need to be put in a normal oven for 5 to 10 minutes, and then they are ready to be marketed.

The fact that the product is completed and then frozen, does not affect the quality of the same. Indeed, the custard tarts can be frozen for up to one year without losing their properties. After numerous experiments, it was concluded that a custard tart without being frozen is equal to one that has been already frozen. In fact, all the custard tarts from the franchisees of *Nata Lisboa* in other countries go already prepared and frozen from Portugal.

In the first stage of the business, the idea is to offer only one product, the traditional Portuguese custard tart. It can be served cold or hot, which sugar, cinnamon or simple.

In respect to packaging, four options of containers will be offered to customers that prefer to grab and go: a small bag to carry one custard tart, and three options of boxes for 2, 4 or 6 custard tarts. Additionally, the boxes will include an image of the product, the brand's logo, website and contacts, country of origin, ingredients and instructions for managing the product properly. As the product is unknown in the country, the branding is essential to generate awareness and create consumer loyalty. For instance, by having an image of the custard tarts on the boxes, it's easier for people to associate the name of the brand to the pastry itself.

9.2. Price

After the crisis, Argentinian consumers became more sensitive to prices and more careful in spending money. However, they are a country with big connections to food as they associate it with time spent with friends (Euromonitor International 2016). According to the research (Appendix 3 for a detailed description of the research), in what respects to pastries, price is considered to the fourth most important factor to take into consideration (between nine factors), after taste, freshness and appearance of the product. Also, the majority of the consumers inquired, responded that they pay more than ARS\$50 to eat a pastry/dessert every time (although a *medialuna* cost on average ARS\$15, the majority of consumers order at least three). Hence, they appreciate good quality products and sophisticated environments and so, they are willing to pay more as long as they perceive it as a good quality-price ratio. Concluding, the price of the custard tarts in-store should be considered as a premium pricing strategy, and therefore, not be sold for less than ARS\$40 each.

9.3. Place

In regards to placement, the product is going to be available mostly in the stores of NP in Buenos Aires. According to the research, most of the consumers buy their pastries on bakeries, coffee shops or restaurants ($\approx 63\%$). Therefore, the stores must offer a pleasant environment (e.g. materials, colours, design) where consumers can appreciate and recognize the difference

from competitors. To start, the company will have two stores, in which one is to “grab and go” and the other one with tables. Also, there is as well the possibility of partnerships with hotels, restaurants and catering organizations. Additionally, as has previously happened this year, there may be occasional events that are worth participating to help create brand awareness.

9.4. Promotion

For NP to reach potential buyers, a communication framework referred as AIDA model (Strong, 1925): Attention, Interest, Desire and Action, will be applied (Kotler and Keller 2012). To create awareness of the brand, is essential to catch product’s attention. There are numerous of approaches that marketers can implement, and some have already been put into practice. First, the participation in occasional events - NP’s attendance to *Lollapalozza Festival*⁵ and *Moto GP*⁶, where buyers had all the brand information in the boxes and were encouraged to visit the Instagram and website page of the brand. Afterwards, the company was invited to have an article in the Magazine *Conventillo Babel*, as well as presenting the brand in several radio stations (in San Javier and Buenos Aires). Moreover a good communication tool, would be a partnership with restaurants where instead of having a cookie to accompany the coffee would be a mini custard tart. And lastly, the company needs to constantly invest in the online communications. From the website and e-mail to the social networks such as Instagram. The brand must consider having some bloggers to share the product in their pages.

Then, the second step, after creating consumers attention is to generate interest. This is one of the most challenging stages of the model as the company needs to find ways to make the consumer spend their time seeing more about the brand. This can be made by using the word of mouth strategy. The brand can benefit from those consumers that already had an experience with the product to share their opinions with friends/family and in social networks. Also, the

⁵ With approximately 100.000 people per day.

⁶ With approximately 50.000 per day.

company can be more interactive in the social networks by providing useful information, curiosities, articles about the brand and the custard tarts in general. The idea behind this stage is to establish and create a bond with consumers.

After creating awareness and interest is essential to create desire for the product. In this case, the communications should focus on presenting and explaining the product itself. For instance, the brand should clarify the different ways the product can be consumed (e.g. sprinkled with cinnamon, sugar, or with ice-cream).

