



Strengthening the sales channel for frozen foods companies

Fortalecimiento del canal de ventas para empresas de congelados

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Abstract

We want to develop a project to open physical stores or minimarkets in order to improve and increase sales of the company JEKA DISTRIBUCIONES SAS contributing to the consumption of low cost and easy to prepare frozen food, this contributes to improve times, money and public services in the preparation of food for students of the university La Salle, Javeriana and Santo Tomas this project is taking as a reference the international model of "QUEM" of Martin Grosbard that with this model already has more than 12 stores nationwide with sales close to 12 million Argentine pesos in 2019, stores in which a variety of close to 200 products are offered serving 3 meals a day, with pre-cooked frozen food ready to prepare at an affordable cost and easy to prepare, which facilitates the time implemented in the preparation of the products and the cost of additional products and utilities in the preparation directly decreasing the cost of living of people in Argentina. This business model is already implemented in several countries and has been a very profitable and viable business, so we will implement a project in Colombia with this model we want to implement it in our country.

Keywords: Food, Frozen, Students, Bogota, Universities, Food, Healthy, Students, Bogotá, Food

Received 2022-06-22
Revised 2022-08-12
Accepted 2022-12-01
Published 2023-01-04
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Resumen

Se quiere desarrollar un proyecto de abrir tiendas físicas o minimarkets con el fin de mejorar y aumentar las ventas de la empresa JEKA DISTRIBUCIONES SAS aportando a el consumo de alimentos congelados de bajo costo y fáciles de preparar, esto contribuye a mejorar tiempos, dinero y servicios públicos en la preparación de alimentos para los estudiantes de la universidad La Salle, Javeriana y Santo Tomas este proyecto está tomando como referencia el modelo internacional de "QUEM" de Martin Grosbard que con este modelo ya tiene más de 12 tiendas a nivel nacional con ventas cercanas a los 12 millones de pesos argentinos en 2019, tiendas en las que se ofrecen variedad de cerca de 200 productos que atienden 3 comidas al día, con alimentos pre cocidos congelados listos para preparar a un costo asequible y fácil de preparar, lo cual facilita el tiempo implementado en la preparación de los productos y el costo de productos adicionales y de servicios públicos en la preparación disminuyendo directamente el costo de vida de las personas en Argentina. Este modelo de negocio ya está implementado varios países y ha sido un negocio muy rentable y viable, por lo vamos a implementar un proyecto en Colombia con este modelo queremos implementarlo en nuestro país.

Palabras clave: Alimentos, Congelados, Estudiantes, Bogotá, Universidades, Comida, Saludable

Introduction

The main problem we want to solve through this research is to contribute to the reduction of the cost of daily food consumption of students, improve sales of the company JEKA DISTRIBUCIONES SAS and generate awareness for the consumption of frozen food for this we must know in detail the costs, methods and food preferences of students of the universities La Salle, Javeriana and Santo Tomas, in order to have access to as much information as possible which allows us to make decisions and to propose an alternative that improves the quality, This is due to the current lack of time to prepare

food at home, the cost of food at the market and the high increase of public services that involves cooking every day for hours, which increases the current cost of living of students generating bad eating habits and sometimes failing to consume any of the 3 meals which leads to a serious health problem. It is also about educating the consumer and changing the thinking about frozen foods and demonstrating that they do not have external preservatives and that they are healthy.

Jeka Distribuciones S.A.S. is a company that has been in the market for 3 years, whose main objective is to distribute frozen food wholesale to the HORECA sector, the company within its experience has included daily food products such as empanadas, cakes, arepas, soups, pizzas, almojábanas among others. The company within its expansion has been dedicated to the B2B sector where there is an opportunity for growth in sales with a new line dedicated to the B2C market with the main idea of contributing to reduce food costs as they have a line of pre-cooked frozen food ready to prepare in minutes, which gives us an advantage in front of offering the company a brand recognition and remembrance and students products at an affordable value, easy to prepare and with the quality records requested by INVIMA which gives them a guarantee and that are high quality products, products to be frozen have more validity and duration which ensures that the student can store the product for several weeks in your freezer, this will reduce daily shopping trips, costs of preparing meals and saving time which is what they have less, this project offers the advantage to the company to have an additional sales channel which drives the brand and increases sales of the company. We also want to educate consumers to promote the use of frozen foods in their daily lives, since we have a great market opportunity based on the fact that 64.5% of households buy frozen products and per capita consumption of the category amounts to 1.8 kilos per year, according to an analysis conducted by Kantar Worldpanel.

It is still an underdeveloped market in our country compared to other countries in Europe and the United States, largely due to

the prices and costs associated with these products; although the development achieved by the Día % chain shows us that consumers are predisposed and value the benefits that these products offer, said Juan Manuel Primbas, Managing Director Southern Cone of Kantar Worldpanel. In his research he indicates that 1.8 kg of frozen products are consumed per year, leaving a large percentage of improvement and market unattended.

Methodology

Research will be conducted with students through surveys to discover needs, preferences and costs of food currently consumed, also to determine how familiar is the frozen food market in the area of the university students of La Salle, Santo Tomas and Javeriana. After this, as the company JEKA DISTRIBUCIONES SAS has the trajectory in quality, positioning and price of its portfolio, we search for commercial premises strategically located where we can serve the target audience. Already with the information of the costs of the employee, rent, raw materials, services and investment we can draw a budget and know the break-even point of the project, the number of units to be sold and know if the project is viable. Once this information has been compiled for September 18, 2022 and the research, the project is presented to the company for analysis and decision making.

