



**GROWTH STRATEGIES OF ECONOMIC GROUP:
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Abstract: In Mexico, in the food and beverage sector, the participation of various economic groups or large companies does not escape an oligopolistic reality. The present work presents the case of an economic group or large company Conservas la Costeña, which was founded 100 years ago. The aim of the study was to analyze the growth strategies used by the La Costeña Group to consolidate itself in the food and beverage industry. The methodology was descriptive, historical and analytical; The information was collected from secondary sources by consulting both the database of the “Mundo Ejecutivo” and “Expansión” magazines and the company's website. The results indicate that the strategies used for business growth were self-financing, geographic expansion, diversification of products and brands, acquisitions, alliances and technological innovations in plants and distribution centers that have led the economic group in the area of canned goods and preserves to position itself successfully in the national market and participate in the international market in the era of globalization.

Keywords: business growth, economic groups, strategies**JEL Classification:** L00, L20, O4

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Introduction: The food industry in Mexico

In the era of market globalization, companies are expected to integrate internationally so that the exchange of goods can take place in countries and societies on the planet. The electronics, information technology and telecommunications sectors have generated technological innovations known as the third industrial revolution, which have lightened productive tasks. Large companies or economic groups are not oblivious to these transformations and for this reason they promote internationalization processes in their growth objectives.

In Mexico, internationalization is visible, on the one hand, in the transnational companies that operate in the country, on the other, the internationalization of companies whose origin is national capital and have strategically positioned themselves in other countries in order to achieve growth and expansion, objectives that most companies had not considered before the crisis of the 1980s in Mexico.

Foreign and national capital companies participate in dynamic competition, while some stand out for being leaders in the particular activity they develop. Among the strategies of the economic groups of the industry, diversification, improvement of product lines, adding markets geographically, economies of scale, research and technological development stand out (Rendón & Morales, 2008).

Entering into processes of economic integration on a global scale implies carrying out economic strategies linked to technological and organizational advances; the companies that participate in the food and beverage industry which have managed to stand out are those that are part of the leading sector of agribusiness. However, in their evolution they considered moving from regional to national and international spaces.

The National Statistical Directory of Economic Units (DENEUE) registered 217,477 economic units in the food industry, a branch of the manufacturing industry (DENEUE, 2022); many of these companies seek to satisfy domestic demand, and in some cases within the framework of globalization, export to other countries; Those who achieve it are considered successful companies, such as Grupo Industrial Maseca, Empresa La Moderna, Grupo Industrial Bimbo, Conservas La Costeña and others (Chauvet & González, 2001).

Among the classification of the manufacturing industry, the food industry that registers the production of economic units dedicated to the preparation, preservation and packaging of food products for human and animal consumption is identified and is classified as follows: 1) food processing for animals, 2) milling of grains and seeds and obtaining oils and fats, 3) production of sugars, chocolates, sweets and the like, 4) preservation of fruits, vegetables, stews and other prepared foods, 5) production of dairy products, 6) slaughter, packaging and processing of meat from cattle, poultry and other edible animals, 7) preparation and packaging of fish and shellfish, 8) preparation of bakery products and tortillas, and 9) other food industries, dedicated to the preparation of snacks, coffee, tea, concentrates, powders, syrups, and flavor essences for beverages, as well as condiments and seasonings, the beverage, tobacco, and other food industries (INEGI, 2018).

The manufacturing industry contributed 18.5% to the gross domestic product (GDP). For its part, the food industry in the third quarter of 2022 registered a GDP of \$5.51 trillion Mexican pesos with an employed population of 2.04 million people,

49.1% men and 50.9% women (DENUE, 2022). 2,067 companies dedicated to the preservation of fruits, vegetables, stews and other prepared foods participate, including Conservas La Costeña (INEGI, 2022).

Research methodology

The aim of the research was to identify the growth strategies implemented by Grupo La Costeña to consolidate itself in the food and beverage industry.

The study is of a documentary type; the following approaches were used: historical-critical analytical through a dynamic approach. Two approaches were used: 1) of historical origin, which gives greater importance to the historical beginnings and the conditions of irruption to establish the definitive configuration, the outstanding political and economic practices and the development patterns of the companies (Concheiro et al., 1979); and 2) corporate and organizational strategies, which address the changing organizational structure of large modern corporations and their tendency to adopt more complex management structures and corporate morphologies (Cordero et al., 1983).