Finally, as the desire of purchase is already completed, the final step is to actually make the consumers buy the product. This section is related to the action of purchase, in which there may exist special bonus for usual customers or discounts once a week in the stores (e.g. Mondays from 4pm to 6pm). Additionally the stores can have a bell that draws people's attention when a batch of custard tarts is made (e.g. *Manteigaria* in Chiado, Lisbon).

10. Financial Contextualization

To better understand the business and to complete the NP business plan is essential to develop a financial approach for the company. The first step to make is to find out the necessary quantity to be sold in the stores to have at least profit equals to zero, *Break-even Point* (BEP). To cover costs, the BEP must be of 13.324 custard tarts per month⁷, representing ARS\$532.960 (Appendix 6). For NP not to lose money, each store must sell approximately 257 units per day, which based on the events the company already went, it is possible to state that the number is achievable⁸.

Although NP does not have sales yet, the implementation process has already started almost two years ago. Therefore, a significant investment has already been made, quantifying a value of around ARS\$5.3 million⁹ (Appendix 7). Thus, the payback period must be calculated to

⁷ Counting 26 days each month.

⁸ Lollapalooza with 12.000 custard tarts sold and Moto GP with 5.000 custard tarts sold.

⁹ All the calculations are made using the country's currency ARS\$.

determine the time required to recover the initial investment. As the company has not opened the stores yet, the number of units that can be sold there are still unknown. Hence, three scenarios¹⁰ were created to estimate the potential sales. These estimations were made on a monthly base, with a growth rate of 10% in the first three months due to increased brand awareness. Hence, the pessimistic scenario is based on selling 500 custard tarts per day in both stores in the first month. Although after one month the company would start making profit, the initial investment would not be paid right away. Only 25% of the investment would be recovered in the first year. If all conditions were the same, the payback period would be only in about 3 years and 3 months (Appendix 8). Regarding to the average scenario, 800 custard tarts would be sold per day in the first month. In this position the company would be profitable right from the first period of operations. The BEP is exceeded in the first month and the initial investment will be paid back after 1 year and 2 months. (Appendix 9). Finally, the optimistic scenario would be selling 1.100 units per day right from the beginning. After five months, the initial investment would be totality covered (Appendix 10).

11. Conclusion and Recommendations

This business plan was made with the purpose of start guiding the development of launching a custard tarts business in Argentina. After examining the financials is possible to affirm that the project is promising. Despite that sales are only projections, according to the estimations, the initial investment would be paid relatively fast (with exception of the pessimistic scenario). Additionally, from the two market tests already made, the results were extremely positive. Although it was the first time the product were sold to customers, the people actually bought it. Though they are not very adventurous in trying new products, they were drawn to the points of sale and had to try it.

¹⁰ These estimations do not include sales of drinks in-store neither custard tarts from distribution.

Hence, Argentinian consumers are extremely attracted to sweets, and so, on this subject they are willing to take more risks. Also, there is an increasingly tendency for consuming good quality products and appreciating new experiences, which is a good opportunity for the company. Despite the market is highly competitive, presenting many competitors, there is still space for introducing a high quality product that is convenient and offer new experiences.

Moreover, after numerous conversations with the owner, two aspects are relevant to mention. Firstly, the reasons why the factory is located in San Javier instead of in Buenos Aires are due to: variations in prices from one city to another (plant, infrastructures and employees, for instance), trustworthy employees, and also the owner's town of residence, making it easier to control production and logistics. Accordingly, even with the cost of transportation and rental of a warehouse, it is worth it. Secondly, the location of the stores in Buenos Aires instead of in a closer city, is explained by the increased bargaining power of consumers in Buenos Aires, variations in prices of goods (in Buenos Aires is more expensive) as well as concentration of population.

In respect to the country itself, is passing through a difficult situation where the government is currently in negotiations with the IMF. The biggest concern is that the increase of value of the dollar and the interest rates will affect the food sector, leading to increases in the inflation rate. The government's objective was to achieve an inflation of 15% in 2018, but according to some analysis it will reach 22% (Público 2018). Therefore, this devaluation of the Argentinian pesos and the increase of inflation may affect the purchase power of customers and, consequently the business.

Concerning all these results, the project will face some challenges due to the country's current situation. However as previously seen, the target consumers are people with more bargaining power that will helpfully continue to buy desserts at pastry shops according to tradition.

