



VIGILADA MINEDUCACIÓN

**Positioning of the Vertigo brand with its line of cycling clothes in the Northern Triangle market (El Salvador, Guatemala and Honduras)**

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## **Summary**

The objective of this project is to achieve the internationalization and positioning of the cycling clothing brand Vértigo Fitness in the Northern Triangle formed by El Salvador, Guatemala and Honduras. An exploratory-descriptive methodology with a qualitative approach was approached. In order to achieve a good positioning with this product, as is the case with cycling apparel, market studies were used in the countries of the Northern Triangle to see the feasibility of the project. The results allowed us to understand the economic integration of the three countries, their economy, political, social and cultural environment and the commercial relations that the countries of the Northern Triangle have with Colombia, Mexico, Panama and the United States. A marketing plan was designed for the commercialization of Vertigo's cycling clothing line in the Northern Triangle and strategies were developed for the positioning of Vertigo's cycling clothing line in the Northern Triangle based on macro strategies such as the development of new lines and designs of the clothing, maintaining the best value - money relationship, diversification towards new virtual communication and distribution channels, the orientation of the communication strategy towards brand recall and the provision of a true culture of service and customer care. It was concluded that the company Vertigo with its brand of cycling clothes has the opportunity to enter the market of the Northern Triangle.

**Keywords.** Exports, Market Research, Northern Triangle, Brand

## **Abstract**

The objective of this project is to achieve the internationalization and positioning of the Vertigo Fitness cycling clothing brand in the Northern Triangle made up of El Salvador, Guatemala and Honduras. exploratory-descriptive methodology was approached with a qualitative approach. In order to achieve a good position with this product, such as cycling clothing, market studies were used in the Northern Triangle countries to see the feasibility of the project. The results allowed us to understand the economic integration of the three countries, their economy, political, social and cultural environment and the commercial relations that the countries of the Northern Triangle have with Colombia, Mexico, Panama and the United States. A marketing plan was designed for the commercialization of the Vertigo brand cycling clothing line in the Northern Triangle and strategies were developed for the vertigo brand positioning with its cycling clothing line in the Northern Triangle based on macro strategies such as the development of new lines and designs of the garments, maintenance of the best value-for-money ratio, diversification towards new virtual communication and distribution channels, the orientation of the communication strategy towards brand recognition and the endowment of the company with a true culture of service and customer care. It was concluded that the Vertigo company with its cycling clothing brand has the opportunity to enter the Northern Triangle market.

**Keywords.** Exports, market study, Northern Triangle, brand

## **Introduction**

People who practice the sport of cycling want to have clothes with special characteristics for that activity, either for their inputs, fabrics, sizes or designs. In addition, the sportswear market, especially cycling, is currently booming, due to the fitness fashion and influences on cycling by professional cyclists, since it is a sport that has been growing and is in trend nationally and internationally.

This allows to generate an idea that there is an opportunity of internationalization and positioning for the brand VÉRTIGO in its line of cycling in countries like El Salvador, Guatemala and Honduras. The purchase of this type of clothing is attracted by the culture of cycling; consequently this, the textile sector is in continuous growth and will continue to be so in the coming years, especially because of the awareness of the importance of doing sport that exists in the world, physical activities are becoming a vital issue for people of all ages either for entertainment, professionalism or health, in addition to sport allows socializing and creating new links with other people.

Consequently, this work aims to investigate the possibility of positioning the Vertigo brand with its line of cycling clothing in the Northern Triangle market. In order to achieve this objective, firstly, it seeks to analyze the Northern Triangle market from a socioeconomic, cultural, political, legal and commercial point of view; secondly, to design a marketing plan for the commercialization of Vertigo's cycling clothing line in the Northern Triangle; and thirdly, to develop strategies for the positioning of Vertigo's brand with its cycling clothing line in the Northern Triangle, based on the use of technologies.



## **1. Formulation of the project**

### **1.1. State of the Art**

Several authors have been investigating the international market and all the events that have revolved around it over time. Martínez and Cordero (2009) carried out a study on "Central American economic integration and its perspectives in the face of the international crisis" (p.2), which aimed at analyzing the most significant links between the subregion and the international economy. This study analyzes the situation and future of free zones, including the dilemma of incentives for FDI, trade negotiations with third countries, and the effects of the food price crisis and the financial crisis. It also addresses some of the main challenges of the Central American integration process, which could outline a future subregional work agenda.