Since not all companies share information on their organization to the public, there is only an obligation to share it with the Tax Administration Service (SAT), and only those listed on the stock markets must report their corporate governance. The collected information comes from secondary sources; by reviewing the published results of previous investigations, the records prepared by the *Expansión Magazine* of the annual sales of the 500 most important companies in Mexico, the *Forbes* and *Mundo Ejecutivo* magazines, the website of La Costeña Group.

Historical background

Studies of large companies or economic groups date back to the 1960s in the United States of America. Alfred Chandler is the best-known author for proposing, according to his work, the business structure and strategies that guaranteed their economic efficiency, strategies that also turned them into oligopolies in their markets as he also explains in his work *La Mano Visible* (1977). Nonetheless, although the growth process of economic groups that historically became international, it is really thanks to world changes that modern large global companies evolved and developed (Marichal, 2003).

The study of Mexican companies dates from the 1990s when the application of successful business strategies of the companies that survived the crisis of the eighties was registered, such as the restructuring of their debts, the reengineering of their businesses, the sale of companies, disinvestments and above all their outward growth, the ability to acquire new technologies through partners and alliances.

After the Spanish conquest, the natives' way of trading changed and the street markets were replaced by buildings designed to be used as markets, as well as a more uniform way of presenting merchandise. Urban planning arose, determining that the center of the city would house the civil, religious and military powers; merchants were no exception to take advantage of the influx of people and thus establish their commercial spaces.

In the post-revolutionary period, the State was concerned about market failures, and formed a network of institutions that made it possible to guarantee the supply of food; for this reason markets were established and integrated and regional consumption intervened in production, marketing and consumption.

It is precisely because of the inability of the market to provide agricultural goods at affordable prices to the urban consumer that policies arose, through which price control guaranteed consumption to the least favored with the creation of a national market. Subsequently, from the 1960s to the 1980s, the State incorporated subsidies for some foods as goods-salaries, whose support depended on the sale of oil, foreign loans and fiscal deficit. A protected economy model was established, retail trade was established around a central wholesale market based in urban areas (Torres, 2009).

It was determined that the cities were the places where the food supply was organized, under demand models that considered the growth of the population and the spaces that were dynamic and underwent transformations. The product of the evolution of elements such as the intermediation between production regions, distribution channels and consumption spaces was a food supply pattern, which went from the traditional to the modern in order to meet segmented and differentiated demands. However, tradition and modernity survive or coexist, based on consumer habits and resistance to change (Fisher & Espejo, 2011).

Changes in commerce went hand in hand with the neoliberal economic model that allowed the presence of large international companies: a diversity of companies was established and store formats were created that sought greater proximity to the consumer, under the law of minimum effort displacement and based on income distribution (Torres, 2011).

The companies of the food industry constitute the elementary economic units of the capitalist system because they configure the production of material goods that seek to satisfy the needs of society. The clients that make up the main demand of these large industrial companies are precisely the supermarkets and wholesale stores that present the products to the final consumer. Large companies or economic groups have implemented growth strategies such as geographic expansion, technology and robotization, diversification of lines and products with their own brands, acquisitions, and strategic alliances in order to meet the demand and maintain their leadership in the market.

History and growth of the company: La Costeña

The La Costeña group was founded as a family business in 1923; it began making by hand canned serrano and long chili peppers in vinegar, packaged in plastic bags and sold in a grocery store called La Costeña. Based on the success in sales, the family decided to dedicate themselves to canning industrially (Mundo Ejecutivo, 2018). They added to their sales products such as olives, olive oil and chipotle peppers. They introduced a volume bidding system in a captive market of sundries, cream shops, and grocery stores in the La Merced area of Mexico City (Mundo Ejecutivo, 1999).

The history and growth of La Costeña records investments in plants and technological innovations. Between 1937-1948 Don Vicente López Rosines (the owner of La Costeña) undertook the task of manufacturing his own cans and inaugurated his first production plant located in Mexico City. Between 1951-1971 his products were sold throughout the country, thanks to the fact that in 1951 he installed the first automatic line for the manufacture of 3 kg cans, and in 1955 those of 105 kg, as well as added distribution systems. By 1971 he had founded the first production plant located in the municipality of Ecatepec, the State of Mexico. In 1975 he ventured into the North American market with the first exports of chiles and salsas, serving the Hispanic market with these goods.