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13. Appendixes

Appendix 1: Sales of Baked Goods by Category – 2017

Baked Goods	ARS million	Percentage
Bread	49.356,5	51,75%
Pastries	23.122,3	24,24%
Cakes	16.548,2	17,35%
Dessert Mixes	5.921,8	6,21%
Frozen Baked Goods	430,4	0,45%
Total	95.379,2	100%

Appendix 2: Questionnaire

Welcome.

My name is Pureza Infante da Câmara and I am a student of MSc in Management of Nova SBE in Lisbon, Portugal. I would like to obtain your participation in this questionnaire, which is going to help me realize my master thesis. There are no right or wrong answers, only the ones that reflect your opinion. This survey has a predicted duration of 5 minutes, is confidential and is destined only for academic studies.

I thank you in advance for your collaboration.

Part 1.

1. Gender
 - a. Female
 - b. Male
2. Age
 - a. < 18
 - b. 18 – 24
 - c. 25 – 34
 - d. 35 – 44
 - e. 45 – 54

- f. 55 – 64
 - g. ≥ 65
3. Occupation
- a. Unemployed
 - b. Student
 - c. Retired
 - d. Third party employee
 - e. Independent workers
 - f. Other
4. City of work/study
- a. Buenos Aires
 - b. Rosário
 - c. Santa Fé
 - d. Cordoba
 - e. Other, please specify

Part 2.

Indicate your level of accordance with the following statements.

1. Thinking about brands of products or services I buy, I like to try new brands
 - a. Always
 - b. Sometimes
 - c. Never
2. I prefer to buy a known brand because I like to reconfirm their quality
 - a. Totally agree
 - b. Agree
 - c. Indifferent
 - d. Disagree
 - e. Totally disagree
3. I prefer to buy known brand because the risk of my necessities not being satisfied is less when compared to an unknown brand
 - a. Totally agree
 - b. Agree
 - c. Indifferent
 - d. Disagree
 - e. Totally disagree

4. When buying an unknown brand, I feel secure regarding the level of quality
 - a. Totally agree
 - b. Agree
 - c. Indifferent
 - d. Disagree
 - e. Totally disagree

Part 3.

Answer the following questions according to your consumption habits.

1. Do you like to eat pastries?
 - a. Yes
 - b. No
2. How often do you eat them?
 - a. More than once a day
 - b. Daily
 - c. Several times a week
 - d. Once a month
 - e. I never eat desserts
3. When do you typically eat them?
 - a. Breakfast
 - b. Lunch
 - c. Dinner
 - d. As a snack
4. Where do you tend to buy them?
 - a. Supermarket
 - b. Restaurants
 - c. Coffee shops
 - d. Bakery
 - e. Convenience stores
 - f. I do not buy my desserts, I make them
 - g. Other, please specify
5. Where do you typically eat them?
 - a. Home
 - b. Work
 - c. Restaurants

- d. Coffee shops
 - e. Fast food outlets
 - f. Bakeries
 - g. Other, please specify
6. How often do you visit pastry outlets?
- a. Everyday
 - b. Alternate days
 - c. Weekends
 - d. Once a month
 - e. Once every three months
7. What pastries/desserts do you normally eat? (choose all that apply)
- a. Alfajores
 - b. Medialunas (mini croissants)
 - c. Dulce de membrillo
 - d. Dulce de leche
 - e. Muffins
 - f. Cookies
 - g. Brownies
 - h. Pies
 - i. Ice creams
 - j. Chocolate/sweets
 - k. Cupcakes
 - l. Cheesecakes
 - m. Other, please specify
8. In general, when considering pastries, how important are the following attributes? (very important, important, moderately important, of little importance)
- a. Appearance
 - b. Freshness
 - c. Brand / publicity
 - d. Taste
 - e. Nutritional values
 - f. Natural ingredients
 - g. Long shelf life
 - h. Low in calories