It could be concluded that the Central American integration process has faced several deep crises since its inception in the 1950s. After the oil crisis, the tensions of the cold war were reflected in all the armed conflicts in the Central American context, as a result of this, there was a reduction in internal trade, although the integration project remained fixed. The current economic crisis differs from previous ones in that it originated outside the sub-region and has particularly affected trade with the United States and foreign direct investment (FDI) flows. (Martinez & Cordero, 2009)

On the other hand, Guerra, (1999), contributes with his study on "Central American Integration on the Threshold of the Century" (p.136). the main objective of this and research is to present the state of the Central American economic integration process. The results show that the economic and political crisis of the 1980s, which began with the various civil wars, had a negative impact on the Central American economy, hitting the market which contributed extensively to save the Common Market and to keep companies operating (Guerra, 1999)

Another research conducted by Soto (2001), on the "Development, progress and limitations of the CA-4 in the Central American Integration Process". The workshop, held with the aim of "describing the characteristics that the integration process has assumed, the main concepts

that make it up, the different experiences that are known, as well as deepening the integration experience of the Central American area" (p.6), provided knowledge about trade, trade barriers and economic integration. The latter has meant a long and tortuous road that has no immediate prospect of consolidation because the countries of the Central American area do not consider it a priority. It was concluded that, at first, international trade in Central America was regulated by criteria that would allow each country to orient itself, since the State, when legislating on the matter, has to take into account the effects that its activities can have on the economy of other countries, the possibility of retaliation by those countries, and even the possibility of a tariff war. However, in the 20th century, mainly after the First World War, tariffs are higher, and in many countries, they were subject to sudden variations. Some nations prohibited the import of certain products by listing the goods that required permits (Soto, 2001)

Jaramillo and Herrera (2012), on the other hand, are carrying out research on the "export possibilities to Guatemala for clothing SMEs in the Aburrá Valley" (p.1). This study sought to describe the opportunity for well as international trade, the textile industry in this country and the clothing industry; in addition to the trends and behaviors of consumption in this consumer country. The results showed that Guatemala is a country of choice for exports from Colombia, where the apparel and textile market has been managed more domestically due to the lack of strategies for entering international markets. It was concluded that Guatemala has open its doors for exports from the textile sector of the city of Medellin, giving the opportunity to enter these goods, in fact, Guatemala currently has excellent trade relations with Colombia (Jaramillo & Herrera, 2012)

Likewise, the textile activity has been a strong recipient of local and foreign investment, this investment not only includes the formation of producing and related companies, but also the creation of modern industrial parks. Among the main causes of the boom in the textile sector in Central America, for them Colombia is a country that is emerging strongly in the international trade of textiles and clothing. With a favorable geographical position with respect to its destination markets and a relatively low cost, but highly trained labor force, the country is developing a strong industrial base to compete with differentiated products. 500 thousand employees depend directly on this sector, a large percentage of them women,

concentrating activities mainly in Bogotá and Medellín. This number of jobs represents approximately 13% of total employment in manufacturing (Condo, Zúñiga, & Figueroa, 2003)

In addition, the market profile of each of the countries of the Northern Triangle based on certain criteria, with the objective that Colombian businessmen have access to a basic guide to export to these countries that will allow them to investigate the opportunities that exist for Colombia in these markets that are not very explored and thus support foreign trade activities and investment, industrial sector: The main industries are food processing, vehicle assembly, electrical appliances, paints, pharmaceuticals, alcoholic and non-alcoholic beverages, publishing and textiles, the latter becoming a direct competition for the company Vertigo that wants to enter the market of these countries. However, manufacturing and construction are consolidated as the two most important branches, since both make up one fifth of the GDP (Riaño, Reyes, & Gaona, 2014)

## **1.2. Problem Statement**

Vertigo cycling apparel brand, does not have any distribution channel in the Northern Triangle countries, to meet the need of these markets is necessary to carry out a research from a market study to determine the feasibility for the marketing of products related to cycling clothing and achieve that the brand is recognized in that market. The problem identified is that the company Vertigo has not entered international markets and the Northern Triangle becomes an opportunity thanks to the integration and collective bargaining initiatives offered by the countries that make up the triangle (Guatemala, El Salvador and Honduras) and their relations with Colombia through the Free Trade Agreement they have developed together.

Entering the Northern Triangle generates great advantages for Vertigo, in the first place, because thanks to the relations with Colombia, it allows having permanent and preferential access to the markets due to its condition of highly importing economies; and, in the second place, because of the tariff relief and benefits.

Given these events to have a better visualization of the topic to be developed on the feasibility to export of cycling clothes to the countries of the Northern Triangle, it is generated the need to analyze the different alternatives that have so that the cycling products are well seen in the countries of El Salvador, Guatemala and Honduras in order to have a good reception and thus to know all the aspects and regulations that are required so that this product is well positioned in the Northern Triangle.