In 1981 he launched tomato puree, vinegar in 1983, Mexican sauce in 1984, ketchup in 1992, and other products such as homemade charro, refried, and whole beans (Mundo Ejecutivo, 1999).

Between 1986-1991 La Costeña replaced lead-welded containers with electrostatically sealed ones in order to protect the environment. Another production plant was inaugurated in Guasave, Sinaloa, where the company ventured into the production of tomato and vegetable puree lines. In 1994 the group introduced a line of beans in various preparations and later the inclusion of more product lines and brands.

Between 1997-2003, it added value to its packaging and canning with the easy-open system, one of the pioneers of this method. In June 1997 the company started operating a new production plant in San Luis Potosí. At the plant in Guasave, Sinaloa, La Costeña introduced the aseptic packaging system of the Swiss company Combibloc, which eliminates microorganisms through ultra-pasteurization in cardboard containers. This company also supplies Lala, Jumex, Nestlé and Boing. In the year 2000, the group launched the Doña Chonita line of sauces for cooking.

In 2006, it began the construction of an automated warehouse that allowed it to have better storage and automatically restock traditional racks.

Between 2007-2008 La Costeña inaugurated an automated distribution center, considered one of the largest in Latin America due to its capacity, magnitude and number of operations. Between 2011-2013 the company started operating a second automated distribution center. In 2014 the Mexican Institute of Industrial Property granted it the declaration of “Famous Trademark” (La Costeña, 2023).

La Costeña, based on vertical integration and investment in state-of-the-art technology, has an automatic cutting line that is continuously updated and processes the raw material in its facilities; With three plants, La Costeña produces four million containers per day, its production lines have the capacity to produce up to 6,500 cans and 3,200 caps per minute in each production line, thanks to high-speed presses.

Its automated and modern warehouses allow food to be fresh, even if it is not in season; its two storage and distribution centers have a capacity of 43,000 and 63,000 pallets, respectively. It possesses 30 distribution warehouses in the Mexican Republic.

In 2011-2013, it inaugurated the third plant in San Luis Potosí and the second automated center. In 2017, it expanded its San Luis Potosí plant by 30% with the intention of achieving a greater production of chiles, nopales, moles and tamales, the demand for which has grown in Mexico and internationally (Expansión, 2017).

Diversity of production of goods and services

La Costeña produces between 1,200 and 1,300 tons of jalapeño peppers per day in high season (June-August) and is a leader in the production of chili peppers and vinegar. La Costeña has formed a portfolio of products that allows it to maximize its resources and of course reduce costs, especially since they manufacture many of their inputs, such as cans for packaging, for which they manufacture approximately 3.5 million cans per day, vinegar, and others (Sandoval, 2023). La Costeña has 12 lines that make up 122 products and two brands: Chonita and Rancherita as observed in Tables 1 and 2.

Innovation constitutes a challenge in commercial competition and for this reason large companies intend to manufacture new products and meet the demand of consumers who always expect innovations in consumer society. Among the factors that impact innovation are patents, brands, and the impact on organizations; in this sense Conservas La Costeña has created its own brands.

Table 1. Conservas La Costeña product lines

Chilies	Beans	Specialties
Rodajas de Jalapeño Rojo Tatemados Rodajas de Jalapeño Tatemados Jalapeños Enteros Jalapeños Picados Nachos de Jalapeños Rajas de Jalapeños Rajas Rojas de Jalapeño Toreados Rodajas de Jalapeños Serranos Enteros Serranos Rodajas Toreados Serranos Toreados Rodajas de Serranos Chipotles Adobados Chipotles Picados Chipotles Adobados en Trocitos Chipotles Dulces en Trocitos Zanahorias en Escabeche Habaneros Enteros en Escabeche Rajas de Habanero en Escabeche Zanahorias Ralladas con habanero en Escabeche	Frijoles Negros Enteros Frijoles Negros Refritos Frijoles Negros refritos con Chipotle Frijoles Negros Refritos Reducidos en Sodio y Sin Grasa Frijoles Negros Molidos Frijoles Negros Colados Frijoles Bayos Enteros Frijoles Bayos Refritos Frijoles Bayos Refritos con Chipotle Frijoles Bayos Refritos con Chicharrón Frijoles Bayos Refritos con Queso y Chipotle Frijoles Bayos Refritos con Chorizo Frijoles Charros Frijoles Ranch Frijoles Peruanos Refritos	Esquites Aceitunas con Hueso Aceitunas Rellenas de Pimiento Aceitunas Sin Hueso Mole Rojo Mole Verde Mole con Chocolate Mole Almendrado Huitlacoche Salsa para Pizza Caldillo de Tomate Verde Totopos Hummus clásico Hummus con Chipotle Ensalada de Lentejas con Vegetales Ensalada de Lentejas con Quinoa Ensalada de Lentejas con Chorizo Chilorio Mole con Pollo Cochinita Pibil
Puree and Ketchup	Mayonnaise and dressings	Vinegar
Pasta de Tomate Puré de Tomate con Chipotle Puré de tomate con Jalapeño Puré de Tomate Puré de Tomate Condimentado Puré de Tomate Machacado Puré de Tomate Sazonado Salsa Cátsum Salsa de Tomate para Aderezar	Mayonesa con Jugo de Limón Mayonesa con Jugo de Limón Reducida en Grasa Aderezo de Mayonesa Aderezo Light de Mayonesa Mayonesa con Chile Chipotle Aderezo de Mayonesa con Chiles Jalapeños	Vinagre blanco de alcohol de Caña Vinagre de Manzana Vinagre de Color de Alcohol de Caña