Results

The survey conducted was as follows:

Do you think frozen food is healthy?

- Yes 65% Yes
- No 35% No 35% No 35% No 35% No 35% No 35% No 35% No 35%

Do you buy frozen food at home?

- Yes 46% Yes
- No 54% No

Do you know how to cook?

- Yes 87% Yes
- No 13% No

What words do you think of when frozen food is mentioned to you?

- Easy 50% Easy 50% Easy 50% Easy 50% Easy
- Fast 50%.

How many times a week do you eat out?

- 2 40%
- 4 40%
- 5 20%

The theoretical framework of this work is based on a traditional marketing plan and the CANVAS Model. It follows a theoretical line of a traditional marketing plan that follows the following structure; Analysis, strategy, tactics and CRM. Alexander Osterwalder's structure and the canvas business model were also used.

Clarence Frank Birdseye II is considered the founder of the modern frozen food industry. He came up with the solution in 1915 while doing field work in the Arctic.

Globally, the frozen food market is consolidated, especially in Europe and the United States. These are the main consumers in the world:

- In Latin America, the average annual consumption does not exceed 4 kilos per person.
- In Spain, it is 19 kilos. It ranks third among purchase options.
- In the United States, consumption is around 27 kilos.
- In Germany and England, about 45 kilos of frozen foods are consumed per year.

The main advantage of frozen food over fresh food is the speed with which it can be prepared. It only takes a few minutes to take the box out of the refrigerator, put it in the oven or microwave and get dinner on the table.

This is the case when it comes to already cooked dishes. But something similar happens when frozen vegetables are prepared. There is no need to clean or cut them and cooking them takes very

little time. They are also quicker and less frequent to buy, cheaper and can be stored at home for months.

For these reasons, among others, more and more frozen foods are being purchased in Spain. According to 2018 figures, sales increased by 3.5% over the previous year.

The good thing about frozen food is that it saves time. And not only when cooking, you also avoid having to clean and cut vegetables, for example. Also when shopping, because it is much easier to take the packages from the freezer and you don't have to go shopping so often as they can be stored for days, even weeks or months.

You also don't use as many dishes and therefore less mess in the kitchen. Lastly, frozen food is more usable; it is easier to calculate portions and food is not wasted. There is also no risk of buying some food that was planned to be cooked but ends up in the garbage spoiled.

The bad thing about frozen foods is that the use of preservatives and other additives to make fruits and vegetables more intense in color and to prevent the development of bacteria denatures water-soluble vitamins such as C and B vitamins. On the other hand, the presence of these additives such as salt, sugar and fats causes the food to lose nutritional value.

Conclusions

In reference to the first objective, we established the need of students to consume healthy food at low cost, there is also a considerable lack of time to prepare meals at home due to the long student days and jobs that do not leave much free time, we found a great lack of knowledge about frozen food, its benefits and its quality, taste, tradition and preparation. Many of the respondents assimilate frozen food with non-fresh products, with unpleasant taste and with myths that the product brings chemicals, however there is also evidence of a tendency to want to try different things and an opportunity for improvement to educate the public with quality food, It is found that not only students have this need many more people in the community as mothers, fathers and grandparents express a help in their homes when preparing daily food, they want more practicality and above all at a fair cost, this due to the global situation and the crisis that the

world is going through in the economic gap, The need is increasing to save not only on raw materials, but also on services such as gas, water and electricity, which are a priority when preparing a meal. Many of the students stated that they eat well only when they are in their mothers' homes, but when the question was asked to the mothers, they also have the same problem, little time available and few resources when buying some, to the point of considerably reducing the portion of proteins or meals per day in order to reduce costs of the family basket and to be able to reach the time and resources available. This gives us to understand that more part of the population has a similar need and opens the opportunity to a new market option with a larger and more varied customer niche, we also found that the problem of lack of time and resources is present in the middle strata, however in the higher strata, although the economic factor is not the biggest drawback, time is, Therefore, many people want to have a practical, easy and delicious way to have their meals, which leaves us as a conclusion that more part of the population, more variety of ages and more variety of socioeconomic strata would be interested in our proposal, which opens a new possibility of expansion and vision of the project.

As a second objective, we evaluated the possibility of establishing a more viable distribution channel to meet the preference and reduce food costs. We found that the distribution channel in the Chapinero sector is not viable due to rental costs, which average \$3,000.00 plus services.

As a third objective we have the presentation of an innovation project in a point of sale of frozen foods that meets the preferences and reduce food costs of students of the universities La Salle, Javeriana and Santo Tomas, which according to the research conducted despite having target customers, possibilities of increasing sales, brand positioning, we found that the project is not feasible in the sector of Chapinero, and according to our market research in leases in the sectors with the highest influx of people concentrated in the sectors of Chapinero and Chapinero, According to our research, despite having target customers, possibilities of increasing sales, brand positioning, we found that the project is not viable in the Chapinero sector, and according to our market study on leases in the sectors with the greatest influx of people concentrated in homes, we found that the project is viable in the Modelia sector.

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Date of presentation: 2000, Institution of Development: Centro de Investigación y Desarrollo en Criotecnología de Alimentos, Degree obtained: Master in Engineering, Awarding Institution: Universidad Nacional de La Plata