



## INTERNATIONAL BUSINESS

**Thesis prior to obtaining a bachelor's  
degree in International Business.**

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Commercialization of roses for retail ventures in Loja City

## **TUTOR'S APPROVAL**

I, Mgs. Doris Salome Segarra Villa, certify that I know the author of this degree work, "Commercialization of roses for retail ventures in Loja City", Jorge Eduardo Torres Toledo, who is solely responsible for its originality, authenticity, and its content.

.....

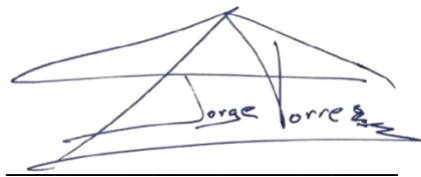
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### **CERTIFICATION OF AUTHORSHIP**

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A handwritten signature in blue ink, appearing to read "Jorge Torres", is written over a horizontal line. The signature is stylized with a large, sweeping initial 'J' and a long, horizontal stroke extending to the right.

AUTHOR'S SIGNATURE

## **DEDICATION STATEMENT**

To God, for being my guide and strength every step of the way. His love and mercy have given me the inspiration to move forward, overcome challenges, and reach my goals. To the Virgen del Cisne, protector of my land, for always watching over me and giving me her love and blessing. To the memory of my grandfather, whose example of life and wisdom lives on in my heart, and to my grandmother, whose love and teachings have illuminated my path. To my parents, for their unconditional love, their constant support and for everything they have done to make this achievement possible. Without their sacrifice and dedication, this dream would not have been a reality. This work is a tribute to all of you, who have taught me the most valuable things: love, faith, effort, and commitment.

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## **Abstract**

This study, “Commercialization of roses for retail ventures in Loja City,” focuses on designing a sustainable supply chain that connects high-quality roses with local retail businesses in Loja. By leveraging methods such as Design Thinking, Customer Journey Mapping, Brainstorming, and How Might We, an all-inclusive market analysis was guided to identify key challenges and opportunities in the commercialization process. The investigation led to the construction of a strategic distribution model, enhancing logistics, delivery efficacy, and supplier-retailer relations. A Marketing Plan was established to improve market placement, while an Operational Structure was aimed at ensuring all-in-one transportation and inventory management. Additionally, a Financial Plan was established to evaluate investment necessities, cost structures, and revenue potential. Product availability, sustainability, and ethical trade principles were combined to promote eco-friendly practices, fair business alliances, and consumer engagement. This business idea intends to bridge the gap between rose producers and retailers, developing a reliable, cost-effective, and scalable distribution network that meets the evolving demands of Loja’s floral market.

Keywords: Distribution service, Ecuadorian roses, retail market, logistics, supply chain optimization.

## **Introduction**

Roses and people have been intertwined in love stories for centuries. From ancient Rome, where they were considered a symbol of Venus, the goddess of love, to the sonnets dedicated by Shakespeare, roses have transcended cultures and eras as emblems of beauty and sentiment. Today, roses are the world's best-selling flower, and their popularity has been sustained by their ability to adapt to the demands of a globalized marketplace. Cultures have adopted them as a precious gift and a delicate way to express feelings. (BBC, 2016)

In Ecuador, the flower industry supplies the world with high-quality fresh flowers through year-round production. In this key sector of the national economy, rose production accounts for more than 70% of the country's flower exports. This activity benefits from the exceptional geographic and climatic conditions of regions such as Cayambe, Tabacundo, Ayora, etc., where altitude and constant sunlight promote the growth of high-quality roses with long stems and resistant petals. The country is currently the third largest flower exporter in the world, after the Netherlands (which retails the roses imported from Ecuador and Colombia) and Colombia, with more than 4,500 hectares devoted to flower production, of which approximately 2,800 hectares are dedicated exclusively to roses (Morán, Torres, Ocampo, & Carreño, 2021)

While the northern part of the country stands out for its production capacity, in the south Loja shows a growing demand for quality flowers, driven by the interest of local retailers facing difficulties in obtaining fresh and long-lasting flowers from reliable, competitive, and licensed suppliers. Loja retailers report problems with the freshness and durability of the roses they currently source, leading to widespread frustration in the retail sector.

This research focuses on rose commercialization of northern roses suppliers to meet the unsatisfied demand in Loja. The choice of the northern part of the country as a production site responds to the suitability of its climate and advanced infrastructure, while Loja represents a market opportunity. This strategy can potentially supply the whole rose demand in the city which seeks reliable quality service, and constant logistic support from a formal rose trader.



In conclusion, the relationship between production in northern Ecuador and marketing in Loja presents a unique opportunity to satisfy local demand by implementing direct marketing strategies and alliances with local retailers. This study aims to analyze the logistical, availability, and market aspects that allow this strategy to be carried out, thus contributing to the growth of Ecuadorian floriculture and the consolidation of Loja as a key point in the consumption of high-quality flowers in the south of the country.

## Justification

Ecuador's flower industry is a fundamental pillar of the national economy, contributing significantly to the Gross Domestic Product (GDP) and generating thousands of direct and indirect jobs. According to data from (Banco Central del Ecuador, 2023), at the third trimester, flower exports reached \$215.9 million, representing 3.1% of the country's total non-oil exports. Roses, in particular, account for 73% of these exports, consolidating Ecuador as one of the world's leading producers and exporters of roses.

Loja, in the south of the country, has a growing demand for high-quality flowers. It is estimated that establishments like florists, hotels, high schools, public and private organizations, banks, mortuaries, spas, etc., use roses as consumers or retailers. These businesses face significant challenges in procuring fresh, quality products due to the limited local supply and logistical difficulties in obtaining flowers from the country's main producing areas.

Implementing a business model for linking roses from the northern part of the country and then marketing in Loja through strategic alliances with local florists has multiple benefits. This approach guarantees a constant and quality supply for retailers and optimizes the distribution chain, reducing costs and delivery times. For example, considering that a package of 24 roses is purchased for \$1 and sold for \$2 plus freight, the profitability for the intermediary is significant. Freight from Tabacundo-Cayambe to Loja, using courier services, costs approximately \$11 per package (30 packets of 24 unit roses), plus an additional \$6+\$2 for final delivery, resulting in a total investment of \$44 per box and a total sale of \$73, generating a gross profit of \$23 per box in current days, without taking into account higher seasons such as Saint Valentine's.

Visualize that, As said before, during peak seasons, such as Mother's Day, bid and ask prices fluctuate due to high demand. On these dates, the cost per package of 24 roses can increase to \$3.5 and the selling price to \$5,\$6,\$8 plus freight, maintaining an even more

attractive profit margin for intermediaries. These figures demonstrate the economic viability of the project and the opportunity to satisfy an unsatisfied demand in Loja.

Additionally, it is important to highlight that collaboration with reliable suppliers is essential for the success of this business idea. According to (Flowers D. , 2024), the quality of wholesale flowers directly affects business sales and profitability. Satisfied customers buy again and recommend the business to others, increasing the flow of sales and profitability. Therefore, establishing strong relationships with suppliers that guarantee the freshness and quality of flowers is crucial for the growth and sustainability of flower shops in Loja.

In conclusion, Rose's commercialization in Loja through strategic alliances with local retailers represents a significant opportunity to meet existing demand, improve profitability and business edge, and strengthen the floriculture sector in the region. This business plan describes the first and only proposal in this niche market. This business model not only benefits growers and traders but also offers local consumers access to fresh, high-quality flowers, contributing to the economic and social development of the city of Loja.

## **Objectives**

### **General Objective**

- To trade roses grown in the northern part of Ecuador to satisfy the demand of retailers' ventures in Loja under the name of Magicland & Flora.

### **Specific Objectives**

- Formulate a business model plan for rose commercialization in Loja to ensure that venturing with Magicland & Flora could potentially be the best decision for rose retailers.
- Develop marketing strategies that strengthen brand loyalty among Loja retailers, highlighting the competitive advantages of the enterprise.
- Assess project finances to determine long-term viability, incorporating all costs involved.

## **Development**

This thesis will be carried out through a combination of research techniques and strategic tools that will allow the consolidation of a continuous supply of high-quality Ecuadorian roses for retailers in Loja. First, a comprehensive business plan will be developed, including a supply model based on fixed orders and strategic alliances with suppliers and logistics companies to ensure the freshness and constant availability of the product.

The project methodology will be based on Design Thinking, a creative and customer-centric approach to developing specific solutions that respond to retailers' needs. In addition, a SWOT analysis will be applied to identify the project's strengths, weaknesses, opportunities, and threats, ensuring a complete understanding of the internal and external factors that affect the viability of the business.

Field research will be conducted through interviews with local retailers and surveys to obtain direct information on their preferences, expectations, and needs. This data will inform market strategy adjustments to strengthen customer loyalty and improve brand visibility. Finally, a comprehensive financial evaluation will analyze distribution as a whole detailed structure, ensuring the project's long-term profitability and sustainability.

This combination of approaches is expected to meet the demand for fresh roses in Loja and establish a business model that will serve as a benchmark for efficient marketing of flowers in local markets with high demand and quality expectations.

## **1. Empathy phase**

### **1.1. Empathy**

The empathizing phase constitutes the first step in the Design Thinking methodology and is essential to understanding and determining the needs, contexts, and motivations of the target segment. This process allows observing reality from the customer's perspective, obtaining relevant and, above all, authentic information about their identity, feelings, and prejudices (Curicho & Baren, 2024). According to this methodology, empathy involves not only an emotional connection but also the cognitive ability to adapt the end user's point of view to design effective and personalized solutions.

In the context of rose marketing in Loja, this part of the research is key to identifying the expectations of local retailers, who are looking for a consistent and quality supply that meets their specific needs. Empathy enables an understanding of their day-to-day challenges, such as the lack of reliable suppliers and the impact of inconsistency in the availability of fresh produce. According to (Kouprie & Visser, A framework for empathy in design: Stepping into and out of the user's life , 2009) actively engaging users in this phase helps to understand not only their explicit requirements but also their implicit ones, which can be just as relevant to the creation of effective solutions.

In addition, this stage requires the use of specific tools, such as in-depth interviews, empathy maps, and context analysis, which facilitate the precise definition of customer needs. Recent studies have shown that empathy techniques, such as customer interviews and real-time behavioral analysis, improve results when designing customer strategies. In this case, such strategies could include implementing flexible ordering systems and support services that adapt to the varying demands of Loja retailers.

Thus, the empathize phase strengthens the supplier-customer link and establishes a solid foundation for developing business models that are more aligned with market needs. This approach ensures that marketing strategies not only meet functional targets but also address the customer's emotional concerns and aspirations.

## **1.2. Problem research**

The roses market in Loja faces several challenges that reflect structural problems in the supply chain and economic tensions within the local market. One of the main problems cited by retailers is the difficulty in guaranteeing the availability, freshness, and quality, especially for such sensitive products as roses. Freshness is crucial to their market value, and any delay or problem in transport can significantly reduce their shelf life, affecting both customer satisfaction and the retailer's reputation (which is the biggest issue).

Another recurring problem is unfair competition within the sector. In recent years, the entry of new players into the market, often offering extremely low prices at the sacrifice of quality or sustainability, has increased pressure on established florists. This not only affects profit margins but also creates an unsustainable market dynamic where competitive pricing is prioritized over product quality. This phenomenon has been identified as a key obstacle to the sustainability of the floral sector in various markets (Kenanoğlu, 2023).

Logistics and packaging also present significant challenges. Poor packaging by suppliers may result in damage to the product during transport, affecting the product's appeal and durability (Robopac USA, 2024). In addition, delivery delays are common, adding more risk to the business, especially during high-demand seasons such as Valentine's Day or Mother's Day. These logistical inefficiencies highlight the need for improved distribution processes, including the implementation of best practices in flower handling and transportation.

The country's economic crisis has also added to the challenges for flower retailers. Rising input and transportation costs have reduced profit margins, while local consumers, affected by inflation and economic uncertainty, are more price sensitive. In this context, florists face pressure to balance price competitiveness with the need to maintain the quality of their products, further complicating their ability to operate sustainably and profitably (Sparks, 2022)

Finally, some suppliers' lack of seriousness results in frequent failures to meet delivery times, which generates economic losses and affects trust among supply chain participants.

This problem highlights the importance of establishing strategic alliances and, for example, clear contracts that define quality and punctuality standards, ensuring a more collaborative and mutually beneficial relationship. (Emilia Manfredi, 2022)

These challenges describe a complex landscape that affects the ability of minor distributors in Loja to meet local market demand efficiently and competitively. Addressing these issues is critical to improving the sustainability of the sector and ensuring the quality and freshness of the flowers that reach consumers.

### **1.3. Observation**

Detailed and structured observation plays a crucial role in identifying needs and designing effective strategies to meet them (Kumar, 2023). This process allows obtaining key information on customer behavior, the conditions that affect their purchasing decisions, and the factors that influence their satisfaction. In the case of roses in Loja, this stage focuses on analyzing how local market dynamics and current distribution practices impact retailer operations.

During the observations made, significant challenges faced by florists were identified, such as inconsistent deliveries from suppliers, mishandling in transportation that affects the freshness of roses, and lack of adequate packaging to ensure product quality. In addition, florists noted that unfair competition, resulting from the arrival of suppliers offering extremely low prices, has complicated their ability to maintain sustainable profit margins without compromising the quality of their products.

This analysis not only allows the company to adjust marketing strategies to meet the current demands of the market but also identifies opportunities for continuous improvement in the supply chain. In the competitive floral sector, observation becomes an essential tool to ensure that the roses marketed not only meet retailers' expectations but also stand out as a reliable choice in the local market.

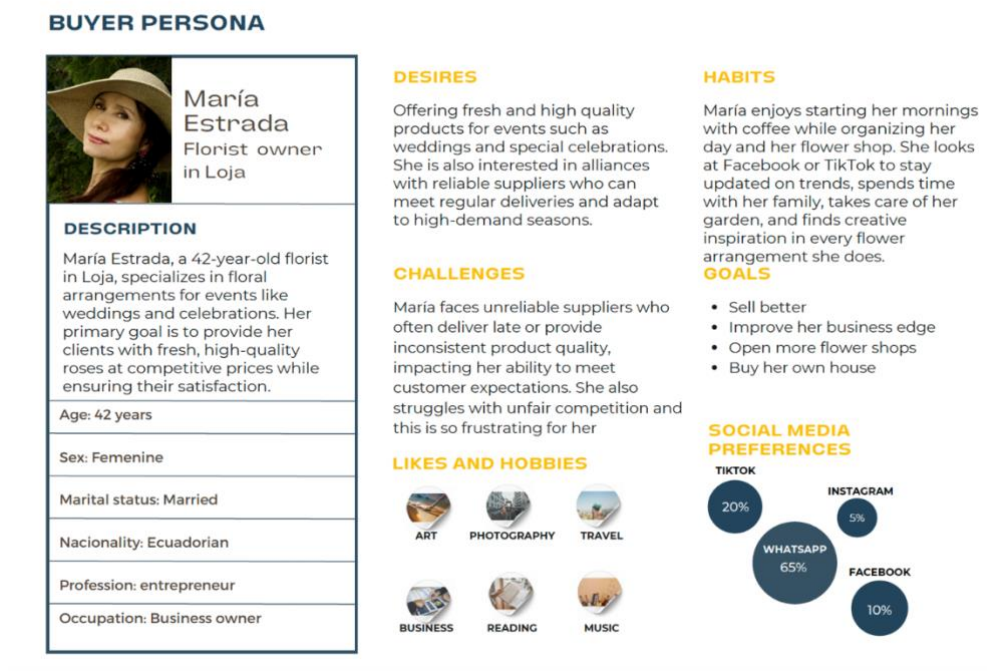
## 1.4. Buyer persona

The “buyer persona” concept is used as a key tool to understand the characteristics, needs, and motivations of the ideal customer, therefore enabling the development of more effective marketing and distribution strategies. According to (Matheus, 2024) the buyer persona is a semi-fictional representation of the target customer based on real data obtained through interviews, surveys, and market analysis. This approach allows the identification of customer pain points, aspirations, and behaviors, which facilitates offering personalization and improved customer experience.

In the context of rose marketing in Loja, the buyer persona focuses on florist retailers who are looking for high-quality products to satisfy their customers' demands. This profile not only considers demographics such as gender and age but also specific aspects such as expectations related to freshness, timeliness of deliveries, and consistency in product quality.

**Figure 1**

*"Buyer persona"*



*Note: Buyer persona developed from research data.*



Maria Estrada is a semi-fictional representation of the target customer based on real data obtained through interviews, surveys, and market analysis (as explained above), a 42-year-old entrepreneur who owns a flower shop in Loja that specializes in floral arrangements for events such as weddings and special celebrations. Her main goal is to offer her customers fresh, high-quality roses while maintaining competitive prices to ensure their satisfaction. Maria constantly seeks to improve her customers' experience by selecting reliable suppliers that allow her to meet the high standards of her business.

Among Maria's biggest challenges are late deliveries and inconsistent rose quality from some suppliers, which affects her ability to meet her customers' expectations. She also faces unfair competition in the market, where some businesses offer prices that are too low, complicating her strategy of maintaining a balance between profitability, quality, and affordability.

As for her habits, Maria starts her day organizing her work with a cup of coffee and consulting social networks such as TikTok and Facebook to get inspired by new trends in the floral market. She also spends time with her family, tends to her garden, and finds the creativity of flower arranging a daily source of motivation.

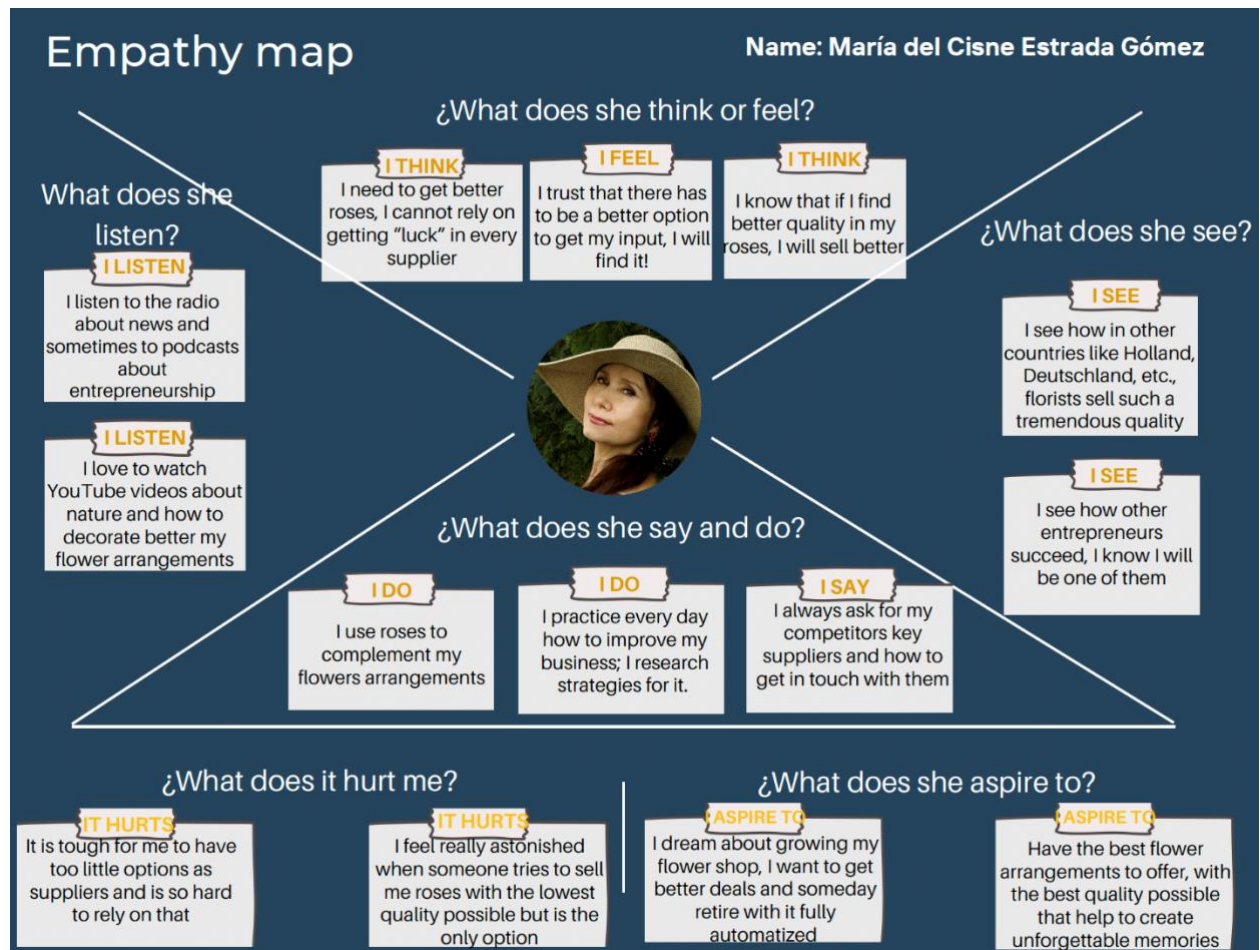
Her business success will permit fulfillment of her longer-term goal of owning her own home.

### **1.5. Empathy map**

The Empathy Map is a visual tool that allows a deep understanding of the needs, desires, and frustrations of a buyer persona. In this case, María del Cisne Estrada Gómez is better understood by her empathy map representation under the figure of an entrepreneur in the floral sector interested in acquiring high-quality roses to improve the offerings for her business.

**Figure 2**

*"Empathy map, María Estrada"*



*Note: Empathy map for high-potential customer persona*

Maria pays attention to inspirational and educational content related to her industry. On the one hand, she consumes entrepreneurship news on the radio and podcasts, on the other hand, she enjoys YouTube videos about nature and tips for improving her floral arrangements, constantly looking for new ideas to perfect her work.

In her environment, Maria observes how florists in countries such as Holland and Germany handle high-quality products, which sets a standard she aspires to reach. She also finds motivation in analyzing the success of other entrepreneurs, which reinforces her conviction that she can make it if she can find reliable, quality suppliers.

Maria reflects on the importance of finding roses that meet her expectations to stand out in the marketplace. She feels confident in her ability to find superior options that will boost her business but also experiences frustration at relying on inconsistent suppliers.

As part of her routine, Maria uses roses to complement her floral arrangements and is always trying to improve her business daily, researching strategies to optimize her offerings. In her interactions, she actively asks competitors about key suppliers and how to contact them.

Among her biggest challenges is dealing with limited supplier options and, at times, having to accept inferior-quality roses as the only alternative. This creates frustration in not being able to guarantee a consistent standard in your final product.

Maria dreams of expanding her flower shop, establishing solid agreements with quality suppliers, and automating her business to ensure a successful future. In addition, she is committed to offering floral arrangements that are not only beautiful but also capable of creating unforgettable memories.

This analysis offers a comprehensive view of Maria's thoughts and behaviors, providing valuable insights to adjust business strategies and meet her needs as an ideal customer.

## **1.6. Field Research**

Following the observation phase, interviews were conducted as the next step in the empathizing technique. This approach aims to deep into the understanding of the needs, frustrations, desires, and behaviors of our target segment, to identify how the commercialization of Ecuadorian roses affects their daily operations. The interviews were designed with open-ended questions, allowing for simple interpretation to ensure accurate meaningful results.

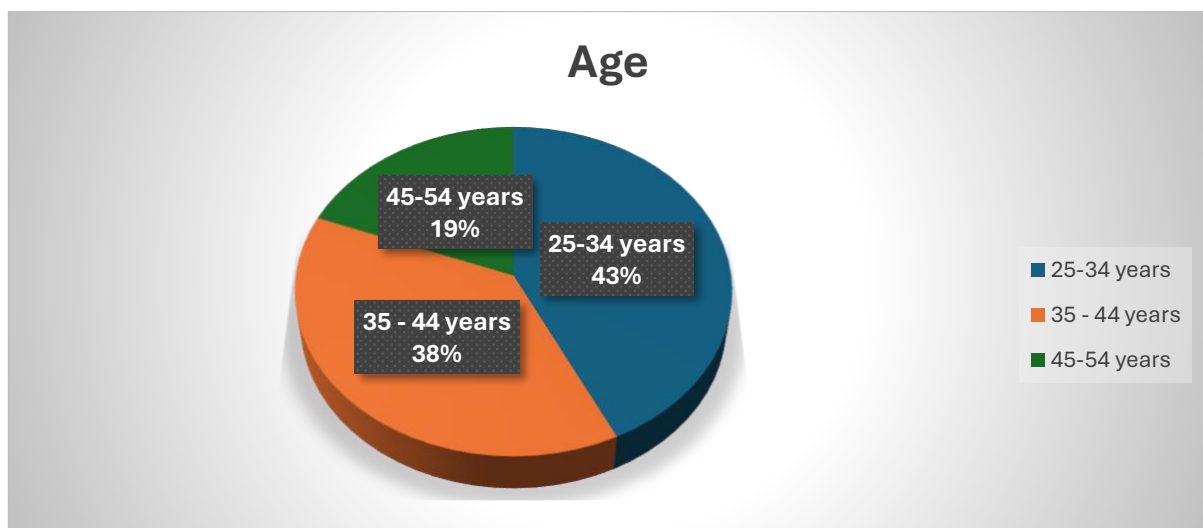
The interviews were applied to 20 florists operating in the city of Loja in 2024, which has an estimated population of approximately 290,000 citizens. The questionnaire used during the interviews is detailed in the annexes section.

The results obtained from the interviewed florists were analyzed and graphically represented using measurement scales. This visualization is meant to highlight trends and preferences without omitting the personal insights and reasoning behind their responses. Therefore, the measurable results derived from the interviews are presented below, reflecting the most relevant answers in a graphic format suitable for interpretation.

By focusing on their responses, it is possible to identify critical factors influencing their purchasing decisions, the challenges they face, and their expectations when sourcing roses. This data serves as a foundation for tailoring the business strategy to meet their needs effectively.

**Figure 3**

*"Age"*

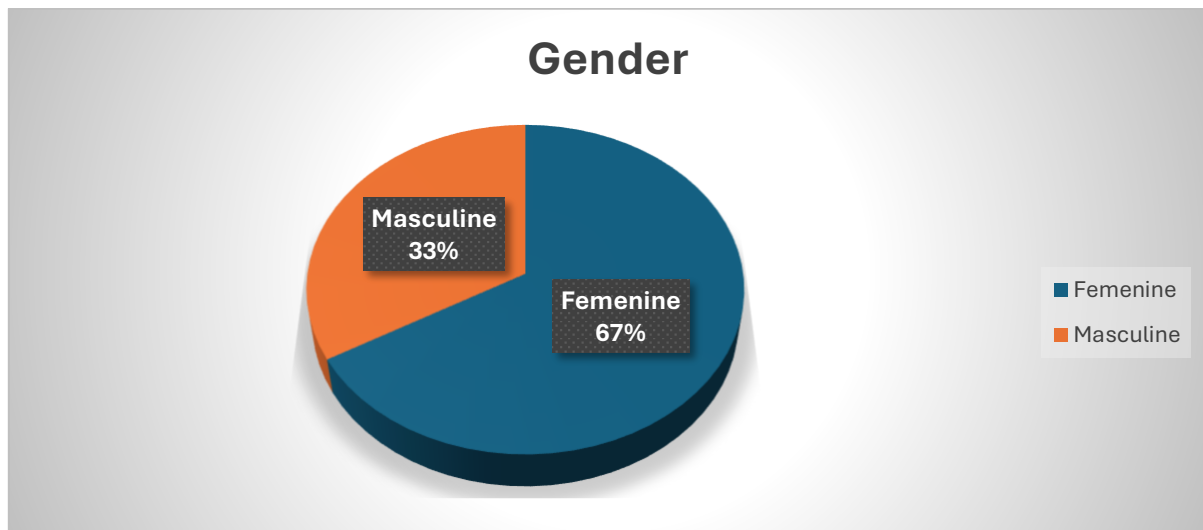


*Note: Age distribution of the respondents*

This figure presents the age distribution of the respondents, identifying the primary age groups engaged in the purchasing process. The data likely highlights specific age ranges, such as 25–34 or 35–44 years, that dominate the market, offering insights into the demographic most interested in the product itself.

**Figure 4**

*"Gender"*

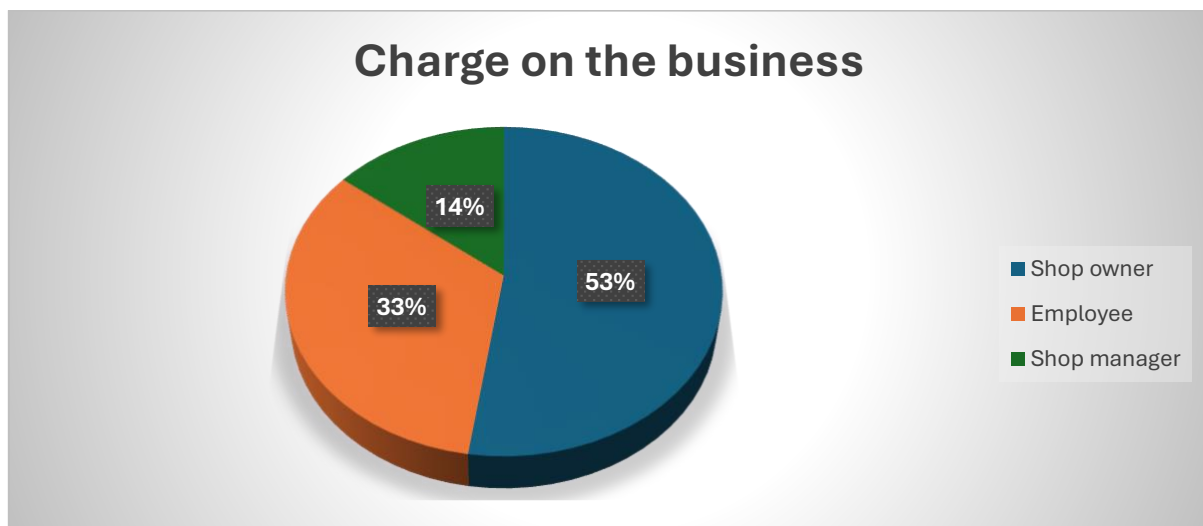


*Note: Gender composition of the participants.*

This chart illustrates the gender composition of the participants. It provides insights into whether there is a predominant gender involved in purchasing decisions, which could guide marketing strategies tailored to specific audiences. In these cases, it is noticeable that the female gender is the most predominant and is a key point to consider while negotiating.

**Figure 5**

*"Charge on the business"*

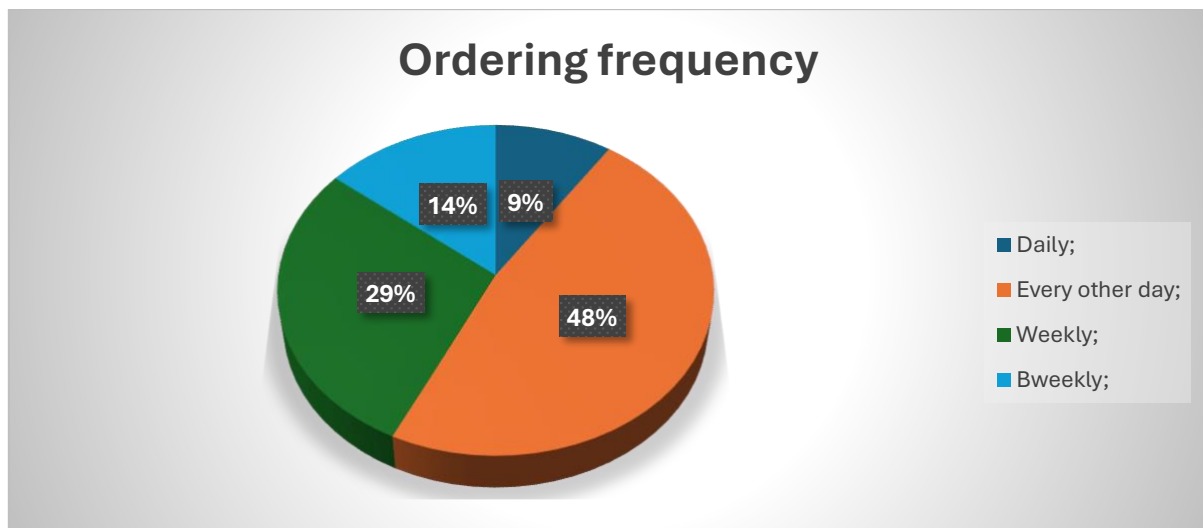


*Note: Roles or positions respondents.*

This figure categorizes the roles or positions respondents hold in their businesses, such as owners, managers, or employees responsible for procurement. It offers an understanding of the decision-makers influencing the purchasing process. In this context, the most predominant actors are the business owners, let's call them the entrepreneurs, with total control of the business and with all the know-how needed.