Vegetables	Pozole	Sauces
Elote Dorado Chicharos Maíz Blanco Chicharos y Zanahorias Ensalada de Verduras Ensalada Campesina Pimiento Morrón en Tiras Garbanzos Ensalada de Garbanzo a la mexicana Ensalada de Garbanzo Campestre	Pozole Blanco Pozole Rojo	Salsa Casera con Chipotle Salsa de Chile Chipotle Salsa de Guacamole Salsa Casera con Habanero Tatemada Salsa Ranchera Tatemada Salsa Verde con Nopales Tatemada Salsa Casera Mexicana Tatemada Salsa Arriera Tatemada Salsa Verde Salsa Roja Taquera Tatemada
Sweets	Fruit	Tamales
Miel de Abeja Ate de Guayaba Ate de Membrillo Ate de Membrillo sabor Chamoy Puré de Manzana Mermelada de Fresa Mermelada de Piña Mermelada de Zarzamora Mermelada de Chabacano Mermelada de Frutos Rojos	Chabacanos en Almíbar Mitades Duraznos en Conserva Cubitos Duraznos en Almíbar Rebanadas Duraznos en Almíbar Cubitos Duraznos en Conserva Mitades Duraznos en Almíbar Mitades Duraznos en Almíbar Enteros Piña en Almíbar Rebanadas Piña en Almíbar Trocitos Guayabas en Almíbar Enteras Peras en Almíbar Mitades Mango en Almíbar Rebanadas Coctel de Frutas en Almíbar	Tamal Verde Tamal de Elote Tamal Dulce Tamal Rojo

Source: Authors' own elaboration based on La Costeña (2023)

Table 2. Conservas La Costeña Group brands

Brands	Products
Doña Chonita	Salsa para Chilaquiles Rojos, Salsa para Chilaquiles Verdes, Salsa para Pambazos, Salsa de Chile Pasilla, Salsa de Chile Guajillo, Caldillo de Tomate Verde, Adobo, Pipían, Caldillo de Jitomate, Salsa de Chile Chipotle, Mole Verde, Mole Rojo, Salsa para Cochinita Pibil
Rancherita	Frijoles Peruanos Refritos, Frijoles Bayos Refritos, Frijoles Negros Refritos, Frijoles Bayos Enteros

Source: Authors' own elaboration based on La Costeña (2023)

Acquisitions and competition

Among its elements of expansion, the company has been concerned with establishing alliances and acquisitions with competing and complementary companies, as well as reinvestments. Vertical integration from production to sales is a success factor (Maldonado et al., 2020). Its constant investments in technological innovation and product diversification go hand in hand; therefore, with each acquired company, the number of products increases, thus taking advantage of the consolidation of the brands, selling products that have already penetrated the market.

Sabormex's growth shows that its strategies led it to establishing a successful company: it was founded in August 1964 as the firm Cafés de Veracruz, a coffee roasting and trading company, and ventured into a product called Café Legal. In 1970 the company introduced Café Oro to the market. In 1982 Sabormex established the first brand of processed beans under the La Sierra brand. In 1995 they launched the first sports drink Enerplex (Sabormex, 2023) on the national market.

