

Feasibility for the Export of Mexican Cranberry Sauce with Spicy Walnut to the Market of Zurich, Switzerland

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Abstract: *The study area was carried out in the sauce production plant "Naturalmente Pícaro" which is located in Cordillera del Márquez 230, Lomas 3ra Secc, CP: 78210 San Luis, S. L. P. Located at coordinates 22°08'40" N-101°01'47" W. It is a microenterprise located in the northwest area of the city of San Luis Potosí, Mexico, made up of women in their respective positions (General Manager, Administrative, Production Manager, Accountant). Its main twist is the preparation of sauce in 4 different flavors and 2 ranges of hotness per flavor. The following study was carried out with the determination to exceed the sales obtained by the company "Naturalmente Pícaro" in 2019, which were 6, 135 jars of "Spicy cranberry sauce with walnuts" in its 250gr presentation. Who would represent the company "Naturalmente Pícaro" in the foreign market, to increase sales during the year 2021. An analysis was carried out for the choice of the destination country, said choice was Zurich, Switzerland where a small nostalgic market niche of Mexicans residing in the country was detected, in addition to analyzing the demand for sauces by the Swiss market. Data was obtained from a consumption trend by Mexicans of approximately 10kg of salsa per year, in addition to crucial consumption trend data that 9 out of 10 Mexicans consume salsa; On the target market in Switzerland, data showed that 3 out of 10 Swiss consume sauce. In addition to analyzing the labeling and quality standards established by the European Union, abiding by the regulations described in the normativity section, as well as the health standards of food products.*

Keywords: Sauce, cranberry, spicy walnut, export, Zurich

1. Introduction

In Mexican gastronomy, salsa is defined as a mixture obtained from the grinding of some fruit, with vegetables, spices, being used as an accompaniment to a dish. In the particular case, Mexican sauces are mainly based on chili in all its presentations, fresh, dry. Thanks to the different combinations that can be made with thousands of ingredients, a wide range of sauces is obtained, and this wide range has also been enriched with the help of ingredients from different parts of the world. Mexican food is always accompanied by something spicy, that aspect distinguishes us throughout the world. It is what identifies us Mexicans around us in any country. Seen from a business side, sauces are a worldwide business (Zamora, 2016).

According to the consultancy López et al., (2020) the national per capita consumption was 1.5 kilos (equivalent to seven bottles of sauce annually) on average. Half of the households prepared them at home at least twice a week, while 39 percent bought home-style packaged sauces. According to the market researcher Euromonitor International, last year the value of the market for sauces and condiments in the country was 3 thousand 21 million dollars (mdd), a figure that may reach 3 thousand 546 million dollars in the next four years.

The sauces with the greatest export boom are green sauce, chipotle, habanero, Mexican dip and guacamole. Exports are constantly increasing, as well as the innovation of various

varieties of sauces, thus creating a new experience for consumers (Reyes et al., 2008).

Mexican salsa imports in Europe comprise an upward trend with a monetary value corresponding to 5.5 million dollars for the year 2006, but for the year 2011 as mentioned above, the trend is upward, reaching 8.76 million dollars, which represents 59.2% corresponding to the period. Imports come from 14 countries of the European Union, although Spain, Germany, Italy and France correspond to 98.7% of imports of these products (Berain, 2013).

2. Materials and Methods

To develop this research it was necessary to conduct interviews, prices in national and international markets, competition and place the products for sale. Regarding the investigation of the origin of the sauces, this is disclosed from the month of November 2014, a family from the state of San Luis Potosí, Mexico, elaborated gourmet style sauces to accompany the food they consumed daily, standing out the almond sauce with sunflower seed. To develop this research it was necessary to conduct interviews, prices in national and international markets, competition and place the products for sale. Regarding the investigation of the origin of the sauces, this is disclosed from the month of November 2014. A family from the state of San Luis Potosí, Mexico, made gourmet-style sauces to accompany the food they ate daily, highlighting the almond sauce with sunflower seeds. It was proposed to market the sauce, managing to sell 23 units in that month, packaged in plastic containers and decorated

with a checkered cloth on the lid and calling it "Artisanal sauce".

In December of the same year, it was decided to pack them in hexagonal glass jars and the fabric that adorns the lid changes from squares to a Christmas one, likewise, it was time to choose the name of the product, being known as "La Pícara". In that month it had about 500 units sold. Therefore, in January 2015, he decided to investigate the requirements to market the sauces, standardized his recipe and began to offer his sauces in stores near the business.