**Figure 6**

*"Ordering frequency"*

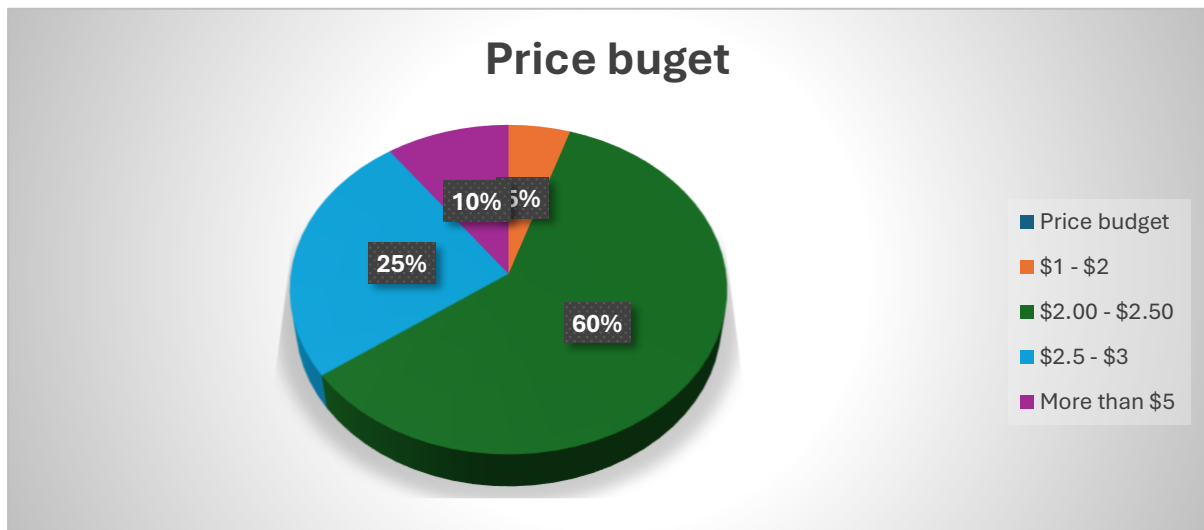


*Note: How often do customers place orders?*

This chart displays how often customers place orders, such as daily, weekly, or monthly. It helps identify purchasing patterns and frequency, which is critical for managing supply chains and forecasting demand. As indicated by participants' responses, almost half of retailer's place orders every other day.

**Figure 7**

*"Price budget"*

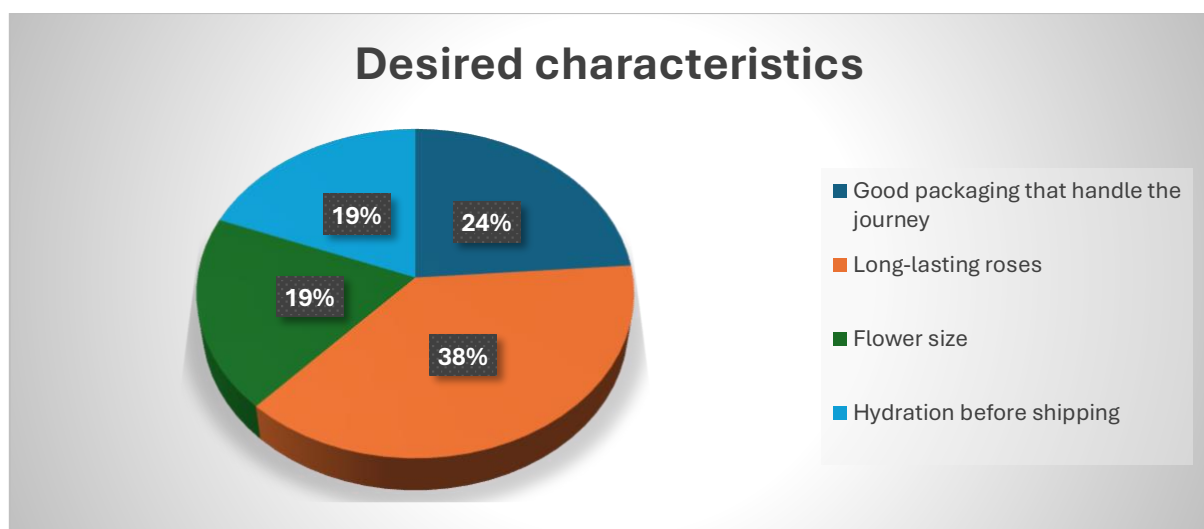


*Note: Typical price ranges.*

This figure provides an overview of the typical price ranges retailers are willing to spend, offering insights into budget constraints and the financial preferences of the market. It may identify the most common range these days, which is from \$2.00 to \$2.50 for each “Bonche” that is composed of 25 roses + freight.

**Figure 8**

*"Desired characteristics"*

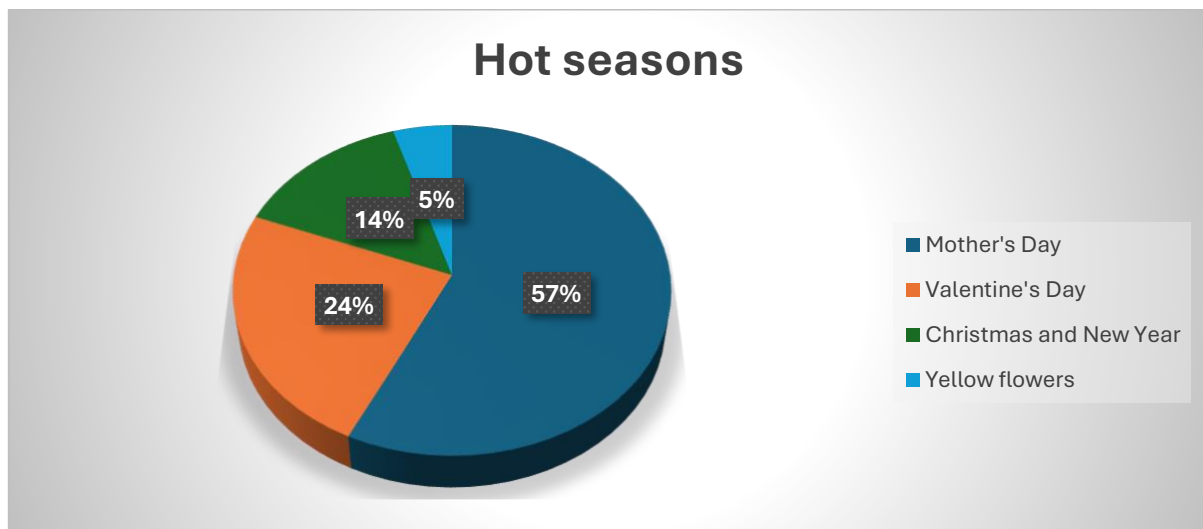


*Note: Typical price ranges.*

This chart highlights the most valued product attributes, such as durability, long-lastingness, variety hydration, or packaging quality. It identifies customer priorities and helps businesses focus on enhancing these attributes. For retailers in Loja, for instance, the most important feature is the long-lasting feature of the roses.

**Figure 9**

*"Hot seasons"*



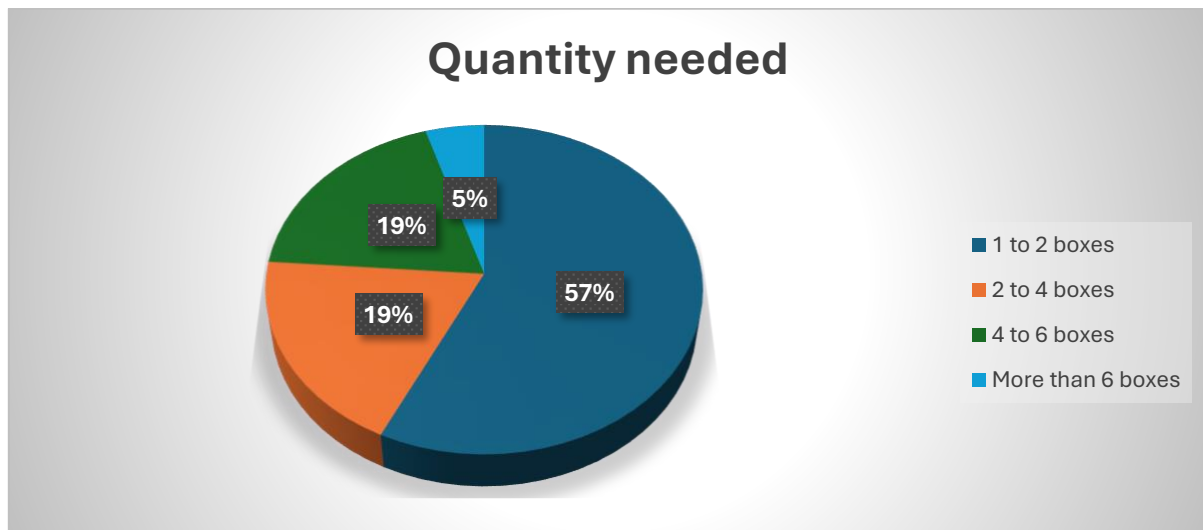
*Note: Typical price ranges.*

This figure showcases the peak seasons for product demand, such as Mother's Day, Valentine's Day, Christmas, New Year's, or Yellow Flowers. Understanding these seasonal trends aids in inventory planning and marketing campaigns focused on the most demanded day: Mother's Day.



**Figure 10**

*"Quantity needed"*

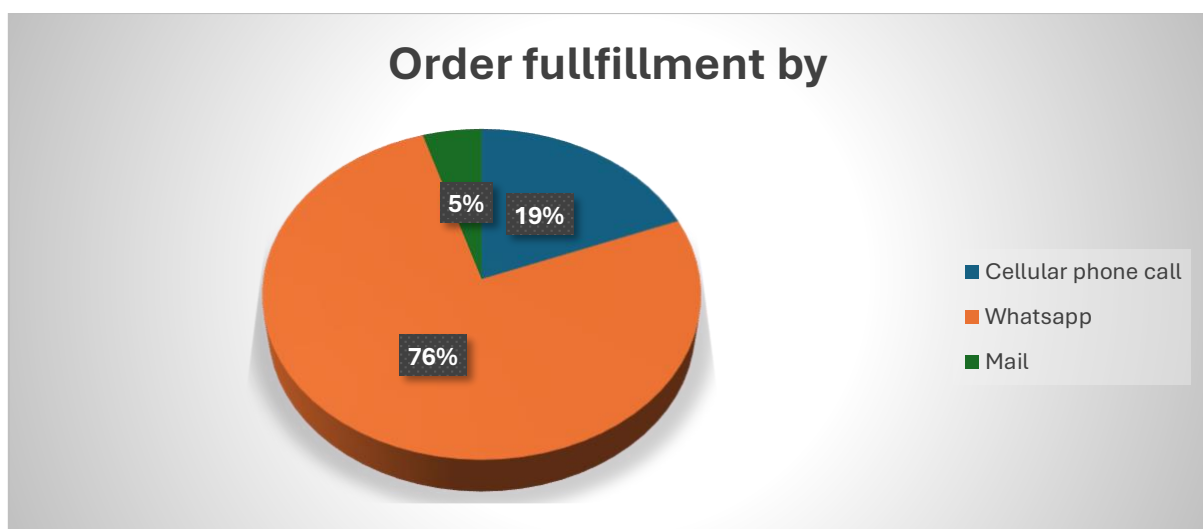


*Note: Typical order quantity.*

This figure outlines the typical quantities that customers order, from small-scale orders (e.g., 1–2 units) to bulk orders (e.g., more than six units). It is important to mention that each box contains approximately 750 roses. This chart provides insights into market demand and supply requirements, highlighting that the most common quantity needed is from 1 to 2 boxes every second day.

**Figure 11**

*"How does the customer interact with the supplier?"*

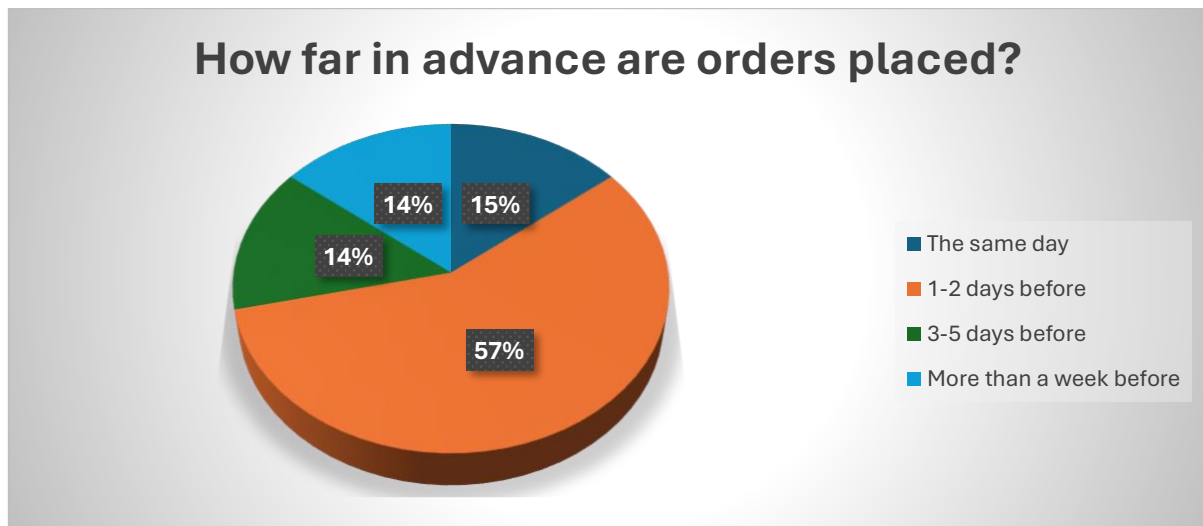


*Note: Preferred communication methods.*

This figure demonstrates the preferred communication methods used by customers to place orders or interact with suppliers, such as email, phone calls, or messaging apps like WhatsApp, with the clear winner: WhatsApp

**Figure 12**

*"How far in advance orders are placed?"*



*Note: Time which customers require to place orders*

This chart captures the lead time customers require to place orders, ranging from same-day orders to orders placed a week or more in advance. It provides insights into planning, operational flexibility, and identifies the most common pattern of ordering 1-2 days before.

## **2. Problem Identification**

### **2.1. List the 5 main problems of the selected segment.**

The problem of inconsistency in the quality of roses stands out as the main challenge affecting the sustainability of flower businesses in Loja. Product quality is crucial to maintaining end-customer satisfaction, especially in a market where flowers are associated with important events and special occasions. According to a study (Flowers S. , 2022): 80% of clients consider flower quality the most important factor when selecting a supplier, even above price.

Inconsistency in quality, manifested in flowers with damaged petals, short stems, or insufficient freshness, generates returns, economic losses, and a decrease in supplier confidence. In addition, this problem is intensified in peak seasons such as Valentine's Day or Mother's Day, when florists face greater pressure to fulfill orders promptly (EXPOFLORES, 2023).

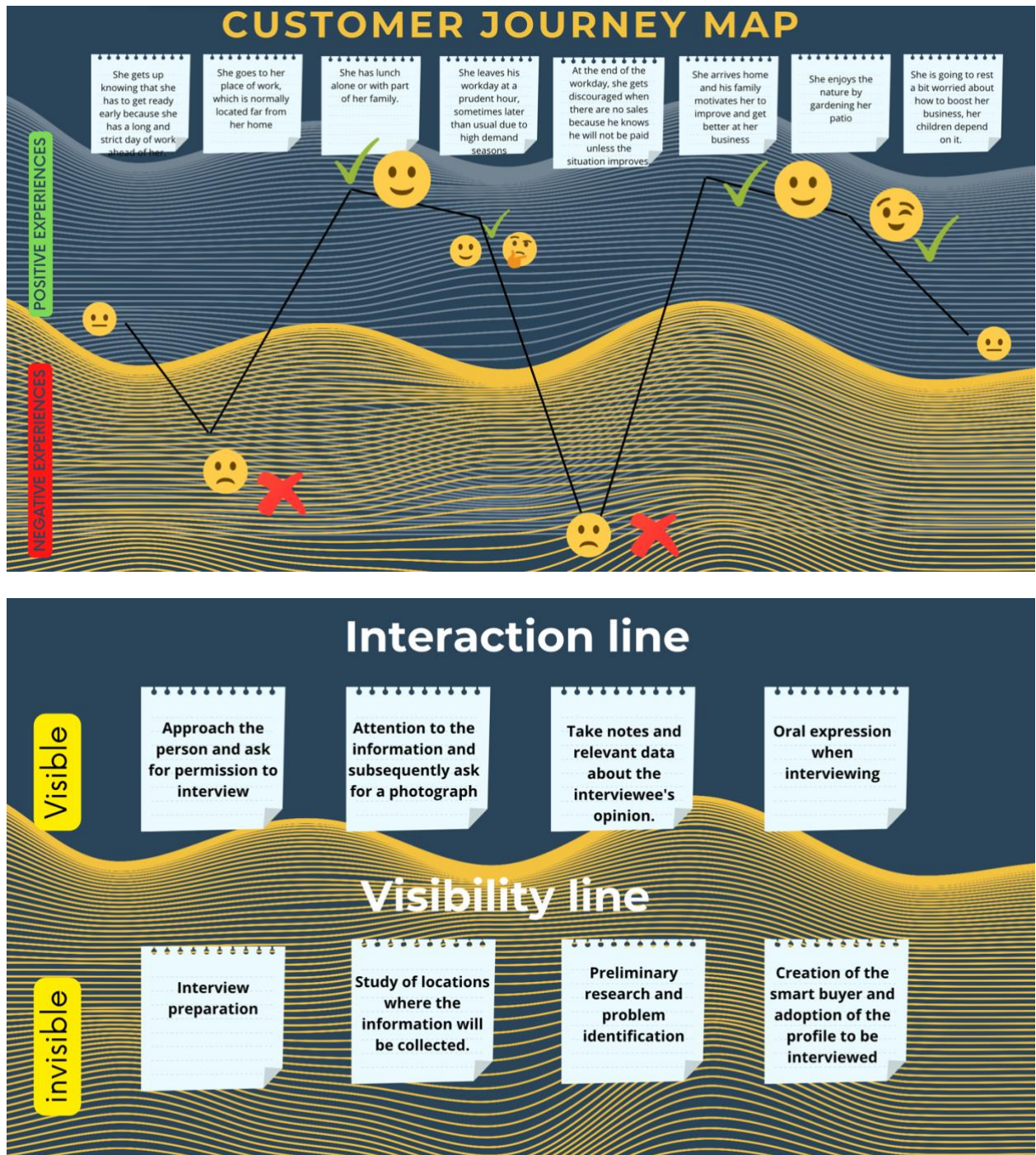
Solving this problem will not only improve the relationship between suppliers and florists but will also strengthen the competitive position of retailers in Loja. Implementing more rigorous quality controls, improved packaging systems, and proper transportation will ensure that roses arrive in optimal condition. This will generate tangible benefits, such as increased end-customer loyalty and enhanced reputation for both florists and suppliers.

Product quality not only directly affects customer perception but also influences the profitability and sustainability of the florist business. By focusing on solving this problem, a competitive advantage can be established in the Loja market, trust between the parties involved can be strengthened, and the delivery of a product that meets the expectations of both florists and end consumers can be guaranteed.

## 2.2. Customer Journey Map

Figure 13

"Customer Journey Map"



Note: Customer journey map of the analyzed buyer.

The Customer Journey Map analyzes the typical customer journey, divided into lines of interaction and visibility, showing positive and negative experiences along the way. Here is explained each part of the map:

The journey begins with a difficult start to the day, marked by the anticipation of a strict and exhausting workday, which generates stress. However, when she arrives at her workplace, usually close to her home, the proximity improves her mood and makes this part of the day more bearable. During the day, the lunch break with her family becomes a positive moment that counteracts the wear and tear of work.

As the day progresses, the challenges increase: the customer faces long working hours, especially in high demand, affecting his energy and motivation. The worst moment comes at the end of the day when she does not achieve sufficient sales or payment, which generates frustration and discouragement. However, when she returns home, she finds the support of her family, which renews her strength to face the challenges of the business. Finally, personal activities such as tending her garden and reflecting on how to improve her business give her satisfaction and purpose, highlighting her resilience and commitment to her future.

Interaction line (visible actions): This line includes the actions taken during the research interview and the points of contact with the client. It begins with a careful approach to gain permission and trust. During the interaction, attention is paid to the information shared, recording important data and capturing opinions that reflect the customer's needs and perspectives. Here, oral communication plays a key role in understanding their reality effectively.

Line of sight (invisible actions): These preparatory activities occur before interacting with the client. They begin with pre-investigation to identify the main issues affecting the client and interview planning. Then, strategic locations are selected where valuable information can be gathered. Work is also done on creating buyer profiles, using tools such as the smart shopper, to tailor questions and better understand interviewees.

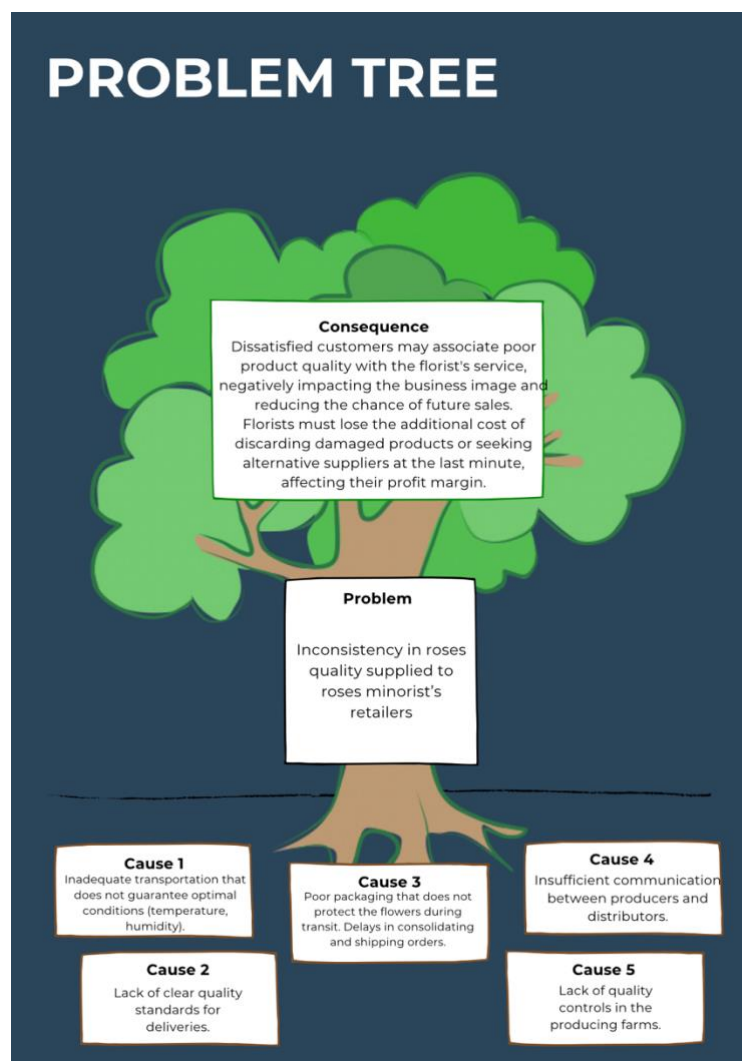
The map shows that customer emotions fluctuate throughout their day, highlighting critical moments such as demotivation due to long hours and lack of sales. This analysis

underscores the importance of intervening at these key points, offering solutions that alleviate customer stress and improve the customer experience, such as more efficient logistics strategies, emotional support through work communities, and tools that guarantee higher revenues. Thus, the map not only identifies problems but also guides the implementation of improvements to better meet customer needs.

### 2.3. Problem tree

Figure 14

*"Problem tree"*



*Note: Problem tree, roots, main problem and consequence.*

The core problem is inconsistency in the quality of roses delivered to retailers, which negatively affects the end customer experience, the retailer's reputation and, ultimately, its



profit margins. This problem arises due to a supply chain that faces multiple failures at different points, from production to delivery.

The problem has deep roots that include several interrelated factors: Transportation systems do not guarantee optimal conditions such as temperature and humidity, resulting in damaged or wilted roses upon arrival at their destination. The absence of specific parameters to evaluate rose quality creates discrepancies between what is promised and what is delivered. Packaging methods do not adequately protect the flowers during shipment. In addition, delays in order consolidation and shipping compromise product freshness and appearance. Lack of effective communication channels creates unaligned expectations and deliveries that do not meet retailer requirements. Lack of rigorous inspections and quality protocols at production sites results in inconsistent products, which do not meet the standards expected by retailers.

The consequences of this issue affect both retailers and end customers: Consumers may associate poor quality roses with the florist's service, which damages the image of their business and reduces the likelihood of future sales.

Florists face additional costs in discarding damaged products, seeking last-minute alternative suppliers, or dealing with reduced profit margins. Selling products of irregular quality affects customer confidence and loyalty to the retailer, compromising their long-term market position.

This problem tree analysis shows how structural failures, from the production level to logistics and communication, generate significant negative impacts. Addressing these causes requires implementing stricter quality controls at the farm level, improving transport and packaging systems, and establishing clear quality standards. In addition, it is essential to foster more effective communication between supply chain actors. Addressing these deficiencies will not only ensure greater consistency in product quality but will also strengthen the relationship with retailers and increase end-customer satisfaction.

### **3. Business idea**

#### **3.1. HMW Technique**

The “How Might We” technique is used to formulate open-ended questions that promote creative solutions, helping to identify possible answers to specific challenges. This approach encourages collaboration and innovation by turning problems into opportunities. According to (Dörner & Funke, 2017), a problem appears when a goal exists, but it is not known how to achieve it. To solve it, it is crucial to define the problem clearly before exploring viable solutions. In this way, “How Might We” questions structure the problem to promote creative thinking, especially in complex problems where calculation or usual interpretations do not lead to a proper early solution.

In this context, the following questions are “How might we” propose to lead a solution in retailing roses in Loja:

- How might we guarantee the freshness and durability of roses during transport and delivery to avoid damage?
- How might we implement technologies to ensure optimal conditions for packaging and transporting flowers?
- How might we foster better communication between growers and distributors to minimize order errors?
- How might we train producers to align their processes with international quality standards?
- How might we develop strategies or actions that Rose’s suppliers implement to improve and better meet retailer's needs?

From the above proposals, the most structured question aligned with the central problem is selected to be developed in detail.



### Figure 15

*"Brainstorming"*

How might we develop strategies or actions that Rose's suppliers implement to improve and better meet your retailer's needs?

90 responses



*Note: Brainstorm of possible solutions*

Brainstorming is a technique widely used in creative and problem-solving processes. The brainstorming process usually follows several stages: first, the problem or topic to be addressed is identified and delimited. Then, the problem statement is provided to the participants. During this phase, all proposals are compiled, without being evaluated or discarded. Finally, the ideas are analyzed.

This technique is useful in a variety of contexts, from business problem solving to product or service innovation. Recent studies suggest that, although traditional brainstorming fosters group creativity, its effectiveness can be enhanced by digital tools that allow simultaneous and anonymized recording of ideas. In summary, brainstorming not only promotes the generation of ideas but also improves team dynamics and collaborative thinking.

### 3.3. Selection technique

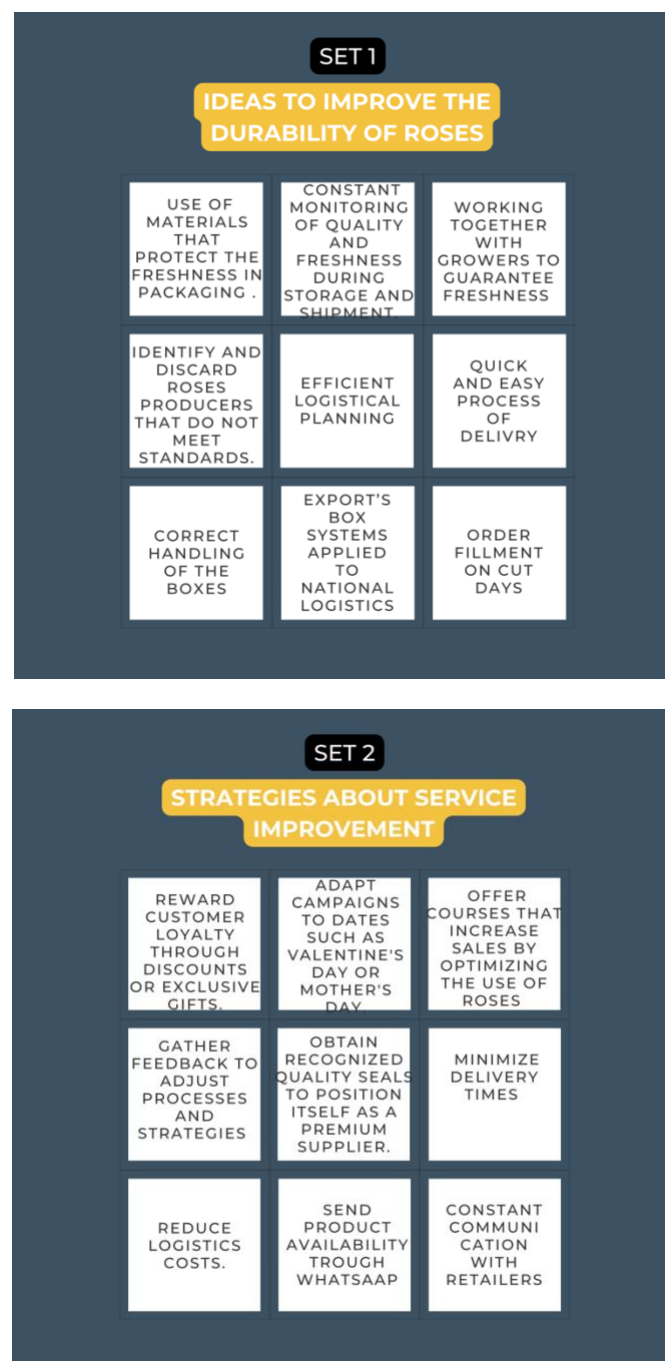
The next step after brainstorming is the selection technique, which aims to analyze and organize the ideas generated during brainstorming. To fully understand the answers obtained to the problem, ideas that share similarities are grouped and evaluated under the

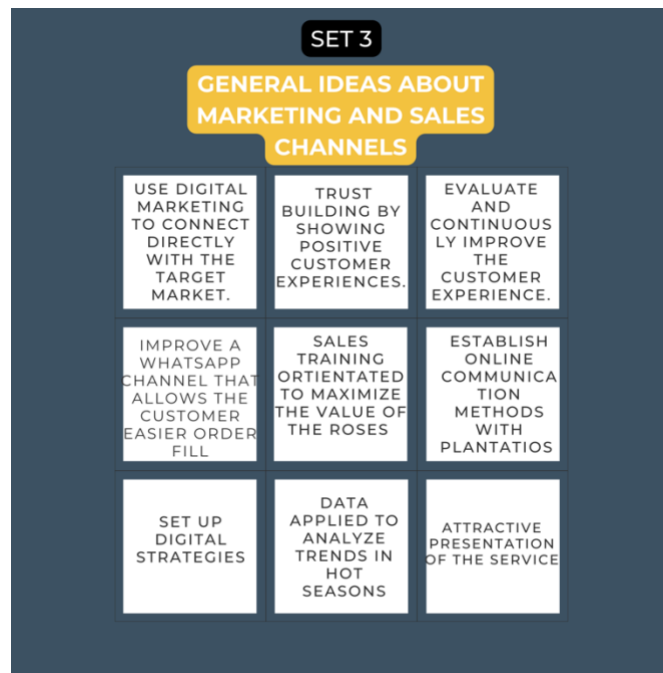
criteria of feasibility, desirability, and feasibility. This process simplifies the proposals, facilitating the identification of the most appropriate solution to the problem.

Through this technique, the possible solutions proposed by the target segment are divided into specific sets, grouping the ideas that address similar aspects or have attributes in common. This not only helps to sort the information but also allows prioritizing those ideas that are practical, aligned with the needs of the project, and capable of being implemented effectively under the following criteria: Is the idea viable, desirable, and feasible?

**Figure 16**

*"Selection technique"*





*Note: Organized ideas*

The brainstorming process made it possible to organize the ideas into three main categories:

**Product improvement:** here proposals aimed at extending the shelf life of the roses are highlighted. Ideas range from the use of materials that protect freshness in packaging, and efficient logistics, to fast delivery processes. They also include constant quality monitoring and direct collaboration with growers to ensure product freshness. These measures not only increase competitiveness but also respond to market demands for quality-assured products.