Clemente Jacques, a company with a more than 130-year history and a pioneer in canning in Latin America (1887), is registered in its jurisdiction. However, it was acquired by Sabormex in 2002, purchased from Unilever, which produces a similar portfolio of products: ketchup, dressings, vinegar, sauces, chilies, vegetables, fruits, jams, and croutons. Unilever is a company that offers over a thousand brands on the global market. In Mexico, in 1990, it bought the food division of Grupo Visa, which included the brands Walter, Little Red Riding Hood, Mafer, and above all, Clemente Jacques (Expansión, 2011).

Table 3. Lines of Clemente Jacques products

Ketchup	Dressings	Chilies
Catsup Clemente Jacques Catsup Squeeze Catsup con Habanero Catsup con Jalapeño Catsup Clemente Jacques 4 kg. Catsup Clemente Jacques 3 kg.	Aderezo Sabor Italiano Aderezo Sabor César Aderezo Sabor Mil Islas Aderezo Sabor Ranch Aderezo Diosa Verde Aderezo Diosa Azteca Aderezo Gourmet Sabor Casero Aderezo Gourmet Sabor Soya Limón Aderezo Gourmet Sabor Mostaza Miel Aderezo Gourmet Sabor Cilantro Aderezo Gourmet Mango Habanero Aderezo Gourmet Sabor Vinagreta Balsámica	Chiles Molidos: Chiles Chipotles Molidos Chiles Chipotles Dulces Molidos Chiles Habaneros Molidos Chiles Jalapeños Molidos Chiles: Chiles Chipotles Chiles Jalapeños Nachos de Chiles Jalapeños Rajas de Chiles Jalapeños Chiles Chipotles Gourmet Chiles Habaneros Gourmet
Fruit	Jams	Croutons
Coctel de Frutas Piña en Trozos Piña en Rebanadas Piña en Rebanadas (Reducido en azúcar) Duraznos en Trozos Duraznos en Rebanadas Duraznos en Mitades	Mermelada de Fresa Mermelada de Chabacano Mermelada de Zorzamora Mermelada de Frambuesa	Crutones Sabor Queso y Ajo Crutones Sabor Ranch Crutones Sabor Italiano Crutones Sabor César.

Vegetables	Sauces	Vinegar
Chicharos con Zanahoria Elotes Ensalada de Verduras Chicharos	Salsa Parrillera Salsa Casera Salsa Verde Salsa Taquera Salsa Habanero Tatemado. <u>Guacamole sauces:</u> Salsa de guacamole con Chile Habanero Salsa de guacamole con Chile Serrano Salsa de guacamole con Jugo de Limón	Vinagre de Manzana Vinagre Blanco

Source: Authors' own elaboration based on Clemente Jacques (2023)

Nevertheless, that same year Sabormex was acquired by Grupo La Costeña, in such a way that the competitors joined. Hence, the acquisition of Sabormex constituted an important growth strategy; by acquiring a company whose development made it a competitor of Conservas La Costeña, led to eliminating the competition. The variety of La Costeña products grew exponentially since its portfolio increased; the diversification of products and brands covered a greater market demand thanks to this acquisition. Table 4 presents the new products.

Table 4. Sabormex brands and products

La Sierra	Briannas/Home Style Vinaigrettes	Café Legal
Frijoles Mayocoba Refritos Frijoles Negros Refritos Frijoles Bayos con Chipotle Frijoles Refritos Claros Frijoles Bayos sin grasa Frijoles Bayos refritos Frijoles Peruanos Refritos Frijoles Bayos Refritos con Chorizo Frijol Flor de Mayo Enfrijoladas Salsa de Frijol Bayo Frijol Peruano Grano Frijoles Molidos Claros Frijoles Molidos negros Frijoles Ranch Enteros Chilaquiles Rojos Chilaquiles verdes Chicharrón en salsa verde Frijoles Bayo entero Frijoles Negros Entero Frijol Negro Grano Frijol Pinto Grano Frijoles Bayos Refritos con Chipotle Frijoles Negros Refritos Frijoles Charros Marca Mi Reina	Vinagreta de ajo Asiago César Vinagreta Balsámica de Arándanos Vinagreta de Vino Rubor Vinagreta Italiana Vinagreta Francesa Real Vinagreta Estilo Champán Semilla de Amapola de Frambuesa Semilla de Amapola Rica Crema de Cilantro y Lima Balsámico Cremoso Americano Rancho Clásico de Suero de Leche Mostaza de Miel Dijon Queso Azul Cremoso Sugar Free Poppy Seed Sugar Free Blush Wine Vinaigrette Briannas/Crutones Crutones de Parmesano y Finas Hierbas Crutones con Sabor a Miel y Mostaza Crutones de Cebolla Dulce	Café de Grano Café Soluble Descafeinado Café Soluble Mezclado con Caramelo Café Mexicano Café Mexicano Descafeinado Café Mexicano Gourmet Café Internacional Café Internacional Americano Café Internacional Descafeinado Café Oro Café Esférico Café Oro 24 Kilates Café Liofilizado Café Oro Diamante Café Aglomerado Café Oro Regular Café Aglomerado Descafeinado Café Oro Descafeinado Café Soluble 100% Puro Café y Tierra Garat Regulares Descafeinado Espressos Luxury Sabores