Cycling for the countries of the Northern Triangle has great relevance, throughout history cycling in Honduras, Guatemala and El Salvador has become a national event. At present, cycling is part of the continental circuits created by the International Cycling Union (ICU), hence, this sport is considered the most important and largest cycling competition in Central America. (Ocaña, 2020)

In El Salvador, cycling is characterized by three groups: high-performance cycling, recreational cycling and a group made up of high-performance cyclists who participate in activities linked to urban cycling. In Honduras, mountain biking is an activity that consists of riding over difficult terrain that is full of obstacles. For this purpose, bicycles with special tires and different gears from smooth to strong are used. This sport and recreational activity requires a good physical condition, since it not only involves pedaling in steep terrain, but also must load the bike in totally impassable places. (Aquino, 2016)

However, to be able to practice this sport you don't need classes or instructors, you just need to know how to ride a bike, have the proper equipment and the courage to do this activity. In Honduras it is very common to practice this sport, often it is practiced within the limits of protected areas where participants can enjoy the contact with nature, such as La Tigra National Park, Cusuco National Park, Cerro Azul National Park, and near Punta Sal National Park. (Honduras, 2020)

In Guatemala, cycling was born in 1957 as an economical and practical means of transportation for short distances. The first bicycles had wooden wheels. With the appearance of the tire around the year 1890, cycling began a revolution in Europe, as it was used for the day-to-day running of the country, and thus began its career in the area of competition. Cycling is more than a sport, it is a social benefactor, after the knowledge and practice of

cycling was expanded, this sport was introduced in the Olympic Games in 1896 (Castañeda, 2016)

Having said that, the term bicycle was introduced until the 1860s when it was acquired in France to describe a new type of two-wheeled transport with a mechanical drive. Since then it has been used in French and English to describe a two-wheeled vehicle. When in 1791 a French nobleman, De Sivrac, built a two-wheeled vehicle, he probably had only one ambition, that of giving the elegant Paris of the time one more reason to have fun (Castañeda, 2016)

Nowadays there are several kinds of cycling such as urban cycling, sport cycling and recreational cycling. About urban cycling, Algarra and Gorrotxategi (1996), state that from a bicycle the world has another sense, the practice of the bicycle is above and beyond all perception, contrast and permanent information, pleasant or not, of the own corporal world and of the geography that in every instant we cross. It is ideal for lovers of walking, those who seek to meet themselves from the physical effort, for those who from the loneliness or the company try to make leisure a process located in the pleasure

Sports cycling involves the movement of all muscles, giving rise to a very broad thoracic capacity, which requires not only physical training, but also learning to have a joint breathing with the movements that are made.

Cycling as a sport began in 1870 when the first cycling society was founded in Italy, but at the same time it was founded in London, the United States, Germany and France. The first race in the history of cycling was held in Italy where the cities of Florence and Pistoia were joined. When the road races started, the history of cycling was born, since from this the Tour de France was formed in 1903, the Giro d'Italia in 1909 and the Vuelta de España in 1935 (Algarra, 1996)

Finally, there is recreational cycling: This group gives life to what sociologists call "silent cycling", as it is fed by a multitude of citizens who, from different prisms and in anonymity, enjoy the simple use of the bicycle. They do not seek results or social or sporting recognition and they practice it for the mere pleasure of using the bicycle. The age of the practitioners in this way, extends from the child who uses the tricycle as a game, to the old man who in his

third age makes the bicycle one of the motivations of personal realization (Rios, 2015)

As a conclusion of the state of the art, some conclusions were reached through the investigations made, in the countries of the Northern Triangle like El Salvador, Guatemala and Honduras are very active in the sport of cycling, they have a good trajectory in this sport that is very positive for the development of the project, since the product to export and commercialize is the cycling clothes in these countries.

### **1.3. Objectives**

#### **1.3.1. General objective**

Analyze the possibility of positioning the Vertigo brand with its cycling clothing line in the Northern Triangle market

#### **1.3.2. Specific Objectives**

- Analyze the Northern Triangle market from a socio-economic, cultural, political, legal and commercial point of view
- Design a marketing plan for the marketing of the Vertigo brand cycling clothing line in the Northern Triangle.
- Develop strategies for the positioning of vertigo brand with its line of cycling clothes in the Northern Triangle, from the use of technologies.

#### **1.4. Justification**

This research is focused on studying the cycling clothing market in the Northern Triangle countries, because Vertigo brand is looking for new opportunities in international markets the research allows us to know if it is feasible to export Vertigo brand cycling clothes to El Salvador, Guatemala and Honduras, because it is important to internationalize and position the brand in a new market, to increase the production and sales of Vertigo brand.

