

An evaluation of the Exporting Mode of Entry of Carib Brewery in the Cuban Market.

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EXECUTIVE SUMMARY

The aim of this research report is to evaluate the Trinidad company - Carib Brewery's - exporting mode of entry into the Cuban market which commenced in January 2019. This research is significant because it will supply readers with a thorough examination of the exportation mode that was negotiated and utilized by Trinidad and Tobago's Carib Brewery. Also this research will spotlight as well the possible benefits and challenges that Trinidad and Tobago's Carib Brewery successfully managed to eliminate during the two year intense negotiations (2016 - 2018) with Cuban authorities prior to the company's entry into the Cuban market in December 2018, after Carib Brewery officially appointed UCSA Freixent S. A. as its agent for the Cuban market. As such, the purpose of this research report will result in a better understanding of the exporting mode of entry as well as the benefits and challenges upon entering into the Cuban market.

In Section I of the research report, general data of the organization has been gathered. Data is gathered through primary and secondary sources also. Section II of the research report, the information is gathered through the PESTLE analysis to help determine the factors that are at stake in the Cuban market. Objective of the research report is to conduct a thorough analysis that will relate the various marketing and distribution strategies of Carib Brewery into this particular market.

As a result, the research report draws attention to the fact that Cubans favour Carib Brewery beverages particular Carib lager beer which comprised 45% of the market. Pricing strategy proved to be the most successful marketing and distribution strategy in the Cuban market as Carib Brewery will undoubtedly gain a competitive edge by offering their product at low

affordable prices. Regarding the political factor of the PESTLE analysis, it is suggested that Carib Brewery pays special attention to tax prices as they fluctuate on a regular basis. Also, economically speaking, the cost of labour and raw materials tend to increase regularly, therefore this factor needs to be evaluated. More importantly, Carib Brewery utilizes recycling procedures pertaining to old bottles in order to conserve the environment. This environmental factor has proven to be an effective one thus far and can be in the Cuban market as well.

In the end it is recommended that Carib Brewery export Carib products to Cuba specifically the Carib lager beer. Also, in order to boost sales, culture-specific marketing plans should be followed alongside pricing strategies. The economy pricing method should be followed as low prices can be offered; also making a name in the Cuban market is important. Lastly, it is recommended that Carib Brewery utilize the Segmentation, Targeting & Positioning (STP) Strategy as the right products will reach the correct customer.

SECTION I

SCOPE OF CARIB BREWERY

The aim of this research report is to evaluate the Trinidad company - Carib Brewery's - exporting mode of entry into the Cuban market which commenced in December 2018. The research is significant because it will supply readers with a thorough examination of the exportation mode that was negotiated and utilized by Trinidad and Tobago's Carib Brewery. Also this research will spotlight as well the benefits and challenges that Trinidad and Tobago's Carib Brewery successfully managed to eliminate during the two year intense negotiations (2016 - 2018) with Cuban authorities prior to the company's entry into the Cuban market in January 2019.

BACKGROUND/HISTORY OF CARIB BREWERY

As per Carib Brewery (2019), Carib Brewery is known to be an industry leader and has told the local market in the creation of go-to drinks for nearby individuals and visitors. Carib Brewery brands are globally recognized and the Carib Beer identification is alluded to around the world as a picture of the Caribbean's blue waters and all year sunshine. The organization is owned by the Ansa Mcal Group of Companies.

This is the manner by which everything started. The British got praise for acquainting beer with the Caribbean during the 1880s, however it was Sir Gerald Wight, at that point Chairman of Alstons Company Limited (presently McEneaney Alstons Limited) and a Royal Air Force veteran from World War I, who saw the foundation of a new brewery and a glassworks plant as an actual existence preserver to an economy that was generally sugar and oil subordinate.

Caribbean Development Company Limited (CDC) was framed in 1947 and driven by Sir Gerald to do only that, in any case, there was another person who saw the potential achievement of beer in the Caribbean some time before CDC was established.

As a result, an individual, referred to just as Mr. Walters, lifted the spirits of numerous amid the overall gloom that pursued World War I with his dark porter brews. He possessed and worked the Trinidad Brewing Company which created and sold Royal Lion Ale, Royal Extra Stout and Black Velvet Stout. In 1957, amidst expanding rivalry from CDC, Mr. Walters sold the Trinidad Brewing Company to CDC along these lines adding his brands to their effectively developing portfolio.

Additionally, the rest is brew history. From that point forward we at CDC have developed from strength to strength. We continue to improve and develop our portfolio in every class to ensure that every purchaser can find a beverage they can call their own. Our products are key fixings in every get-together and we are satisfied to bring the fun and vibes that an island lime is known for, to in excess of thirty countries over the globe.

LOCATION & PERIOD OF OPERATION

On September, 1, 1950 the Caribbean Development Company (CDC) propelled its honor winning Carib Lager brew and started with a yearly generation of 10,000 hectolitres. Right around 65 years after the fact, the distillery has extended to incorporate sister bottling works in Grenada and St.Kitts and Nevis the two of which started generation in 1983. Ansa Mcal (2017).