Briannas/Marinated vinaigrettes	Briannas/Organic vinaigrettes	Briannas/of avocado oil
Cítricos Mediterráneo Chipotle Ahumado y lima Filete Clásico Ajo Asado y Hierbas Sriracha Miel Jengibre	Vinagreta de Sidra de manzana orgánica Vinagreta de mango ecológico Vinagreta de miel y Jengibre Ecológica Semilla de amapola rica orgánica Vinagreta francesa auténtica orgánica Vinagreta de vino rubor sin azúcar	Cesar de aceite de aguacate Rancho de jardín sin lácteos con aceite de aguacate Vinagreta de hierbas con aceite de aguacate Vinagreta balsámica clásica de aceite de aguacate

Source: Authors' own elaboration based on (Sabormex, 2023)

In 2006 Sabormex bought the extra-fine coffee brand Internacional and in 2009 it incorporated Café Garat into the portfolio and in 2013 Café Mexicano was acquired. In 2020, the company created the Mi Reina brand, which offers products such as tortillas, tortilla chips, and tostadas. In 2017, it made its first international acquisition by buying the North American company Briannas, an expert in gourmet dressings.

In 2012 Conservas La Costeña acquired Fritos Totis botanas (Aguilar, 2023); this Mexican company enjoys the demand for a product whose tradition dates back to the consumption of products derived from corn. It was founded in Tizayuca, Hidalgo in 1987, and among its assets it has three plants (two in Tizayuca, the State of Mexico and one in Comitán, Chiapas). In 2019 the company acquired Galletas Marian and Cacahuates Nipon in order to diversify its portfolio (Rodríguez, 2019).

Subsidiaries

La Costeña products have crossed borders by being exported and by the taste and acceptance of Mexican food. The Conservas La Costeña Group bought Sun Vista in the United States in 2000. In 2000-2001 it opened its first offices in China.

In 2010, it acquired Aconcagua, a fruit company, whose history dates back to 1897, leaders and peers in the production and marketing of canned foods in Chile (Aconcagua Foods, 2023). In 2011 it acquired a plant in Tucson, Arizona. Thus, Arizona Canning is a subsidiary of La Costeña.

La Costeña has been collaborating since 2012 with the company Reckitt Benckiser as a complementary business for its line of products with its French's seasonings and Frank's sauces. The products that were added are the sauces: Frank's RedHot Xtra Hot, Frank's RedHot Sweet Chili, Franks's RedHot Slammin Sriracha and French's BBQ Clásica and BBQ Chipotle (Castillejos, 2016).

In 2014, it acquired the Minnesota-based grocery and canned vegetable company Faribault Foods, at the time with about 750 employees in its plants located in Cokato and Elk River. It joined the chain of packers and distributors in order to continue growing and expanding its products, including its presence in the bean market on the territory of North American (El Minnesota de Hoy, 2014).

Australia was coordinated from China, which is why in 2015 they opened offices in that country to also serve the New Zealand market. In 2016, the new market

expansion was the United Arab Emirates and for this reason the company opened an office in Dubai (Sanchez, 2016). That same year, the first office in Europe was set up in Barcelona, Spain to cover the European market, although the pioneers in that market were companies from the southern United States with Tex-Mex (Lucena, 2016). In 2017 it entered Asian markets such as China and Japan and Indonesia. Depending on the size of the market, they choose how to operate; the company does not open offices in all countries, for example, in Israel and Italy they have a distributor (Hernández, 2023).