**Service improvement strategies:** These ideas focus on increasing customer satisfaction and optimizing business processes. Initiatives such as implementing campaigns for key dates, reducing logistics costs, and establishing constant communication with retailers are highlighted. Innovative strategies are also proposed, such as courses to maximize the use of roses and quality sales that position the brand as a premium supplier.

**General marketing and sales channels:** Proposals in this category seek to strengthen the connection with customers through digital tools and effective channels such as WhatsApp. In addition, they include training programs to maximize the value of roses, trend analysis in peak seasons, and trust strategies through customer testimonials and attractive service presentations.

In conclusion, brainstorming facilitated the generation of innovative and viable ideas that not only improve product quality and services but also optimize marketing and sales strategies. These initiatives are aimed at adding value, improving the customer experience, and ensuring the sustainability and competitiveness of the business in Loja as a demanding market.

### **3.4. Idea**

**Feasibility:** The focus on improving the durability of roses, through strategies such as the use of protective materials, logistical optimization, and collaboration with growers, proves to be feasible thanks to the growing demand for fresh, quality flowers. Ecuador, known for its high production of roses, has an adequate offer. In addition, alliances with local producers ensure a continuous supply and the possibility of maintaining competitive production costs, allowing for a manageable initial investment and scalable growth according to market needs.

**Desirability:** Ecuadorian roses are highly valued for their size, color, and freshness, making them an attractive product for customers. Initiatives such as packaging that prolongs freshness and fast delivery respond directly to the expectations of consumers, who are looking for flowers that last longer in optimal conditions.

This perception of quality and attention to detail positions the product as a desired option over the competition, strengthening customer loyalty and opening up even new market opportunities.

**Feasibility:** Implementing these improvements is feasible due to the availability of affordable logistics and recycled materials. Processes such as logistics monitoring and proper box handling require manageable know-how and trained personnel, something totally achievable.

In addition, marketing can be enhanced through established channels such as florists, hotels, banks, etc., while strategic alliances with them ensure a total market occupation. Taken together, these ideas are not only viable, desirable, and feasible but also allow the service to

be positioned as reliable, cost-sustainable, and even environmentally beneficial, assuring high-quality roses for retailers.

### 3.5. Prototype 1.0

It is a preliminary version of a product or service that is created to test and validate ideas, functionalities, or designs before final production. It allows feedback and testing. (Interaction Design Foundation, 2017)

**Figure 17**

*"Prototype 1"*



*Note: Final prototype 1*

This prototype is needed to explain to the customer about Magicland & Flora differentiation, emphasizing the direct relationship with the producers, alliances applied to the

logistics chain, and the system of product freshens (throughout purchasing roses just after cutting and shipping everything in one single day).

In addition, the prototype illustrates that “hot season” availability is guaranteed through strategic planning and alliances

### **3.5.1. Name and Brand**

**Figure 18**

*"Name and Brand"*



*Note: Magicland & Flora name and brand*

### **3.5.2. Formulation**

According to (Fred R David, 2011), the formulation of a service involves the design and strategic planning of the activities, resources, and alliances necessary to satisfy customer needs, prioritizing key attributes such as quality, timeliness, and user experience. This process requires the identification of market opportunities and the integration of internal and external capabilities to offer a differential value proposition. The service model proposed for the commercialization of Ecuadorian roses in Loja prioritizes three fundamental pillars: quality, freshness, and timeliness. These characteristics respond to the specific needs of the local market, where florists and retailers value products that meet high standards and arrive in optimal conditions.

Alliances will be established with suppliers in northern Ecuador, recognized for the high quality of their roses. This guarantees that the product meets good standards, such as the flowers' size, color, and durability. Work with logistics operators includes making scheduled deliveries and avoiding delays. On time deliveries ensure flowers arrive in time for key events such as weddings and celebrations. This model prioritizes freshness and timeliness and will position Magicland & Flora roses as a preferred option in the local market.

By ensuring product quality and customer satisfaction, loyalty will be fostered and return, or complaint rates will be reduced. Strategic alliances and the use of technologies will optimize costs and minimize distribution risks.

The formulation of this service model not only responds to the current demands of the Loja market but also establishes a solid foundation for sustainable growth and differentiation in a competitive environment.

### 3.5.3. Packaging and presentation

According to (Kotler & Kelle, Marketing Management, 2021), packaging and presentation are key elements in the customer's perception of value, as they not only protect the product during transportation and storage, but also communicate brand attributes such as sustainability, quality and aesthetics. Effective packaging design balances functionality, aesthetics and cost, contributing to differentiation in competitive markets.

To meet the expectations of retailers in Loja and maintain the freshness and quality of Ecuadorian roses, a packaging and presentation model based on sturdy recycled boxes with internal protection is proposed. This approach not only ensures the functionality of the packaging but also highlights sustainability as an added value, an increasingly relevant factor for global consumers.

**Figure 19**

*"Packaging and presentation"*



*Note: Magicland & Flora packaging and presentation*

The boxes used are made from high-strength, recycled cartons, ensuring that the material is environmentally friendly and robust enough to withstand transport without warping



or damaging the flowers. The inside of the boxes includes dividers or foam to protect the petals and stems from damage during transport. In addition, to preserve the freshness of the roses, they are pre-hydrated before shipment, preventing heat and humidity build-up.

These boxes are available in sizes to carry at least 30 rose packages, optimizing both space and logistics costs. Each box is only used for transportation, after delivery, the box is recycled by Magicland & Flora, to be used again and again until they become unusable

#### **3.5.3.1. Product characteristics**

Product characteristics are the physical, functional, and symbolic attributes that differentiate a product from others in the market, offering specific benefits to consumers and meeting specific needs, according to (Kotler & Kelle, Marketing Management, 2021). Features include elements such as quality, design, size, packaging, functionality, and added values that maximize the customer experience. In this context, Magicland & Flora offers a service that is committed to offering:

- **Quality:** Each rose plantation and producer are carefully selected to guarantee standards that benefit retailers in Loja, ensuring that retailers receive a fresh, long-lasting, and visually stunning product.
- **Freshness:** Roses are cut the same day they are shipped, guaranteeing freshness upon arrival to retailers. The hydration process from cut to delivery maintains quality and increases the shelf life of the product, essential to meet the needs of retailers and the quality presented in the final product
- **Varieties:** Magicland & Flora offers various varieties and colors to suit specific retailer and consumer preferences and occasions, from classic shades such as red and white to colorful varieties like the ones that represent orange, yellow, purple, etc.
- **Improved packaging:** Roses will be presented in recycled exportation boxes, with internal protection that prevents damage and preserves their freshness.



This type of packaging conveys a message of sustainability and quality to the end customer.

- **Availability the whole year:** Roses are available for any season, thanks to the strategic location of the plantations in Cayambe, Ecuador, which take advantage of the favorable climate for continuous production and thanks to the strategic alliances with producers to fulfill orders the whole year.

### **3.6. Value proposition**

A value proposition is defined as a strategic approach that describes how an organization seeks to create value for its customers and other stakeholders by providing a unique offering that solves specific needs or problems. In a business context, it is used as a tool for building strong relationships with customers and other stakeholders, helping a company to differentiate itself in the marketplace and facilitate business transactions through mutual commitments between the parties involved (Rosário & Raimundo, 2021).

#### **Magicland & Flora value proposition:**

Our value proposition is based on the delivery of exceptional quality roses, with a focus on freshness, sustainability, and personalized attention. This approach ensures that retailers and florists in Loja receive a product that not only meets their expectations but also creates value for their end customers with the following key elements:

- **Exceptional quality and guaranteed freshness:** Producers that operate with the brand assure the production standards of national quality and international standards, standing out for their freshness, vibrant colors, long stems, and durability, complemented with fast, controlled deliveries that ensure retailers receive fresh-cut roses, ready to maximize their display and selling time.

- **Sustainability at the core:** Sustainability is adopted for Magicland & Flora by using and reusing exportation boxes. This packaging reflects our commitment to the environment, aligning with global trends toward eco-friendly products, plus: it is better than normal boxes.

- Punctuality and efficiency in delivery: Strategic alliance with logistics companies guarantees fast and safe deliveries. This allows retailers to receive the product in perfect condition and on time, improving their ability to plan inventories and serve their own customers.
- Order flexibility: Magicland & Flora can sell to both small and large businesses, allowing for customization in order volumes according to retailers' needs. This is ideal for key dates such as Valentine's Day, Mother's Day or mass events that require higher volumes.
- Personalized assistance: Direct attention to retailers, listening to their needs and providing solutions that allow them to optimize their operations and satisfy their end customers.
- Competitive pricing: Balance between premium quality and affordable prices, ensuring profitable margins for retailers.
- Culture of innovation: Constantly looking for ways to improve the service, incorporating digital strategies and distribution processes to stay ahead of the market.

### **3.7. Monetization model**

Monetization refers to the conversion of an idea to a sale that represents cash flow. This can also be considered income generation by exchanging a product or service with money. Around the globe there are different ways of taking money out of the customer's pocket. Nonetheless, in business, there are just two models that simplify the explanation of this point:

- The B2B model involves business-to-business transactions, generally on a large scale, where products or services offered by one organization are used as inputs or components in the processes of another. This model focuses on building sustainable and trusted relationships, often through long-term contracts and complex negotiations to ensure quality and value-added services provided.

For roses commercialization in Loja, the B2B model was selected because of its alignment with the characteristics of the business and the needs of the target segment. This approach enables direct business relationships to be established with florists and retailers, who value consistency, quality, and timeliness in the supply of products.

It facilitates long-term agreements that ensure stable revenues, allows for handling larger sales volumes, and optimizes logistics and costs. In addition, it focuses on service improvements, such as scheduled deliveries and direct attention, which improves customer trust and loyalty.

In contrast, a B2C model could fragment marketing efforts, as it would require handling multiple individual transactions and marketing campaigns for a broad audience, which would increase costs and complexity. By prioritizing B2B, the business positions itself as a strategic and reliable supplier, maximizing its operational efficiency and impact on the Loja market.

### **3.8. Lean Canvas**

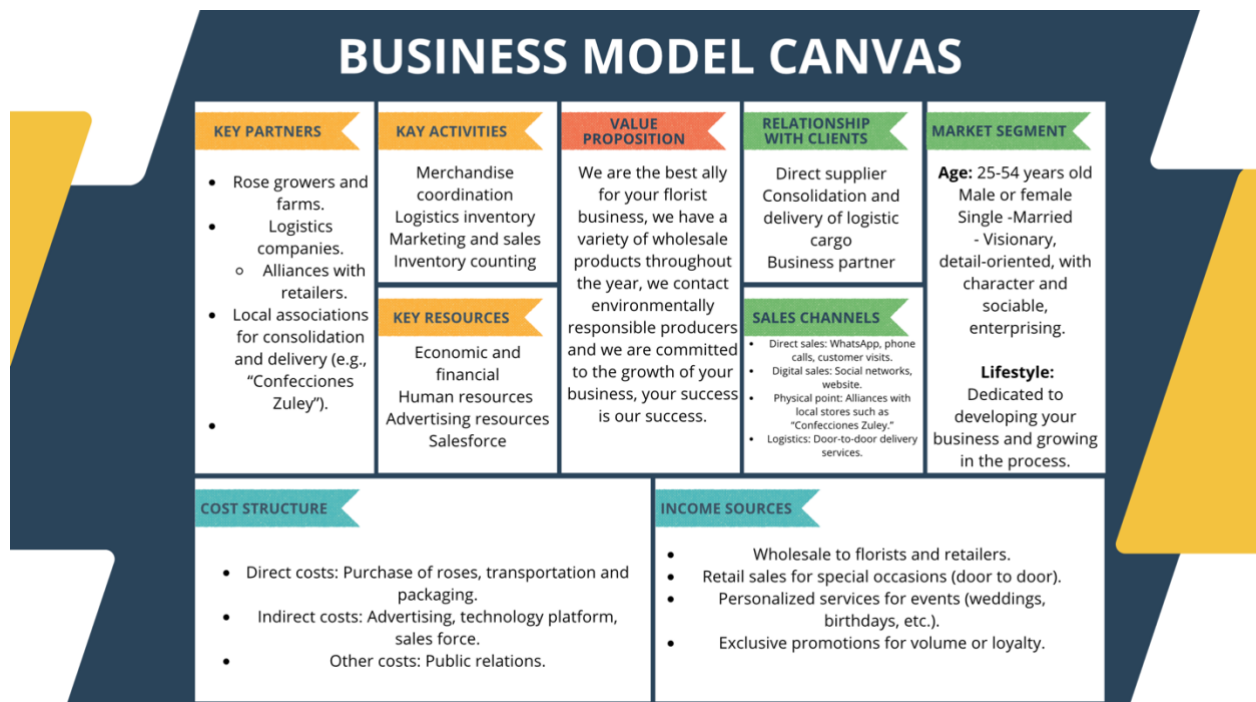
The Business Model Canvas is a strategic tool that facilitates the visualization, design, and analysis of business models, organized into nine key blocks that describe how an organization creates, delivers, and captures value.

It was introduced by Alexander Osterwalder and Yves Pigneur in their book “Business Model Generation” in 2010 and according to (Oliver Gassmann, 2013), the BMC allows the mapping of key interactions in business models, highlighting its flexibility to adapt to diverse sectors and markets.

Contrasting with (Joyce, Pigneur, & Paquin, 2015) The Business Model Canvas is a strategic design tool that helps entrepreneurs and companies structure their business model clearly and visually. Each block of the BMC interacts to represent the comprehensive logic of how an organization operates and creates value. This approach fosters the integration of sustainability, innovation, and adaptability to the changing context, which facilitates strategic decisions based on a comprehensive analysis.

**Figure 20**

*"Business model canvas"*



*Note: Magicland & Flora Business Model Canvas*

Magicland & Flora includes different insights to visualize how the business is going to perform, as key partners are important to highlighting the strategic partnerships with rose growers, logistics companies, and local organizations which are essential to ensure freshness and timely delivery of the product, optimizing the supply chain. In key activities, the coordination of merchandise, inventory management, marketing, and sales are the main operational activities, all of them oriented to an edge development on the business based on the commitment to sustainability and the focus on customer success, positioning itself as the best partner for retailers with use of key resources that include financial capital, trained personnel, and technology tools, which optimize sales and manage strong customer relationships.

Regarding sale channels, this study aims to create a balanced and perfect combination of digital media (social networks, website), and direct communications (WhatsApp, in-person pitches and presentations, telephone calls), besides a physical point of delivery, guaranteeing

different ways to find the product and creating a sustainable sale's management for the market segment who is composed of entrepreneurs between 25 and 54 years old.

The cost structure includes direct costs (purchasing, transportation, and packaging), as well as indirect costs (advertising and technology), balancing sustainability and profitability. Therefore, the income sources will come from wholesale sales to retailers.

### **3.9. PESTEL Analysis**

The PESTEL analysis functions as a tremendously important tool of research that evaluates and studies the environment that surrounds a business. It can be described as a radiography of external factors that may interfere with business operations. The main question to be responded to, by this analysis is: What can interfere with the business success? The answer to any organization is simple: Analyze the harmonized external and internal factors of the PESTEL which permits making better decisions, (Çitilci & Akbalik, 2019) :

**Political:** Includes laws, regulations, government policies, political stability, and international relations. For example, a change in tax laws can directly affect a company's production costs.

**Economic:** Refers to factors such as interest rates, inflation, economic growth, fiscal policies, and exchange rates. An economic crisis, for example, can reduce consumer purchasing power and affect a company's sales.

**Social:** Covers aspects such as demographics, culture, lifestyle, values, education levels, and income distribution. Changes in consumer consumption habits, for example, can generate new business opportunities.

**Technological:** Includes innovations, technological development, automatization and digitalization. The adoption of new technologies can improve a company's efficiency and create new products and services.

**Environmental:** Refers to factors such as climate, natural resources, environmental legislation and environmental awareness. Climate change, for example, can affect the production of certain agricultural products.

Legal: Includes labor laws, consumer protection laws, antitrust laws and intellectual property. A change in labor laws can increase a company's labor costs.

### **PESTEL Analysis (Worldwide)**

#### **Political**

Geopolitical tensions: The war in Ukraine, U.S.-China relations, and conflicts in the Middle East generate uncertainty and affect global trade. Now with Donald Trump, it seems that world power is under discussion and his election as president of the US will affect directly global trends and markets, especially with China as a target. (Bateman, 2024)

Nationalism and populism: The rise of nationalist and populist movements in various parts of the world can lead to protectionist policies and limit international cooperation. (Wajner, Destradi, & Zürn, 2024)

Global governance: The effectiveness of international organizations such as the United Nations and the World Health Organization is being questioned in the face of global challenges such as pandemics and climate change. (WHO Departmental update , 2023)

#### **Economical:**

Growing economic inequality has generated social and political tensions in many countries (United Nations Development Programme, 2022)

Sovereign debt: High sovereign debt limits governments' fiscal space and increases vulnerability to economic shocks (Brandao-Marques, Casiraghi, Gelos, Harrison, & Kamber, 2023)

Climate change: Extreme weather events are generating significant economic losses and affecting food security (World Bank, 2022)

#### **Social:**

Urbanization: "Rapid urbanization poses challenges such as congestion, pollution, and unequal access to basic services" (World Cities Report, 2020 )

Population aging: "Population aging is changing the demographic structure of many countries and placing new demands on health and pension systems" (World Health Organization, 2024).

Migration: “Large-scale migratory movements generate debates on identity, social cohesion, and integration policies” (Organization for Economic Cooperation and Development, 2022).

### **Technological:**

Artificial intelligence: “Artificial intelligence is transforming the way we live and work, creating new opportunities and challenges in the labor market” (World Economic Forum, 2023).

Digitalization: “The pandemic has accelerated the digitalization of the economy, but it has also increased digital divides. The results reveal that, although digitization has facilitated cross-border trade and improved operational efficiency, important challenges persist in cybersecurity, digital divides, and adaptation of public policies” (Canales, Luna, Davila, & Cajavilca, March 2025).

Biotechnology: “Advances in biotechnology have the potential to solve global challenges such as food security and climate change” (Organization for Economic Cooperation and Development, 2022).

### **Environmental:**

Climate change: “Climate change is one of the greatest threats to humanity and ecosystems. Without drastic action today, adapting to these impacts in the future will be more difficult and costly.” (United Nations, 2024).

Resource scarcity: “The growing demand for water and energy is putting pressure on natural resources” (United Nations Un Water, 2024).

Pollution: “Air, water, and soil pollution remain a serious problem in many parts of the world, now its impact is being studied not just on behalf of environment, cardiologists themselves are warning about the tremendous drawdowns on health for the mankind” (Münzel, Hahad, Daiber, & Landrigan, 2022).

**Legal:**

Data protection: "Protecting personal data is a fundamental right that requires adequate regulation, more than ever in nowadays e-linked society" (European Commission, 2017).

E-commerce: "E-commerce has become a huge source of business opportunities, its regulation is essential to ensure consumer safety and foster competition along the countries, members of the WTO discuss the role of digital industrialization and technology transfer in enhancing e-commerce as a improvement tool of economy along the world." (World Trade Organization, 2025).

Intellectual property: "The protection of intellectual property is essential to encourage innovation and creativity" (World Intellectual Property Organization, 2020).

**PESTEL Analysis (Ecuador)****Political:**

Political stability: "Despite recent changes in government, from Guillermo Lasso to Daniel Noboa, Ecuador has maintained relative political stability compared to other countries in the region, most importantly democratization has acted as a conflict management response to various violent event and shaky governance" (BTI Transformation Index, 2024).

International relations: Ecuador maintains diplomatic relations with numerous countries and trade blocs, such as the European Union and the Pacific Alliance, which influences its foreign trade. The Free Trade Agreement's vigor with China also links to the rest of the world, right now diplomacy has been turbulent, at the same time, alliances have been attached to Noboa's period, especially with the United States of America, which is currently coming to the country different ways of help to overcome the lack of safety and investment. (Jimenez, 2025)

Corruption: Corruption perception remains a challenge for the country, affecting investment and citizen confidence. According to (Freedom House, 2025), Ecuador has a score of 28/40 in political rights, this score means that the country is partially free, "Elections occur regularly in Ecuador, and some key state institutions have displayed greater independence in



recent years. However, violent crime, which has markedly increased in recent years, has had a profound impact on the functioning of government and daily life for ordinary citizens” (Freedom House, 2025).

### **Economical**

Dependence on exports: “The Ecuadorian economy has historically been dependent on exports of oil and agricultural products, which makes it vulnerable to fluctuations in international prices”, (World Bank Group, 2024).

Economic inequality: “Economic inequality in Ecuador is manifested in an unequal distribution of wealth and income, with a concentration of wealth in a small group of the population, In 2014, the 5% of the richest population of Ecuador concentrated 46 times the income of 5% of the poorest population”, (Álvares & Sánchez, 2017).

Dollarization: “Dollarization has been a distinctive feature of the Ecuadorian economy since 2000, limiting the Central Bank's ability to implement conventional monetary policies” (Banco Central del Ecuador, 2024).

### **Social**

Cultural diversity: “Ecuador is a multicultural and multiethnic country, with an indigenous population that represents a significant percentage of the total population, and different cultures identified, which makes the whole country very unique in every place” (The International Work Group for Indigenous Affairs, 2024)

Migration: “Migration has been an important phenomenon in Ecuador, both internally and externally, driven by economic and social factors” (Ledesma, 2019)

Education: “The quality of education in Ecuador has been a topic of debate, with inequalities in access and educational quality between different regions” (González, CastilloCanales, Creamer, & Ramos, 2023).

### **Technological**

Digital division: “The digital divide in Ecuador is manifested in differences in access to information and communication technologies between urban and rural areas where the

difference improvements are noticeable, for example, internet coverage in suburban areas” (Campos, Parejo, Vázquez, & Uve, 2024).

Innovation: “The Ecuadorian government has implemented various policies to promote innovation and entrepreneurship, such as the Knowledge Economy Law” (National Secretariat of Planning of the Republic of Ecuador , 2024).

Biotechnology: “Ecuador has great potential in the field of biotechnology, The three most important areas of biotechnology are green, involved in the agricultural sector; red, involved in life and health science processes; and blue, which is biotechnology related to applications in marine and aquatic environments” (Freire, et al., 2022).

### **Environmental**

“Ecuador is one of the megadiverse countries in the world, with a great variety of ecosystems and species” (Instituto Nacional de Biodiversidad, 2024).

Natural disasters: “Ecuador is located in an area of high seismicity and volcanism, which exposes it to frequent natural disasters, also the current climate change is warning the whole country of unpredictable events like catastrophic winter, prolonged droughts, landslides, forest fires, etc.” (Coba, 2024).

Climate change: “Climate change is affecting Ecuadorian ecosystems and agriculture, as remarked in the last paragraph, the main aftermaths are incalculable due to the unpredictability and lack of management on behalf” (Miranda, 2024) .

### **Legal**

Legal framework: “Ecuador's legal framework has undergone significant changes in recent decades, these changes have been made to improve economic activity, reduce administrative burdens, and promote sustainable development.” (National Secretariat of Planning of the Republic of Ecuador , 2024).

Intellectual property: “Intellectual property protection is fundamental to foster innovation and technological development in Ecuador, although it has been such a challenge to implement policies that protect this know-how in Ecuador, SENADI has been improving itself to offer a better solution for protecting creativity” (Quevedo y Ponce, 2024) .

Legal security: “After a decade of prosperity, a less favorable external context demands that Ecuador ensure fiscal sustainability, strengthen the foundations of dollarization, promote new engines of growth and protect the social gains achieved.” (World Bank, 2024).

### **PESTEL Analysis (Loja)**

#### **Political**

Decentralization: “The 2008 Constitution of the Republic of Ecuador established a decentralization system, granting decentralized autonomous governments named as “(GADs)” in Spanish, this system grants them greater powers in the management of their territories, Loja as one of them has been functioning under this current system” (Guerra & Montalvo, 2020).

Citizen participation: “The 2008 Organic Law of Citizen Participation has encouraged citizen participation in public management, including the possibility of holding popular consultations and recall of mandates at the local level, ” as happened with the ex-mayor, Bolívar Castillo (Paguay-Chuquimarca, Valencia-Salazar, Cuasque-Peñafiel, & Lizcano-Chapeta, 18).

#### **Economical**

Agriculture and commerce: “Agriculture, especially coffee and cacao cultivation, has traditionally been an important economic activity for Loja, contributing significantly to its economy” (Coordinadora de Medios Comunitarios Populares y Educativos del Ecuador (CORAPE), 2014).

Tourism: “Cultural and ecological tourism has positioned itself as a growing economic activity for Loja, thanks to its natural and cultural attractions boosted by the higher presence of authorities in charge of consulting” (Ministerio de Turismo, 2024).

Remittances: “Remittances sent by Loja people living abroad have been an important source of income for many families, especially in rural and province areas” (Banco Central del Ecuador, 2022).

## **Social**

Education: The “Universidad Nacional de Loja” is one of the most important higher education institutions in the southern region of Ecuador, contributing to the training of professionals and the generation of knowledge. At the same time, the presence of private options such as Universidad Técnica Particular de Loja and Universidad Internacional Del Ecuador, and many other technical organizations, which serve the community as learning sources. (Universidad Nacional de Loja, 2024).

Culture: “Loja’s culture is characterized by its diversity and richness, with artistic manifestations such as music, dance, and literature represented by the whole society under the eye of being named “Centinela del Sur” and with the high level of influence of the Indígena’s traditions of the “Paltas” and “Saraguros”, this cultural composition have been recognized nationally and is represented annually in different events and public manifestation of art” (Ministerio de Cultura y Patrimonio, 2023).

## **Technological**

Connectivity: “Internet coverage has increased significantly in Loja in recent years, the GPON technology has been implemented as a trustworthy internet standard, right now there are several optical fiber providers around the city and surrounding areas, and digital gaps persist in some rural areas and the province” (Zhingre, Sarmiento, & Jaramillo, 2017).

Innovation: “The Universidad Nacional de Loja has promoted the creation and improvement of research and development centers around the city, fostering innovation in various sectors” (Universidad Nacional de Loja, 2024).

## **Environmental**

Biodiversity: “Podocarpus National Park is one of Ecuador’s most important protected areas, home to a great diversity of flora and fauna” (Ministerio del Ambiente, Agua y Transición Ecológica, 2023).

Water resources: “The Zamora and Malacatos rivers are fundamental water sources for Loja, but they face pressures from population growth and agricultural activity, nowadays

the higher flow is warning authorities about prevention of economic losses and environment protection” (La Hora, 2022).

### **Legal**

Legal framework: “The Ecuadorian legal framework establishes the rules and regulations governing economic and social activities in Loja, in this context it establishes the political-administrative organization of the Ecuadorian State in the territory; the regime of the different levels of decentralized autonomous governments and the special regimes, to guarantee their political, administrative, and financial autonomy” ( Regional Observatory on Planning for Development in Latin America and the Caribbean, 2018).

Urban planning: “Loja’s Development and Land Management Plan establishes guidelines for urban growth and heritage conservation” (Municipio de Loja, 2019).

### **3.10. PORTER Analysis**

Porter's analysis, also known as Porter's Five Forces, it is a strategic framework that helps to understand the competitiveness of an industry and its trends. It was proposed by Michael E. Porter in 1979 and analyzes five key forces that affect the profitability of companies within a market: rivalry among existing competitors, the threat of new entrants, the threat of substitute products, the bargaining power of suppliers, and the bargaining power of buyers (Bruijl, 2018).

#### **Magicland & Flora the Porter analysis**

##### **Threat of new competitors**

According to the interviews completed and analyzed in previous steps, the competitors related to rose’s distribution are a few. In Loja almost all the roses provided to retailers come from non-regulated traders. In this context this threat is medium, especially because is easy to start selling to retail ventures due to there are not too many expenses in order to get the business running, what is hard and challenging is to obtain the business partners at the northern part of the country with a complete product availability and quality control, said that,

new competitors may face uncertainty while entering in despite of the easiness to get approval to operate.

### **Rivalry of existing competitors**

In Loja, there are a few other roses suppliers, from small businesses to people that have been established in the market for several years. Among retailers there are some distributors, also some names in the industry that operate under no regulations. This lack of competitors makes it easier to compete, the rivalry is always related to quality, and therefore the threat to Magicland & Flora is low.

### **Bargaining power of suppliers**

The bargaining power of suppliers is low, considering that there are many suppliers of roses in the northern part of the country, companies like FLORECOLOGIC S.A. is already ventured, and offers Magicland & Flora very good deals, varieties like Explorer, Mondial, White Chocolate can be easily found and purchased for national trade, besides the business contacts around plantations in which is possible to buy quality roses at any season. In this case, the bargaining power of suppliers is low.

### **Bargaining power of customers**

The bargaining power of customers in the Loja market is low, considering that there are a few options available, especially regarding reliability. This benefits Magicland & Flora and its value proposition to achieve the highest number of customers, so this force is low due to the lack of options for the customer.

### **Threat of substitute products**

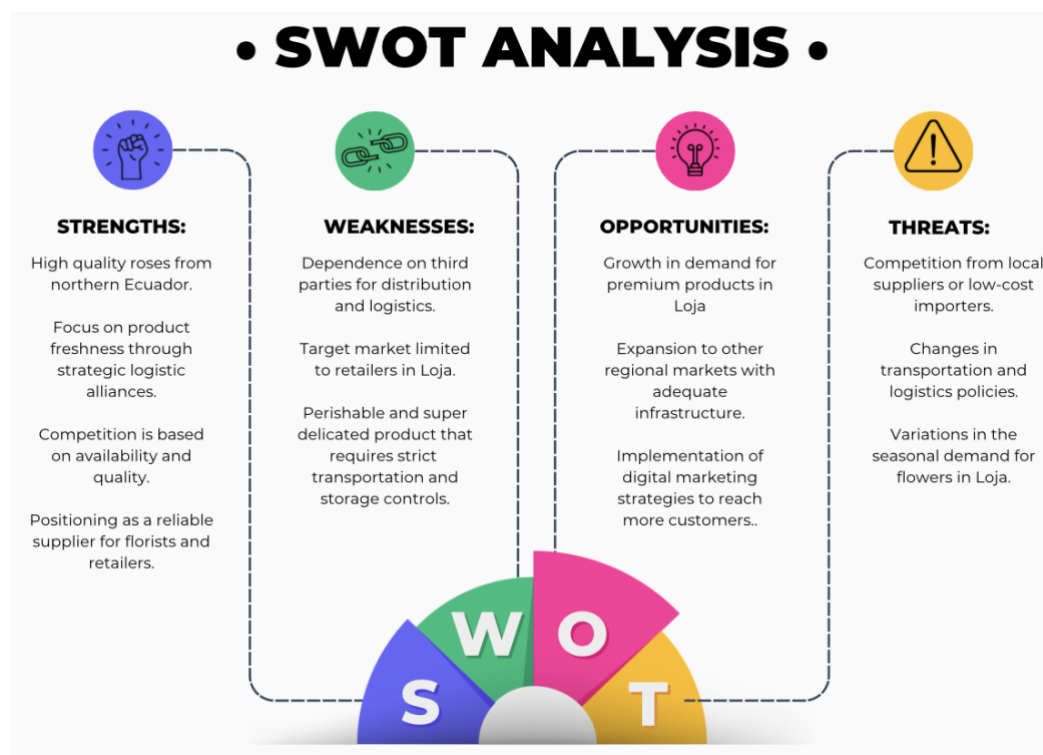
The presence of substitute products in the Loja market is high; There are numerous alternatives to roses to create unique and meaningful floral arrangements. From the vibrant artificial ones to the elegance of orchids, wildflowers, and even dried flowers, the options are almost endless. Each flower carries a particular meaning and can be adapted to different occasions and personal tastes. Experimenting with different combinations of flowers, colors, and textures allows customers to design floral arrangements that reflect the individuality and style of the recipient making this threat high.

### 3.11. SWOT

SWOT Analysis is an analysis method used to evaluate the 'strengths', 'weaknesses', 'opportunities' and 'threats' involved in an organization, a plan, a project, a person or a business activity. This method facilitates the identification of competitive advantages, areas for improvement, environmental risks, and growth opportunities. This methodology helps companies make informed decisions and plan for their future (Merba Tat, 2017).

**Figure 21**

"SWOT"



*Note: Magicland & Flora SWOT analysis*

The SWOT analysis of Magicland & Flora reveals key aspects to understanding its competitive position. Among the strengths are distribution of high-quality roses and the ability to establish strategic alliances with logistics companies to ensure freshness and timely deliveries. These factors enable the company to meet the specific demand of florists in Loja and ensure customer loyalty.

As for weaknesses, dependence on external suppliers for logistics and distribution presents significant risks, especially since the product is perishable. In addition, being limited

to the Loja market restricts growth potential, while operations require strict controls to preserve product quality.