The main Carib Brewery is located at Eastern Main Road, Champs Fleurs, Trinidad, W.I. While the sister breweries are located at Grand Anse, St. George's, Grenada, W.I., and Buckley's Site, P.O. Box 1113 Basseterre, St Kitts, W.I.

INDUSTRY SECTOR, PRODUCTS OR SERVICES OFFERED, NUMBER OF EMPLOYEES

Expanded brewery facilities have enabled the organization to satisfy the expanding needs of the local market just as exports to 27 global destinations. New brands and flavors have been created and propelled throughout the years, moving the organization starting with one pinnacle of progress then onto the next. Today, the Brewery employs more than one thousand (1,000) employees and produces more than 1,200,000 hectolitres of product every year.

The Brewery has additionally formed partnerships with International Companies, for example, Heineken International B.V., Ginseng-Up Corp and Diageo and accordingly a few global brands are produced under permit for local and export consumption. The Brewery has additionally gained the global rights (except for the United Kingdom) for Mackeson Milk Stout with regards to the goal of building a portfolio of Global Beverage Brands.

Products include: Carib beer which ranks as first choice for any occasion. It is a reasonable, full-bodied and unmistakably smooth beer that takes 'invigorating' to another dimension and contains 5.1% – 5.4% volume of alcohol. Carib Light was then created for customers that wanted a lower alcohol intake of alcohol. Not compromising its great taste, alcohol volume ranges from 3.9% – 4.1%. Targeting the male consumer audience, Stag was created due to its taste and name indicates the meaning of true masculinity – unforgettable strength and character. Alcohol volume ranges from 5.4% - 5.9%. In 2012, Carib Brewery turned into the official merchant for the Heineken brand. Heineken comes in various sizes such as 250 ml cans, 300 ml bottles, 330 ml club bottles and draught. Alcohol volume is 5%. Heineken Light are enjoyed

by customers seeking a lighter alcohol intake. It comes directly from Zoeterwoude, their main brewery in Holland and sizes are 330 ml non-returnable bottles and 250 ml cans.

Moving on the milk stouts, Mackeson is known for its roasted malt aroma with a trace of espresso like support. Alcohol volume is 4.9%. Brewed with extra hops, Guinness is a more bitter quality, however still smooth at the same time. Alcohol volume is 7.3% - 7.7%. Royal Extra Stout although high in alcohol of 7.0% - 7.4% is lightly carbonated. Roasted barley, hints of caramel, chocolate, coffee and even fruits combined all contribute to this unforgettable taste. Very popular limeades are Smirnoff Ice (Red) and Smirnoff Ice (Black) which is a mixture of vodka and lime. Classed as a ladies drink, Red Ice alcohol volume is 5.5% while Black Ice is higher with 7.7%. Another popular refreshing beverage is Shandy Carib. Known as a consumer favourite for any occasion, alcohol volume is not more than 1.2%.

Non alcoholic beverages are Malta which is an energy boosting malted beverage rich in vitamins A, B, D and E. Smalta is a mini version of Malta great for teens and kids. Lastly, Ginseng Up is a healthy, weakness battling and stress calming beverage due to the Korean Ginseng Root it is made of.

COMPETITORS OF CARIB BREWERY IN THE CUBAN MARKET

Cuba Brews:

On December 17, 2014, Presidents Barack Obama and Raul Castro announced the beginning of a process to normalize relations between the United States and Cuba. At CUBABREWS.COM, we are doing our part to help warm these relations by celebrating our countries' shared love of cold beer. We launched in March of 2016 to mark President Obama's historic visit to the island.

The Pre-Revolution Beer Industry

Business lager creation started in Cuba in the late nineteenth Century with the opening of the La Tropical brewery in Havana. As the brand's prominence developed, La Tropical developed a German-style lager garden, Jardines de la Tropical, close by the distillery on the Almendares River in 1904. Cuba Brews (2016). Afterward, Stadium La Tropical was raised, and played host to major games some time ago. La Tropical created a few kinds of lager which got acknowledgment at presentations in North America and Europe. Amid the ascent of La Tropical, La Polar distillery opened in 1911, likewise in Havana and furthermore with its own brews gardens. A third major brand, Hatuey-named after a Taino Indian chef, additionally rose to unmistakable quality. The Hatuey brand was procured by the Bacardi family and produced in various breweries on the island.

By the 1950s, energized by residential utilization and Cuba's flourishing tourism economy, times were useful for these producers. Vacationers running to Cuba's shorelines and gambling clubs frequented the lager gardens and drank the native cold brews close by the well known rum beverages at the island's hotels and bars. A native of such bars, Ernest Hemingway, who composed *The Old Man and the Sea* at his Finca Vigia home outside Havana, included Hatuey brew in that novel. The decade paving the way to the Cuban revolution was a brilliant period for the major brewers.