Today, the microenterprise has been marketing its sauces for 6 years, offering them to consumers at HEB, Sears, Sanborns, Soriana, in addition to being present on the Amazon platform.

In the same way, it is sold in its native San Luis Potosí, in Mexico City, Monterrey and Guadalajara, in more than 10 department stores and convenience shopping centers.

It has 3 workers, an administrator, a chef and an external accountant. He has the vision of one day being on the Alibaba platform, in addition to exporting to countries such as the United States, China and Europe. A great achievement was to become a finalist in the 2020 Goula Awards in the Social Impact category: Best product promoting national traditions, competing directly with Cajeta Quemada Coronado, Chilorio de Tuna Dolores, Mezcal Dos Once, Tamales La Costeña and Koch the Mezcal. In addition to having an FDA certificate: Registration of FDA facilities: 12990913486.

3. Results and Discussion

Regarding the results obtained from this research, Switzerland is a country located on the European continent, located in the center, bordering Austria, France, Germany and Liechtenstein, with a large area of 41, 285 square kilometers, however, only 1.5 per thousand of the surface is inhabited. It consists of around 8 million inhabitants, it is considered highly populated since approximately 193 people per square kilometer live due to the small territory, but the distribution between cities is very unequal; only 10% of the total population lives in the alpine zone. More than 22% of the inhabitants do not have a Swiss passport.

The population growth rate in Switzerland has been highly increased from the 90's to 2013, having an increase of 40%. Aging in this country is more noticeable every year, the fertility rate has decreased considerably, however, life expectancy is more than 82 years. Procreation in the country is around 1.5 per household, while in the 1960s it was 2.5 per family. Undoubtedly, immigration has compensated for the deficit of deaths and births in Switzerland (Moreno, 2011). In relation to the sauce product for export, it is necessary to consider the following characteristics: organizational chart (Fig.1), logo (Fig.2), motto (Fig.3).

The part that integrates the organization chart of the company can be seen in Fig.1, having the following departments:

- Production department: responsible for the transformation of raw material into the product to be

exported, said person in charge will carry out all quality standards, regulations for the destination country applicable to the final product.

- Department of administration and finance: in charge of carrying out everything that involves the documentation and numbers of the company, as well as keeping track of product sales and obtaining credits.



Figure 1: Company organization chart "Organization chart". Own elaboration/2021



Figure 2: Logo del producto

Source: Provided by the company/2021

4. Motto

The color and flavor of our land

Product description

- **Spicy Walnut Cranberry Sauce**

Homemade sauce, with finely chopped walnuts, a touch of chile de arbol which gives it a spicy touch at the end of the tasting and with a gourmet style, with high quality and fresh seeds and nuts, accompanied by olive oil and safflower, preservative free. Packaged in a hexagonal jar with a gold lid, which is adorned with Scottish-style fabric; on the front of the bottle is its respective label, which gives the consumer the nutritional value of the product, in addition to the logo and data corresponding to the company.

The cranberry sauce with spicy walnut is found in a 240-gram presentation, thanks to its glass bottle it is possible to appreciate the content of the product, being attractive to the consumer at a glance and easily recognized. This product can be accompanied in dishes such as: fish, red meat, white meat and even as an appetizer (Gorocica, 2008).



Figure 3: Spicy Walnut Cranberry Sauce
Source: Provided by the company/2021

• **Production costs**

As can be seen in Table 1, the company has an average monthly sales of around 511 sauces in all its presentations, since they supply on request and not with a monthly production goal. The general public price of the spicy cranberry-based sauce ranges from \$43.00 to \$90.00, depending on the branch where it is purchased. Despite the high competition, the acceptance of the product is favorable, since it reflects a profit margin of between 40-50% per year in total.

Table 1: Cost of production "Cranberry sauce with spicy walnut"

Product	Cost	Grams	Cost USD
Spicy Almond	\$ 36.28	240 GR	\$ 1.94
Little Spicy Almond	\$ 37.13	240 GR	\$ 1.99
Spicy Cranberry And Spicy Walnut	\$ 43.44	240 GR	\$ 2.32
Slightly Spicy Blueberry	\$ 42.81	240 GR	\$ 2.29
Spicy Peanut	\$ 29.50	240 GR	\$ 1.58
Little Spicy Peanut	\$ 28.96	240 GR	\$ 1.55
Spicy Mango	\$ 38.23	240 GR	\$ 2.04
Slightly Spicy Mango	\$ 39.80	240 GR	\$ 2.13