On the other hand, there are valuable opportunities, such as increased demand for premium flowers in local retailers and the possibility of expanding into broader regional markets. The implementation of digital marketing strategies also represents an advantage, as it would allow reaching new customers and strengthening brand presence.

Finally, threats include strong competition from other local suppliers, as well as risks associated with the seasonality of demand and possible changes in transportation policies. The company must be prepared to face these challenges and adapt quickly to the changing environment.

### **3.12. TOWS**

TOWS analysis is an extension of the SWOT framework, designed to develop concrete strategies that maximize strengths and opportunities while minimizing weaknesses and threats. This method integrates internal and external factors to create strategic action plans aligned with organizational objectives (Lucidity, 2023). Through TOWS, companies not only identify their current position but also explore specific ways to improve their competitiveness.



**Figure 22**

"TOWS"



*Note: "TOWS" of Magicland & Flora*

In this model, Strengths + Opportunities' strategies take advantage of the superior quality of the roses and the growing demand in Loja

Is important to mention the relevance of establishing strategic alliances and stand out through digital marketing, consolidating a leading position in the market.

On the other hand, Weaknesses + Opportunities' strategies address weaknesses, such as dependence on third parties and logistics, by designing efficient systems and strengthening internal infrastructure to take advantage of local market opportunities. This approach includes diversification of distribution channels and staff training to optimize operations.

Strengths + Weaknesses' strategies focus on differentiating the product by highlighting its freshness and exclusivity. Threats such as unfair competition are mitigated through

strategic planning and inventories adjusted to seasonal demand. Effective communication with customers also becomes a key point to reduce the impact of competitors.

Finally, Weaknesses + Threats' strategies prioritize risk mitigation through contingency plans and agreements with reliable suppliers. Product portfolio diversification is explored to address seasonality, and customer relationships are strengthened through long-term incentives, ensuring a stable revenue base in the face of a competitive environment. This analysis allows the business to develop a comprehensive and resilient model that adapts to the challenges.

#### **4. Feasibility – Viability and Desirability validation**

Validation regarding Feasibility, Viability, and Desirability plays a crucial role while designing a product or service due to their huge impact on how value would be developed and improved to have a market positioning.

According to (Hofstrand & Holz-Clause, 2020) feasibility helps answer the question: should we proceed with the proposed idea? being the initial design stage for a project, which analyses the chances of success of an idea by studying all factors involved and concluding whether or not the idea is possible to achieve, viability, on the other hand, regards the financial structure of the business and answers the question: is the business idea sustainable in terms of profitability over the time? These two factors of design thinking cannot function without the third: is the product desired? Therefore, desirability is about how people are interested in the product or service, and most importantly, how much they like it, need it, or want it (O'Donoghue, 2023).

Through this analysis "Magicland & Flora" aims to improve continuously and start from a tailored service that truly satisfies customers of the niche for roses. By developing this research, the chances of business success may increment tremendously, consequently creating a robust business core from design thinking to the business model canvas.

#### **4.1. Market research**

Market research informs the tailoring of a business idea and therefore significantly influences business success. It encompasses surveying potential customers, understanding the market, and monitoring emerging trends. While researching, it is possible to encounter direct contact with the group under study to analyze their desires and needs, and clarify their purchase behavior and pricing expectations. Secondary research, on the other hand, involves analyzing existing data to produce insights and conclusions. It is vital to monitor new data-driven studies (Gracey, Julie Morris, & O'Duinn, 2024).

This process is essential to develop commercial strategies in the complex roses market in Loja. This investigation, therefore, seeks to find the needs, preferences, and challenges of minor rose distributors that are seeking a reliable supplier. The identified problem is the lack of an efficient distribution system that guarantees freshness, availability, timeliness, and competitive prices, which are essential to meet the demand for high-quality floral products in Loja.

This study aims to collect data on purchasing behavior, expectations in terms of quality, and logistical obstacles faced by potential customers. It also seeks to analyze how Loja's economic and social conditions affect rose consumption and what opportunities exist to strengthen the sustainability of the business.

Loja, known for its entrepreneurial spirit and rich cultural tradition, represents a strategic market for the rose trade. According to recent data, a study carried out (Observatorio de Sociedad de la Información y Telecomunicaciones (OBSIYT) de la Dirección General de Vinculación con la Sociedad de la UTPL, 2022) in collaboration with (Díaz, 2022) revealed that 47.06% of companies in Loja are small, and 52.94% are microenterprises, while medium and large companies are not part of the business network of the province, which poses unique challenges and opportunities for economic development. This finding reinforces the importance of a B2B model focused on being a strategic ally of these small and microenterprises, which are the main engine of the economy of the city.

Based on the findings, proposals will be developed to optimize the supply chain, ensure customer satisfaction, and strengthen commercial relationships with key market players. This approach seeks not only to meet current needs but also to position the marketing of roses as a competitive and profitable activity, aligned with the sustainable values that characterize the modern market.

#### **4.1.1. Target market approach**

Knowing and defining the target market is a key step in market research. This process allows identifying potential customers and describing their common characteristics, behaviors, and demographic factors, which facilitates the development of targeted marketing plans. According to (Faster Capital, n.d.), this identification allows not only to understand customers but also to propose strategies that would address their needs.

To Magicland & Flora this part helps to get a deep understanding of who is purchasing the product to successfully satisfy their expectations. In conclusion, understanding the characteristics of the target market allows Magicland & Flora to strategically position itself as a reliable ally for its customers, providing solutions that meet both market demands and expectations of quality and freshness in the floral industry.

#### **4.1.2. Target market description**

The description of the target market involves identifying a specific group of people or entities to which a product or service will be offered, considering variables such as age, gender, geographic location, values, and lifestyles. This analysis allows optimizing the company's resources and directing marketing efforts toward a particular segment, highlighting the benefits and qualities of the product or service to satisfy their specific needs. (Flores, Moncayo, & Boada, 2020).

The demographic profile of the market in Loja includes businessmen and entrepreneurs, mainly micro and small businesses, which represent 99% of the business landscape of the province, according to a study conducted in 2022 by the Observatory of Information Society and Telecommunications (OBSIYT) of the UTPL. The target market is

composed of men and women between the ages of 20 and 50 who live in Loja and have a medium-high economic level. These clients operate in sectors such as flower shops, funeral homes, event planning, hotels, and other businesses that use flowers as part of their offerings.

In the case of Magicland & Flora, the target market is composed of men and women between the ages of 20 and 50 who reside in the city of Loja. These individuals have a medium-high economic level and are involved in various commercial sectors, such as florists, funeral homes, event organizers, hotels, and other businesses that incorporate flowers into their service offerings. This demographic profile is consistent with the business structure of the province of Loja, where micro and small enterprises represent 99% of the business landscape. (Díaz, 2022)

Magicland & Flora's customers are looking for fresh, high-quality floral products, with on-time deliveries, as flowers are perishable products whose presentation directly influences the end customer's satisfaction. In addition, they value responsible business management in terms of communication and practices.

To effectively reach this target market, it is important to consider their media consumption habits and communication preferences. Given that social networks such as Facebook and WhatsApp are popular platforms among 20-50-year-olds, a digital marketing strategy focused on these platforms could be effective in promoting Magicland & Flora's products and services.

In summary, a detailed understanding of the target market will allow Magicland & Flora to adapt its marketing strategies and operations to meet the needs and expectations of its clients, thus optimizing its resources and strengthening its position in the Loja market.

#### **4.1.3. Target Market Description**

To determine the size of the target market, it is essential to know the total accessible market and evaluate the penetration potential of the product or service within the chosen segment. This analysis allows Magicland & Flora to estimate growth opportunities and design effective strategies to attract and retain customers.

In Loja, the total population is 250,028 inhabitants, of which 48% are men (119,350) and 52% are women (130,678), according to Ecuador's Census (INEC, 2022) The target segment of Magicland & Flora focuses on men and women between 20 and 50 years old, which represents approximately 123,101 people, distributed in 57,508 men and 65,593 women within this age range.

The behavior of the Loja market also reveals a marked orientation towards sustainable practices. According to the Census of Ecuador (INEC, 2022), 98.6% of households in Loja carry out waste separation, demonstrating an environmental awareness that coincides with the values and sustainable proposals of Magicland & Flora.

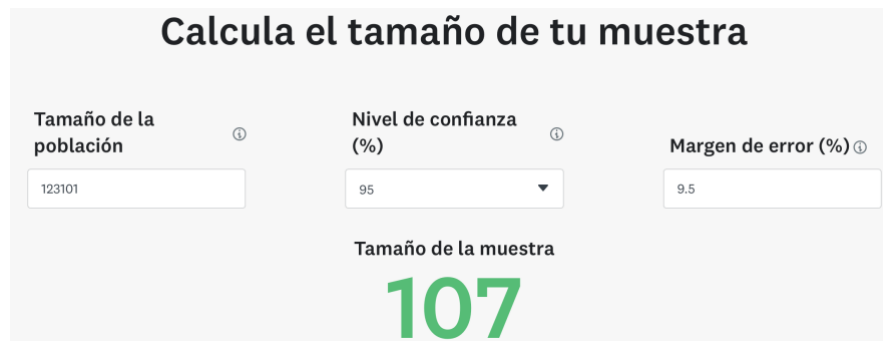
In 2023, the events and tourism sector in Loja showed a 32% growth, increasing the demand for fresh and quality floral products that are common in flower arrangements at the city festivities (La Hora , 2023). Studies indicate that 70% of minor rose's distributors and related businesses prefer suppliers with efficient distribution services and a focus on sustainability around the globe. This trend benefits Magicland & Flora's entrance into getting into the market with a clearer differentiation.

#### **4.2. Market segment validation**

In the market segment validation process, it is important to develop field research that accounts for the total population under investigation, primary data is obtained to confirm that the product or service answers the problem studied. Through this step, Magicland & Flora conducted 107 surveys, with 9.5% of error and 95% trust level within a universe of 123,101.

**Figure 23**

"Survey Monkey calculator"

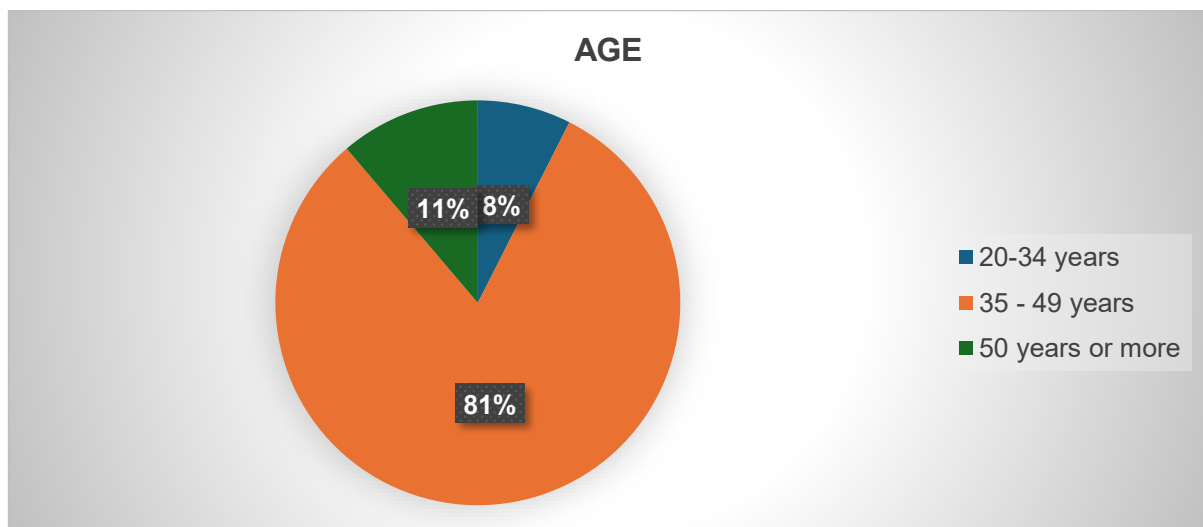


Note: "TOWS" of Magicland & Flora. Source: (SurveyMonkey, 2024)

Through field research, the aim is to generate real data to design better solutions. The most important outcome of applying this technique is to use analysis of survey results to create a database where insights are converted to conclusions for designing a business edge and constant improvement.

**Figure 24**

"Age"



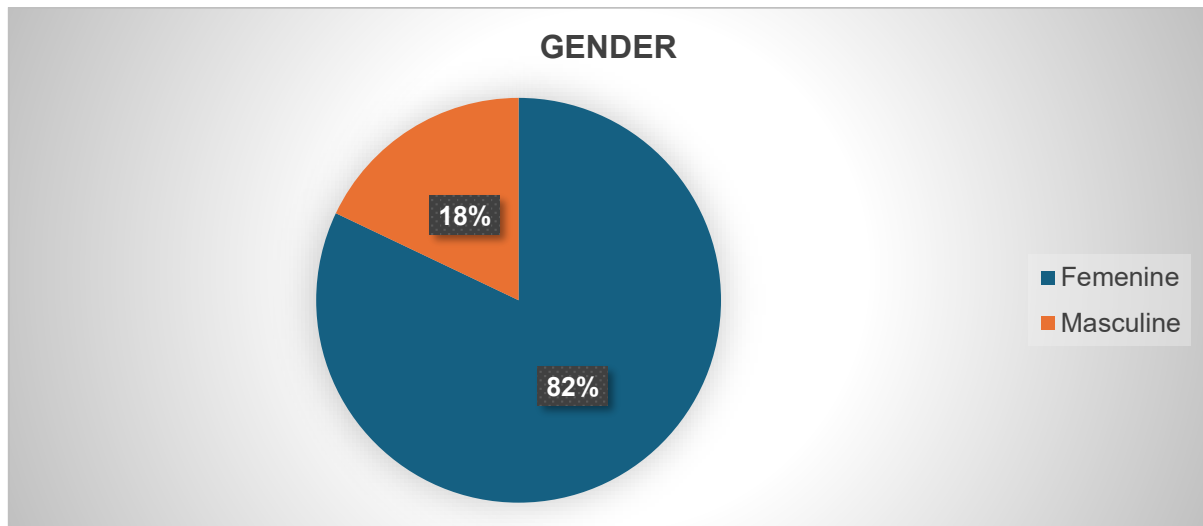
Note: Magicland & Flora. Survey question about age.

The 35-49 age range constitutes 81% of the target population and therefore the majority of potential customers. This indicates that the target market consists mainly of people of active working age and with experience, who are likely to be looking for stability and quality in the products or services they purchase. It is crucial to prioritize strategies for the 35-49 age group

while considering complementary strategies to capture the younger and older segments, which could represent specific niches.

**Figure 25**

"Gender"



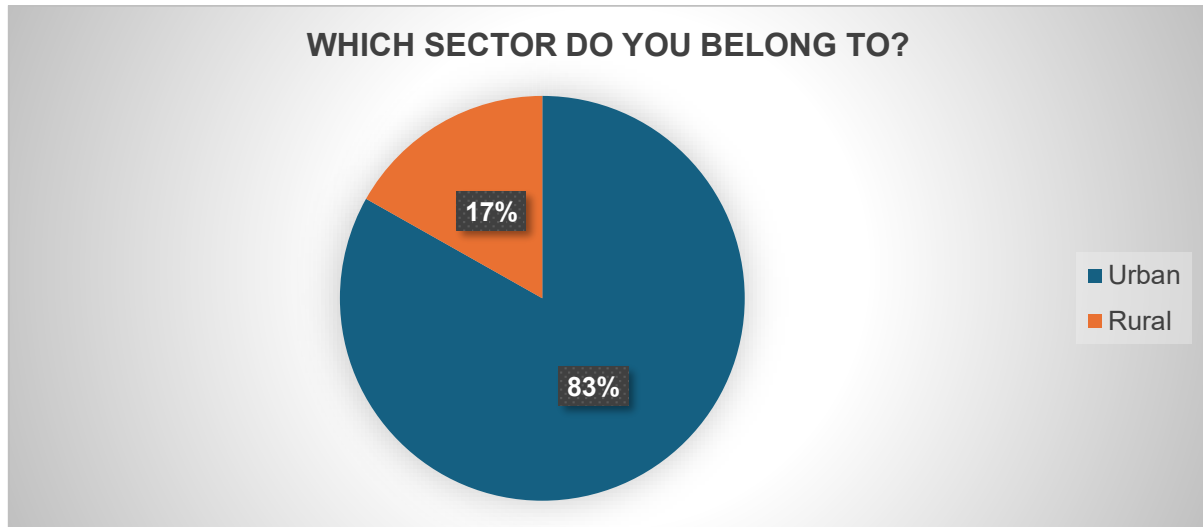
*Note: Magicland & Flora. Survey question about gender.*

Women are the predominant group in the target market, represented by 82% of survey respondents, which implies that Magicland & Flora must be aligned with their needs and expectations. Women are often key decision-makers in purchases related to aesthetic, emotional, or family aspects. Focusing on communication with the female audience will maximize the chances of success, considering their broad market dominance in retailing roses in Loja.



**Figure 26**

*"Which demographic sector do you belong to?"*



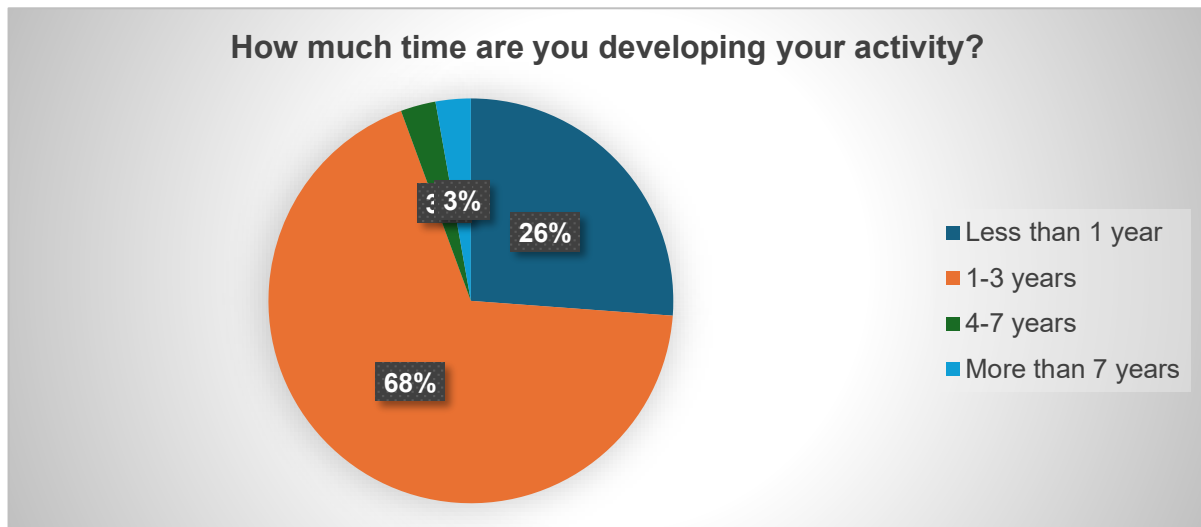
*Note: Magicland & Flora. Survey question about the demographic sector.*

The majority of potential clients are in the urban sector, as reflected by the 83% of responses, which predicts a dynamic market with higher levels of consumption, infrastructure, and access to goods and services.

The relevance lies on logistics and distribution, both should be focused primarily in urban areas to ensure effective coverage due as operating in cities will allow taking advantage of the volume and frequency of orders. This approach will ensure a faster return on investment and a greater target market capture for Magicland & Flora.

**Figure 27**

*"How much time are you developing your activity?"*

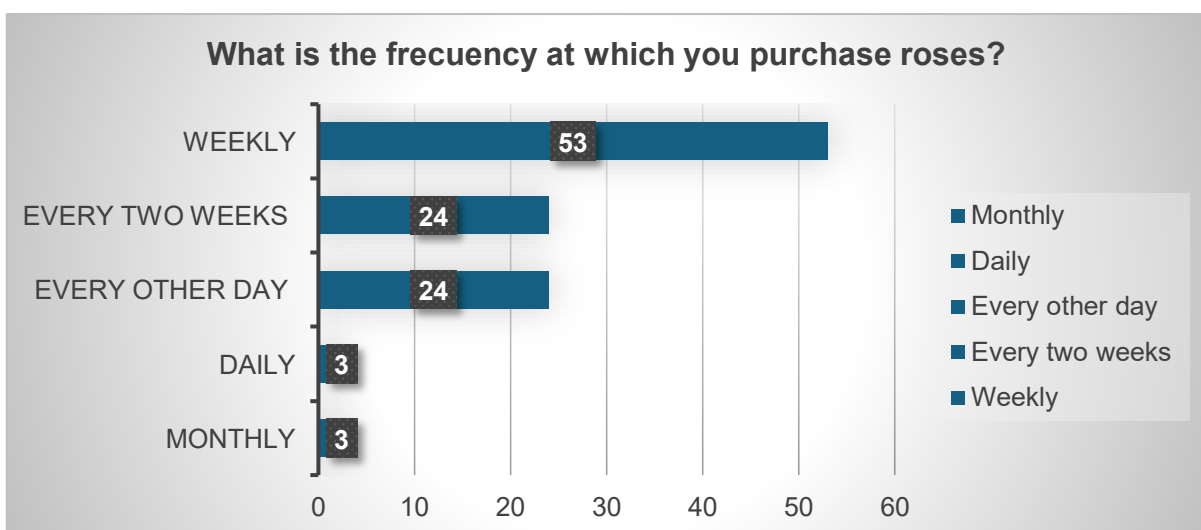


*Note: Magicland & Flora. Survey question about time*

A large proportion of clients have been in business for more than 7 years, which implies stability and experience. This group values quality and looks for reliable business partners to maintain their standards. This landscape offers ideal conditions for Magicland & Flora to create a highly experienced business network. Focusing on this group allows the enterprise to establish solid and long-lasting business relationships, ensuring a steady flow of revenue.

**Figure 28**

*"What is the frequency at which you purchase roses?"*

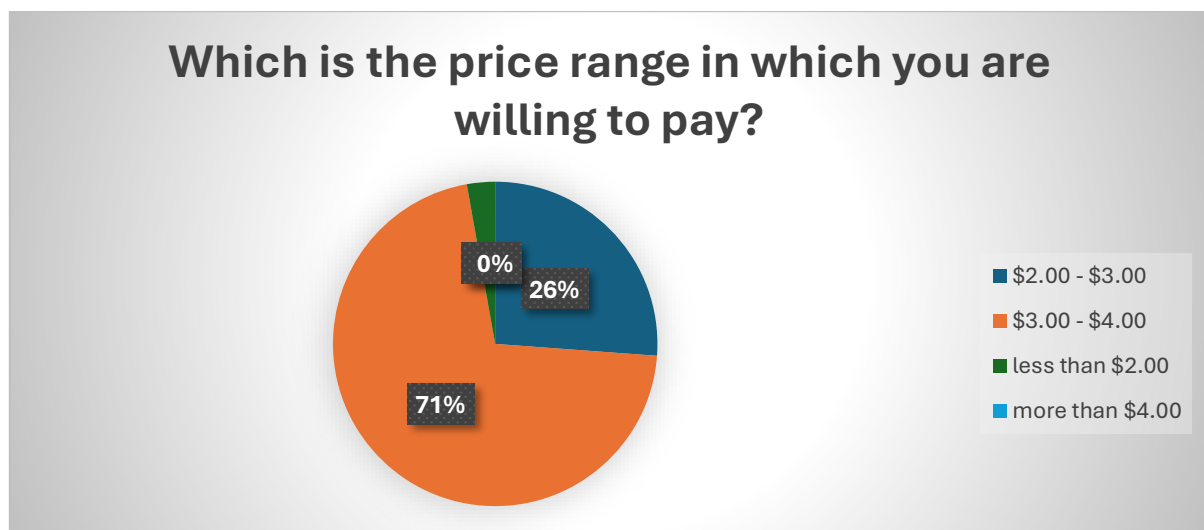


*Note: Magicland & Flora. Survey question about order frequency*

This graph shows the buying habits of consumers in relation to roses. Most respondents purchase monthly (50%), followed by those who purchase weekly (22%). A smaller proportion of respondents purchase every two weeks (22%), while 3% purchase daily. This indicates that the demand for roses is not uniform, highlighting the need for a distribution system to satisfy both recurrent and less frequent purchases.

**Figure 29**

*"Price range"*

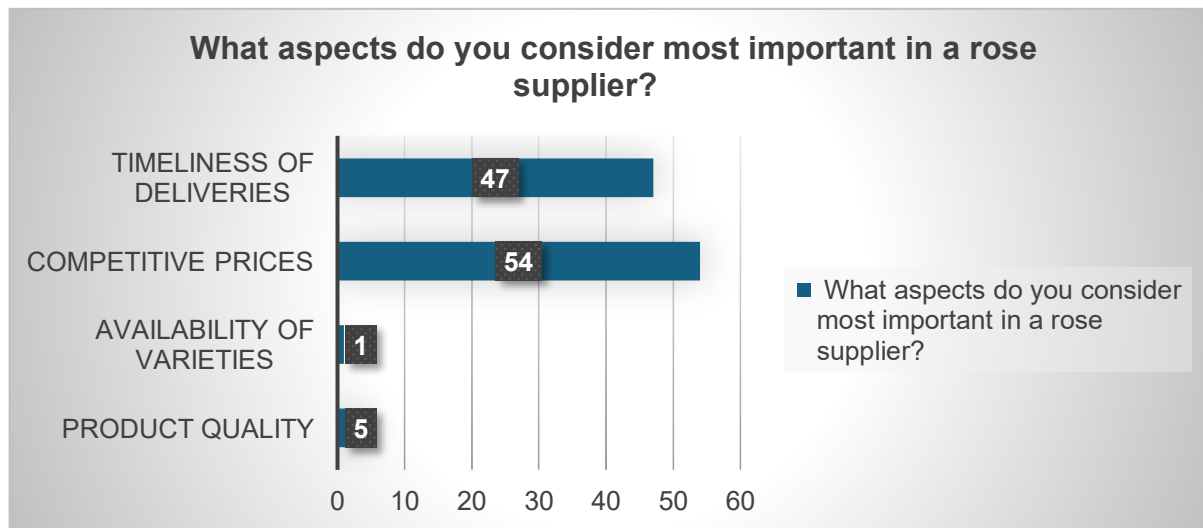


*Note: Magicland & Flora. Survey question about price range*

The predominant price range in which consumers are willing to pay for roses ranges from \$3.00 to \$4.00 (71%), while a smaller percentage (26%) is in the \$2.00 to \$3.00 range. No willingness to pay less than \$2.00 or more than \$4.00 is observed. This data is key to defining a competitive pricing strategy that is aligned with market expectations and maximizes sales, of course, depending on the persona who is purchasing and the sale's context.

**Figure 30**

*"What aspects do you consider most important in a rose supplier?"*

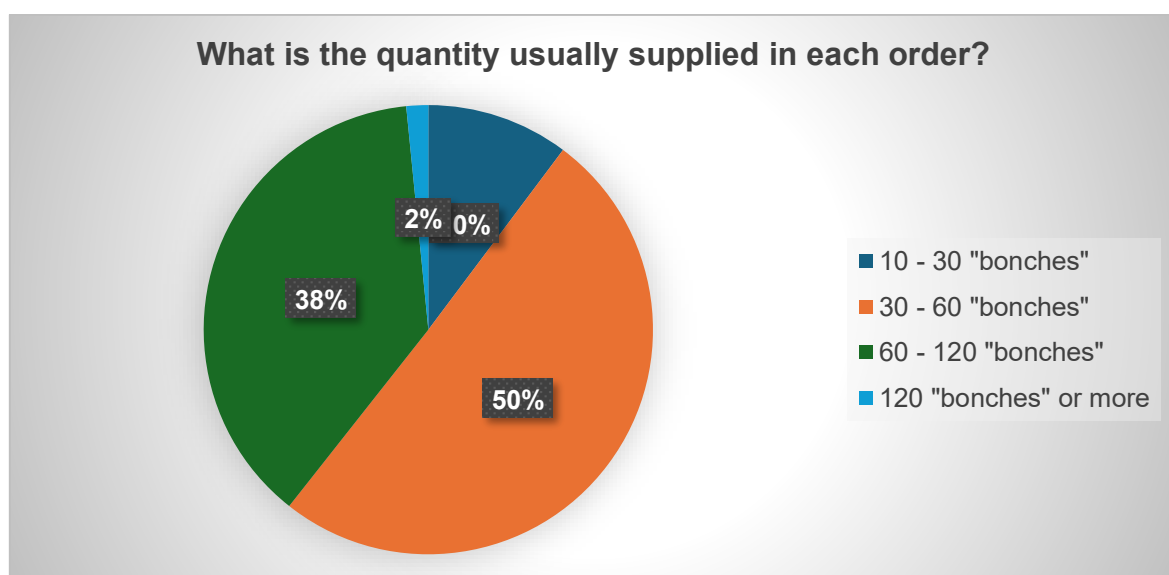


*Note: Magicland & Flora. Survey question about suppliers*

Product quality is the factor most valued by respondents (50%), followed by on-time delivery (44%). Variety availability and competitive prices have a lower incidence (1% each). This suggests that any distribution system implemented should prioritize product freshness and quality, as well as guarantee timely deliveries, both of which are part of the value proposition of Magicland & Flora.

**Figure 31**

*"What is the quantity usually supplied in each order?"*

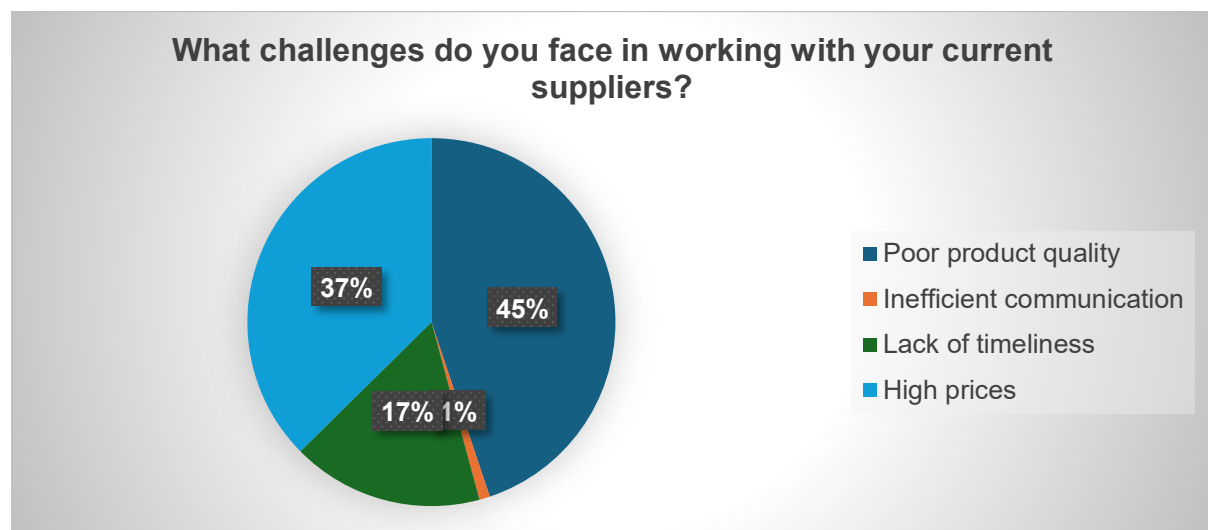


*Note: Magicland & Flora. Survey question about quantity*

Most orders are placed in the range of 30 to 60 bunches (50%), followed by orders between 60 and 120 bunches (38%). Small orders (10 to 30 bunches) and large orders (more than 120 bunches) are less frequent, with 2% and 0%, respectively. This purchasing behavior emphasizes the need for a logistics system that can efficiently manage average order volumes in concordance with pricing.