The Post-Revolution Scene

In 1960, the Cuban government seized and nationalized all bottling works on the island as a major aspect of its precise seizure of private industry. The Cuban government kept on working

distilleries with generation levels remaining to a great extent static and problematic until the 1990s. In 1997, the Cuban government (Coralsa) and Canada's Labatt Brewing Co. Ltd. shaped Cervecería Bucanero S.A. as a joint venture to accomplish in the creation of residential lager and the authorizing of Cuban brew brands around the world. The open private joint endeavor shown is one the Cuban government has worked with France's Pernod Ricard to create Havana Club rum. In 2003, the Bucanero adventure contributed \$100 million to overhaul its production operations and capacity in Holguin. Bucanero brews Cuba's significant brands, Cristal, Bucanero, Mayabe and Cacique. In spite of the critical private interest in Cuba's lager industry, generation issues have continued. As of late as the sweltering summer of 2014, creation was smothered by deferrals in the import of malted barley.

What's Next?

Since taking power following the demise of Fidel Castro, Raúl Castro, has found a way to enable more Cubans to work autonomously of the state-run economy. Among the allowed classes of private business are eatery proprietors; and the nation is currently home to certain brewpubs. In January of 2015, the United States' Departments of Commerce and Treasury discharged new standards of its own creation it simpler for Americans to head out to Cuba and for U.S. organizations to grow exchange opportunities. The change in U.S. strategy is driven by the expectation that working with autonomous Cuban business people will improve expectations for everyday comforts and start to cultivate financial freedom from the Cuban government.

Carib Brewery Vision Statement:

OUR VISION

Creation

Sustainable Economic Value Creation

Consumer

Great Brands Creating a Superior Consumer Experience

Customers

Extensive Win-Win consumer & Distributor Partnerships

Core processes

Brand Consumer and Supply Chain Management Excellence

Capabilities

Embedded Consumer-Focused Marketing Culture

Mission Statement:

OUR MISSION

We Exist

To Refresh & Uplift our people world-wide

With

Unique, appealing beverages

To

Continuously create value for everyone we touch

PESTLE ANALYSIS OF CARIB BREWERY INTO THE CUBAN MARKET:

A PESTLE analysis is a tool or framework for advertisers. You can utilize it on the off chance that you are trying to break down and screen the external marketing environment of your organization. The strategic management tool measures the macro external components. The outcomes make decision taking a lot simpler. (Pestle Analysis 2019). PESTLE is the acronym for Political, Economic, Social, Technological, Legal and Environmental.

Political –

- Taxation - The brewery industry for the most part experiences increment of excise tax by governments and regulations at both federal and state level. Federal and state level regulations influence the brew industry when production, distribution, promoting and labelling occurs. The excise duty on beer in Trinidad is \$5.14 per litre at an original gravity of 1050° and so in proportion for any difference in quantity or gravity. Carib Brewery's Marketing Manager Mr. Antron Forte (Carib Brand). Due to the shortage of beers in Cuba, exportation to Cuba is recommended as taxes for beers in Cuba are manageable.

Economic –

- The cost of labour and raw materials with the rising cost of food. In Trinidad, the cost of living seems to be rising. Therefore, in order to export beers to Cuba, this will mean that more resources will be needed which will emanate more expenses. The question of sustainability is particularly stark for Trinidad's economy becoming reliant on Cuba's economy to achieve economic growth. According to Carib Brewery's Marketing Manager (Low and No Alcohol Division), Ms. Marsha Kalloo, the cost of imports for Cuba will fluctuate constantly. Import duties may also fluctuate with inflation issues,

legislation etc. so watching out for when they will change will help the business keep up to date and be able to predict and adjust easily to changes.

Social –

- The demographics factors in Cuba will help in determining exportation of beers. This means that Carib Brewery is extremely vigilant on the Children & Underage Drinking in Cuba. According to Carib Brewery's Marketing Manager Mr. Antron Forte (Carib Brand), the legal age of drinking in Cuba is 16 years old. There is a lot of bad publicity surrounding alcohol with increased underage drinking. Pressure groups are trying to get the government to toughen their stance on it, along with increasing their price of alcohol in order to keep it out of young people's price reach.

Technological –

- Technology helps the brewing industry organizations to grow progressively productive distribution channels and upgrade facilities with technology that increase the brewing process and improve the quality of the cultivate ingredients and reaping process. This expands consistency and lessens costs.
- Packaging is in some cases what attracts purchasers to the item, without knowing whether the item is fortunate or unfortunate. The competition will dependably be doing redoes of their product images and re-designs, so re-packaging in new ways, for example, unique bottle shapes and materials is an incredible competitive edge.

Legal –

- Health and Safety Regulations. Completely and semi-computerized production processes and continuous technological advancements in the beverage industry require the most stringent occupational health and safety policy implementation over all dimensions of the organization. (ANSA Mcal Group of Companies Ms. Natasha Ramnath, Corporate Communications Officer). Carib Brewery is completely dedicated to providing a safe and healthy environment for its workers and guests. We have planned and actualized procedures and strategies that are proposed to secure the safety and well being of our workforce. We additionally envision and anticipate any potential hazards by persistently checking any security issues while consenting to all applicable legislative occupational health and safety regulations.