In this way, with the current fitness trend towards sport, every kind of person countries of the Northern Triangle and thus expand the brand Vertigo internationally, Thus, by exporting the brand of cycling clothes Vertigo to the countries of El Salvador, Guatemala and Honduras to cause a positive impact, since the brand will be recognized in an international market opening gaps to potential future business this will be reflected later in the income that will obtain the brand of cycling clothes Vertigo.

Market research allows us to clarify the decision-making processes in order to reduce uncertainty and risk in the investments that entrepreneurs wish to make when entering a certain market. The objective is to achieve greater knowledge about the tastes and preferences of consumers and thus achieve greater profitability. Several authors have defined market research as that which links the organization to its market environment, the effective approach to the development and provision of information for decision making, and the planning, collection and analysis of marketing information. (Jimenez, 2013)

Market research is beneficial for the incursion of a product or brand in new markets, however, the decision involves multiple aspects such as the comparison between costs and benefits, the resources available to perform it, the attitude of the company's managers to carry out. This practice connects the consumer with the company by obtaining information that allows to define opportunities, identify marketing problems, evaluate and improve marketing strategies (Mendoza, 2018)

This research is relevant at a personal and professional level insofar as it allows the implementation of the knowledge acquired throughout the professional career and the acquisition of new knowledge that contributes to the optimization of the marketing strategies of the companies for which one becomes part in the near future.

## 1.5. Theoretical Framework

Initially traditional trade theory, which includes models that explain the causes of trade based on differences between countries (Blanco, 2011). Below, the various theories are presented as formulated by the authors from an argumentative perspective, respecting the criteria and postulates according to each of the thinkers.

Adam Smith's theory of absolute advantage, compared to David Ricardo's comparative advantage, states that international trade could be beneficial for countries that trade. The first theoretical developments on international trade are given by these two thinkers: Adam Smith with the so-called absolute advantage and David Ricardo, with the comparative advantage (Ibarra, 2010)

Adam Smith and David Ricardo, investigated the causes of international trade trying to demonstrate the benefits of free trade. Smith argued that free trade was important and stated that each country should specialize in producing the goods in which it had an absolute advantage and import those goods in which it felt disadvantaged or could not produce efficiently, which could lead to efficient production worldwide. If, on the contrary, a country does not have an absolute advantage and has to rely on the theory of comparative advantage where it is established that there is a difference and if the country is at an absolute disadvantage in the production of the goods with respect to another country, if the costs are different, the exchange is possible and mutually beneficial (González, 2014)

With respect to the traditional theories of international trade, these depart from the fact that foreign trade is caused by or the differences existing between countries; one of them is the already mentioned absolute advantage of Adam Smith, which is characterized by the little regulation of trade, but contributes in the measure that each country can specialize in the production over which it has absolute advantage. Another traditional theory is that based on David Ricardo's comparative advantage, which is based on relative costs and that exchange is possible as long as it is beneficial to both parties.

On the other hand, the Heckscher Model as a traditional theory speaks of countries being able



to specialize in the export of goods whose production is intensive or abundant

(Velilla, 2018) To explain the cause of international trade, Heckscher stated that one of the fundamental requirements for starting international trade was to have different relative scarcity, that is, that there were different relative prices of the factors of production in each of the countries he traded, they took two countries, two models and two products.

On the other hand, there are the new theories based on the economy supported by imperfect competition such as the theory of the Opportunity Cost, by G. Haberler, the model of Monopolistic Competition, by Paul Krugman and the economies of scale that according to Rivera international trade usually occurs thanks to the increasing returns to scale and imperfect competition. Economies of scale create an incentive for international trade because if a company's factors of production are doubled, its products will also double.

Krugman built his theory on the premise of scale economy, which consisted of the precepts that the greater the volume of production, the lower the costs, which contributed to facilitating the supply of products and with this, the benefit to consumers. This action led to the theory of the new geography, which was based on other words, the new economic geography refers to the explanation of geographic proximity to a market that allows for the reduction of transportation costs, the advantages of having an adequate infrastructure, the adoption of an entrepreneurial culture, communication, new technologies, and geographic proximity between suppliers and producers (Andrade, 2018)

International markets are competitive not only because of the availability of basic factors of production, but also because of the adaptation to the constituent elements of these factors such as labor, capital and the relevant training, specialization and assimilation of new technologies for the management and handling of all macroeconomic factors that interfere (Rodriguez, 2012)

### **1.5.1 Economic Integration**

The economic integration is a phenomenon that dates from the 18th century and after the French Revolution where the barriers of the different regional markets in the European

countries like Great Britain, France were eliminated; which prevented free movement of goods and labor. The concept of economic integration emerged around 1939 when the different nations integrated their economies into the world economy, reducing rights of way and other feudal obstacles to international trade.