**Figure 32**

*"What challenges do you face in working with your current suppliers?"*

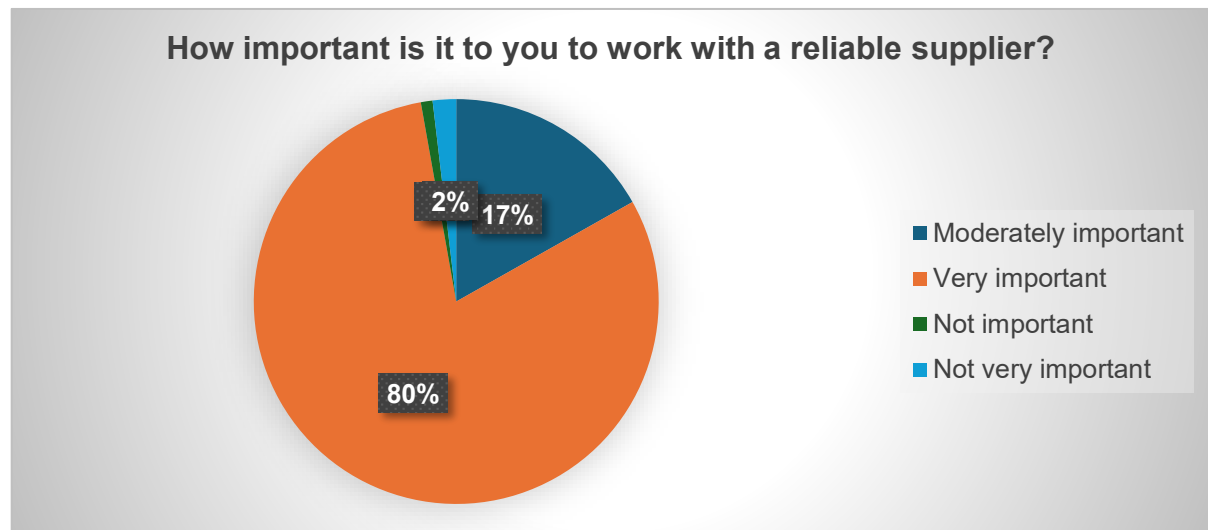


*Note: Magicland & Flora. Survey question about troubles*

This chart identifies the main problems that customers face with their current suppliers. Forty-five percent of respondents cite poor product quality as the biggest challenge, followed by high prices (37%). Lack of on-time delivery is another significant obstacle (17%), while inefficient communication is barely a problem (1%). These results highlight the importance of Magicland & Flora prioritizing the quality of the roses inventory, maintaining competitive prices, and ensuring timely deliveries to position itself as a reliable option in the market.

**Figure 33**

*"How important is it to you to work with a reliable supplier?"*



*Note: Magicland & Flora. Survey question about the supplier's importance*

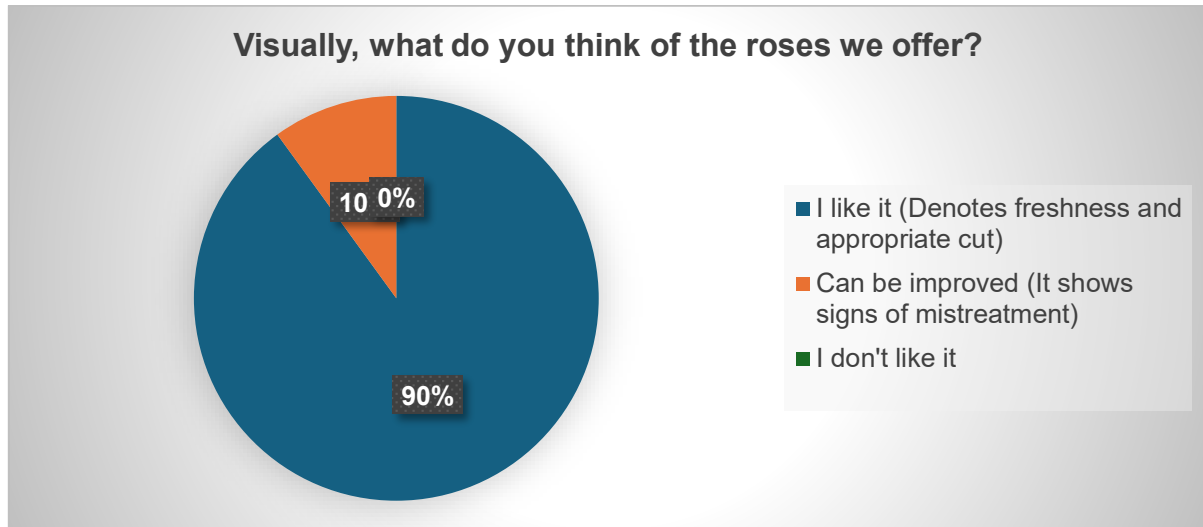
Eighty percent of respondents consider it "very important" to work with a reliable supplier, while 17% rate it as "moderately important". Only 2% indicated that it is not important. This data underscores the need for Magicland & Flora to focus on building a strong relationship with its customers, based on trust and reliability, to capture and retain the majority of the market.

#### **4.3. Testing (Design strong experiments)**

Testing, in the context of this thesis research, refers to the process of systematically evaluating hypotheses or ideas by running well-designed experiments to gather evidence. These experiments aim to reduce uncertainty, validate assumptions, and generate insights that contribute to the research objectives. Strong experiments are crucial for producing reliable and actionable data that can support or refute hypotheses, thereby increasing the confidence in the conclusions drawn from the research. (Viki & Beeler, 2019)

**Figure 34**

*"Visually, what do you think of the roses we offer?"*

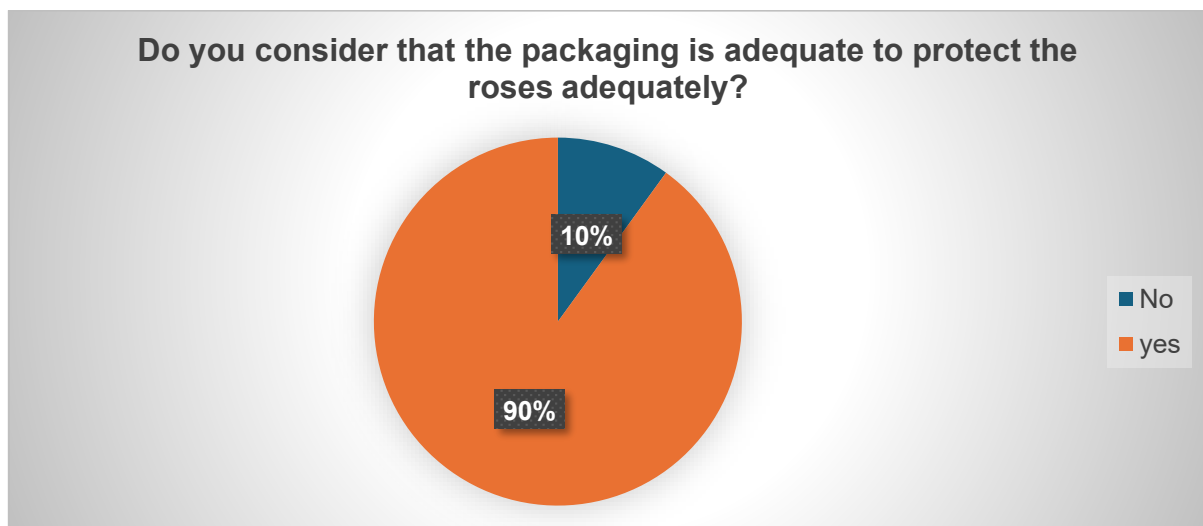


*Note: Magicland & Flora. Designing Strong Experiments about the product.*

The study of the focus group transcript reveals, 90% of the participants think that the roses are fresh, adequate, and visually pleasing, while 10% suggest that they could be improved. This reflects a good level of product acceptance but also evidences the need for specific adjustments to achieve 100% perceived quality.

**Figure 35**

*"Do you consider that the packaging is adequate to protect the roses adequately? "*

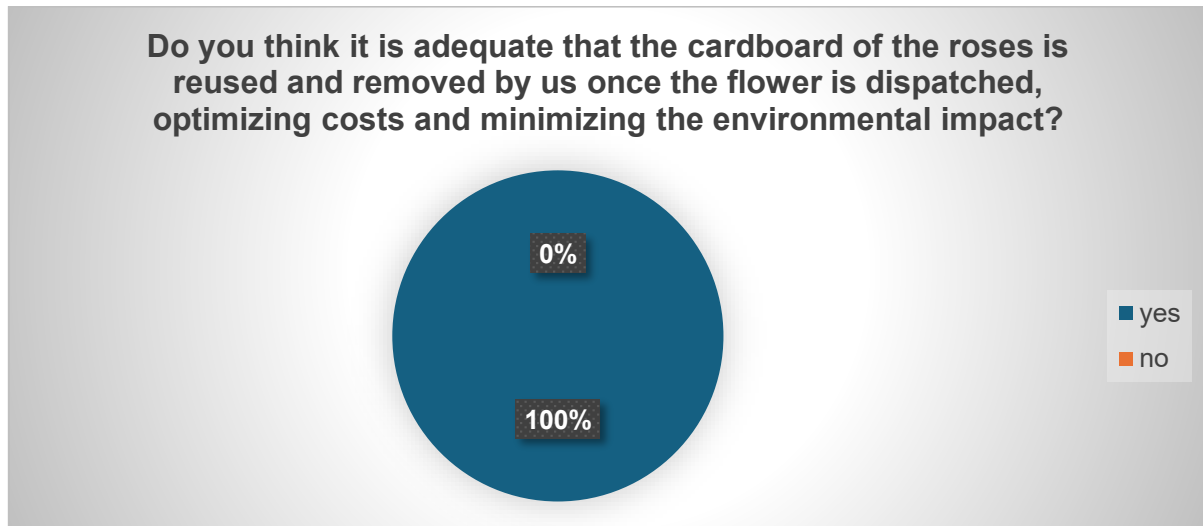


*Note: Magicland & Flora. Designing Strong Experiments about Packaging.*

90% of respondents consider the packaging to be adequate to protect the roses, highlighting the effectiveness of the current design in maintaining quality during transport. However, there is still room for improvement to fully satisfy the most demanding customers.

**Figure 36**

*“Do you think it is adequate that the cardboard of the roses is reused and removed by us once the flower is dispatched, optimizing costs and minimizing the environmental impact?”*



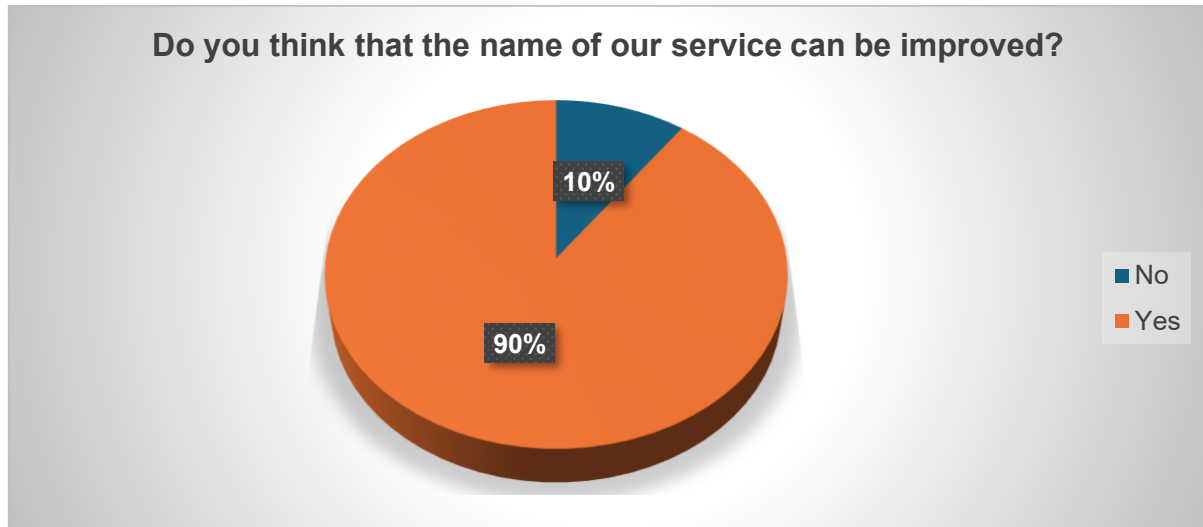
*Note: Magicland & Flora. Designing Strong Experiments about Packaging Sustainability.*

100% of the participants agree that reusing the cardboard of the roses once they have been shipped is an appropriate practice. This confirms that customers value sustainability measures that also contribute to cost optimization, which is a differentiating aspect for Magicland & Flora.



**Figure 37**

“Do you think that the name of our service can be improved?”



*Note: Magicland&Flora. Designing Strong Experiments about name improvement*

90% of the respondents consider that the name of the service can be improved. This indicates that there is significant potential for strategic rebranding to better communicate the company's values and improve its perception in the market.

**Figure 38**

“Which of the following names do you find most attractive for our brand?”



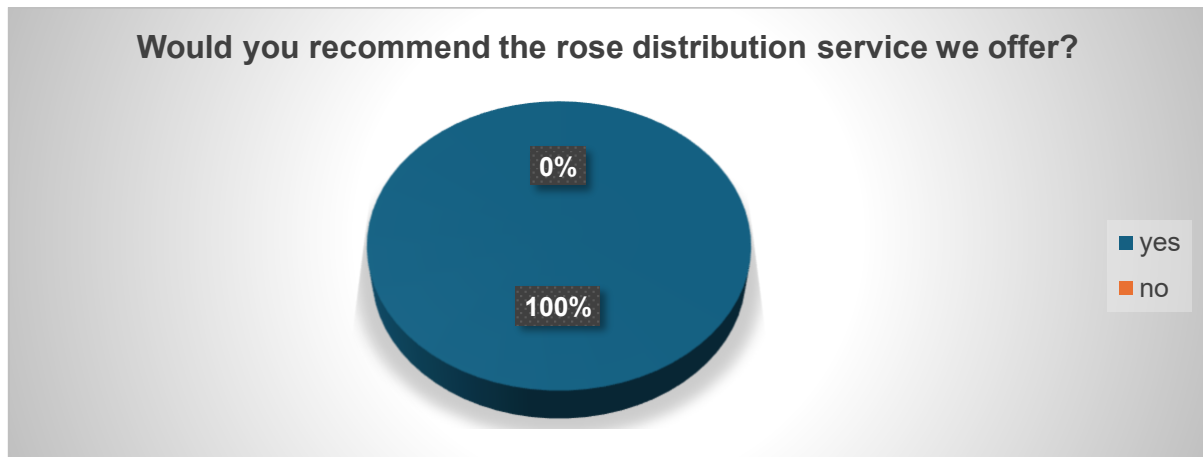
*Note: Magicland & Flora. Designing Strong Experiments about Name Improvement.*

The focus group shows an even split between the proposed name options: “Rosas Express” (40%) and “Florece Logística” (50%), while “Confía Flora” obtained only 10%. This

indicates that names in Spanish with a more professional and stylized approach have greater acceptance among customers.

**Figure 39**

*“Would you recommend the rose distribution service we offer?”*

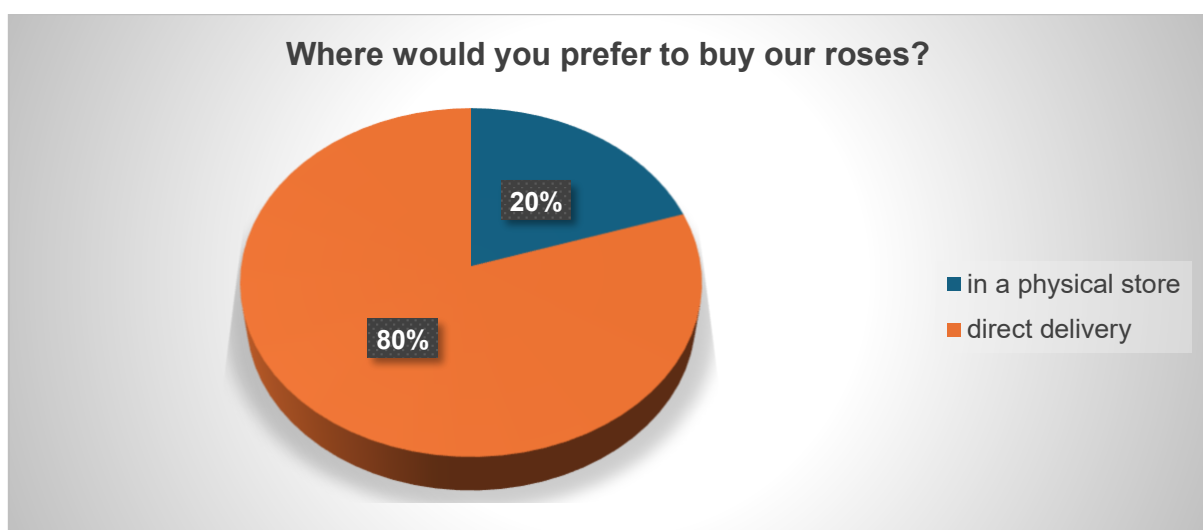


*Note: Magicland & Flora. Designing Strong Experiments about the recommendation of the service*

100% of those surveyed stated that they would recommend the distribution service offered by Magicland & Flora. This is a strong indicator of satisfaction and the possibility of attracting new clients through referrals, as long as the level of quality and service is maintained.

**Figure 40**

*“Where would you prefer to buy our roses?”*

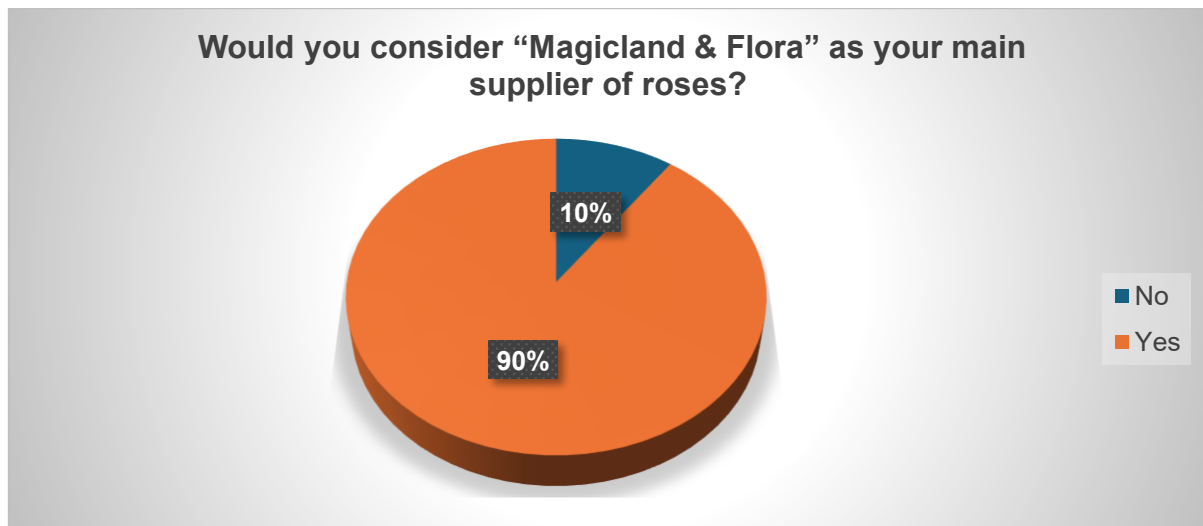


*Note: Magicland & Flora. Designing Strong Experiments about Order Placement.*

80% of customers prefer direct delivery, while only 20% choose to purchase roses at a physical point of purchase. This confirms that convenience and speed are key aspects of the distribution process, so it is vital to strengthen direct delivery channels.

**Figure 41**

*“Would you consider Magicland & Flora as your main supplier of roses?”*

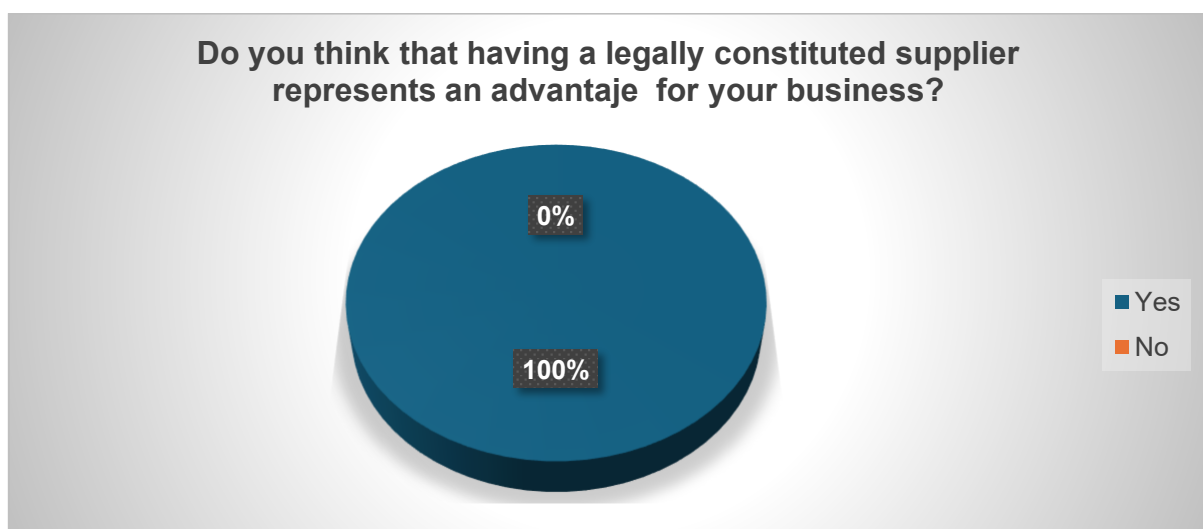


*Note: Magicland & Flora. Designing Strong Experiments about the service.*

90% of the participants are willing to consider Magicland & Flora as their main supplier of roses. This high percentage reflects the level of trust generated by the company, although it will be important to work on strategies to convince the remaining 10%.

**Figure 42**

*“Do you think that having a legally constituted supplier represents an advantage for your business?”*

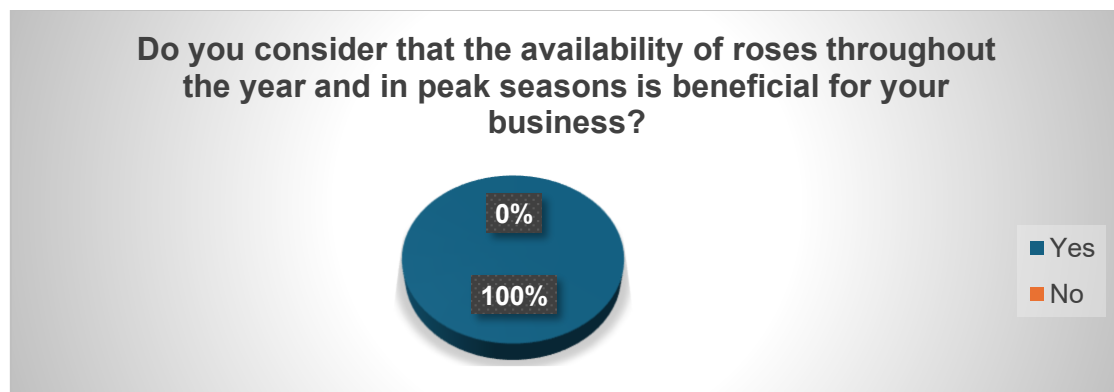


*Note: Magicland & Flora. Designing Strong Experiments about Regularized Service.*

100% of the participants value the legal formality of the supplier as an advantageous factor for their business. This data underlines the importance of maintaining high legal and administrative standards to strengthen brand trust.

**Figure 43**

*"Do you consider that the availability of roses throughout the year and in peak seasons is beneficial for your business?"*



*Note: Magicland & Flora. Designing Strong Experiments about availability and relevance.*

100% of respondents agree that the constant availability of roses, even in peak seasons, is beneficial to their business. This result highlights the importance of having a robust and planned supply chain.

**Figure 44**

*"Which tool do you use the most to communicate with suppliers?"*



*Note: Magicland & Flora. Designing Strong Experiments about Communication.*

80% of customers prefer to communicate via WhatsApp, while 10% use phone calls, and another 10% use social networks. This indicates that the company should prioritize the use of WhatsApp as its main customer service channel, complemented by other media.

The analysis of these graphs shows a positive outlook for the distribution of roses in Loja, with high customer acceptance of the quality of the product and the service offered. However, there are key areas that can be strengthened to ensure the sustained success of Magicland & Flora:

**Sustainability strategies:** continue to implement practices such as the re-use of cardboard and other materials to improve costs and reinforce the perception of environmental responsibility.

**Rebranding:** Evaluate a name change that aligns with market expectations, such as “Rosas Express” or “Florece Logística”, which are the most attractive to customers. For convenience reasons about the Spanish significance among both top options, the new name is proposed to be “Rosas Express” due to the high level of engagement and low level of confusion that may be encountered with “Florece Logística”.

**Strengthening delivery logistics:** Improve distribution infrastructure to satisfy the majority’s preference for direct deliveries, especially in high-demand seasons.

**Effective communication:** Focus customer service on WhatsApp, as it is the preferred tool, and ensure fast and effective response times.

**Constant availability:** Establish strategic alliances with local and regional growers to ensure a continuous supply of fresh roses throughout the year.

With these adjustments, Magicland & Flora will be able to position itself as the undisputed leader in the distribution of roses in Loja, meeting the expectations of its customers and generating a positive impact on the floral market in the region.

#### **4.4. Adaptation of the Value Proposition with Customer Profile (Product-Market Fit)**

The Product-Market Fit is a fundamental basis for designing an effective and sustainable go-to-market strategy. This concept focuses on achieving a perfect fit between the product offered and the needs of the target market. To achieve this, it is essential to conduct an in-depth analysis of the market, understand consumer expectations and preferences, and continuously adjust the product and associated services to respond to these demands promptly (Corrales, 2021).

In this context, Magicland & Flora, now named Rosas Express, aims to be positioned as a supplier of high-quality roses that has accurately identified the profile of its ideal customer. This segment prioritizes product freshness, delivery efficiency, competitive prices, and a strong commitment to environmental sustainability. The company's value proposition has been designed to meet these expectations, integrating innovative and differentiating practices that make it stand out in the Loja floral market.

The quality of our roses is the main pillar of our value proposition. This is achieved through strategic alliances with local and regional growers, ensuring a constant supply of fresh flowers throughout the year. This approach not only responds to continuous market demand but also ensures customer satisfaction during high-demand seasons.

Sustainability is a key attribute that reinforces the perceived value of our product. We implement responsible practices, such as the reuse of materials, to minimize our environmental impact. This reduces operating costs and enhances the image as a company committed to the environment, an aspect highly valued by today's consumers.

The logistics model should be able to provide direct and on-time deliveries, designed to prioritize timeliness and convenience. This is particularly critical during high-demand seasons, where distribution efficiency is essential to ensure customer satisfaction and strengthen customer loyalty.

Recognizing consumers' preferences, the adoption and prioritization of WhatsApp as the main customer service channel is crucial. This channel allows for fast, personalized, and efficient communication, consolidating the relationship with customers and improving the overall shopping experience.

To align with market expectations, it is considered a rebranding strategy to more effectively achieve a better value proposition. Names such as "Rosas Express" or "Florece Logística" reflect dynamism, freshness, and efficiency, values that resonate with our target audience.

#### 4.5. Prototype 2.0 (Prototype Improvement)

**Figure 45**

*"Prototype improvement"*



*Note: Rosas Express. Prototype improvement*

The design presented in Prototype 2 reflects a renewed proposal based on the recommendations obtained from market research, highlighting key elements that align the offer with the preferences of the target customer. This new approach integrates rebranding strategies, logistics optimization, sustainability, and effective communication, ensuring a

comprehensive consumer experience. The core elements of this prototype are discussed below:

The prototype adopts the name Rosas Express, which directly conveys the values of speed, freshness, and accessibility. This change seeks to capture the attention of the target market and generate an immediate association with an efficient and high-quality service. The slogan “Elevate every detail” is maintained as an element of emotional continuity, while the complementary phrase “Always fresh, always on time, always with you” emphasizes the availability and reliability of the service.

The service highlights the following:

- Direct from the producer: Strategic alliance with growers ensures maximum freshness of flowers.
- Efficient logistics: The ability to make fast and direct deliveries anywhere in Loja is strengthened.
- Sustainability commitment: This section communicates environmentally friendly practices, such as the use of recyclable materials.
- Continuous availability: The mention of a constant supply throughout the year reinforces the reliability of the service.
- Personalized attention: The design includes an explicit call for the use of WhatsApp as the main communication tool, in response to customer preference.
- Sustainability and Social Responsibility: The sustainability message is strategically positioned in the design through visual icons that reinforce the company's commitment to the environment. This generates a positive perception of the brand, aligning with current trends of conscious consumption.

The presence of icons related to warehouses, transportation routes, and strategic alliances reinforces the idea that the service is not only punctual, but also highly organized. This approach communicates reliability and efficiency, crucial aspects for customers during high-demand seasons.



The use of predominant red tones and a floral composition framing the design creates an attractive visual impact that highlights the essence of the product: roses. The choice of modern icons and secondary colors such as green reinforces the perception of freshness, sustainability, and professionalism.

This prototype exemplifies a strategic adaptation of the value proposition to the target customer profile. It integrates graphic and content elements that respond directly to the needs and preferences identified in the research. In addition, it highlights the brand's differentiating attributes, such as guaranteed freshness, constant availability, and sustainable approach, which strengthens the emotional and practical connection with the consumer.

#### **4.6. Measuring data and analyzing market research results**

In this section, after obtaining results from market research and customer feedback tools, the information gathered in the previous phases has been validated. The data confirms that the customer segment for Rosas Express has been effectively defined.

It has been demonstrated that the primary target audience for “Rosa Express” consists of individuals aged between 20 and 50 years, including both men and women, who prioritize high-quality floral arrangements for events, gifts, or decoration. Moreover, this segment values freshness, timely delivery, and environmentally sustainable practices, which align with the proposed value proposition.

Additionally, market testing has revealed that customers place significant importance on quality, price, and delivery systems when selecting a floral supplier. Through these tests, the strengths of “Rosa Express” have been refined, addressing customer preferences such as:

- Enhancing delivery logistics for faster and more reliable service.
- Offering competitive prices without compromising quality.
- Emphasizing sustainable practices, such as using recyclable materials,

which resonate with eco-conscious consumers.

The testing results also validated the strategic decision to use WhatsApp as the primary communication tool, as it is the preferred platform for customer interactions due to its convenience and immediacy. This choice further strengthens the connection with the target audience by ensuring a seamless and personalized customer service experience.

Furthermore, customers expressed willingness to recommend Rosas Express to others, acknowledging the quality and efficiency of its services. This positive feedback has solidified the company's positioning in the local market and highlighted its potential for growth and expansion.

By incorporating the validated insights from market research and testing, Rosas Express is now better equipped to meet the specific demands of its target audience, ensuring satisfaction and loyalty. This foundation provides a strategic advantage for establishing itself as a leading floral distributor in Loja.

#### **4.7. MVP (Minimum Viable Product).**

The Rosas Express Minimum Viable Product consists of an efficient system for the sale and delivery of fresh roses, focused on ensuring quality, sustainability, and customer satisfaction. This MVP includes the essential elements to meet the needs of the target market and obtain early feedback for future improvements.

Fresh roses are carefully selected directly from northern growers and delivered in optimal conditions to preserve their freshness and appearance. Flowers are pre-hydrated to ensure their durability during transport and at the point of delivery, and the cut point is aimed to be the same day of shipment. All these processes to get a 15-day-lasting rose to be commercialized in Loja.

The roses are delivered in heavy-duty recycled boxes designed to protect the stems and petals during transport. The boxes include internal dividers and a protective layer of foam to prevent physical damage and preserve the quality of the flowers. These boxes are reusable. After delivery, customers can return them to Rosa Express to be recycled and reused, promoting a circular economy model.

On each box comes 30 “Bonches” of roses, which means 30 packets of 24 roses each, translated to 720 units. Once they arrive in Loja, boxes are opened to start inventorying, following the different orders.

Offering fresh roses, functional packaging, and timely delivery as the MVP responds to findings on customer preferences and needs, allowing the model to be adjusted before full implementation. Rosas Express' Minimum Viable Product seeks to differentiate itself in the Loja market with an innovative approach that combines quality, sustainability, and tailored service, establishing a solid foundation for future improvements and business expansion.

#### **4.8. Landing Page/Video Commercial**

As part of the Rosa Express project, a web page has been developed that brings together the main features and benefits of its services. This landing page has been designed to provide detailed information about the quality of the roses, the company's commitment to sustainability, the options available, the catalog, and the logistical practices that guarantee efficient deliveries.

The purpose of this page is to offer the public an accessible and practical tool to learn about Rosa Express' value proposition, highlighting its focus on freshness, punctuality, and reliable attention. In addition, the page allows users to communicate directly with the team via leads, facilitating the communication flow.

With this resource, visitors can explore the floral solutions offered by Rosas Express by clicking on the following link: <https://apricot-orange-n69fjn.mystrikingly.com/4>

#### **4.9. Monetization Validation Model**

After the implementation of key tools such as focus groups, it has been confirmed that the monetization model defined in the previous phases has been efficiently selected. In the case of Rosa Express, the model corresponds to a B2B (Business-to-Business) scheme, oriented to the sale of fresh roses to minor distributors who have contact with the final customer.

The validation of this model is based on the results obtained, which show that the target segment is willing to purchase Rosa Express roses at the established price and under the proposed characteristics, such as guaranteed freshness, sustainability, and availability throughout the year.