In 2017, it acquired the United States canned food company Del Sol Food, purchased through its subsidiary Sabormex and with it its brand of Briannas Fine Salad Dressings. With this acquisition, it entered the market for gourmet products in that country, whose portfolio includes SW Beans and Luck's beans, SunVista canned legumes and vegetables, and Kerns nectars and juices (Expansión, 2017). It has a production center in Brenham Texas, and with this it increased its portfolio where the canning companies Faribault Foods, Arizona Canning Company and the distributor Vilore Foods are registered (Quiminet, 2017).

In 2018, 85% of La Costeña's sales still came from Mexico, and the other 15%, from exports (Expansión, 2018). In 2019, among the 100 global Mexican companies identified by Expansión as multinationals that focused on new markets, Conservas La Costeña, positioned in three countries, achieved 14.9% of its sales (Expansión, 2020). In 2020, in the face of the pandemic, companies that did not depend on a single market cushioned the low sales abroad faced by the 100 global Mexican companies; their revenues fell by 1% compared to the 13.7% drop suffered in the national market. Conservas La Costeña achieved 25% of its income abroad (Lara et al., 2021).

In 2023, upon celebrating the 100th year of its foundation, Conservas La Costeña reports that 25% of its production is consigned to the export market, 18% is reserved for the US market and 7% is destined for the rest of the world. In total, its products are sold in 77 countries, but it affirms that the origin and base of the company is Mexico (Sandoval, 2023).

Financing

Since the 1970s, many industrial economic groups have been interested in belonging to the Mexican Stock Exchange (BMV) in search of economic resources that would allow them to grow, including Alfa, Cifra, Visa, Vitro, Desc, Aurrera (Salas, 1992). However, from the beginning, Conservas La Costeña opted for its own resources, especially since in 1980 the State stopped prioritizing its support for agriculture, an activity strongly linked to the food industry. In the canning sector, its counterpart, the Herdez Group, did not escape this reality. In 1990, the Herdez Group entered the BMV. La Costeña does not have bank debts, but they do not rule out corporate governance in the future (Sánchez, 2016).

The company plans to build a new plant in 2024 with a large investment to strengthen and diversify the company on land near the Ecatepec plant. It also plans to enter the Qatar market and two or three other countries in South America.

Business and entrepreneurs are two sides of the same coin. *Expansión* magazine compiled a ranking of the 100 most important businessmen in Mexico. To prepare the list, the magazine made an estimate based on the shareholding (40%), sales (35%), profits (10%), employees (10%) and participation in the Mexican Stock Exchange (5%). Vicente López Rodea, president of the Board of Directors of Conservas La Costeña and Sabormex, is considered in the list, who went through a 6-level variation from position 88 in 2020 to 82 in 2021. The importance of this ranking shows the accumulated wealth of businessmen despite the upcoming pandemic; together they add up to 220,000 million dollars and are 44% above 2020 (*Expansión*, 2021).

Figure 1 presents the sales revenue of Conservas La Costeña in the period from 2010 to 2020, which shows a general growing behavior, with a growth of 135.22% in 10 years and with an average annual growth of 8.97%. The following statistics stand out: the highest level of annual growth was observed in 2016, where it was at 12.5%, while for 2018 the lowest was only 2.61%.

Despite the general upward trend of sales, two major moments were observed in the period: 1) from 2016 to 2018, contraction in the annual growth variation derived from increased competition and decreased demand; and 2) from 2018 to 2020, recovery, going from 2.61% to 11.42% as a result of the group's entry into new regional markets: the United Arab Emirates, China, Japan and Indonesia in Asia and Spain in Europe.