The integration of diverse economies arises from the need of countries to group together, to organize themselves at the economic and commercial level in such a way that through joint cooperation they will achieve benefits from commercial exchanges and greater prosperity for their economies. With the passage of time (50's and 60's) as the former colonies gained their independence, they found in such economic integration the way to boost their economies from policies oriented towards the interior of each country. Later, in the 80`s integration was reaffirmed and became more important with the creation of new areas of economic integration and the strengthening of the existing ones. (Balassa, 1994)

Within the forms of economic integration, the following can be highlighted: the Free Trade Area, Customs Union, Common Market, Economic Union and Complete Economic Integration. The free trade area refers to the simplest form of integration where tariff and non-tariff barriers to the commercialization of goods between the participating countries are completely eliminated without altering in any way the commercial independence of each of the countries that make up its contribution.

With regard to the Customs Union, this refers to a free trade area where participating countries adopt the common external tariff against third countries, that is, imports from countries that do not belong to the integration have a common external tariff in the form of a tariff, as in the case of the European Community, the Economic Community of West Africa, and the Customs Union of Turkey and the European Union. On the other hand, the common market refers to the customs union that facilitates the free movement of member countries in terms of labor, capital and the same companies as in the case of the European Union, MERCOSUR, Andean Pact and CARICOM, among others. And, the Economic Union is related to the common market where various macroeconomic policies are harmonized. (Balassa, 1994) .

### **1.5.2 The economic integration of the northern triangle (Central American Integration System)**

Mainly Central American integration, arises with the signing of the General Treaty of Central American Economic Integration on December 13, 1960. In this treaty the three countries (Guatemala, El Salvador, Honduras), reach an agreement to establish a common market, with the aim of unifying the economies to promote the development of the countries the living conditions of the population of each of these. As part of this agreement, they formed a free trade zone, adopting common tariffs and establishing a customs union within their territories. (Ministerio de Comercio , 2018)

The free trade regime was then established between the three countries for the respective products of each territory, although some exceptions were also created with some exceptions. The Treaty covered that all originating products were exempt from the payment of Import and Export Duties (IAD) and other taxes related to the import or export of each of these.

The General Treaty of Central American Economic Integration entered into force:

- June 4, 1961 for Guatemala, El Salvador and Nicaragua;
- April 27, 1962 for Honduras

With the purpose of achieving a better economic, social and sustainable development for the countries of Central America, processes of modernization and transformation of their productive structures have been implemented at a social and technological level, in such a way that the competitiveness and better dynamics of Central America in the global economy are achieved. From there, the countries in Central America decided to sign the Protocol to the General Treaty of Central American Economic Integration (Protocol of Guatemala), on October 29, 1993. This protocol unites countries such as Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica for the achievement of Central American Economic Union.

This regional economic integration of the Central American countries contributes to the maximization of the economic development options of these countries, making economic policies more flexible, enabling extra-regional trade negotiations, improving the infrastructure and services of each country and thus achieving the stages of integration under the principles of flexibility, transparency, solidarity, globality, and territoriality. (Ministerio de Comercio , 2018)

### **1.5.3 Conceptual Framework**

**Free Trade Agreement.** In the Free Trade Agreement between the Republic of Colombia and the Republics of El Salvador, Guatemala and Honduras. The active participation of international trade then enters a competition where the actors of the different countries are constantly struggling to enter or maintain a good position in the international market, which implies not only committing to their own organization to provide efficient and good quality services internationally, but they must also have the capacity to deal with factors such as innovation, demand, be willing to pay financial interest rates, pay production and service costs, learn about different cultures and areas, respect agreements that include restrictions on trade and other circumstances that imply an additional effort, but in the end lead to fair and undistorted competition. Because of this, it can be expressed that competitiveness is represented in an economy that tends to produce high levels of income for the citizens of different countries, and that in turn that country can grow more rapidly in the medium and long term. (Ariza & Perez Velasco, 2013)

In the world economy important phenomena are appearing that look for the extension of the markets, taking to that the governments of the countries realise agreements with their homologous ones so that they do not see excluded from the world-wide economic union; for this reason, the Colombian government has realised agreements of Free Commerce with different countries, like: TLC United States, European Union, Canada, EFTA and Korea; also with the Indian Community, regional integration Colombia Chile, Colombia Mexico, Agreement of Economic Complementation No. 59 Colombia CAN-MERCOSUR, Free Trade Agreement with Northern Triangle, Free Trade Agreement with Panama, Economic