The data also highlights that the market recognizes the added value of sustainable practices and the ideal packaging implemented by the company, as well as the punctuality and logistical efficiency that ensures reliable deliveries. These characteristics have strengthened the perception of the product in the target segment, which confirms its willingness to establish commercial alliances with Rosa Express under the proposed model. This ensures that the selected monetization model not only satisfies the market's needs but also generates trust and guarantees profitability for the company.

## **5. Marketing Plan**

The Marketing Plan constitutes a set of strategic steps designed to achieve an organization's business objectives, focusing on connecting with the target market and maximizing the value perceived by customers, to finally obtain a greater value acknowledgment and recognition, both always related to sales at the end of the day. To achieve a significant impact, the plan must be structured and realistic, including goals that are achievable, measurable, and aligned with current organizational capabilities (Kotler & Kelle, Marketing Management, 2021).

A widely used methodology for its formulation is the Marketing Mix, known as the 4 Ps: Product, Price, Place, and Promotion (which is going to be discussed further in this document). This approach allows companies to analyze their offerings from multiple perspectives and optimize their market positioning.

The development of a Marketing Plan is crucial for Rosas Express (Formerly Magicland & Flora), as it allows the company to stand out in a competitive market and maximize the impact of its commercial strategies. This plan helps differentiate the brand through a unique value proposition that highlights aspects such as sustainability, quality, and

reliability, allowing it to capture the attention of target customers. It also facilitates a deep understanding of needs and preferences, enabling product development. By investing in well-designed promotional strategies, the company can build a strong and recognized brand, capable of generating loyalty among consumers.

From a critical approach, this plan also ensures efficient resource management by prioritizing activities with the highest return on investment and optimizing costs in key areas such as logistics and advertising. All of this not only strengthens the company's competitive advantage but also ensures its constant innovation. A well-designed Marketing Plan is tremendously needed as a strategic tool for positioning the company, seizing market opportunities, and ensuring its long-term sustainable growth.

### **5.1. Marketing objectives (SMART Technique)**

Setting clear, measurable, and achievable marketing objectives is critical to ensure the success of any business strategy. Objectives should be aligned with the current business situation and be specific, measurable, achievable, relevant, and time-bound (SMART). In the context of rose marketing in Loja, where retailers prefer tools such as WhatsApp for communication, and the company needs to combine digital and traditional strategies, as reflected in the following proposed SMART objectives:

- **Increase the use of WhatsApp as a primary sales channel.**

Due to the data obtained in the previous surveys, it is truly important to establish an active communication network with 75% of retailers in Loja via WhatsApp Business in the next three months should provide interactive digital catalogs, personalized assistance, and regular updates on promotions and product availability.

- **Improve brand visibility in social networks and local media.**

Increase brand recognition by 40% over the next six months through bi-weekly social media posts (Facebook, Instagram, and TikTok), specialized blog posts on the web, and collaborations with local floral influencers. For example, it could be great to

partner with “El Patron”, a widely recognized influencer in the city who gives flower arrangements with his special creativity and touch of uniqueness.

- **Increase sales during peak seasons**

Increase sales by 30% during high-demand seasons, such as Valentine's Day and Mother's Day, through integrated campaigns that include themed promotions, special event packages, and volume availability throughout unique fixed orders, thanks to a VIP Club of clients that at least order 2 boxes of roses per week the whole year.

- **Strengthen the digital strategy to attract new customers.**

Increase organic social media traffic by 35% within the next four months by implementing paid campaigns on Facebook Ads and social media, as well as posting engaging visual content highlighting the freshness and quality of the roses.

- **Expand customer base in the B2B segment.**

Incorporate at least 20 new clients from the retail sector in Loja over the next three months, through networking strategies, personalized visits, and free product samples.

- **Optimize the use of digital channels for sales**

Design an online ordering system in the next six months, allowing customers to make direct purchases through a website or shared links on WhatsApp Business, with automated order tracking and shipping notifications.

These objectives provide a holistic approach that combines building strong relationships with retailers, maximizing opportunities in high-demand seasons, and strengthening digital presence. This dual approach ensures that the brand not only meets the needs of current customers but also attracts new market segments.

## **5.2. Marketing Mix Strategies**

Michael Porter has been the marketing compass since his introduction to the 4Ps, also known as the “Marketing mix” strategy. His worldwide recognized work offers advice for entrepreneurs, combining a mixture of strategies correlated with Product, Price, Place, and

Promotion that converge into a well-defined plan for success. This formulated methodology applies to almost any kind of business idea, and most importantly, is crucial while developing an edge. For “Rosas Express”, the marketing mix may look like this:

- Product

The product represents the core of the Marketing Plan, since it constitutes the solution that the company offers to satisfy the customer's needs. This includes its physical, functional, and emotional characteristics, as well as its differentiation from the competition (Kotler & Kelle, Marketing Management, 2021). Knowing the consumer's perceptions of the product allows optimizing its design and increasing its attractiveness. In this context, the roses distributed by “Rosas Express” are carefully treated and obtained to guarantee freshness, quality, and long life. Each package of roses contains 24 units, packed in recycled and resistant boxes with internal protection that ensures the preservation of the flowers during transportation. This approach not only minimizes damage but also reflects a commitment to environmental sustainability.

- Price

Pricing strategy must balance consumer perceptions of value, internal costs, and market conditions. According to the findings (Kienzler & Kowalkowski, 2017), the right price not only maximizes revenue but also positions the product in terms of quality and accessibility, influencing brand perception.

The pricing model for “Rosas Express” is designed to be competitive and attractive to retailers, adjusting to high and low-demand seasons. During the regular season, the cost per package of 24 roses is set in the \$3.00 and \$4.00 range, while on special dates such as Valentine's Day, the price can be as high as \$8.00 due to increased production and transportation costs. This scheme ensures a profitable cost structure for both the company and its customers, balancing quality and affordability.

- Place (Distribution)

Distribution focuses on how the product reaches the end customer. This involves choosing effective distribution channels, evaluating logistics, and ensuring adequate product

availability at strategic points (Saren, 2010). An optimized distribution model can reduce costs and improve the customer experience.

The distribution of roses follows a B2B monetization model, targeting mainly florists, hotels, event organizers, restaurants, and many other minor rose distributors in Loja. Orders are managed through WhatsApp Business, providing a fast and personalized shopping experience. In addition, the creation of a web portal where customers can place orders and monitor shipments in real time is contemplated to be implemented as an innovative support for the future. Delivery is carried out through an efficient logistics network, ensuring that products arrive fresh and in perfect condition.

#### - Promotion

Promotion integrates all activities aimed at communicating the value of the product and persuading consumers to purchase it. According to (Ramaswamy & Ozcan, 2014), effective campaigns combine tools such as advertising, public relations and, promotions, adapting to the behavior and preferences of the target market.

The promotional strategy for the enterprise will combine traditional and digital methods. On the digital side, advertising campaigns will be implemented on social networks, targeting specific segments through advanced segmentation. In addition, educational videos and testimonials from satisfied customers will be produced to reinforce the perception of quality and trust. In parallel, personalized visits will be made to florists and allied businesses, offering free samples and promotional material highlighting the benefits of the service.

These marketing mix strategies seek to strengthen the company's positioning in the Loja market, ensuring a balance between innovation, sustainability, and customer satisfaction.

### **5.3. Digital Marketing Strategy**

Digital marketing strategies are an essential element for achieving the objectives of any company in today's environment, by allowing effective connection with the target market through technological tools and online platforms (Lozano-Torres & Toro-Espinoza, 2021). For the Rosas Express company, a plan will be designed around elements such as SEO, SEM,



content marketing, social networks, and data analysis, which will guarantee an efficient and measurable reach. These digital strategies are based on previously defined goals, seeking to enhance the visibility of roses in Loja and to position them as a premium and sustainable product.

In this context, the company will implement a strategy based on the creation of valuable content for social networks, targeting wholesalers, florists, and event organizers, highlighting the exclusive and sustainable qualities of Ecuadorian roses. In addition, SEO will be used to optimize the visibility of the corporate website and associated e-commerce platforms, ensuring high positioning in key search engines. To complement these actions, SEM will be applied through paid ads in Meta Ads and social networks, with precise segmentation by geographic location and interests. Likewise, WhatsApp campaigns will be targeted at distributors and potential buyers, offering digital catalogs and exclusive promotions by volume. Finally, the analysis of digital metrics such as web traffic, click-through rate, and return on investment (ROI) will allow adjustment and refining of strategies, ensuring their alignment with market trends and consumer preferences.

This digital strategy not only seeks to maximize brand reach and recognition but also to foster differentiation from international competitors, promoting sustainability as a crucial added value. The integration of innovative tools and the constant analysis of results will be key factors in achieving sustainable and scalable growth in target markets.

#### **5.4. Differentiation Strategy**

Differentiation strategies are essential for a company to stand out and position itself in the market, offering unique elements that are valued by customers and difficult for competitors to replicate. According to (Franco-Yoza, Macías-Pillasagua, & Lucas-Pincay, 2022), the key lies in knowing the competitors, understanding market needs, and offering innovative and attractive solutions. In the case of the rose distribution project in Loja, differentiation strategies aligned with service quality, sustainability, and proximity to customers are proposed, ensuring a competitive advantage.

- Commitment to freshness and quality.

One of the main differentiation strategies is to guarantee the freshness of the roses through an efficient logistics system that reduces transportation times and preserves the quality of the product. Each package will be delivered in recyclable boxes specifically designed to protect the flowers during transport. This commitment not only ensures customer satisfaction but also reinforces confidence in the brand as a reliable and professional supplier.

- Sustainability as a value driver

The project will stand out for its focus on sustainable practices, from the use of recyclable packaging to give a better usage of export producers of national roses. This aspect will be a key element of the value proposition, appealing to customers who prioritize ethical and environmentally conscious businesses.

- Personalized and tailored service

Customized options will be offered for retailers, allowing each customer to configure their orders according to their specific needs. This includes roses quantity, variety selection, and delivery frequencies. In addition, direct communication will be maintained via WhatsApp Business, offering immediate support and real-time order tracking.

- Innovation in branding and communication

The brand will be positioned as “the best ally for florists and businesses in Loja”, using a claim that highlights reliability and commitment to the success of its customers. Communication strategies will include the use of social networks to share engaging content, such as customer testimonials, tutorials on rose care, and the history of partner growers.

- Exclusive offers and loyalty programs

To encourage loyalty, a rewards program will be implemented that offers volume discounts, free shipping during (why not?) peak seasons, and special promotions for repeat customers. In addition, partnerships will be developed with event planners to offer exclusive and themed packages for weddings, funerals, and corporate celebrations.

- Participation in local fairs and events

Active presence at events and trade entrepreneurial fairs in Loja will strengthen brand visibility, establish new connections, and educate potential customers about the benefits of choosing a reliable supplier committed to quality.

These strategies integrate innovation, sustainability, and a customer-centric approach, allowing the brand to not only differentiate itself in the market but also to become a benchmark in the floral sector in Loja.

## 5.5. Marketing Budget

**Table 1**

*"Marketing budget"*

MARKETING										
		Unit								
Quantity	Details	price	Details	Yer 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Meta promoted	\$	Per	\$	\$	\$	\$	\$	\$	\$
12	publications	30.00	publication	360.00	360.00	360.00	360.00	360.00	360.00	360.00
	Meta advertising	\$	Per	\$	\$	\$	\$	\$	\$	\$
4	campaigns	150.00	campaign	600.00	600.00	600.00	600.00	600.00	600.00	600.00
	Local ferias									
	(Loja and	\$		\$	\$	\$	\$	\$	\$	\$
2	surroundings)	120.00	Per event	240.00	240.00	240.00	240.00	240.00	240.00	240.00
	Physical									
	promotion	\$		\$	\$	\$	\$	\$	\$	\$
1	material	80.00	Per lote	80.00	80.00	80.00	80.00	80.00	80.00	80.00

	SEO Strategy									
	(quarterly	\$		\$	\$	\$	\$	\$	\$	\$
3	optimization)	120.00	Quarterly	360.00	360.00	360.00	360.00	360.00	360.00	360.00
	Social media									
	management									
	tool (E.g.,	\$		\$	\$	\$	\$	\$	\$	\$
1	Hootsuite)	100.00	Annual	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Marketing	\$		\$	\$	\$	\$	\$	\$	\$
12	agency	300.00	Monthly	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
				\$	\$	\$	\$	\$	\$	\$
	Total			5,340.00	5,340.00	5,340.00	5,340.00	5,340.00	5,340.00	5,340.00
							\$			
Great total				37,380.00						

*Note: Rosas Express marketing table explanation*

A marketing budget serves as a detailed financial framework that allocates resources to achieve an organization's promotional objectives. According to (Kotler & Kelle, Marketing management, 2021), a marketing budget is an essential part of the strategic marketing process, guiding investments in activities such as advertising, promotions, and customer engagement while ensuring financial efficiency. By defining expenditures, the budget provides clarity and ensures alignment between financial resources and marketing goals. The marketing budget for "Rosas Express" spans year-to-year, with a strategic focus on both digital and traditional channels to ensure brand visibility and market penetration. The budget includes targeted investments in promoted posts on Meta platforms (Facebook, Instagram, and WhatsApp) and Meta Ads campaigns to enhance digital presence. Simultaneously, participation in local fairs and flyer distribution ensures a strong local footprint in Loja and its surrounding regions. Additionally, emphasis is placed on long-term brand development through social media improvement, implementing SEO strategies.

The total investment across seven years amounts to \$37.380,00. This marketing budget embodies Rosas Express's visionary yet pragmatic approach to growth. By leveraging digital innovation alongside traditional methods, the business lays a foundation for both immediate impact and long-term success. This investment plan is not merely an expenditure but a commitment to entrepreneurship, reflecting the resilience, creativity, and determination required to thrive in competitive markets. With the right execution, Rosas Express is poised to blossom into a leader in the floral industry, inspiring confidence and trust among its customers and stakeholders.

## **6. Technical Study and Organizational Management Model**

This chapter explains interrelationships between where it will be located the whole operation, how the processes map will be distributed, the correlation among the organizational design due to the organigram, how the processes will function using the business flowchart, and the legal constitution of "Rosas Express".

## **6.1. Location**

Location in this context refers to where a business will be operating. This consideration is important for both the customer and the manager, so the selection of the headquarters location must weigh the pros and cons of access, logistics, and operating costs. Determination of a suitable location impacts business behavior, availability of space and supply chain, communication infrastructure, ease, labor supply, and complementary services (Cruz, 2014). Rosas Express requires a location in an urban area near the target market where demand is concentrated.

Given these considerations, the most suitable location for the business is in the province of Loja, Ecuador, city of Loja in the “San Sebastián” neighborhood, specifically at Leopoldo Palacios Street, between Bernardo Valdivieso and José Joaquín de Olmedo. This site will serve as the collection center for rose boxes, facilitating organization and same-day delivery upon arrival.

The facility comprises approximately 20 square meters, designed with a refrigeration system using a mini split. Since long-term storage is not required, this system is adequate for the company needs. The address is located at the following coordinates: 4°00'11.2"S 79°12'01.5"W.

**Figure 46**

*"Rosas' Express Location"*



*Note: The Rosas Express Location. Own elaboration, Source: (Google Maps, 2025)*

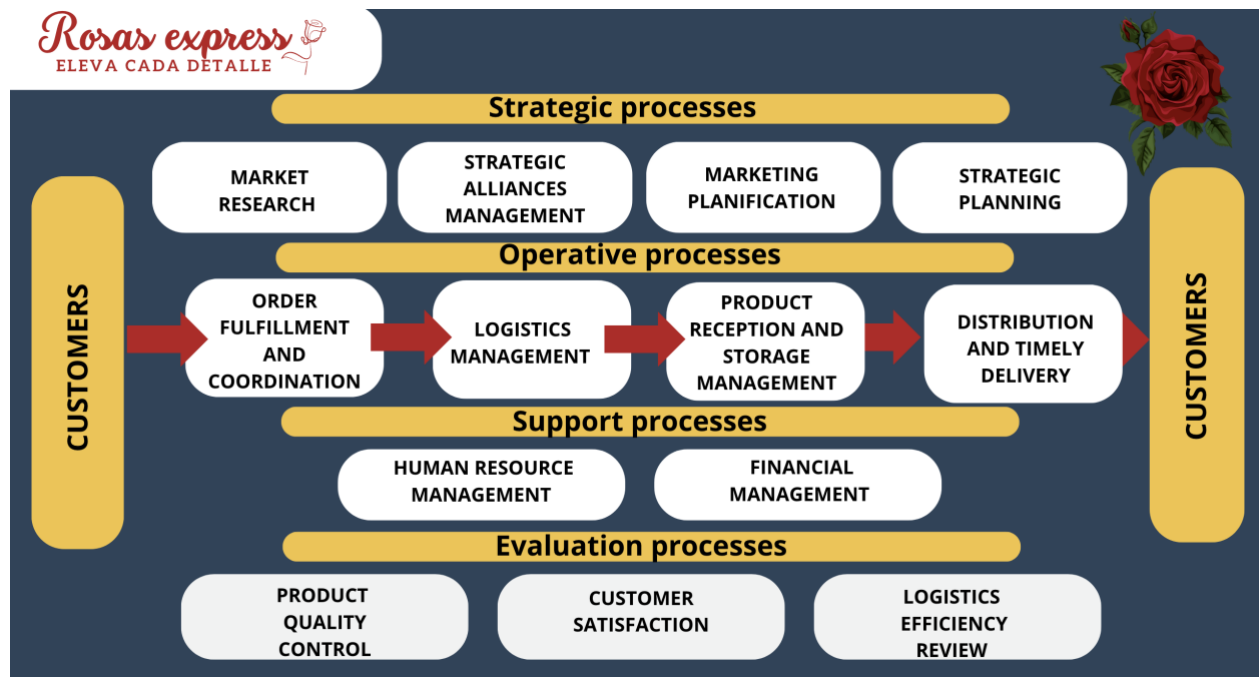
## **6.2. Operations (Process map)**

The process map functions as a relevant organizational tool, allowing effective management by analytically organizing and visually indicating strategic, operational, support, and evaluation processes. It aids in the identification and categorization of essential correlated processes in a business. The strategic grouping of these procedures facilitates organizations in achieving their goals and targets (Carvalho, Sampaio, Rebentisch, & McManus, 2023). For instance, the Rosas Express process map explains the key processes of distributing roses throughout the city of Loja.



**Figure 47**

*"Process map"*



*Note: Rosas Express Process Map Chart*

First, the strategic edge of “Rosas Express” is explained by different processes that are critical to establishing the long-term direction and success of the business. Market research provides a crucial strategic insight into customer needs and preferences, as well as industry trends and opportunities. This knowledge is complemented by strategic alliance management, which facilitates the creation of collaborative relationships with partners, optimizing resources, and improving competitiveness.

Marketing planning, on the other hand, designs strategies to promote the brand, attract new customers, and build customer loyalty. Finally, strategic planning ensures that all efforts are aligned with the objectives of sustainable growth and operational efficiency of the business.

Regarding operative processes, the heart of the system lies in the logistics processes, which enable key distribution activities to materialize. The flow begins with order fulfillment and coordination, where customer requests are handled accurately and quickly. Next, logistics

management organizes the transportation of roses, seeking to maximize efficiency by optimizing routes and delivery times.

Once the roses have been received, the process continues with reception and storage management, where it is ensured that the products are handled under optimal conditions that preserve their quality. Finally, the distribution and timely delivery stage ensures that the roses reach customers on time, meeting the highest standards of freshness and presentation.

For operations to run smoothly, solid, supportive processes are needed. Human resource management ensures that personnel are trained and prepared to perform their duties, while financial management manages economic resources, controlling costs and budgets, and ensuring the profitability of the business.

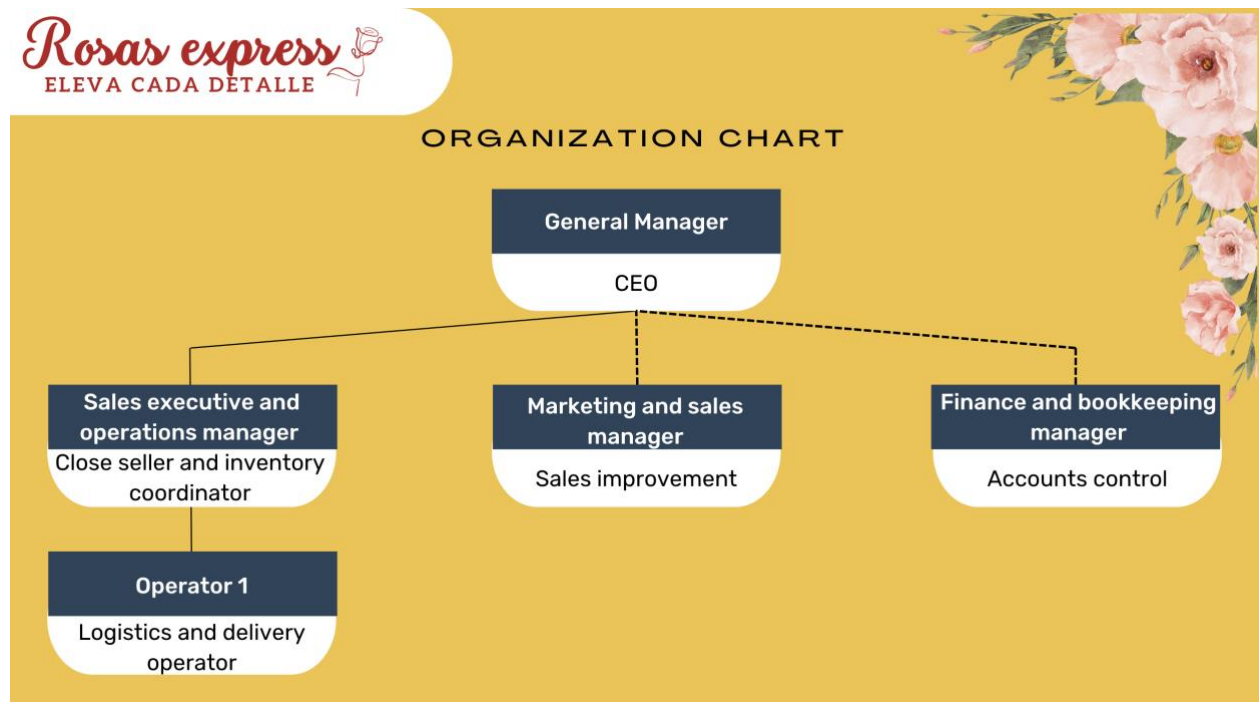
The commitment to continuous improvement is reflected in the evaluation processes. Product quality control verifies that the roses meet the expected standards at each stage, from reception to final delivery. Customer satisfaction is constantly measured through surveys and feedback, ensuring that customer expectations are met and even exceeded. Finally, the logistics efficiency review analyzes processes concerning the whole logistics operation to identify areas for improvement, optimize resources, and provide outstanding performance.

### **6.3. Operational Design (Organizational flow chart)**

An organization chart is a graphic representation of the organizational structure of an entity, showing the hierarchical and functional relationships between the different levels of the business. Through box and line diagrams, organizational charts visualize how functions, positions, and departments are distributed, thus facilitating understanding of the internal dynamics of the organization (Saeteros, Velasco, & Castell, 2023). This type of tool is useful for identifying roles and responsibilities, optimizing processes, and improving internal communication. Reflective of this concept, the Rosas Express organizational chart illustrates how the business will function:

**Figure 48**

*"Organizational chart"*



*Note: Rosas Express organizational chart*

At the top of the organization is the Chief Executive Officer (CEO), who is responsible for leading the company, making strategic decisions, overseeing the performance of the different areas, and ensuring that the overall business objectives are effectively met.

Under the direction of the CEO, three main areas work together to ensure the company's success:

**Logistics and Operations Management:** This area is responsible for coordinating all processes related to the order fulfillment, transportation, and delivery of roses. Under its supervision is a logistics operator, who is directly in charge of operational tasks, such as distribution and order fulfillment, ensuring on-time deliveries in optimal conditions.

**Marketing and Sales Management:** This department focuses on increasing sales and placement of the company in the market. In this position, services will be under the figure of "Professional Services", allowing a marketing agency to function as the third party in charge of the whole department. Its responsibilities include designing commercial strategies,

attracting new customers, building loyalty among current ones, and implementing actions to continuously improve sales and expand the brand's presence.

Finance and Accounting Management: This department will be outsourced under the “Professional Services” model, and it will be responsible for managing the company's economic resources, including controlling income and expenses, managing accounts, and optimizing financial resources to ensure the profitability and sustainability of the business.

The organizational structure allows for clear and efficient communication between the different areas, facilitating the coordination of efforts to ensure service quality and customer satisfaction. This design is ideal for a growing company, as it is flexible and can be adapted to future expansions or additional operational needs.

#### **6.4. Design of the Production or Service Process (Flowchart)**

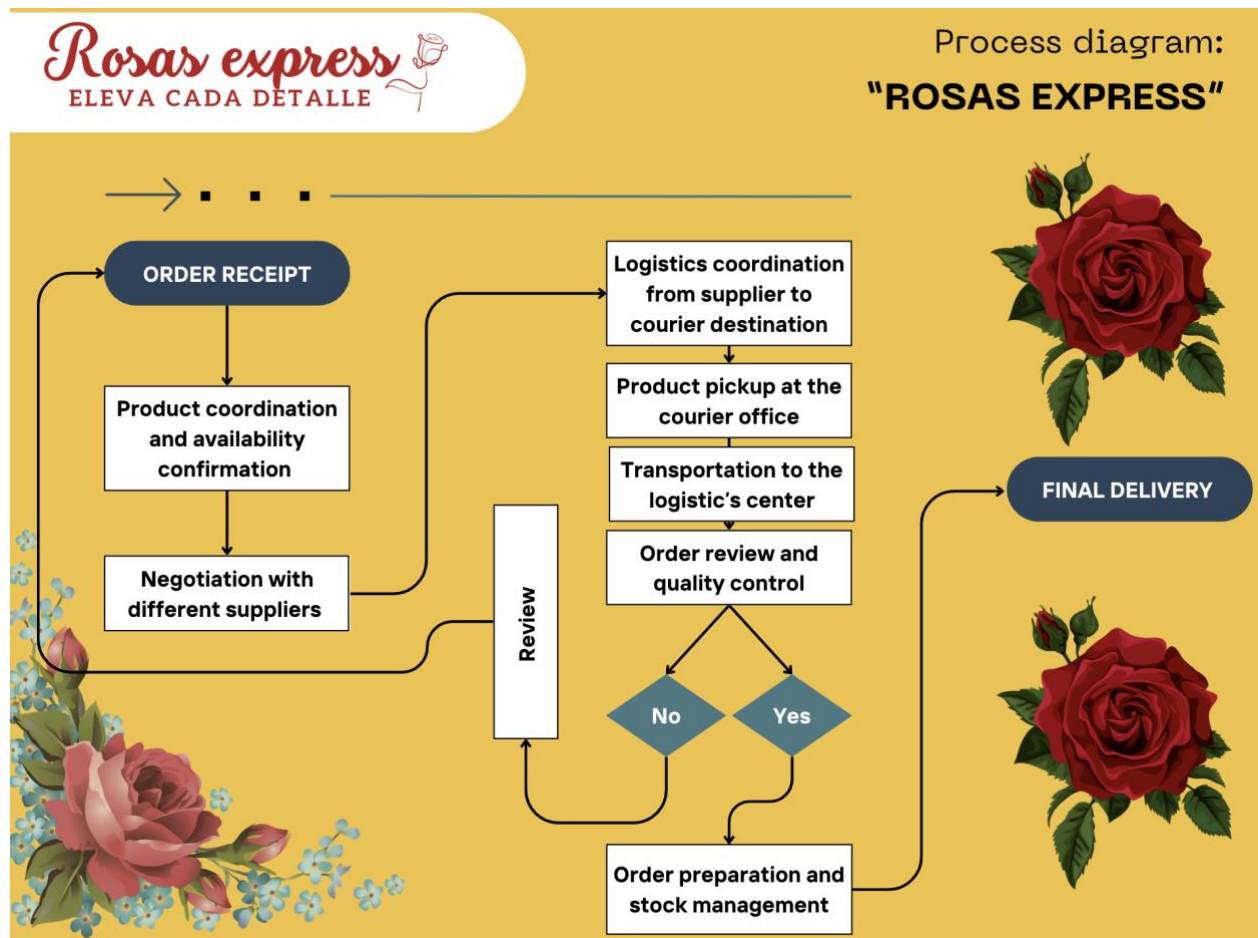
A flowchart is a type of diagram that represents a process, workflow, or algorithm. It uses standardized symbols to explain different types of actions or steps in the process, along with arrows to indicate the flow of steps. The most common symbols include:

- Oval: Represents the start and end points of the process.
- Rectangle: Indicates a process step or action.
- Diamond: Denotes a decision point based on yes/no or true/false questions.
- Arrows: Show the direction of the flow from one step to another.

Flowcharts are widely used in various fields, including computer programming, business management, and engineering, to help visualize complex processes, identify redundancies, improve efficiency, and analyze both logical and physical flows in systems. They can aid in communication by providing a clear visual representation that can be easily understood by stakeholders, team members, or anyone involved in the process (Espín-Guerrero, Toalombo-Rojas, Moyolema-Chaglla, & Altamirano-Salazar, 2022).

Figure 49

"Process Chart "



Note: Rosas Express process chart

The designed flow of operations for the distribution of roses in Loja aims to ensure efficiency, quality, and customer satisfaction through a series of well-defined steps. The process begins with order reception, where specific customer demands are captured. This initial step is crucial for coordinating and planning the necessary resources.

Next, product coordination and availability confirmation take place. This stage verifies that the required quantities and varieties are available through efficient inventory management. This coordination is complemented by negotiations with various suppliers, which optimizes costs and ensures that the roses meet established quality standards. This step is critical because it secures the cost-benefit relationship in an industry characterized by competition and product perishability.

Once product availability is confirmed, the process moves to the logistics coordination phase, which encompasses transportation from the supplier to the courier service's destination. Here, meticulous planning is essential to maintain the freshness of the roses during transit. Subsequently, picking up the product at the courier's office ensures that shipments arrive in optimal condition and with the necessary documentation for reception at the distribution center.

The next step involves transportation to the logistics center located in Loja, where the roses are prepared for inspection. A rigorous quality control process is conducted at this point, ensuring that each order meets the necessary standards to satisfy customer expectations. If any irregularities are detected, the process includes a thorough review to make decisions regarding necessary adjustments.

Once passing this inspection, the order preparation and inventory management phase begins, where the roses are carefully separated. Additionally, effective inventory management helps optimize resources and minimize losses associated with the product's perishable nature. Finally, delivery to the customer concludes the process, focusing on punctuality and service quality. This step is essential for consolidating business relationships with the strategic allies.

From an academic perspective, this operations flow reflects the application of key principles in supply chain management. Furthermore, incorporating sustainable practices, such as using eco-friendly packaging and waste management strategies, would strengthen the business's positioning in increasingly environmentally responsible markets. Similarly, a post-sale feedback system would contribute to enhancing the customer experience and identifying areas for improvement within the process.

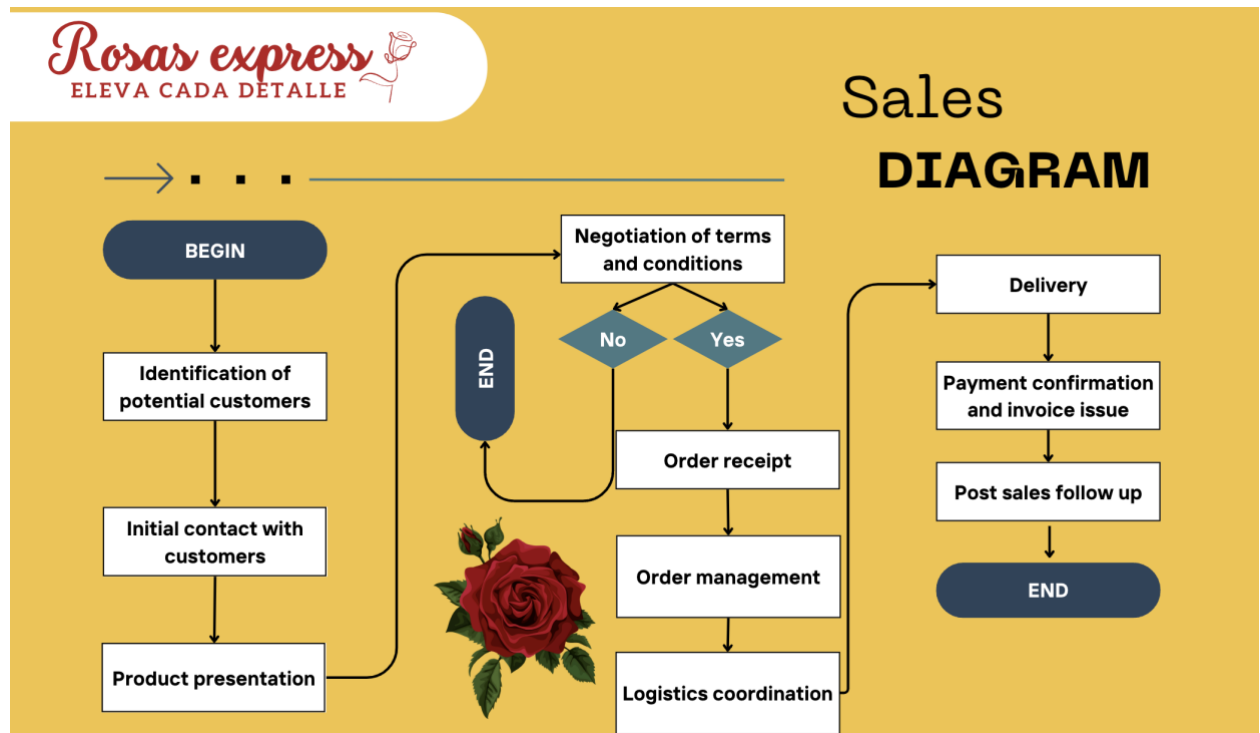
## **6.5. Sales flowchart**

A sales flowchart is a graphical representation that illustrates the sales process for a product or service, showing the different stages, decisions, and actions involved. This type of diagram helps visualize the customer journey from the initial contact through to the completion of the purchase and post-sale support (Torres & Gonzalez, 2023).