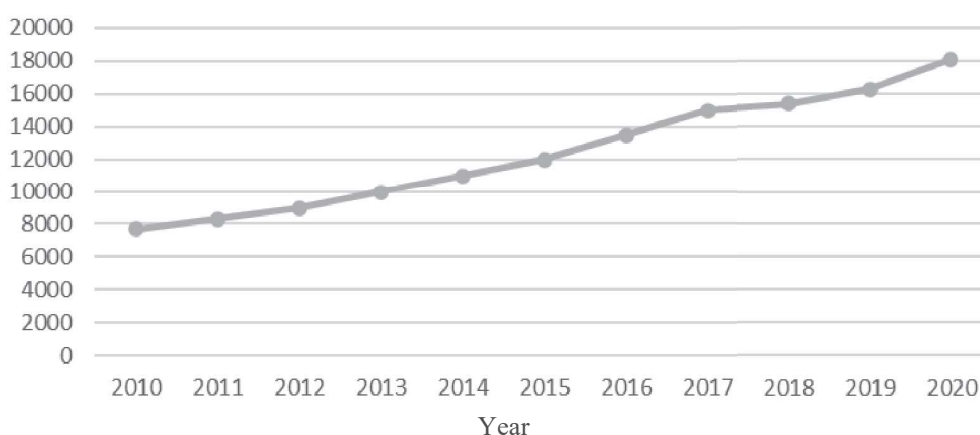


Figure 1. Sales of La Costeña in 2010-2020 (millions of pesos)

Source: Authors' own elaboration based on annual reports of *Expansión* magazine

In 2020, the introduction of the standard for labeling with icons warning of high levels of sodium, fat, sugar and others, coincided with the peak production season and the COVID-19 outbreak and challenges faced by the company to adjust to these changes. Further complications are a consequence of the war between Russia and Ukraine that raised the prices of raw materials such as packaging; steel that rose more than 100%, and farm inputs such as jalapeño peppers that became 30 to 35% more expensive, causing inflationary pressures (Pérez, 2022).

The growth in sales of Conservas La Costeña has doubled in the study period, with new investments in plants, acquisitions of Mexican and foreign companies, warehouses and implemented technological innovations, which have allowed the group to improve the quality of its containers and canned goods as well as introduce new product lines and brands for their consumers.

Conclusions

La Costeña is an economic group that has been a leader in the food and beverage industry and has existed in the market for 100 years. Its consolidation is the result of the execution of growth and expansion strategies that have allowed it to stand out in a competitive environment.

It has transformed its production line to diversify in response to the demands of the food market in such a way that it ensures its presence in the industry by manufacturing products to the taste of consumers in its country of origin and adapting its products to the tastes of international consumer brands.

Its long journey to consolidate its presence in the market has required the establishment of alliances and acquisitions with its main competitor companies, which allowed it to ensure technological innovation in its production plants and distribution centers in addition to the diversification of products through expansion of the offer.

In its search to achieve its presence in new markets, it acquired canning companies in the United States, China, Chile, Australia, New Zealand, the United Arab Emirates, Spain, Japan and Indonesia, Israel and Italy, and intends to reach the South American market. Despite allocating a quarter of its production abroad, its highest proportion of sales revenue comes from its presence in the Mexican market.

Derived from the constant growth in its sales revenue, the Group has not required financing strategies via debt or capital, through the financial market, but only from the reinvestment of profits and capital contributions to the company's equity.

Recommendations

In the characterization of the development of capitalism in Mexico, the study of economic history is required to identify the behavior of economic groups as a superior category of large companies, to identify their evolution, based on the execution of differentiated strategies according to the economic sector in which they are located and in accordance with the national economic situation. The analysis of the La Costeña Group allows a deductive and critical review of the behavior of the said economic sector by focusing on the approach of the growth strategies of an industrial group.

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STRATEGIE ROZWOJU GRUPY GOSPODARCZEJ: CONSERVAS LA COSTEÑA

Streszczenie: W Meksyku, w sektorze żywności i napojów, działalność różnych grup gospodarczych lub dużych firm nie unika oligopolistycznej rzeczywistości. Niniejszy artykuł ukazuje przypadek grupy gospodarczej lub dużej firmy Conservas la Costeña ze 100-letnią historią. Celem badania była analiza strategii wzrostu stosowanych przez grupę La Costeña w celu konsolidacji w branży spożywczej. Metodologia ma charakter opisowy, historyczny i analityczny. Informacje zostały zebrane ze źródeł wtórnych, z uwzględnieniem przeglądu zarówno bazy danych magazynów „Mundo Ejecutivo” i „Expansión”, jak i strony internetowej firmy. Wyniki wskazują, że strategiami zastosowanymi do rozwoju biznesu były samofinansowanie, ekspansja geograficzna, dywersyfikacja produktów i marek, przejęcia, aliance i innowacje technologiczne w zakładach i centrach dystrybucyjnych, które doprowadziły do powstania grupy ekonomicznej w branży konserw i przetworów, tak aby skutecznie pozycjonować się na rynku krajowym i uczestniczyć w rynku międzynarodowym w dobie globalizacji.

Słowa kluczowe: rozwój biznesu, grupy ekonomiczne, strategie

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