Complementation Agreement with Cuba, Free Trade Agreement with Costa Rica, Partial Scope Agreement with CARICOM, Free Trade Agreement with United States, Free Trade Agreement with Canada, Free Trade Agreement with EFTA, Free Trade Agreement with European Union, Free Trade Agreement with South Korea, Free Trade Agreement with Dominican Republic, COLOMBIA - TURKEY FTA, Deep Integration Agreement, Latin American Pacific Alliance. Each of the trade agreements or free trade agreements between the different countries and Colombia are classified by the main products imported and exported according to the production and demand of each of the countries (Ariza & Perez Velasco, 2013)

In relation to the Northern Triangle Free Trade Agreement with Colombia, these relations began with the signing of the agreement on August 9, 2007 in Medellin Colombia, ratified by the Colombian Congress in 2008. The purpose was to promote mutual investments between the four countries to achieve better economic development for each country and to achieve benefits for the population. The negotiation of the FTA between these countries included issues related to access to goods, investment, cross-border trade in services, public procurement, sanitary and phytosanitary measures, among others (Colombia, 2018)

**Latin American Integration Association (ALADI)** This association is an intergovernmental body in charge of promoting the expansion of economic integration in the region in order to ensure better economic and social development. ALADI was created around 1980 with the signing of the Montevideo Treaty establishing the Latin American Free Trade Association (LAFTA), where the commercialization of the countries was mainly with the United States and Europe. After the Second World War, changes were made that were beneficial to the economies of Latin American countries, since the countries that were devastated were demanding primary goods from Latin America (meat, sugar, cocoa). Later, in the post-war period, European countries began to reorganize their economies and promote industrial and agricultural recovery, which had a negative impact on Latin American countries. (ALADI, 2019).

As a result, after seeking corrective measures and driven by the need to create alternative employment and socioeconomic development, Latin American governments initiated industrialization plans for the supply of both consumer and capital goods. These plans forced small markets to expand in such a way that mass production would lower costs and increase yields and thus have better possibilities for competition. This is how ALADI is present, representing 520 million inhabitants for the year 2010, integrating 11 countries who were the founders, among this were; Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela, Cuba and Panama. (ALADI, 2019).

## **1.6 Methodological model**

### **1.6.1 Research Method**

The methodology proposed for this work is framed in the type of exploratory - descriptive study. According to Hernández, Fernández and Baptista (2010), this type of study "allows for the collection of information independently or jointly and details the events of the particular phenomenon" (p. 86); in this way, to get to know the events and practices that allow for the analysis of the feasibility of exporting the brand of cycling clothes Vertigo for amateurs and professionals to the Northern Triangle (El Salvador, Guatemala and Honduras)

### **1.6.2 Research methodology**

The research is approached under a qualitative approach. This approach seeks to conceptualize social reality based on behavior, attitudes, knowledge and values shared by individuals in a given context or time space. In other words, the qualitative approach is based on an exploratory study - interpretative, inductive, always trying to understand the axes that guide behavior and the nature of textual and detailed information (Hernández, Méndez., & Cuevas, 2017).

Within the techniques of information collection, documentary and literature review is addressed. The information collection was based on the investigation through several secondary sources (articles from scientific and indexed magazines), taking into account databases such as: Google Académico, Ideas Repec, Scielo and Redalyc. Information about the Northern Triangle is also obtained from pages such as: Mincommerce, World Bank, Macro Data among other reliable pages in order to maintain the credibility of the research.

## **1.7. Scope and boundaries**

### **1.7.1 Scope**

This study will explore the markets of the Northern Triangle countries such as El Salvador, Guatemala and Honduras for the commercialization of cycling clothes for men and women. This product will be brought from Medellin - Colombia. If in a period of time of one year Vertigo is doing well with the sales of cycling clothes, the sale will continue.

### **1.7.2 Delimitations**

This work aims to analyze the possibility of positioning the brand Vertigo with its line of cycling clothes in the Northern Triangle market. It is carried out in a period of 10 months starting in February and ending in December 2020

## **2. Research development**

To carry out the development of the research, we proceed to the search for information that allows us to respond to the specific objectives set, using techniques such as documentary review and content analysis to obtain the data.