Environmental –

- Recycling procedures in accordance with environmental agencies policies. Carib Brewery encourages customers to return used bottles to the brewery as a way of reducing carbon emissions in the environment. By reusing bottles we lessen the utilization of the natural materials used to create them, hence diminishing the energy required to produce our products. The final product is a fundamentally diminished carbon impression with more positive effect on our environment. Carib Brewery's Marketing Manager (Low and No Alcohol Division), Ms. Marsha Kalloo.

SECTION II

METHODOLOGY

This research report deals with the exporting mode of entry into an international market. Therefore, it is imperative that relevant information is obtained with regards to this particular entry mode. One such method that was used to gather information is primary data which was in the form of face to face interviews. Primary data is collected specifically to address the problem in question and is conducted by the decision maker, a marketing firm, a university or Extension researcher, etc. (Curtis n.d.). For this research report, three face-to-face interviews were conducted with Carib Brewery's Marketing Manager, Ms. Marsha Kalloo (Low and No Alcohol Division), Carib Brewery's Marketing Manager Mr. Antron Forte (Carib Brand) as well as ANSA Mcal Group of Companies Ms. Natasha Ramnath, Corporate Communications Officer. Information pertaining to Carib Brewery's marketing and distribution strategies were obtained which are part of this company's exportation model. In the end, this exportation model of Carib Brewery began being used in January 2019 to enter Cuba's market.

To accompany the primary data being collected by the interviews, secondary data consisting of online sources and company documents were also used to also garner information for this research report. Using secondary research data enabled information to be gathered regarding Carib Brewery's PESTLE analysis. External secondary information was obtained from outside sources.

This is further detailed in the table below.

	Target	Method
Marketing and Distribution Strategies	<ul style="list-style-type: none"> • Carib Brewery's Marketing Manager – Ms. Marsha Kalloo (Low and No Alcohol Division) • Carib Brewery's Marketing Manager - Mr. Antron Forte (Carib Brand) • ANSA Mcal Group of Companies Corporate Communications Officer - Ms. Natasha Ramnath 	Primary Data Collection – face-to-face interviews
Background Information of Carib Brewery	Various websites online.	Secondary Data Collection – online sources and company documents.

LIMITATIONS

To conduct the research, the following limitations were expected and faced during the research evaluation. The quality of data by interviewers was not of high standard. The quality of data received often depended on the ability of the interviewer; however, in this case, the researcher often encountered personnel who had a very busy schedule, hence rushing to answer the interview questions. Management was also not very keen on sharing their views. Pertaining to secondary data limitations, the availability of information regarding the PESTLE analysis were difficult to obtain. More importantly documentation may lack authenticity which means parts of the document may be missing on account of age, and will not be able to confirm who really composed the archive, which means there is no way to verify whether its one-sided or not.

DELIMITATIONS

The aim of this research report is to evaluate the 2016 - 2018 period of Trinidad and Tobago's Carib Brewery Company negotiations with Cuba that resulted in Carib Brewery's use of the export mode of entry into the Cuban market which formally commenced in January 2019. This research paper has been delimited in the sense that the persons that were interviewed did not possess all the requisite information as it was discovered during the execution of the interviews that they were not directly involved in the negotiations between 2016 - 2018 with Cuban authorities. As a result, this caused a negative effect on the quality of primary data, I obtained from the interview. The justification for the delimitation is that the primary research ought to have utilized interviews from the requisite staffing or personnel of Carib Brewery who participated in and have firsthand knowledge about the negotiations during 2016 - 2018 with Cuban authorities that resulted in Carib Brewery's commencing the exporting mode of entry for Carib Brewery into Cuba's market in January 2019 and therefore would have led to the collection of immense significant data for this research.

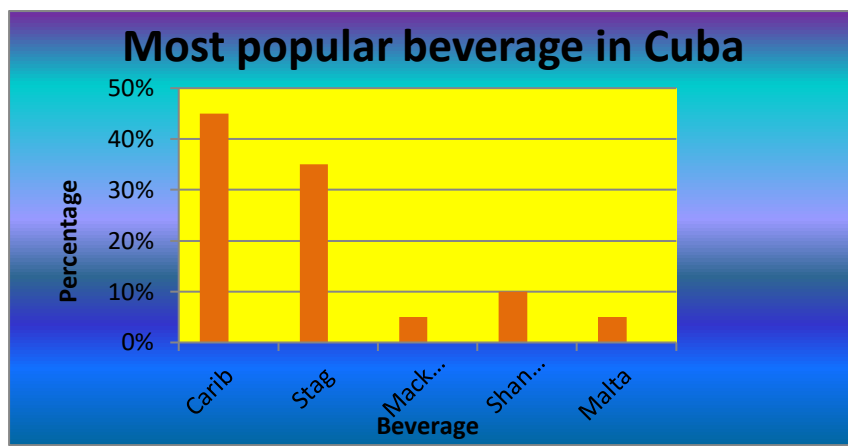
SECTION III

FINDINGS

A total of three interviews were conducted among Carib Brewery's Marketing Manager, Ms. Marsha Kalloo (Low and No Alcohol Division), Carib Brewery's Marketing Manager Mr. Antron Forte (Carib Brand) as well as ANSA Mcal Group of Companies Ms. Natasha Ramnath, Corporate Communications Officer. The results from the interviews suggest that the particular strategic questions that were asked were useful in determining if the exporting mode of entry into the Cuban market was beneficial or challenging.