Sales flowcharts are valuable for identifying opportunities for improvement in the sales process, optimizing customer interactions, and increasing efficiency in sales management.

**Figure 50**

"Sales Diagram"



*Note: Rosas Express sales diagram*

The sales diagram presented for "Rosas Express" illustrates a well-structured flow focused on ensuring efficiency and customer satisfaction at every stage of the sales process. It begins with identifying potential customers, a crucial task for defining the target audience and segmenting the market, prioritizing B2B ventures in Loja interested in acquiring high-quality roses.

Once the prospects are identified, the initial contact with customers is made, aiming to establish communication and generate interest in the product. This is reinforced by a product presentation that highlights key features, such as freshness, premium quality, and competitive advantages of the service.

Following the presentation, the process moves to negotiating terms and conditions, a critical moment for reaching agreements that benefit both the customer and the company. If

an agreement is not reached, the process concludes at this point. However, if negotiations are successful, the flow continues to order receipt, where the customer's requirements are documented and formalized.

The management ensures that requests are processed correctly, coordinating with inventory and logistics to meet established timelines. The logistics coordination organizes the transportation of roses from the supplier's location to the customer, ensuring that the product arrives in optimal condition.

Once the shipment is completed, the product delivery takes place, a crucial moment when the service is finalized. After this, payment confirmation and invoicing are carried out, completing the purchasing cycle from a financial perspective.

Finally, a post-sale follow-up is included, a strategic stage for assessing customer satisfaction, addressing any concerns, and fostering long-term business relationships. This component reinforces customer loyalty and provides valuable insights for the continuous improvement of processes.

## **6.6. Legal Constitution**

The legal framework for a business in Ecuador outlines the process of how a company is established and organized, considering fundamental aspects such as tax obligations and financial responsibilities. For the company "Rosas Express," which commercializes high-quality roses, the Simplified Regime for Entrepreneurs and Popular Businesses (RIMPE) was chosen, as it is suitable given the nature of the business and the projected income volume. This regime allows for simplified operations, reducing administrative burdens and facilitating compliance with legal obligations.

According to the Internal Revenue Service (SRI, 2024), the RIMPE is designed for individuals and legal entities with annual gross revenues of up to \$300,000. By adopting this regime, the company must issue authorized invoices, either manually, printed, or



electronically, which must include the phrase “Contribuyente Régimen RIMPE” to ensure proper control of commercial transactions. This simplified regime has a mandatory minimum duration of three years, starting from the first income tax declaration.

For Rosas Express, the initial steps included obtaining a municipal license, processed at the Loja Municipality, and a business operation permit issued by the local Fire Department, both essential to comply with local regulations. These permits must be renewed annually to maintain the business's legal operation.

In contrast to sectors with stricter regulations, such as food production or sanitary products, the flower marketing industry does not require additional internal certification processes at the national level. However, it is important to note that for exports, compliance with international quality standards, proper product handling, and phytosanitary regulations is necessary, as stipulated by the destination markets.

The Value Added Tax (VAT) must be declared semi-annually, with deadlines determined by the ninth digit of the Unique Taxpayer Registry (RUC). For “Rosas Express,” whose RUC ends in 8, the deadline will be July 10 for the first semester and until January 10 for the following semester. Regarding income tax, this will be filed annually, with no possibility of reductions or decreases, complying with the percentages established by law based on declared income amounts.

The structure of the RIMPE regime provides “Rosas Express” with the necessary flexibility to operate with reduced administrative costs and a simplified tax system, allowing the business to focus on its primary goal: meeting the needs of local and international florists with fresh, high-quality roses.

## **6.7. Financial Evaluation**

This section will examine key financial aspects to ensure the proper management of financial resources. It will focus on fixed, deferred, and current assets, which provide essential

information for determining the initial investment required for the production and marketing of rose's distribution service by the company Rosas Express. Additionally, a monthly and annual sales budget will be developed, considering the details discussed in previous chapters. Furthermore, the break-even point will be calculated to identify the ideal number of units and revenue needed for the company's success.

Consequently, financial statements and indicators will be presented to monitor and fully understand the financial health of Rosas Express. This will allow for an evaluation of the company's financial performance based on accounting principles during the first years of operation.

## **6.8. Initial investment**

It is tremendously important to clarify the initial investment amount to have an accurate understanding of how much money would be necessary to open the business operation.

According to (Brigham & Houston, 2021), initial investment refers to the total capital required to start a project or business venture, encompassing all financial resources allocated for fixed assets, working capital, and other preliminary expenses necessary to launch operations. This includes costs such as equipment, infrastructure, inventory, and administrative setup, which are critical for establishing the foundation of the business and ensuring its operational performance.

In this context, the initial investment for Rosas Express is \$50,812.06, compound of fixed assets, deferred assets, current assets, and operating expenses.

**Table 2***"Initial Investment"*

INITIAL INVESTMENT		
DETAIL		VALUE
FIXED ASSET	\$	16,723.10
DEFERRED ASSETS	\$	35.05
CURRENT ASSETS	\$	22,930.03
OPERATING EXPENSES	\$	11,123.88
<b>TOTAL</b>		<b>\$50,812.06</b>

*Note: Initial investment table*

Fixed assets include machinery, furniture, equipment needed for production, and office supplies such as tools for distribution and administrative workspace furnishings.

Deferred assets consist of preliminary studies, registration with RIMPE, municipal permits, fire department approvals, and operational licenses, all of which are essential for the company's official launch.

Current assets encompass direct and indirect raw materials, direct and indirect labor costs, administrative utilities, office supplies, cleaning materials, advertising expenses, and maintenance. These resources are primarily focused on supporting the production and operational needs of Rosas Express with a total value of \$50,812.06.

## **6.9. Sales Budget**

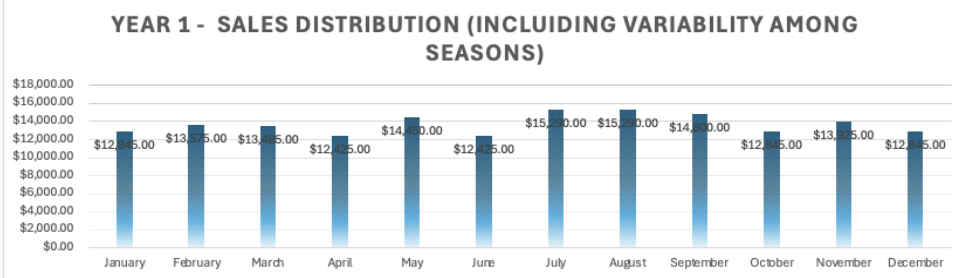
The sales budget is a financial plan that estimates the revenue a company expects to generate from selling its products or services over a specific period. It serves as a foundational component of the overall budgeting process, providing a projection of sales volumes and prices based on market analysis, historical data, and sales forecasts.

The sales budget is critical for aligning production schedules, inventory management, and marketing strategies with anticipated demand. It also helps businesses set realistic financial goals and allocate resources efficiently. A well-prepared sales budget considers factors such as market trends, customer preferences, seasonal fluctuations, and competitive dynamics, as well as seasonal variability.

It is typically broken down into yearly, monthly, or quarterly projections to allow for periodic performance evaluation and adjustments. By integrating the sales budget with other financial plans, such as the production and cash flow budgets, organizations can ensure operational coherence and financial stability (Garrison, Noreen, & Peter Brewer, 2021).

Table 3

"Sales budget"

SALES BUDGET											
ROSAS EXPRESS											
From January 1st to December 31th 2025											
				<div>YEAR 1 - SALES DISTRIBUTION (INCLUDING VARIABILITY AMONG SEASONS)</div> 							
Low season	\$	Cost per unit	2.52	Profit margin	39%						
Medium Season	\$		2.52		79%						
Hot season	\$		2.52		138.50%						

The analysis of Rosas Express' sales budget for the year 2025 reflects a commercial strategy based on seasonal price segmentation and profit margin optimization. With a fixed unit cost of \$2.52, the company establishes three price levels according to demand: low season with a 39% margin and a selling price of \$3.50, mid-season with a 79% margin and a price of \$4.50, and high season with a margin of 138.5% and a price of \$6.00. This structure allows for maximizing revenues in periods of high demand and maintaining financial stability in the off-peak months.

The analysis of the distribution of sales throughout the year reveals that the highest number of units sold occurs during the low season, ensuring a steady flow of income. However, the most profitable months are those when high-season prices are applied, resulting in a significant increase in monthly revenues. The months with the highest revenues are July, August, and September, reaching up to \$15,290 in sales, while the months with lower sales, such as January, April, and June, record revenues of \$12,425. The pricing strategy implemented in February, May, September, and November enables the business to counteract seasonality and enhance overall results.

The annual financial results reflect a profitable and efficient operation. With a total of 43,200 units sold, achieved revenues are \$164,200 with a net income of \$55,336, representing an average monthly profit of \$4,611. This performance confirms the viability of the business model and its ability to maintain profitability for the year.

To further strengthen financial performance, it would be advisable to implement promotional strategies in the low season to incentivize demand and reduce the dependence of revenues on higher margin periods. Optimizing distribution logistics could help reduce operating costs and improve delivery efficiency. Likewise, diversification of sales channels through strategic alliances with distributors or wholesale customers could stabilize demand and ensure sustained growth in the medium and long term.

## 6.10. Breakeven

The break-even point (BEP) is the level of sales at which a company's total revenues equal its total costs, resulting in neither profit nor loss. It is a crucial metric for assessing the viability of a business or project, as it indicates the minimum output or sales required to cover fixed expenses. According to (Brigham & Houston, 2021), the break-even analysis helps managers understand the relationship between costs, volume, and profits, enabling them to make informed decisions about pricing, production levels, and cost control.

At this point, fixed costs are fully covered, and any additional units sold contribute to covering variable costs and generating profit. According to (Brigham & Houston, 2021), this formula highlights the importance of the contribution margin, which is the difference between the selling price per unit and the variable cost per unit. The formula below explains how it is calculated:

$$\text{Breakeven} = \frac{\text{Fixed costs}}{\text{Selling price per unit} - \text{Variable costs}}$$

**Table 4**

*"Breakeven"*

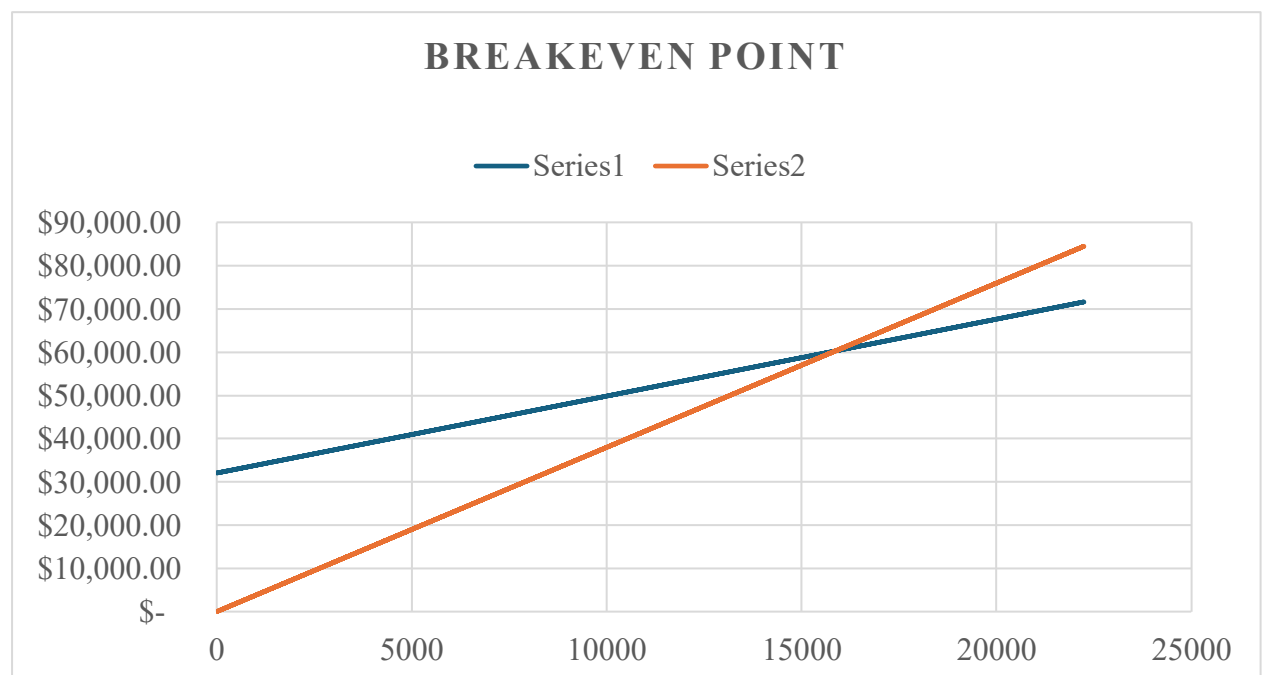
BREAKEVEN POINT			
TOTAL FIXED COSTS			
(ANNUALLY)	\$	32,066.59	
VARIABLE COST PER UNIT	\$	1.78	
PONDERATED SALE PRICE	\$	3.80	
Units		15875	
\$	\$	60,323	May

*Note: Breakeven study*

The breakeven analysis for Rosas Express indicates that the business needs to sell 15,875 units to cover its total fixed costs, ensuring no losses. With annual fixed costs of \$32,066.59, a variable cost per unit of \$1.78, and a weighted average sale price of \$3.80, the breakeven point is reached when total revenue equals total expenses. Based on the sums, the company achieves breakeven in May, when sales reach \$60,323. This means that from this point onward, all additional sales contribute directly to profits and variable costs. Given the total projected sales of 43,200 units for the year, Rosas Express is in a strong financial position, as a significant portion of its sales will generate profit beyond the breakeven point. To further optimize profitability, strategies such as increasing sales during low seasons or reducing costs could enhance overall financial performance.

**Figure 51**

*"Breakeven"*



*Note: Breakeven study in graphical representation*



This graphic illustration shows in terms of units and value when the breakeven is achieved. It demonstrates the exact point where the costs are covered; from that point forward, profit is guaranteed.

## 6.11. Financial Statements (Cost Statement – Profit and Loss Statement - Cash Flow Statement)

### 6.11.1. Cost statement

The cost of goods sold (COGS) statement is a financial report that summarizes the direct costs associated with producing goods or services sold by a company. It includes expenses such as raw materials, direct labor, and manufacturing overhead, providing a clear picture of the production costs incurred during a specific period. As (Horngren, Datar, & Rajan, Cost Accounting, 2020) explained, the COGS statement is essential for business management.

The COGS statement also plays a vital role in inventory management and cost control. By analyzing trends in production costs, businesses can identify inefficiencies, negotiate better supplier contracts, and optimize resource allocation. Furthermore, the COGS statement is a key component of the income statement, linking operational performance to financial outcomes (Horngren, Datar, & Rajan, Cost Accounting, 2020).

**Figure 52**

*"Cost statement"*

ROSAS EXPRESS ENTERPRISE		
COST STATE		
From January 1st to December 31st 2025		
RAW MATERIAL PURCHASE	\$	52,750.00
<b>RAW MATERIALS USED</b>	<b>\$</b>	<b>52,750.00</b>
INDIRECT RAW MATERIAL	\$	750.00
DIRECT LABOR	\$	23,486.59

LABOR FORCE (SERVICES)	\$	1,800.00
LOGISTICS COST	\$	22,933.44
MARKETING	\$	5,340.00
LEASING	\$	1,440.00
BASICS SERVICES	\$	431.88
VEHICLE MANTEINANCE	\$	300.00
TAXES (PATENT, PERMIT, ETC)	\$	35.05
<b>PRODUCTION COSTS</b>	<b>\$</b>	<b>109,266.96</b>
<b>COST OF SALES</b>	<b>\$</b>	<b>109,266.96</b>

Elaboration	Review	Approbation
-------------	--------	-------------

*Note: Cost Statement table*

During the period from January 1 to December 31, 2025, Rosas Express made purchases of raw materials for a value of \$52,750.00, which were used entirely for production. Direct and indirect labor costs amounted to \$23,486.59 and \$1800.00, respectively. The total cost of production was \$109,266.96, which includes every single expenditure the business must take.

### 6.11.2. Profit and Loss Statement

The income statement, also known as the profit and loss statement, is a financial report that summarizes a company's revenues, expenses, and profits over a specific period. It provides a comprehensive overview of financial performance by detailing income generated from core operations, costs incurred, and net profit or loss. According to (Wahlen, Baginski, & Bradshaw, 2018), the income statement is a fundamental tool for assessing profitability, operational efficiency, and overall financial health.

The income statement is structured into several key sections, including revenue, cost of goods sold, gross profit, operating expenses, and net income. By analyzing these components, stakeholders can evaluate the effectiveness of management strategies, identify areas for cost reduction, and make informed investment decisions. Additionally, the income statement is often used in conjunction with other financial statements, such as the balance sheet and cash flow statement, to provide a complete view of a company's financial position (Wahlen, Baginski, & Bradshaw, 2018).

**Table 5**

*"Profit and Loss Statement"*

ROSAS EXPRESS		
PROFIT AND LOSS STATEMENT		
From January 1st to December 31st 2025		
EXPRESSED IN THOUSANDS OF DOLLARS		
Net sales	\$	164,200.00
Sale costs	\$	95,609.46
<b>Gross profit</b>	<b>\$</b>	<b>68,590.54</b>
<b>Operating profit</b>	<b>\$</b>	<b>68,590.54</b>
Financial expense	\$	14,584.90
Administrative expense	\$	13,657.50
<b>PROFIT BEFORE TAXES</b>	<b>\$</b>	<b>40,348.14</b>
Provision for taxes	\$	60.00
<b>Net profit</b>	<b>\$</b>	<b>40,288.14</b>
Legal Reserve	\$	-
Other reserves	\$	-

PROFIT AVAILABLE FOR MEMBERS

AND SHAREHOLDERS

\$ 40,288.14

*Note: Profit and Loss explanation*

During the period from January 1 to December 31, 2025, Rosas Express recorded net sales of \$164,200.00 and cost of sales of \$95,609.46, resulting in a gross profit of \$68,590.54. Financial expenses were \$14,584.90, administrative expenses represent \$13,657.50, leaving a pre-tax profit of \$40,348.14. After provisioning \$60.00 for taxes, the company made a net profit of \$40,288.14, which is available for re-investment, re-distribution or reserve, as no funds were allocated to legal or other reserves.

**6.11.3. Cash Flow**

The cash flow statement is a financial report that tracks the inflows and outflows of cash within a company over a specific period. According to (Wild, Shaw, & Chiappetta, 2013), the cash flow statement provides critical insights into a company's liquidity, solvency, and ability to generate cash to meet its obligations.

The operating activities section reflects cash flows from core business operations, such as revenue collection and payment of expenses. By analyzing the cash flow statement, stakeholders can assess a company's financial flexibility and its capacity to fund growth initiatives (Wild, Shaw, & Chiappetta, 2013)

Table 6  
"Casflow"

MONTHLY CASHFLOW													
From January 1st to December 31th 2025													
EXPRESSED IN THOUSANDS DOLLARS													
	Janaury	February	March	April	May	June	July	August	September	October	November	December	Total
Opening balance	\$ -	\$ 4,493.17	\$ 2,017.27	\$ 3,441.32	\$ 2,717.27	\$ 3,092.27	\$ 2,867.27	\$ 4,373.17	\$ 4,223.17	\$ 4,071.37	\$ 3,167.27	\$ 2,717.27	
Revenues													
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash sales	12,845.00	13,575.00	13,485.00	12,425.00	14,450.00	12,425.00	15,290.00	15,290.00	14,800.00	12,845.00	13,925.00	12,845.00	164,200.00
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	12,845.00	13,575.00	13,485.00	12,425.00	14,450.00	12,425.00	15,290.00	15,290.00	14,800.00	12,845.00	13,925.00	12,845.00	164,200.00
Expenses													
Purchase													
of raw	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
material	3,670.00	5,550.00	4,000.90	3,550.00	5,350.00	3,550.00	4,909.10	4,909.10	4,720.90	3,670.00	5,200.00	3,670.00	52,750.00

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Payroll	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	2,407.22	28,886.59
Payment of taxes													
(patent, permit, etc.)	\$	\$	\$	\$	\$	\$		\$		\$	\$	\$	\$
	-	-	35.05	-	-	-		-	\$	-	-	-	35.05
Payment of basic services	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	35.99	35.99	35.99	35.99	35.99	35.99	35.99	35.99	35.99	35.99	35.99	35.99	431.88
Leasing payment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	1,440.00
				\$				\$					\$
Maintenance payment				150.00				150.00					300.00
Indirect raw material	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	687.50
Logistics cost	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	1,911.12	21,022.32

Advertising	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
payment	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	1,740.00
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses	8,351.83	10,231.83	8,717.78	8,381.83	10,031.83	8,231.83	9,590.93	9,740.93	9,402.73	8,351.83	9,881.83	8,351.83	109,266.96
Economic	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
cash flow	4,493.17	3,343.17	4,767.22	4,043.17	4,418.17	4,193.17	5,699.07	5,549.07	5,397.27	4,493.17	4,043.17	4,493.17	54,933.04
Financing													
Loan	\$												
received	40,000.00												
Loan		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
payment		1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	
Total		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financing		1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	1,325.90	14,584.90
Financial	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
cash flow	4,493.17	2,017.27	3,441.32	2,717.27	3,092.27	2,867.27	4,373.17	4,223.17	4,071.37	3,167.27	2,717.27	3,167.27	40,348.14

*Note: Montly cashflow*

During the period from January 1 to December 31, 2025, Rosas Express had a monthly cash flow expressed in thousands of dollars. The beginning balance varied each month, starting with no balance in January and fluctuating over the course of the year. Cash sales revenue totaled \$164,200.00, with a steady inflow each month. Expenses, including raw material purchases, payroll, utilities, rent, maintenance, indirect materials, logistics costs, and advertising, totaled \$109,266.96. The company also received a \$40,000.00 loan in January and made monthly payments on the loan. The economic and financial cash flow reflected these movements, totaling an economic total of \$54,933.04 and a financial total of \$40,348.14 at year-end.

A cash flow projection is analyzed for the following seven years: 2025, 2026, 2027, 2028, 2029, 2030, and 2031. These projections are similar, growing 1% until the fifth year and for the last 2 years growing 2% on sales, the same as cost variability due to increased sales. It is important to consider that this projection assumes a scenario without unplanned events that could affect revenues and expenses. The objective of this projection is to provide a stable and predictable financial vision for the company, aligned with the growth and operational maintenance strategies.

#### 6.11.4. Financial Indicators (NPV - IRR - Payback Period)

Indicators are calculated under the following data:

**Table 7**

*"Data for financial indicators"*

	Initial investment	Year 1	Year 2	Year 3	Year 4	Year 5
	\$ -	\$	\$	\$	\$	\$
Cash Flow	50,812.06	40,348.14	39,896.74	55,460.89	56,621.86	58,810.74
Accumulated		\$	\$	\$	\$	\$
cashflow		40,348.14	80,244.88	135,705.77	192,327.63	194,516.51

*Note: "Financial indicator data"*



The Cash Flow projection for Rosas Express for the seven years shows a cash flow and an accumulated cash flow schedule. Initially, an investment of negative \$50,812.06 was made in the first year. Therefore, annual cash flows are positive, with cash inflows of \$40,348.14 in the first year, \$80,244.88 in the second year, \$135,705.77 in the third year, \$192,327.63 in the fourth year, \$194,327.63 in the fifth year, and \$194,516.51. As a result, the cumulative cash flow shows steady growth.

#### **6.11.4.1. NPV – NET PRESENT VALUE**

Net Present Value (NPV) is a financial metric used to evaluate the profitability of an investment by comparing the present value of cash inflows to the present value of cash outflows. It is calculated by discounting future cash flows to their present value using a predetermined discount rate, which reflects the time value of money and the risk associated with the investment. According to (Brealey, Myers, & Allen, 2020), a positive NPV indicates that the investment is expected to generate value for the company, while a negative NPV suggests that the investment should be rejected.

NPV is widely used in capital budgeting to assess the feasibility of long-term projects. It provides a clear measure of the economic value added by an investment, taking into account the timing and risk of cash flows. However, NPV calculations rely heavily on the accuracy of cash flow projections and the chosen discount rate, making sensitivity analysis a critical component of the evaluation process (Brealey, Myers, & Allen, 2020)

**Table 8**

**"NPV"**

NPV	\$ 125,849.48
-----	---------------

*Note: "Net present value"*

The Net Present Value (NPV) of \$ 125,849.48 over 5 years indicates that the investment made by Rosas Express will generate an additional value of \$125,849.48 in present value terms, after considering all cash flows projected and discounted at an expected

rate of return. In other words, this positive value suggests that the investment is profitable and that, after recovering the initial investment, the company will earn an additional \$125,849.48 in present value. This interpretation implies that the company is making financial decisions that will add long-term value for its shareholders.

#### 6.11.4.2. IRR – Internal Rate of Return

The Internal Rate of Return (IRR) is the discount rate at which the Net Present Value (NPV) of an investment equals zero. It represents the expected annualized rate of return generated by a project or investment, making it a key metric for evaluating profitability. According to (Ross, Westerfield, & Jordan, 2019), the IRR is particularly useful for comparing the attractiveness of different investment opportunities, as it provides a standardized measure of return that accounts for the time value of money.

While IRR is a valuable tool for decision-making, it has certain limitations. For example, it assumes that cash flows are reinvested at the IRR, which may not always be realistic. Additionally, the IRR may produce multiple solutions or fail to provide meaningful results for projects with unconventional cash flow patterns. Despite these limitations, the IRR remains a widely used metric in financial analysis due to its simplicity and intuitive interpretation (Ross, Westerfield, & Jordan, 2019).

**Table 9**

*"IRR "*

IRR	83%
-----	-----

*Note: "Internal rate of return"*

#### 6.11.4.3. Payback period

The Payback Period (PBP) is the time required for an investment to generate cash flows sufficient to recover its initial cost. It is a simple and widely used metric for assessing the risk and liquidity of an investment. According to (Horngren, Datar, & Rajan, Cost Accounting, 2020), the payback period is particularly useful for evaluating short-term projects or investments in industries with rapid technological changes, where the timing of cash flows is critical.

However, the payback period has several limitations. It does not consider the time value of money or cash flows beyond the payback period, which can lead to suboptimal investment decisions. Despite these drawbacks, the payback period is often used as a preliminary screening tool to identify projects that meet minimum liquidity requirements before applying more sophisticated evaluation methods, such as NPV or IRR (Horngren, Datar, & Rajan, Cost Accounting, 2020).

**Table 10**

*"Payback period"*

Payback period	1.259
----------------	-------

*Note: Payback period of "Rosas Express"*

The payback period of 1.259 years means that Rosas Express will recover its initial investment in approximately 1 year and 2 months. At this time, the accumulated cash flows will equal the initial investment amount of \$50,812.06. After this period, the company will begin to generate additional net profits, indicating that the investment is financially viable and will be recovered in a reasonable time.

## 7. Internationalization

Internationalization refers to the process of designing and developing products, services, or systems to adapt to various languages, cultures, and markets across the globe. In the context of international business, it involves creating strategies that allow organizations to expand their operations beyond domestic borders, ensuring that their offerings are culturally

relevant, linguistically appropriate, and compliant with local regulations. This process goes beyond just translation; it advances understanding and integrates cultural knowledge, legal requirements, and market-specific preferences. For example, a business aiming to internationalize must consider factors such as currency differences, time zones, and local consumer behavior. Internationalization is often seen as a precursor to globalization, as it prepares businesses to operate similarly in a globalized economy (Cavusgil, Knight, & Riesenber, 2020). Internationalization is a critical concept because it provides a framework for understanding how businesses navigate the complexities of global markets.

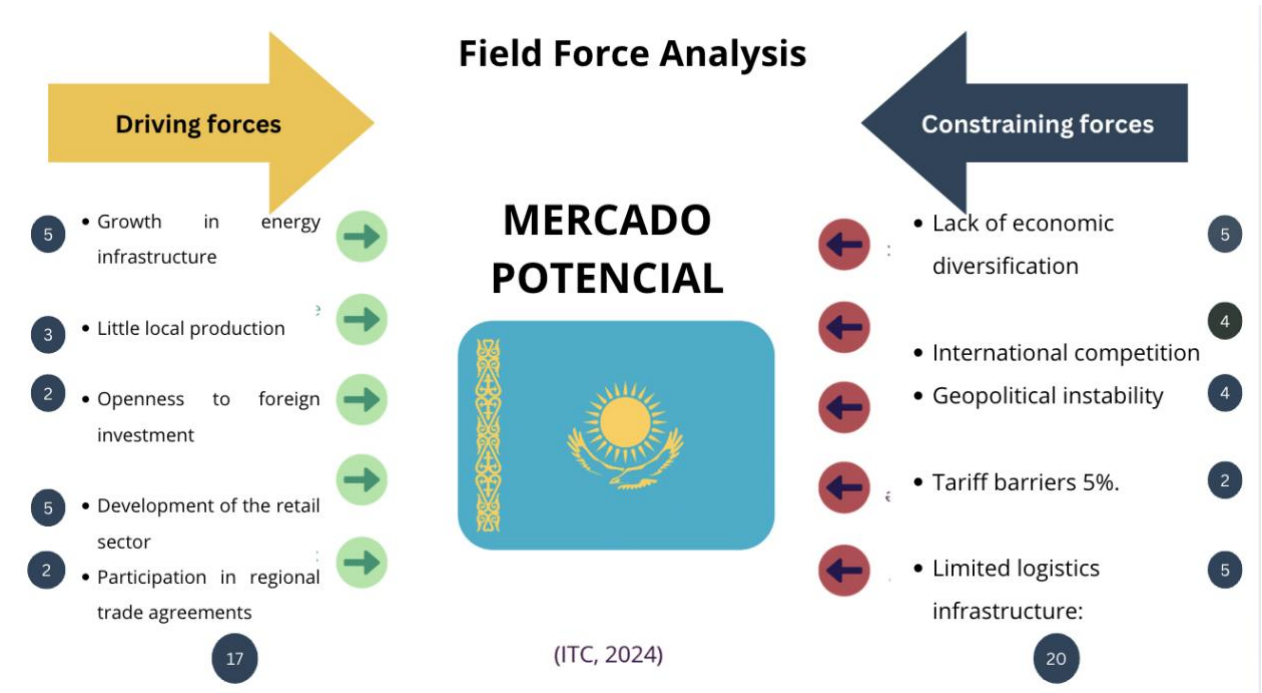
Applying internationalization to this thesis project in international business is crucial for several reasons. First, it ensures that the research is relevant and applicable to a global audience, which is essential in the field. By incorporating internationalization, the thesis can address how the business's idea may adapt its strategies to different cultural and regulatory environments, providing valuable insights into global market dynamics.

### **7.1. Analysis of Rosas Express' Capabilities for Internationalization**

Rosas Express has strong capabilities for internationalization, including technical expertise, high-quality products, and strategic service. By focusing on efficient logistics, cultural adaptation, and sustainability factors, Rosas Express can successfully enter and thrive in the international market. That is why Germany, Kazakhstan, and Qatar have been studied through a Field Force Analysis, which at the beginning may help the business to find an ideal market.