- i. Price
9. What is your main reason for eating them?
- a. "To indulge"
 - b. "To finish off the meal"
 - c. "I have a sweet taste"
 - d. "Habit"
 - e. Other, please specify
10. What do you prefer to eat with pastry?
- a. Coffee (expresso)
 - b. Coffee with milk
 - c. Tea
 - d. Yerba mate
 - e. Soft drinks
 - f. Water
 - g. Nothing
 - h. Other, please specify
11. How much do you usually spend on eating pastries every time?
- a. < 20 pesos
 - b. 20 – 25 pesos
 - c. 25 – 30 pesos
 - d. 30 – 35 pesos
 - e. 35 – 40 pesos
 - f. 40 – 45 pesos
 - g. 45 – 50 pesos
 - h. > 50 pesos
12. Usually, how much do you pay for a Medialuna? (in your city)
- a. < 10 pesos
 - b. 10 – 15 pesos
 - c. 15 – 20 pesos
 - d. 20 – 25 pesos
 - e. 25 – 30 pesos
 - f. 30 – 35 pesos
 - g. > 35 pesos
13. Usually, how much do you pay for a Muffin? (in your city)

- a. < 25 pesos
- b. 25 – 30 pesos
- c. 30 – 35 pesos
- d. 35 – 40 pesos
- e. 40 – 45 pesos
- f. 45 – 50 pesos
- g. > 50 pesos

14. Usually, how much do you pay for a cup of coffee (expresso)?

- a. < 30 pesos
- b. 30 – 35 pesos
- c. 35 – 40 pesos
- d. 40 – 45 pesos
- e. 45 – 50 pesos
- f. 50 – 55 pesos
- g. > 55 pesos

Part 4.

This project refers to the implementation of a traditional Portuguese Pastry called Pastel de Nata in Argentina. This sweet is composed by a puff pastry filled with a delicious cream. The brand name is Nataría Portuguesa, and the concept is based on having stores with only Pastel de Nata and drinks for sale. The stores will be located in the city of Buenos Aires.



1. For this pastry what price would you be willing to pay?

- a. < 30 pesos
- b. 30 – 35 pesos
- c. 35 – 40 pesos

- d. 40 – 45 pesos
 - e. 45 – 50 pesos
 - f. > 50 pesos
2. Imagine you are entering this Pastry coffee shop. Which scenario would you prefer?
- a. Eating at a table
 - b. Eating at a bar counter
 - c. Grab and go

Appendix 3: Research

The survey was randomly distributed in Argentina, with a total number of 141 respondents. The sample was composed mainly by consumers with ages from 25 years old to 64 years old ($\approx 62\%$), and living in Buenos Aires ($\approx 70\%$).

More than half of the respondents feel safer when buying brands that they already know. Consequently, is possible to corroborate that Argentinian's don't appreciate to take high levels of risk in regards to products and services choices in general. Although, from products they already know, in 20% of the cases, they enjoy trying new brands, and in 80% from time-to-time. However, despite the fact that they aren't adventurous people, they really appreciate to eat sweets ($\approx 97\%$). Therefore, they become really tempted to try new confectionaries (for instance, in Lollapalooza they were "attracted" to the custard tarts points of sale and had to try them). From the respondents, 62% said that they eat pastries as an indulgence, as 31% said they have sweet taste.

Moreover, it's possible to reconfirm that they have a great tradition on going to coffee shops and bakeries to socialize, work or read (Euromonitor International 2016). They tend to go in the afternoon ($\approx 57\%$), where they can enjoy a good time eating good quality food, in a comfortable place. The majority of the inquires prefer to eat on a table ($\approx 52\%$), where 38% like to grab and go, and only 11% to eat on a bar.

Appendix 4: Population between 25-64 in Argentina 2017 (by classes)

	Class A	Class B	Class C
25-29	356300	352500	736400
30-34	413300	305800	590900
35-39	449300	288000	543000
40-44	399700	241600	455400
45-49	318800	192800	367300
50-54	269600	174510	340500
55-59	218000	171100	352300
60-64	161910	155300	345300
Total	2586910	1881610	3731100

Source: Euromonitor International 2018

Appendix 5: Positioning - Points of Difference (PODs) and Points of Parity (POPs)

To define the positioning statement for NP, first the POPs and the PODs must be completed. Accordingly, the POPs are the fact that the product respects to a baked good that is consumed as an indulgence. Then, concerning the PODs, there is the fact that the product is a traditional pastry from Portugal, having the internationalization factor as differentiator. Next, there is the unique recipe, as is the only company that manufactures custard tarts in Argentina. And so, the smell and the visual appearance compose unique features in the market. Besides, the product is considered to be one of pastries/desserts with the lowest levels of caloric content in the sector. And to finish, the business is focusing on branding, offering as an example, unique packaging for the product in order to be transported more easily.