The following list are questions that were utilized for the particular interviews:-

1) Which particular beverage of Carib Brewery stands out in the Cuban market?

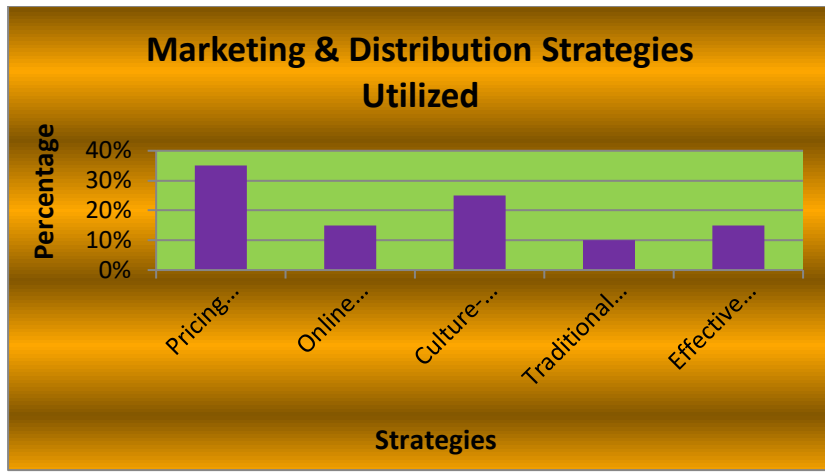


The chart above illustrates that 45% of the Cuban population prefer Carib beer, 35% prefer Stag, while 5% prefer Mackeson, 10% prefer Shandy Carib and 5% prefer Malta.

2) Who are the main competitors in Cuba?

Tourists searching for an authentic Cuban brew will in general favor the Bucanero and Cristal brands. Both are standard lagers with liquor content drifting around 5% that can be promptly acquired in numerous on-premises and off-premises retail outlets for about a dollar. Cacique and Mayabe are less expensive with somewhat less octane, and have even more a market with local people. The genuine value plays in Cuba are Tinima and Bruja, which each can be had for fifty pennies or less.

3) What particular marketing and distribution strategies are utilized pertaining to exportation to the Cuban market?



It can be seen from the chart above that Carib Brewery utilizes the following Marketing & Distribution Strategies. Pricing Strategies has been utilized at 35%, Online Marketing at 15%, Culture-Specific Marketing Plans at 25%, Traditional Marketing at 10% and Effective Marketing Action Plan at 15%.

4) Are there any specific pricing strategies that proved to be successful?



It can be seen from the pie chart above that Economy Pricing was the most popular pricing strategy in the Cuban Market with 55%. Penetration Pricing was 35%, Psychological Pricing was 5% and Product Line Pricing was 5%.

5) Who is your target market upon exportation to Cuba?

The target people of the product are grown-ups for the alcoholic beverages and all individuals for the non-alcoholic beverages. As the legal age of drinking in Cuba is 16 years old, a lot of teenagers are introduced to our alcoholic beverages. Therefore, they are at the level of experimentation.

6) Pertaining to Carib Brewery's PESTLE Analysis, the political factor specifically taxation, can you advise on the specific tax on beers?

The excise duty on beer in Trinidad is \$5.14 per litre at an original gravity of 1050° and so in proportion for any difference in quantity or gravity. This means that Carib Brewery needs to pay close attention to fluctuation of taxes as this is a very important factor in determining exportation into the Cuban Market.

7) The Economic factor in the PESTLE analysis – Which factors stands out the most in exportation of beers in the Cuban Market?

The cost of labour and raw materials is essentially the most pressing matter pertaining to the economic factor. Today's economy is ever fluctuating as prices seem to be rising more than declining. If prices have reached to a decline stage, this will inevitably help with a greater production for exportation to the Cuban market.

8) What are the main health and safety regulations regarding beer exportation in the Cuban market?

Completely and semi-computerized production processes and continuous technological advancements in the beverage industry require the most stringent occupational health and safety policy implementation over all dimensions of the organization. Entering into the Cuban market will by all means replicate this particular health and safety regulations.

9) Regarding environmental factors, what sort of recycling procedures are utilized?

Carib Brewery uses recycling procedures in accordance with environmental agencies policies. Carib Brewery encourages customers to return used bottles to the brewery as a way of reducing carbon emissions in the environment. This is a very useful method of preserving the environment. Therefore it is essential for the Cuban market to adhere to these factors as well.

10) What is your marketing mix in the Cuban market?

Product - Carib Brewery Limited comprises of a wide arrangement of alcoholic and non-alcoholic beverages, such as Shandy Carib, Stag and Royal Extra Stout to give some examples. They even bottle and distribute foreign beers, for example, Smirnoff and Heineken. Furthermore, the main product of Carib is the Carib Lager beer which is referred to all through the region as being one of their most genuine, unique and special beers. Therefore, more of the Carib Lager beer will be exported to Cuba.