**Figure 53**

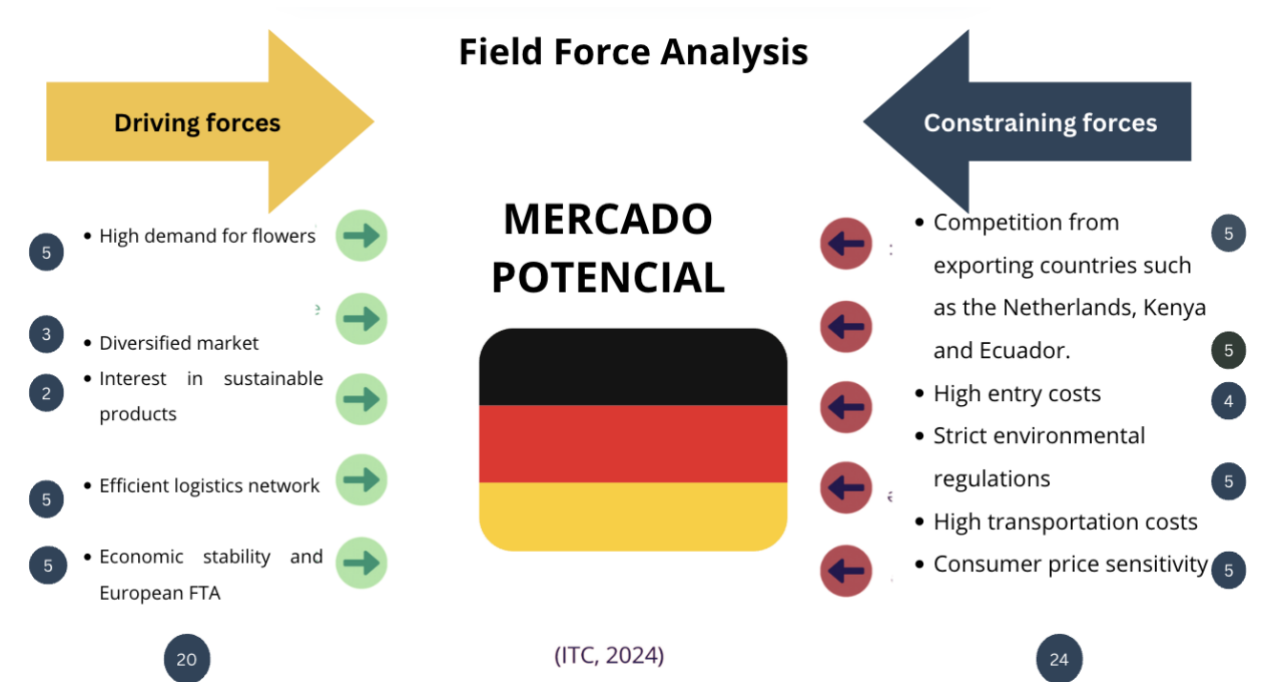
*"Field Force Analysis - Kazakhstan"*



*Note: Kazakhstan Field Force Analysis for "Rosas Express"*

**Figure 54**

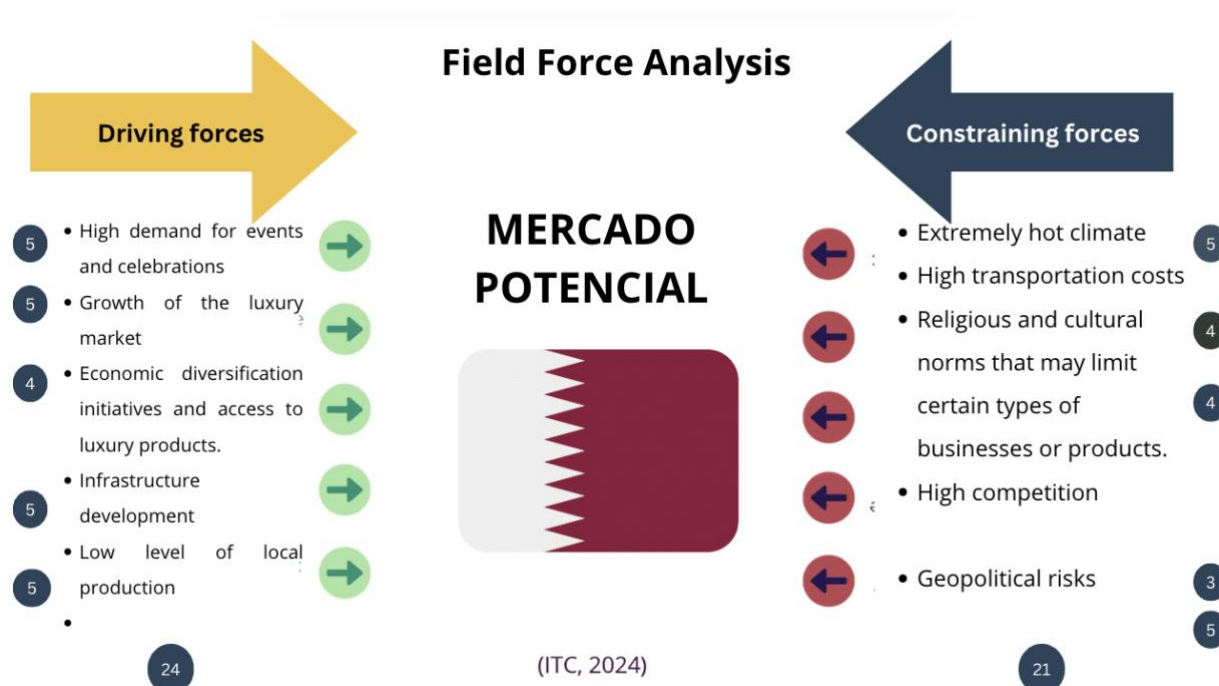
*"Field Force Analysis - Germany"*



*Note: Germany Field Force Analysis for "Rosas Express"*

**Figure 55**

*"Field Force Analysis - Qatar"*



*Note: Qatar Field Force Analysis for "Rosas Express"*

## 7.2. Country selection.

Qatar stands out as the most favorable market among the three analyzed countries—Kazakhstan, Germany, and Qatar—due to its high demand for flowers, driven by numerous events and celebrations. Unlike Kazakhstan, which struggles with economic diversification and logistical limitations, Qatar benefits from economic diversification and significant infrastructure investments. While Germany presents a well-developed market with economic stability and a large flower demand, it faces strict environmental regulations, strong international competition, and high transportation costs. In contrast, Qatar's main challenges include its hot climate and cultural norms that may restrict certain floral products; however, its growing market, infrastructure development, and economic diversification outweigh these constraints, making it the most promising option.

Ecuador's equatorial location further enhances the company's competitive advantage, as it provides optimal growing conditions for roses, resulting in vibrant colors and thick stems that are highly sought after in premium markets like Qatar.

However, the company faces challenges, including the perishable nature of its product, high production and logistics costs, and limited international marketing efforts. To succeed, Rosas Express must address these weaknesses by investing in advanced cold chain logistics, optimizing cost structures, and strengthening its global brand presence.

Opportunities such as leveraging Free Trade Agreements (FTAs), obtaining sustainability certifications (e.g., Fair Trade, Rainforest Alliance), and tapping into the growing demand for luxury flowers in Qatar can significantly enhance its market position.

A STEEPLE analysis highlights the importance of aligning with Qatar's stable political and economic environment, adapting to its formal business culture, and meeting stringent legal requirements, such as phytosanitary certifications and Good Agricultural Practices (GAP).

Additionally, the company's commitment to sustainability and corporate social responsibility (CSR) aligns with global trends, making it an attractive partner for environmentally conscious consumers and distributors.

Academic research supports the importance of these factors, as studies emphasize that successful internationalization requires not only product quality and market knowledge but also cultural adaptation, efficient logistics, and sustainability practices (Cavusgil, Knight, & Riesenber, 2020). By addressing these areas, Rosas Express can effectively navigate the complexities of international markets and establish itself as a leading exporter of premium roses.

### 7.2.1. STEEPLE Analysis

Figure 56

"SYEEPLE Analysis"



*Note: Qatar Field Force Analysis for Rosas Express*

The STEEPLE analysis in the provided image evaluates various external factors that influence the rose market in Qatar. Below is a breakdown of the findings along with an updated perspective incorporating recent data.

### 7.2.2. Social factor

Qatar, with a population of approximately 2.565,032 million (World Bank, 2023), has a high demand for flowers due to cultural preferences, frequent events, and a growing expatriate community. The Qatari population values luxury and aesthetics, making flowers an essential part of weddings, corporate events, and hospitality industries. In 2024, the demand for fresh-cut flowers in the Middle East is expected to grow due to an increasing interest in wellness trends (6Wresearch, 2022).



### **7.2.3. Economic factor**

Qatar has one of the highest GDP per capita in the world: \$80,195.9 in 2023 (World Bank, 2023). A stable economy, low inflation, and high disposable income levels create a solvent market for premium floral products. Moreover, Qatar's import dependence for flowers (due to extreme weather conditions) presents an opportunity for exporters. The floriculture market in the GCC region is projected to grow at a CAGR of 5.3% from 2024 to 2030 (6Wresearch, 2022).

### **7.2.4. Ecological factors**

There is an increasing awareness of environmental sustainability, leading to stricter regulations on waste reduction and water-efficient farming. Qatar has launched sustainability programs to encourage eco-friendly agricultural practices, such as hydroponic systems and vertical farming, which correlate with tech improvement. It is central for Qatar to reduce carbon emissions with renewable energy, carbon capture technologies, and energy-efficient solutions (Qatar Visa Check, 2025). Exporters of roses must comply with sustainability certifications to maintain a competitive edge.

### **7.2.5. Political factors**

Qatar has a stable political climate with strong trade relationships that facilitate international business. The country has signed agreements to reduce trade barriers, particularly with the EU and key flower-exporting countries (World Trade Organization, 2021). This political stability fosters secure and long-term investments in the floriculture sector.

### **7.2.6. Legal factors**

Qatar has strict import regulations and intellectual property protections that ensure compliance with phytosanitary standards, following a 15.7% average tariff on imported products, published in the national gazette named: Government Official Gazette. Exporters must meet GCC-wide plant health regulations and obtain certification for pesticide residue limits and biosecurity requirements (International Trade Administration, 2024)

### 7.2.7. Ethical factors

In Qatar, expats make up 85% of the population; consequently, foreign businesspeople must be flexible, open-minded, and adaptable. Qatari consumers and businesses increasingly value corporate social responsibility (CSR). Many hospitality and retail businesses prefer to source from suppliers with ethical production methods, such as fair labor practices and eco-friendly cultivation (Likhanova, 2023) . For rose exporters, adhering to Fair Trade and Rainforest Alliance certifications can serve as a competitive advantage.

### 7.3. Legal Requirements

Figure 57

"Legal requirements"



The screenshot shows the 'NTM YEAR 2020' interface. It features two rows of data in a table-like format. The first row is 'Import requirements applied to this product' with 'Total measures 27' and a dropdown arrow. The second row is 'Import requirements applied to all goods' with 'Total measures 11' and a dropdown arrow.

Import requirements applied to this product	Total measures 27	▼
Import requirements applied to all goods	Total measures 11	▼

Source: ITC (Market Access Map)

*Note: Legal requirements for rose's exportations*

According to (Market Access Map, 2020), the non-tariff barriers for the classification of fresh-cut flowers under the corresponding Harmonized System (HS) code total of 38 regulatory requirements exist for exportation to Qatar. Given that flowers are perishable goods, they must comply with phytosanitary and sanitary regulations, as well as packaging, labeling, and certification standards. Additionally, exporters must specify the origin of raw materials, production, and post-harvest processes, ensuring the product meets quality, safety, and performance requirements to be accepted in the Qatari market.

### 7.4. Tariff code

According to the (Secretaría Nacional de Aduanas, 2023), the tariff classification for fresh-cut roses falls under HS Code 0603.11.00. This classification is found in Section II: Vegetable Products, which includes fresh-cut flowers and ornamental foliage. Specifically, Chapter 06 covers live trees and other plants; bulbs, roots, and the like; cut flowers and

ornamental foliage, with heading 0603 referring to cut flowers and flower buds, fresh, dried, dyed, bleached, impregnated, or otherwise prepared for bouquets or ornamental purposes.

The subheading 0603.11.00 refers to fresh-cut roses and buds, suitable for bouquets or ornamental use. This classification is essential for international trade, as it determines the applicable non-tariff requirements such as phytosanitary regulations, packaging and labeling standards, certification of origin, post-harvest quality control, and import safety measures. These regulatory requirements are crucial for accessing export markets such as Qatar, ensuring compliance with GCC Common Customs Law and international trade standards.

### **7.5. Tariff**

Regarding tariff barriers, Qatar has a relatively low tariff structure for flowers (5%), as the country relies heavily on imports due to its arid climate conditions. However, exporters must consider customs duties, import VAT, and potential certification fees, which vary depending on the product's classification and compliance with Gulf Cooperation Council (GCC) import standards. In some cases, trade agreements may offer preferential tariff treatment, reducing the financial burden on exporters. By selecting the FCA Incoterm, exporters can optimize logistics and cost efficiency, ensuring a competitive position in the Qatari market (ITC Market Access Map, 2020).

### **7.6. Documentation for exportation**

The documents required to export Ecuadorian roses to Qatar, according to Ecuadorian Customs (Servicio Nacional de Aduana del Ecuador, 2024), include:

- Export Customs Declaration (DAE): This document provides details about the merchandise and other required information requested by SENA.
- Commercial Invoice: It describes the merchandise in detail, including quantity, price, weight, country of destination, negotiation conditions, and information about both the exporter and importer.

- Phytosanitary Certificate: Issued by the Agencia de Regulación y Control Fito y Zoosanitario (AGROCALIDAD), this document certifies that the roses meet the sanitary requirements of the destination country.
- Packing List: It details how the roses are packed, including the number of boxes, dimensions, weight, and type of packaging used to ensure product quality during transportation.
- Transport Documentation: Since the shipment will be sent by air, an Air Waybill (AWB) must be provided to specify flight details and ensure proper logistics coordination (Servicio Nacional de Aduana del Ecuador , 2024).

### **7.7. Export's process**

The first step to carry out the exportation is to obtain a Unique Taxpayer Registration (RUC), an electronic signature, and a token to register as a Foreign Trade Operator in ECUAPASS, the system provided by SENA. In ECUAPASS, the Export Customs Declaration (DAE) is completed with information obtained from the required export documents. Additionally, the exporter must coordinate with AGROCALIDAD to obtain the Phytosanitary Certificate after an inspection to ensure the roses meet international standards.

Once all documentation is approved, the shipment is prepared under optimal conditions to maintain the freshness and quality of the roses during air transport. Proper labeling and compliance with Qatari import regulations ensure a smooth export process.

## 7.8. Packaging and labeling

Figure 58

*"Packaging and labeling for Rosas Express"*



*Note: Labelling and Packaging for exportation. Source: FLORIECOLOGIC S.A.*

Proper packaging and labeling are essential in the exportation of Ecuadorian roses to Qatar, ensuring product quality, compliance with international regulations, and efficient logistics. Protective sleeves are placed in ventilated cardboard boxes designed for long-distance air freight. The packaging materials provide structural support, humidity control, and protection from mechanical damage (Expo Flor Ecuador, 2016). Additionally, cold chain logistics are implemented to preserve the flowers' freshness from Ecuador to Qatar. The packaging process follows strict guidelines to maintain the freshness and integrity of the roses during transportation. As shown in the images, the roses are carefully wrapped in paper, then with a special plastic, and finally arranged inside the box

Each shipment includes a phytosanitary inspection label issued by AGROCALIDAD, which certifies that the roses meet Ecuador's export standards and Qatar's import requirements. The label contains:

The exporter's information (Floriecologic S.A.)

- The unique identification number and registration code
- The Air Waybill (AWB) and House Air Waybill (HAWB) for tracking purposes
- A barcode for customs clearance and traceability
- This labeling ensures compliance with international phytosanitary and logistics regulations, reducing the risk of delays or rejections at Qatari customs (Servicio Nacional de Aduana del Ecuador , 2024)

### **7.9. Internationalization objectives**

The primary objective of internationalizing Ecuadorian rose exports to Qatar is to establish long-term business relationships with Qatari entrepreneurs who will facilitate the commercialization and brand expansion of Rosas Express within a year and a half. By securing reliable distribution agreements, the goal is to position Ecuadorian roses as premium floral products in the Qatari market. Within the first year, the strategy aims to introduce roses into high-end retail and hospitality sectors, gradually expanding to cover a broader market.

Another crucial objective is to achieve a 25% sales penetration of the annual production volume in the Qatari market within six months of market entry. This requires building a strong network of distributors and leveraging Qatar's growing demand for high-quality imported flowers. Additionally, the plan seeks to diversify the customer base by targeting luxury hotels, event planners, and high-end florists while promoting Ecuador as a key producer of premium roses.

Continuous market research will be essential to identify evolving trends and regulatory changes. By staying ahead of market shifts, Ecuadorian exporters can ensure consistent innovation and customer satisfaction in Qatar's dynamic floral industry.

### **7.10. Internationalization strategy**

The primary strategy for entering the Qatari market is through distribution agreements, ensuring efficient product placement and supply chain stability. By partnering with established distributors in Doha and other key cities, Ecuadorian rose exporters can optimize logistical

operations, minimize risks, and secure a competitive market presence. This strategy enables better control over product quality, pricing, and brand positioning.

To enhance market competitiveness, the roses will obtain certifications such as Global G.A.P. and Fair Trade, ensuring compliance with international quality and sustainability standards. These certifications will reinforce consumer trust, particularly among environmentally conscious buyers and the premium customer base.

Additionally, the marketing strategy will emphasize the exclusivity and superior quality of Ecuadorian roses compared to competitors. Promotional campaigns will highlight sustainable farming practices, extended vase life, and vibrant colors as key selling points. Luxury branding and tailored promotions will be implemented to align with the purchasing preferences of high-end consumers in Qatar.

Cultural considerations will play a vital role in negotiations and business interactions. Qatar's business environment requires a strong emphasis on personal relationships, respect, and formal communication. Business meetings will be conducted with a focus on building trust, demonstrating commitment, and adhering to local business etiquette (Likhanova, 2023). Understanding these cultural nuances will be crucial for securing successful partnerships and long-term agreements.

Through an in-depth internationalization plan, Ecuadorian rose exporters have analyzed the Qatari market's opportunities, regulations, and competitive landscape. The focus on strategic distribution agreements will facilitate a structured market entry, ensuring sustainable growth and customer satisfaction.

## **8. Conclusions and recommendations**

### **8.1. Conclusions**

The formulation of a robust business model plan ensures that Rosas Express, formerly named Magicland & Flora, can effectively meet the demands of retailers in Loja. By focusing on the unique qualities of roses grown in northern Ecuador (such as their quality, variety, and availability), the venture positions itself as a reliable and attractive option for retailers with a price sensitive strategy performing in ranges from \$3-\$4 per rose' packet in low season, \$4.5-\$5 in medium season and \$6-\$8 in high season conditions.

The development of targeted marketing strategies is crucial for building and maintaining brand loyalty among Loja retailers. By emphasizing the competitive advantages of Rosas Express, such as superior product quality, consistent supply, and exceptional customer service, the enterprise can differentiate itself from competitors. These strategies will help create a strong brand identity, fostering trust and long-term relationships with retailers.

A comprehensive financial assessment of the project confirms its long-term viability. By incorporating all associated costs (such as transportation, marketing, and operational expenses), the project demonstrates a clear understanding of its financial requirements. This assessment ensures that the business can maintain profitability while delivering value to its retail partners, securing its position as a sustainable and competitive player in the market with, the Net Present Value (NPV) of \$ 125,849.48 suggest that the investment is profitable and after recovering the initial investment is projected that the company will earn an additional \$125,849.48 in present value, the IRR Internal Rate of Return of 83% suggests that the investment is attractive as it typically exceeds bank interest rates and other lower-risk investment opportunities, finally helped with the Payback period of 1 year and 2 months the investment is almost covered within a year and a half, liquidity is guaranteed from that point on. Consequently, the finance of the business is correlated with profitability, business improvement, and ideal conditions to succeed.



The Rosas Express project is viable, desirable, and feasible, as it combines good financial planning, a focus on quality and business sustainability, and efficient execution of activities. An analysis of the business environment and available resources confirms that the company has the necessary tools to overcome challenges and take advantage of opportunities in local and international markets. With a well-defined timeline and effective management of revenues and expenditures, this business idea is in an optimal position to meet its objectives and achieve sustainable growth in the rising industry.

## **8.2. Recommendations**

By aligning its operations with the specific needs of retailers in Loja, Rosas Express not only satisfies existing demand but also opens opportunities for market expansion. The focus on high-quality roses and tailored marketing efforts positions the enterprise to capture a significant share of the local market while exploring potential growth in other regions.

Qatar has been identified as the most favorable market for exporting Ecuadorian roses, surpassing Kazakhstan and Germany due to its high demand for flowers, driven by cultural preferences, frequent events, and a growing luxury market. Its economic stability, high GDP per capita, and infrastructure investments further enhance its attractiveness. While challenges such as extreme climate conditions and cultural norms exist, Qatar's economic diversification and reliance on flower imports create significant opportunities for "Rosas Express" to establish a strong presence. Consequently, Qatar represents a promising market for "Rosas Express" due to its high demand for premium flowers, economic stability, and growing luxury sector. By leveraging Ecuador's competitive advantages in rose production, addressing logistical and regulatory challenges, and aligning with Qatar's sustainability and CSR trends, the company can successfully establish itself in the Qatari market. With a clear focus on quality, compliance, and strategic partnerships, "Rosas Express" is well-positioned to achieve its internationalization objectives and become a key player in Qatar's floral industry.

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## 10. Annexes

### Annex 1 “Guión Entrevista”

#### GUION DE ENTREVISTA – DISTRIBUCIÓN DE ROSAS EN LOJA

##### Introducción:

Buenos días/tardes. Mi nombre es Jorge Torres, soy estudiante de Negocios Internacionales y estoy realizando un estudio sobre la distribución de rosas en Loja para optimizar el servicio de abastecimiento a todo negocio que de ellas requiera. Su participación es muy valiosa, y sus respuestas nos ayudarán a entender mejor sus necesidades y mejorar la disponibilidad y calidad del producto. La entrevista tomará aproximadamente 10 minutos. ¿Podemos comenzar?

##### I. Datos Generales

¿Podría indicarme su rango de edad?

☐ Menos de 25 años

☐ 25-34 años

☐ 35-44 años

☐ 45-54 años

☐ Más de 54 años

¿Cuál es su género?

☐ Femenino

☐ Masculino

☐ Prefiero no decirlo

¿Cuál es su ocupación dentro de la floristería?

- ☐ Dueño/a de floristería
- ☐ Gerente de floristería
- ☐ Encargado/a de compras
- ☐ Otro (especifique): \_\_\_\_\_

## II. Hábitos de Compra y Consumo

¿Con qué frecuencia solicita pedidos de rosas para su floristería?

- ☐ Diariamente
- ☐ Pasando un día
- ☐ Semanalmente
- ☐ Quincenalmente
- ☐ Mensualmente
- ☐ Solo en temporadas específicas

En relación con su presupuesto, ¿cuánto está dispuesto/a a pagar por un ramo de 25 rosas de alta calidad?

- ☐ \$1 - \$1.25
- ☐ \$1.25 - \$1.50
- ☐ \$1.50 - \$2.00
- ☐ \$2.50 - \$3.00
- ☐ \$3.00 - \$5.00
- ☐ Más de \$5.00

¿Qué características considera más importantes al elegir rosas? (Puede seleccionar varias)

☐ Tamaño de las flores

☐ Larga duración

☐ Variedad de colores

☐ Aroma agradable

☐ Rosas ecológicas (cultivo sostenible)

☐ Buen empaquetado que resista el viaje

☐ Buena hidratación previo al envío

¿Cuáles son las temporadas en las que más necesita rosas? (Puede seleccionar varias)

☐ San Valentín

☐ Día de la Madre

☐ Navidad y Fin de Año

☐ Bodas (mayo-agosto)

☐ Todo el año

☐ Flores amarillas

### III. Preferencias y Logística de Distribución

¿Qué beneficios le interesarían más al elegir un proveedor de rosas? (Puede seleccionar varias)

☐ Precios competitivos

☐ Entregas puntuales

☐ Variedad de productos

☐ Calidad garantizada

☐ Ofertas o descuentos frecuentes

☐ Soporte al cliente

☐ Certificaciones de cultivo ecológico

☐ Otro: \_\_\_\_\_

¿Qué cantidad promedio de rosas solicita en cada pedido?

☐ Menos de 100 (4 bunches)

☐ 100-500 (de 4 a 20 bunches)

☐ 500-1,000 (de 20 a 40 bunches)

☐ Más de 1,000 (más de 40 bunches)

¿Con cuánta anticipación prefiere realizar sus pedidos de rosas?

☐ El mismo día

☐ 1-2 días antes

☐ 3-5 días antes

☐ Más de una semana antes

¿Qué medio de comunicación prefiere para realizar pedidos?

☐ Teléfono

☐ Correo electrónico

☐ WhatsApp u otra app de mensajería

☐ Plataforma en línea (sitio web o app)

¿Qué tan importante es para usted trabajar con un proveedor sostenible para formar una relación a largo plazo?

☐ Muy importante

☐ Moderadamente importante

☐ Poco importante



☐ No es importante

Cierre:

Muchas gracias por su tiempo y por compartir su experiencia. Su opinión nos ayudará a diseñar un servicio de distribución de rosas más eficiente y adaptado a las necesidades del mercado. ¿Le gustaría recibir información sobre nuestros servicios en el futuro?

## Anexx 2 “Interview transcription”

Entrevistador: Jorge Torres

Entrevistada: Sra. María Gómez (Mercado Mayorista”

Entrevistador: Buenas tardes, Sra. María Gómez. Gracias por su tiempo. Estamos haciendo un estudio sobre la distribución de rosas en Loja y nos interesa conocer su experiencia con proveedores. ¿Le parece si comenzamos?

Sra. María Gómez: ¡Claro, joven! Pregunte no más, yo le cuento cómo es la cosa.

Entrevistador: Perfecto. Primero, cuénteme un poco, ¿hace cuánto tiempo trabaja con rosas?

Sra. María Gómez: Uy, años de años. Desde que tengo uso de razón estoy entre flores. Yo manejo una floristería aquí en Loja y, si algo he aprendido, es que la flor tiene que ser fresca. Si no, no se vende y se pierde la plata.

Entrevistador: ¿Cuánto tiempo le dura una rosa fresca en su negocio?

Sra. María Gómez: Si la rosa es buena y bien cuidada, dura ocho días fácil. Pero eso si está bien cortada, bien hidratada y bien empacada. Si no, a los tres días ya está fea y ahí no hay cómo venderla.

Entrevistador: Y en su experiencia, ¿ha tenido problemas con proveedores?

Sra. María Gómez: ¡Uy, joven, ni me diga! Puro problema. Antes trabajaba con un proveedor, pero nunca me cumplían. Yo pedía 10 ramos y o no me los mandaban, o me llegaban mal. Unas flores todas maltratadas, sin agua, como que las hubieran dejado botadas en el sol.

Entrevistador: Eso debe haberle afectado bastante...

Sra. María Gómez: ¡Pues claro! Si la flor no está fresca, yo no gano plata. Aquí lo que más se vende es la rosa, y tiene que ser de buena calidad. Si no, la gente se queja, no vuelve y yo pierdo clientes.

Entrevistador: ¿Cuánto está dispuesta a pagar por un ramo de 24 rosas?

Sra. María Gómez: Mire, ahorita las compramos entre \$3 y \$4, pero si la rosa es realmente buena, uno paga más, porque lo vale. Mejor pagar un poquito más y que la flor dure, que pagar barato y botarla a los dos días.

Entrevistador: ¿Qué considera clave en una rosa para que realmente sea buena?

Sra. María Gómez: Que sea cortada fresca, no de cuarto frío. Esa rosa de refrigeración es malísima, se pone aguada, la flor se abre rápido y no dura nada. La buena es la que la cortan y la mandan bien hidratada. Y eso sí, bien empacada, porque si en el viaje se golpea, ya no sirve.

Entrevistador: ¿Cuáles son los colores que más vende en su negocio?

Sra. María Gómez: Rojos y de colores variados. Pero los rojos nunca fallan, siempre hay que tener.

Entrevistador: Entonces, para resumir, lo más importante para usted es que la rosa sea fresca, bien empacada y de calidad...

Sra. María Gómez: Exactamente. Porque si no, no se gana. Si la rosa no está buena, mejor ni vender. Hay que mejorar el servicio de distribución, porque aquí en Loja hay mercado, pero necesitamos proveedores que sí cumplan.

Entrevistador: Entiendo perfectamente. Muchas gracias por su tiempo, Sra. María. Sus respuestas nos ayudan mucho a mejorar el servicio.

Sra. María Gómez: De nada, joven. Pero vea, si me saca un proveedor que cumpla, me avisa, porque aquí se necesita gente seria.

### Anexx 3 "Interview transcription"

#### **Distribución de rosas para la ciudad de Loja**

##### 1. Edad

20-34 años

35 - 49 años

50 años o más

##### 2. Genero

Femenino

Masculino

##### 3. Sector donde pertenece

Urbano

Rural

**4.¿Qué tiempo lleva en su actividad?**

Menos de 1 año

1-3 años

4-7 años

Más de 7 años

**5.¿Con qué frecuencia necesita abastecerse de rosas?**

A diario

Pasando un día

Semanalmente

Quincenalmente

Mensualmente

Solo en temporadas específicas

**6.¿Cuál es el rango de precios que está dispuesto a pagar por un paquete de rosas (24 unidades)?**

Menos de \$2.00

\$2.00 - \$3.00

\$3.00 - \$4.00

Más de \$4.00

**7.¿Qué aspectos considera más importantes en un proveedor de rosas?**

Calidad del producto

Precios competitivos

Puntualidad en las entregas

Disponibilidad de variedades

**8.¿Cuáles son las temporadas en las que más suele necesitar rosas?**

San Valentín

Día de la Madre

Navidad y Fin de Año

Bodas (mayo-agosto)

Finados

Todo el año

**9.¿Qué canales prefiere usar para comunicarse con sus proveedores?**

WhatsApp

Correo electrónico

Redes sociales

Llamadas telefónicas

**10.¿Cual es la cantidad que suele abastecerse en cada pedido?**

10 - 30 bonches

30 - 60 bonches

60 - 120 bonches

120 o más

**11.11. ¿Qué desafíos enfrenta al trabajar con sus proveedores actuales?**

Falta de puntualidad

Baja calidad del producto

Precios elevados

Comunicación ineficiente

**12.¿Qué tan importante es para usted trabajar con un proveedor fiable?**

Muy importante

Moderadamente importante

Poco importante

No es importante

**13.Si en Loja hubiese este servicio de distribución de rosas, ¿usted lo contrataría?**

Si

No

14. ¿Recomendaría el servicio de Magicland&Flora a clientes y conocidos?

Si

No

15. ¿Cual de los siguientes nombres le parece más atractivo para nuestra marca?

Florece Logística

Rosa Express

Confía Flora

#### Anexx 4 "Itesting: Design strong experiments"

¿Visualmente qué le parece las rosas que ofrecemos como muestra del producto?

Me gusta (Denota frescura y corte apropiado)

No me gusta

Puede mejorar (Presenta signos de maltrato)

2. ¿Considera que el empaque es adecuado para proteger al máximo las rosas?

Si

No

3. ¿Opina que es adecuado que el cartón de las rosas sea reutilizado y retirado por nosotros una vez de despacha la flor, optimizando costos y minimizando el impacto ambiental?

Si

No

4. ¿Opina que el nombre de nuestro servicio puede mejorar?

Si

No

5. ¿Cuál de los siguientes nombres le parece más atractivo para nuestra marca?

Florece Logística

Rosas Express

Confía Flora

6. ¿Recomendaría usted el servicio de distribución de rosas que ofrecemos?

Si lo recomendaría

No lo recomendaría

7.¿Dónde preferiría adquirir nuestras rosas?

En una tienda física

Por pedidos en línea

Entrega directa en su local

8.¿Consideraría usted a "Magicland & Flora" como su proveedor principal de rosas?

Si

No

9.¿Crée usted que contar con proveedor legalmente constituido representa un punto a favor para su negocio?

SI

No

10.¿Considera que la disponibilidad de rosas durante todo el año y en temporadas altas es beneficioso para su negocio?

Si

No

11.¿Qué canales prefiere usar para comunicarse con sus proveedores?

Whatsapp

Llamada telefónica

Redes sociales

Correo electrónico

Annex 4 "Evidences"