Appendix 6: Break-even Analysis (ARS\$)

Custard Tarts			
Unit Price		40	
Unit Cost		6	
Raw Materials		2	
Packaging		1	
Transportation		1	
Commission Sales		2	
Margin of Contribution		34	
Monthly Expenses			Yearly Expenses
	Accounting	30000	360000
Factory	Wages	90000	1080000
	Electricity	18000	216000
	Gas	1500	18000
Store 1	Rent	30000	360000
	Wages	90000	1080000
Store 2	Rent	38000	456000
	Other expenses	5500	66000
	Wages	120000	1440000
	Truck driver	30000	360000
	Total expenses	453000	5436000
BEP Q (Monthly)	13324	BEP Q (Year)	159883
BEP ARS\$	532960	BEP ARS\$	6395320

Appendix 7: Initial Investment (ARS\$)

Set-up the business	150000
Factory	
Plant	220000
Construction	905501
Equipment	1083471
Portuguese pastry cooks	139500
Wages	83900
Raw materials	31223
Others	138035
Subtotal	2601630
Brand	
Design	60000
Site	9600
Subtotal	69600
Store 1	
Construction	210000
Equipment	100000
Subtotal	310000
Store 2	550000
Construction	400000
Equipment	150000
Subtotal	550000
Truck	1400000
Trips	150000
Electronics	14885
Subtotal	1564885
Total Investment	5246115

Appendix 8: Pessimistic Scenario (ARS\$)

Monthly rate	10%
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	July	August	September	October	November	December	January	February	March	April	May	June
Sales	520000	550000	629200	692120	692120	692120	692120	692120	692120	692120	692120	692120
COGS	78000	85800	94380	103818	103818	103818	103818	103818	103818	103818	103818	103818
Gross Margin	442000	464200	534820	588302	588302	588302	588302	588302	588302	588302	588302	588302
Expenses												
Accounting	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Factory												
Wages (3)	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000
Electricity	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
Gas	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
Store 1												
Rent	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Wages (3)	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000
Store 2												
Rent	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000
Other expenses	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500
Wages (4)	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000
Truck driver	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Total expenses	453000	453000	453000	453000	453000	453000	453000	453000	453000	453000	453000	453000
Net Profit	-11000	11200	81820	135302	135302	135302	135302	135302	135302	135302	135302	135302

Appendix 9: Average Scenario (ARSS\$)

Monthly rate	10%
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	July	August	September	October	November	December	January	February	March	April	May	June
Sales	832000	880000	1006720	1107392	1107392	1107392	1107392	1107392	1107392	1107392	1107392	1107392
COGS	124800	137280	151008	166109	166109	166109	166109	166109	166109	166109	166109	166109
Gross Margin	707200	742720	855712	941283	941283	941283	941283	941283	941283	941283	941283	941283
Expenses												
Accounting	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Factory												
Wages (5)	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000
Electricity	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
Gas	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
Store 1												
Rent	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Wages (3)	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000
Store 2												
Rent	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000
Other expenses	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500
Wages (4)	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000
Truck driver	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Total expenses	513000	513000	513000	513000	513000	513000	513000	513000	513000	513000	513000	513000
Net Profit	194200	229720	342712	428283	428283	428283	428283	428283	428283	428283	428283	428283

Appendix 10: Optimistic Scenario (ARSS)

Monthly rate	10%
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	July	August	September	October	November	December	January	February	March	April	May	June
Sales	1144000	1210000	1384240	1522664	1522664	1522664	1522664	1522664	1522664	1522664	1522664	1522664
COGS	171600	188760	207636	228400	228400	228400	228400	228400	228400	228400	228400	228400
Gross Margin	972400	1021240	1176604	1294264	1294264	1294264	1294264	1294264	1294264	1294264	1294264	1294264
Expenses												
Accounting	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Factory												
Wages (7)	210000	210000	210000	210000	210000	210000	210000	210000	210000	210000	210000	210000
Electricity	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
Gas	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
Store 1												
Rent	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Wages (3)	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000
Store 2												
Rent	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000	38000
Other expenses	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500
Wages (4)	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000	120000
Truck driver	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Total expenses	573000	573000	573000	573000	573000	573000	573000	573000	573000	573000	573000	573000
Net Profit	399400	448240	603604	721264	721264	721264	721264	721264	721264	721264	721264	721264