Source: Provided by the company/2021

Lugar de exportación

Lugar a exportar: Zúrich, Suiza

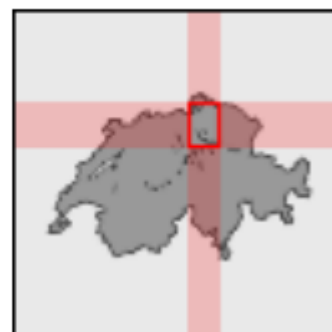


Figure 4: Zurich location in Switzerland

Source: Taken from "Location of Zurich". (Federal Statistical Office, 2020). regional portraits

Gross monthly wage by age and gender, 2018

Middle value (median), in Swiss francs – Private and public sectors combined

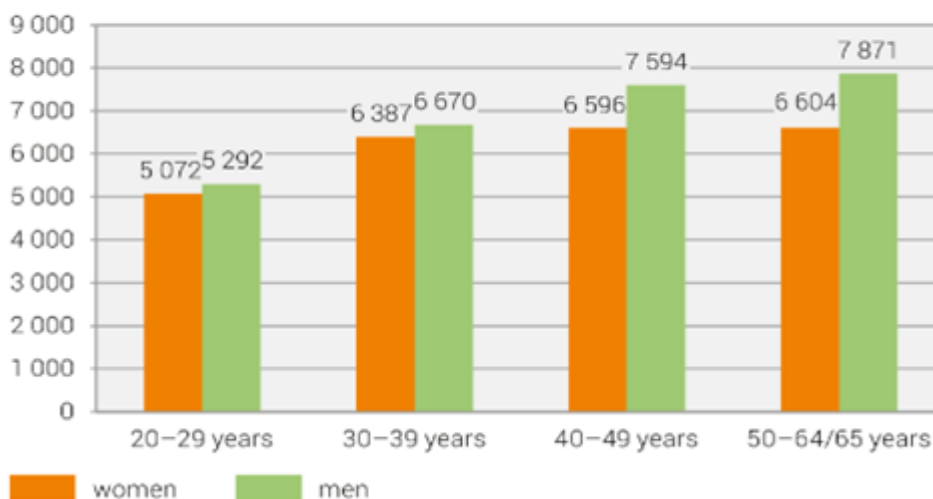


Figure 5: Average monthly income by gender Switzerland

Source: Taken from "Average monthly income by gender Switzerland". (Federal Statistical Office, 2018)., Work and income

Moreno (2011), states that the average gross income in men is around 6, 856.75 Swiss francs per month and in women an average of 6, 164.75 Swiss francs, however, it can be seen in the graph that the older you are and the more you work experience, the higher your monthly income is increasing remarkably.

20% of the population in men generate an income of 5, 000 to 6, 000 Swiss francs per month, however, our potential demand will be focused on the sector which has a monthly income of more than 6, 000 Swiss francs, since, the higher the income, there is a greater purchasing power of goods or services, without negatively affecting the economy of the individual (Fig.6).