Place - The product is entirely appropriate for the purchasers of the present society and is effectively accessible to the target market. It can be to be purchased at different Bars, Restaurants, Shops, and Grocery stores situated all throughout Cuba.

Price – To make the product more inexpensive to the consumers, the price range for the product is from \$8-\$10. However, the Cuban market differs. Carib lager is a top notch product as unique endeavors are made to hold its selectiveness in the Cuban market. Its taste and flavor are

altogether different from other beers and this is the reality that makes it exceptional in eyes of devoted Carib lager drinkers.

Promotion - Carib Lager Beer is promoted by different promotions on social networks, the television, radio and newspapers to give some examples. The Cuban market will encounter all these various promotions in order to successfully target the right audience. The target people of the product are adults for the alcoholic beverages and all individuals for the non- alcoholic beverages.

ANALYSIS OF FINDINGS

The purpose of this research report was to evaluate the Exporting Mode of Entry of Carib Brewery in the Cuban Market. It was hoped that a better understanding of the exporting mode would assess the benefits and/or challenges that may occur upon Carib Brewery entering into the Cuban market.

This research used naturalistic inquiry to collect qualitative data by conducting in-depth interviews amongst members of particular departments in the organization. Participants in the research included two (2) females and one (1) male. Carib Brewery's Marketing Manager, Ms. Marsha Kalloo (Low and No Alcohol Division), Carib Brewery's Marketing Manager Mr. Antron Forte (Carib Brand) as well as ANSA Mcal Group of Companies Ms. Natasha Ramnath, Corporate Communications Officer. Some of the information captured from all three interviews was collated into charts and tables. The data was analysed according to the research strategic questions posed earlier in the study. Not all Carib Brewery personnel implement the same strategies that are equally effective. Therefore, the author interviewed the Carib Brewery and Ansa Mcal personnel were interviewed using a semi-structured interview process with strategic questions for data collection. To elicit more detailed answers to interview questions, Anyan (2013), Rowley (2012), and Yin (2014) recommended establishing rapport with the

participants. To establish rapport with the participants, the author started each interview with a brief introduction and pursued interview protocol. By establishing rapport and utilizing strategic interview questions, the participants provided descriptive solutions pertaining to their marketing and distribution strategies utilized with exportation to the Cuban market. (Leland 2016).

The study was based on the following ten strategic questions:

- 1) Which particular beverage of Carib Brewery stands out in the Cuban market?
- 2) Who are the main competitors in Cuba?
- 3) What particular marketing and distribution strategies are utilized pertaining to exportation to the Cuban market?
- 4) Are there any specific pricing strategies that proved to be successful?
- 5) Who is your target market upon exportation to Cuba?
- 6) Pertaining to Carib Brewery's PESTLE Analysis, the political factor, specifically taxation, can you advise of the specific tax on beers?
- 7) The Economic factor – PESTLE Analysis – which factors stands out the most in exportation of beers in the Cuban market?
- 8) What are the main health and safety regulations regarding beer exportation in the Cuban market?
- 9) Regarding environmental factors in the PESTLE Analysis, what sort of recycling procedures are utilized?
- 10) What is your marketing mix in the Cuban market?

These ten strategic questions were immensely satisfied by the findings above. The overriding finding in this research report revealed that the exportation mode to Cuba reveals both benefits

and challenges. This section of the research report analyzes, interprets and synthesizes the findings and is organized by the following analytic categories:

- 1) Most popular brew of Carib Brewery in Cuba. (Question 1).
- 2) Main competitors in Cuba (Question 2).
- 3) The various marketing and distribution strategies Carib Brewery used in exporting to Cuba. (Question 3, 4 and 10).
- 4) Carib Brewery's target market in Cuba. (Question 5).
- 5) Integration of the various factors of the PESTLE analysis in the Cuban market. (Questions 6 - 9).

The earlier analytic classifications are legitimately aligned with every one of the exploration questions. These equivalent analytic classifications were utilized to code the information and present the findings in the past section. In this analysis, the researcher looked essentially for patterns that connect inside the analytic categories, just as the connections or topics that may develop among the different classifications. As a secondary level of analysis, the important theory and research is tied in, as these subjects are thoroughly analyzed to issues raised by the literature.