## **2.1 Analysis of the Northern Triangle market from a socio-economic, cultural, political, legal and commercial point of view**

In order to carry out the analysis of the Northern Triangle market from a socio-economic, cultural, political, legal and commercial point of view, it is important to approach international marketing to understand the elements, and processes to be followed at the time when the organization wishes to enter into competition in these. Thus, as international marketing is conditioned by a number of components that are influenced by various political, economic, demographic, legal, cultural, among others that can not be controlled, which, on the contrary, must be taken into account, to know how to address the various markets, know the market and consumer behavior and thus the company can make the marketing decision that will (Cengage, 2013)

Within international marketing, knowing the socioeconomic environment is fundamental, since it allows you to have a clear idea of the exchange rate, inflation, interest rates, among others, as well as the demographic environment, knowing the population, size, distribution, ages, occupation, education, among others, as well as the political factors of each country. In general, if the company that wishes to compete in international markets knows the different factors and at the same time the threats and opportunities it will face, then it can apply adequate marketing strategies according to the international environment and successfully achieve its objectives.

On the other hand, it is of utmost importance to know about the cultural environment of each country since culture is the identity and codes of conduct that a person has and makes these people the manifestation of a way of life; an example of this is music, the decorations they use, the hours they eat, among others; on the other hand, there is the diversity of religions, language, non-verbal language, values and attitudes, in general, manners and customs; which makes it a very big challenge for marketers.

The international marketing as important as the cultural environment, is the political and legal environment, where managers must be at the forefront in these aspects, the managers of organizations seeking to enter international markets can not ignore the laws and regulations that have each country, the organization can be affected by the legal system and

government policies, therefore can influence the company's opportunities in the international market (Cengage, 2013)

Marketing managers must know the regulatory measures to address international marketing transactions ranging from import and export controls, embargoes, sanctions, regulation of international business conduct, political risks of each nation, to price controls and tax rates, i.e. taxes payable in each country.

The understanding of customs and culture in general is fundamental to carry out effective negotiations in different countries, it is not only thinking about the good or service that the company offers, but in the international environment in which it is intended to incur. The way of negotiating and the acceptance of goods and services vary according to the customs and culture of each country; therefore, the marketing manager must manage strategies that allow him/her to reach each country without invading its culture, but also seeking to open cultural gaps to innovate and face and adapt the changes brought by globalization (Giraldo, 2020)

The international marketing environment is complex but it offers many opportunities to companies that wish to internationalize, only that it is the manager's job to anticipate the risks that the organization may be exposed to at the cultural, legal and political level of each country; but always working according to the policies and rules of each country, obtaining permanence in time and avoiding sanctions that distort the free flow of trade in goods and services between different countries (Giraldo, 2020).

Consequently, with the above, a comparative analysis of the Northern Triangle market is carried out from a socio-economic, cultural, political, legal and commercial point of view; these variables are chosen with the aim of knowing about the different environments in which each country operates.

The Northern Triangle is made up of three Central American countries: El Salvador, Guatemala and Honduras, which began negotiations with the signing of the Free Trade Agreement in 2006. The following is a description of the characteristics of the northern market.

Guatemala has a population of 14.9 million inhabitants, its economy has grown by 3.8% in the last year and a per capita GDP of US\$7,900. Currently, Guatemala produces sugar, textiles, fashion, furniture and accessories, sugar cane, corn, and bananas. The most important imports are fuel, machinery and transportation equipment, construction materials, and its currency is the Quetzal. In the case of Honduras, this country has 8.7 million inhabitants, the growth of the economy has been at 3.5% and its GDP per capita is US\$5,000. Its production is based on sugar, coffee, textiles and clothing, in addition to bananas, citrus fruits and corn; its main imports are machinery and transportation, communications equipment and industrial raw materials and its currency is the Lempira. El Salvador has 6.1 million inhabitants, the growth of the economy has been in 2.3%, the GDP per capita and US\$8,300, its currency is the US dollar and the colon. Its production is based on oil, processed foods, beverages, coffee, sugar and corn and buys raw materials, capital consumption goods and fuel from the world. (Presidencia de la Republica, 2016)

According to the form of government of the three countries, El Salvador is based on the model of a presidentialist republic. Its current president is Nayib Bukele. It has the fundamental organs of the government, such as the executive, legislative, and judicial branches. It is divided into 14 departments and 39 districts (Banco Mundial , 2020). Guatemala, on the other hand, has a form of government based on democracy and free elections. Its current president for the period 2020 - 2024 is Alejandro Giannetti. According to its political constitution, it is divided into 22 departments and 331 municipalities. Guatemala is tied to the Northern Triangle Treaty-TTN and the "Alliance of Prosperity", with the known consequences in terms of security, economy and mobility of citizens.