Frequency distribution of the employees to the wage level classes, 2018

Net monthly wage – Private and public sectors combined

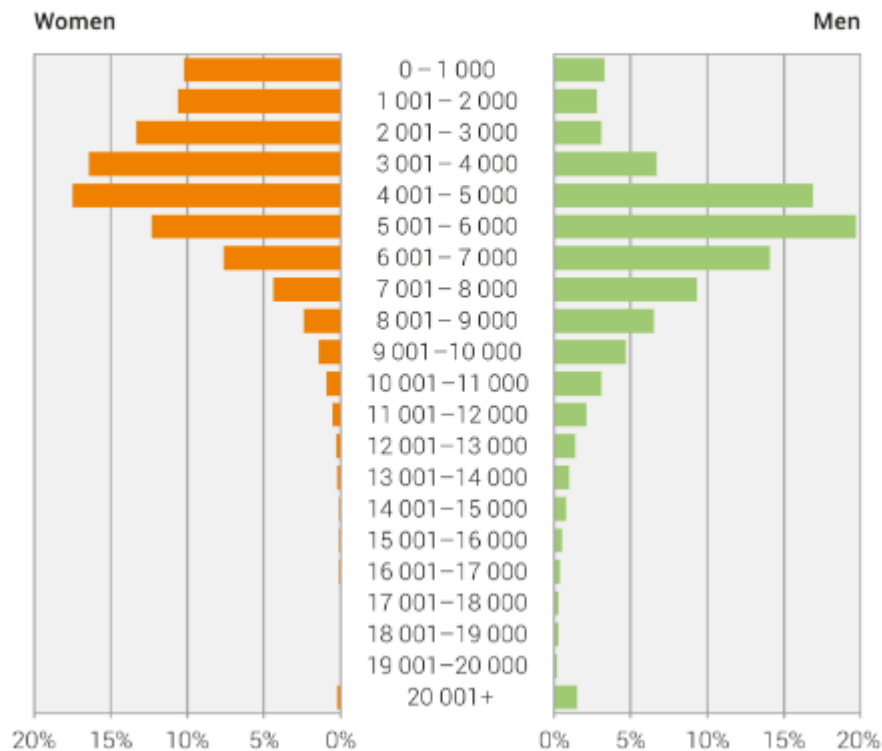


Figure 7: Source: Taken from “Frequency distribution of employees by level classes

Taking as data that the total population of Zurich (Fig.7) corresponds approximately to 19% of the total population in Switzerland, with 26% of foreign migrants, that is, 52, 000 migrants of different nationalities.

Switzerland has the presence of more than 3, 500 Mexicans residing in their country; while there are 6 thousand Swiss living in national territory, and with this there is a commercial exchange of around 2.4 billion Swiss francs (Berain, 2013). Taking into account that sauces are mostly consumed at a stage after adolescence and part of adulthood. With an average consumption of 4.8 kg of sauce per year in Switzerland.

92% of Mexicans consume salsa when accompanying most of our dishes with this complement (Gabinete de Comunicación Estrategica, 2017). This means that 9 out of 10 Mexicans could buy the product offered, thus being 3, 150 potential consumers in Switzerland. With an annual average per capita consumption of 8 to 17 kilograms by Mexicans (Medel, 2020). Consumption per person in Switzerland was constant during the 1990s, averaging 4.7 kg per inhabitant. As of 2000 it rose slowly until it reached 4.8 kg, however, for the year 2001 it increased 100 kg per person, reaching 4.9 kg per capita, but for the year 2002 it fell back to 4.8 kg per person, more or less 400 gr of monthly sauce. The importation of sauces due to this increase, in the year 1998 they imported 12, 853 tons and for the year 2001 a total of 15, 918 tons (Martínez, 2013).

The Swiss clientele, for the most part, people who have traveled or lived in Mexico, are nostalgic for Mexican dishes. One of these dishes is sauces, but, in Switzerland, a certain number of products are based on their own recipes, made in the country, but with ingredients imported from Mexico (Pereira, 2009). gourmet food, establish that: the green sauce is the most successful, "because it is a sauce with tomatillo (green tomato) that, of course, can be planted here in Switzerland, but the flavor is not the same and also the mole poblano, because it is very difficult to make and find all the chiles and ingredients that are needed" (Soto, 2009). Switzerland has had a 20% growth in imports of Mexican sauces in the period of 2015-2021. A quantity of more than 90 tons was exported by Mexico to Switzerland with an import value of 319, 000 US dollars (Colino, 2009).

The trademark registration gives the right to exclusive use in the national territory for a period of 10 years, since it distinguishes your products or services from others existing in the market. It is also extremely helpful in initiating legal action for possible misuse of the brand you register and facilitating the granting of licenses for use or franchises (Secretaria de Economía, 2021). Regarding export regulations, the following were taken into account:

ISO 9000: "This international standard promotes quality management through a process approach in order to increase customer satisfaction with the fulfillment of their requirements."

Packing

NOM-130-SSA1-1995

It establishes: “the sanitary provisions and specifications that food packaged in hermetically sealed containers and subjected to heat treatment must comply with, with the exception of products that have the specific NOM's. It is mandatory in the national territory for natural and legal persons engaged in its processing or importation. The corresponding NOM is complemented by the following Official Mexican Standards”:

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5. Conclusion

It was concluded that the spicy walnut cranberry sauce is a product with great potential to be exported to the Swiss market. Because there is a small nostalgic market niche in the country, in addition to having companies importing Mexican products for more than 30 years. Likewise, the Free Trade Agreement would be used to the maximum, being a commercial advantage for the company, favoring that the product with tariff item 21039099 is exempt from import and export tariffs, being positive for “Naturally Pícara” and “El Maíz Mexican Products” generating a competitive and accessible sale price for the market and in turn generating profit for both parties. However, a value added tax of 7.7% must be paid. In addition, a great advantage for the product is that, as it is a processed product, an international phytosanitary certificate is not required by SENASICA for the export of the product “La Pícara” Cranberry sauce with spicy walnuts.

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