According to Wood 2017, assessing the portfolio fit in the product's landscape of a particular market involves mapping where all the related brands play in the following categories:

- Pricing
- Taste
- Consumer Motivation

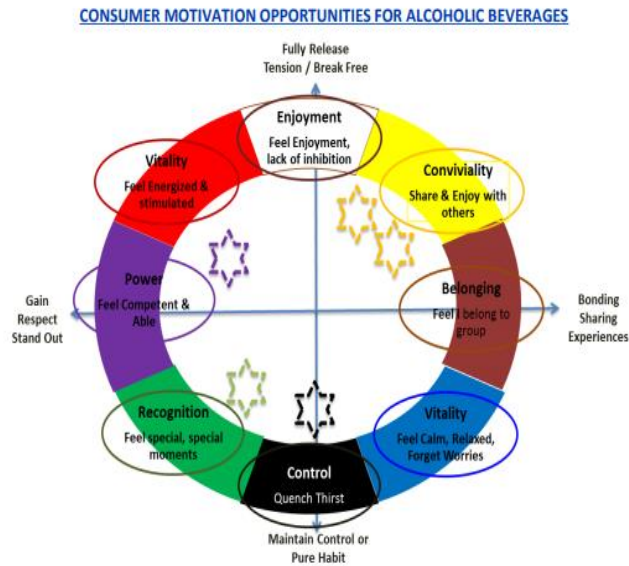
The Portfolio mapping framework will help to determine the most popular brew in the Cuban market. Upon conducting this particular framework, the following information was analyzed.

The consumer’s interaction with food or drink usually starts prior to the tasting experience itself, creating a rich context for the development of sensory/hedonic expectations. (Carvalho et al...2017). Carib Brewery has developed unique tastes of alcoholic and non-alcoholic beverages. As such, a thorough sensory analysis was conducted to determine the particular results. Amid sensory assessment, there were four unique aspects of lager that were under investigation: appearance, aroma, flavor, and mouthfeel. The evaluation of a brew's appearance incorporates notes on its color, which can range from a light straw to dark; its clearness, which can be transparent, veiled, shady, or misty; and its froth. Different aspects of the froth are observed, including thickness, color, texture, and retention (how rapidly it falls), just as the binding that frames inside walls of the glass as the lager is devoured. Beer and Brewing. (2019). Therefore, after conducting the sensory assessment, it can be seen from the chart below that 45% of Cubans prefer the taste of Carib lager beer.

Beverage	Appearance %	Aroma %	Flavor %	Mouth feel %	Total %
Carib	10	5	20	10	45
Stag	10	5	10	10	35
Mackeson	1	1	2	1	5
Shandy Carib	1	1	5	3	10
Malta	1	1	1	2	5

The chart below displays an outline of consumer motivation of Carib Lager in the Cuban market. It can be seen that various motivation factors determine how Cubans view products of Carib Brewery.

Portfolio Fit – Portfolio Mapping Framework



Addressing the second category, a competitive analysis was performed to help us determine the competitors in the Cuban market. According to Day, G & Wensley, R. (1988), the most popular indicators of marketing effectiveness and competitive advantage are market share and profitability. Therefore, market share and profitability of Cuba Brews were further analyzed to determine if Carib Brewery can enter into the Cuban market. Research has shown that Cuba has a shortage of beers due to an increase in Tourism. According to Semanal (2016), “HAVANA TIMES – Beer drinkers in Cuba have been on edge since the press acknowledged the domestic industry’s inability to satisfy the growing demand for the product at State hard currency stores and private businesses, a situation now coupled with the tourism boom.” Due to this recovery, exportation will indeed boost the profitability of Carib Brewery in the Cuban market.

The third category targets the various marketing and distribution strategies Carib Brewery used in exporting to Cuba. Price perception has a significant impact on consumer satisfaction, which determines performance in retail sales and consumer loyalty. Different dimensions of price

perception and potentially can lead to customer satisfaction in addition to simple product price level. Marinescu, Mihai & Toma (n.d). From the research, pricing strategies proved to be the most utilized Marketing & Distribution strategy used by Carib Brewery in the Cuban Market. As such, Carib Brewery decided to follow the pricing strategy matrix.



After careful analysis, Carib Brewery used the Economy Pricing Strategy in the Cuban Market. Economy pricing possibly works sustainably when there are lower overheads and expenses than market rivals. The minimal cost base enables one to sell at a discount cost so that one can pick up a high market share.

Advantages include:

- Economy pricing helps organizations to survive amid times of economic instability, as it enables them to set lower costs that intrigue to customers who are "pressed" monetarily.
- Selling a comparative product at a lower cost can assist you with undercutting your market opponents and gain a robust competitive edge. Therefore, in this case Carib Brewery has gained a competitive edge in the Cuban market by setting low prices.

Disadvantages include:

- Smaller organizations that utilize economy pricing may battle to stay gainful, as they are more averse to accomplish the volume of sales required for this strategy to be effective.

- At the point when cost is a real, problem that needs to be addressed for customers, since loyalty is not ensured. Economy customers are continually looking out for the "best deal," and are not hesitant to change providers to acquire it. This implies helplessness against contenders and that profit margins can end up precarious, changing extraordinarily from month to month.

The fourth category analyzes the target market in Cuba. The STP strategy—that is, segmentation, targeting, and positioning was used by Carib Brewery to determine the target population. This approach suggests that the mass market consists of some number of relatively homogeneous groups, each with distinct needs and desires. (Lynn 2011).

THE STP STRATEGY

Market Segmentation

- Identifying bases for segmentation – Demographics in Cuba specifically age.
- Determining important characteristics of each market segment – To determine the population of interest in Cuba with Carib Brewery's beverages.



Market Targeting

- Evaluating potential and commercial attractiveness of each segments – profitability, size and potential growth. Carib Brewery analyzes the profits, revenue and market size of each of its segments and focuses on the most profitable one.



Product Positioning

- Developing a detailed product positioning for selected segments – Carib beer markets itself as the beverage that teenagers and grownups prefer in the Cuban market. Carib Brewery then hosts a competition on Facebook and Instagram to reach its desired market because these are the channels that this audience prefer. It asks customers to send in interesting pictures of their best beverage and the best picture wins an extravagant hamper. The campaign then goes viral resulting in thousands of pictures being received which helped build Carib Brewery's profile. The company then creates a signature beverage with unique taste.
- Developing a marketing mix for each selected segment.

The final category refers to the integration of the various factors of the PESTLE analysis in the Cuban market. Although all factors are equally important, in the essence of summarization, the Environmental factor was targeted pertaining to the recycling procedures of Carib Brewery. Therefore, an environmental analysis will be conducted. Environmental analysis is a critical component of strategic management because it produces much of the information, that is, required to assess the outlook for the future. (Gupta 2013). An organization depends on strengths to capture opportunities and perceive shortcomings to abstain from turning into a casualty of environmental threats. An organization performs an environmental analysis to gain

an understanding of these strengths, weaknesses, opportunities and threats. The environmental analysis at that point impacts corporate planning and policy decisions.

SWOT ANALYSIS OF CARIB BREWERY:

Strengths –

- Research and development capabilities.
- Strong diversified portfolio.
- Carib products are known to be authentic, original and unique.
- Products are of the highest quality.
- Strong co-operate culture.

Weaknesses –

- The product is not produced in foreign companies therefore not much profit is put into the company.

Opportunities –

- Increasing demand for healthier beverages.
- There are high market growths.
- The business can go into further expansion.
- The business can increase in competitiveness and market share.

Threats –

- There are a lot of strong competitors in the industry.
- The health trends may be affected.
- New and traditional beers can be pushed out into the market.

RECOMMENDATIONS

According to Carvalho et al...2017, color-taste/flavor associations have been studied in a number of different ways, for instance, by comparing the presence versus absence of color, or by changing the characteristics of the color that is present in a food or drink (e.g., its intensity, hue, etc.). Due to the results of the sensory analysis, Carib lager has been proven to be the most popular beverage in Cuba. With the majority favouring the flavour factor, Cubans tend to ensure that beverages they intake are refreshingly full of taste: therefore, Carib Brewery should definitely consider the exporting mode of entry into the Cuban market.

Carib Brewery should also implement more culture-specific marketing plans in Cuba as this is the second most effective marketing and distribution strategies utilized along with pricing strategies. Both of these strategies combined will undoubtedly ensure that Carib Brewery makes a name in the Cuban market.

It is also recommended that Carib Brewery follow through with Economy Pricing strategy. Therefore, in this case Carib Brewery will gain a competitive edge in the Cuban market by setting low prices. This means customers can actually afford to enjoy a Carib beer that is made of high quality. Careful consideration can also be paid to penetration pricing as this pricing strategy was second in line. Penetration pricing will stimulate the market growth and capture market share by intentionally offering products at low costs. This aims at maximizing profits through effective maximum sales with a low margin of profit. It is used as a competitive weapon to gain market position.

Lastly, it is recommended that Carib Brewery utilize the Segmentation, Targeting and Positioning Strategy (STP) as these tools will help align Carib Brewery's products with the right customers as well as reduce risk in deciding where, when, how, and to whom a product will be marketed.

CONCLUSION

This research evaluated the exporting mode of entry of Carib Brewery in the Cuban Market. Primary data was collected by conducting interviews among three personnel within the Carib Brewery organization. As mentioned earlier in the introduction, the purpose of this study was to evaluate Carib Brewery located in Trinidad exporting mode of entry into the Cuban market as well as supply readers with an interpretation of the mode that is utilized as well as how it relates to the possible benefits and challenges upon entering into the Cuban market.

The results of this research report indicate that it is feasible for Carib Brewery to export beverages to Cuba specifically the Carib Lager beer which has proven to be the most popular beverage in Cuba. By utilizing the STP strategy, Carib Brewery will be sure to achieve immense success as careful assessment of the PESTLE analysis resulted in the Cuban market favouring this unique product.

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APPENDIX I

INTERVIEW QUESTIONS:

1. Which particular beverage of Carib Brewery stands out in the Cuban market?
2. Who are the main competitors in Cuba?
3. What particular marketing and distribution strategies are utilized pertaining to exportation to the Cuban market?
4. Are there any specific pricing strategies that proved to be successful?
5. Who is your target market upon exportation to Cuba?
6. Pertaining to Carib Brewery's PESTLE Analysis, the political factor, specifically taxation, can you advise of the specific tax on beers?
7. The Economic factor – PESTLE Analysis – which factors stands out the most in exportation of beers in the Cuban market?
8. What are the main health and safety regulations regarding beer exportation in the Cuban market?
9. Regarding environmental factors in the PESTLE Analysis, what sort of recycling procedures are utilized?
10. What is your marketing mix in the Cuban market?