During the last few years, important progress has been made in the legislative and institutional spheres and spaces for dialogue between the State and civil society have been created. However, serious challenges must be faced in order to address the causes that keep the country as one of the most unequal in the world due to its situation of extreme poverty

(Grimmatti, 2020) In relation to Honduras, it has to be a Republic governed by the Political Constitution of 1985, establishing the three powers: legislative, executive and judicial. It is divided into 18 departments, has 9 registered political parties, its current president is Juan Orlando Hernandez. This country has suffered political instability thanks to constant coups d'état and frequent acts of corruption by public officials, leading to multiple social phenomena such as poverty and low quality of life among citizens.

At the legal level, the three countries have legislation defined by their political Constitution and have rules, decrees, regulations and laws that govern each state, with codes 'criminal, civil, labor and commercial. Some important laws are: tax update and anti evasion, consumer protection law, monetary law, law of free negotiation of foreign exchange, among others (Grimmatti, 2020)

## **2.2 Marketing plan for the marketing of the Vertigo brand cycling clothing line in the Northern Triangle.**

Vertigo Fitness is a brand of clothing for high performance athletes, which seeks customer satisfaction from the manufacture and marketing of ergonomic clothing that contributes to the welfare, comfort and motivation when performing their physical activity, especially cycling. The history of the company begins with the production and commercialization processes of sports and cycling garments in 1997 in the city of Medellin and as a registered trademark in the country in 2003. The structure of the business consists of a factory and warehouse located at Calle 63<sup>a</sup> N 122 - 46 in the San Cristóbal neighborhood in Medellín. See location map figure 1.

*Figure 1. Location map*



Source. Google maps

Currently the company does not have points of sale, is dedicated to the manufacture, marketing and distribution in multi-brand stores locally, regionally and nationally sports line and cycling with comfortable designs in the category of jackets, shirts, pants and accessories such as protective caps, hats and mouthpieces male and female.

The commercialization is also made from its web page <https://www.vertigo.com.co/> where you can visualize the virtual store by categories, colors, sizes and new products. In relation to cycling you can visualize the garments for men, women and personalized uniforms, the latter display information on minimum production and allows you to quote the products virtually in a digital data format. The Vertigo.com website has a shopping cart and online chat for direct contact with the company's advisors.

The marketing of the garments according to statistical figures is distributed as follows:

**Table 1. Percentage of sales**

	<b>Men</b>	<b>Woman</b>
<b>Sportswear</b>	75%	35%
<b>cycling</b>	80%	20%
<b>complements</b>	90%	10%

Table 1 shows the percentage of sales for both sportswear and cycling apparel and accessories. It highlights a higher percentage of sales for men in all categories.

The main objective of the Vertigo Fitness brand is to increase its market share and profitability by entering the market of the Northern Triangle formed by El Salvador, Guatemala and Honduras, exporting the brand of cycling clothes. The marketing plan of the cycling clothes brand Vértigo Fitness seeks to achieve internationalization and positioning in countries such as El Salvador, Guatemala and Honduras; besides, a significant increase in sales.

#### **2.2.2.1 Market situation**

The market for cycling apparel in the Northern Triangle, which includes El Salvador, Guatemala and Honduras, has great opportunities, since these are countries where cycling is high; therefore, sales are expected to be stable. The main buyers are young sportsmen, although they do not want to invest in clothing; they want to buy quality sportswear that provides well-being and comfort at affordable prices.

#### **2.2.2.2 Product status**

The cycling clothing brand Vértigo Fitness offers three lines of men's shirts, women's shirts, jackets (men - women), pants and accessories

Illustration 1. T-shirts - jackets man



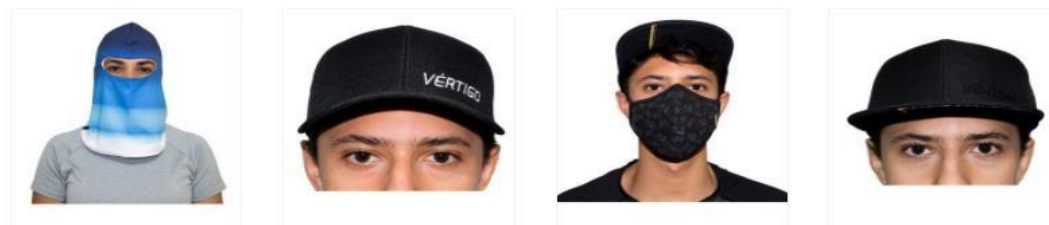
**Source:** Vertigo Fitness (2020)

### Illustration 2- jackets Women



**Source:** Vertigo Fitness (2020)

### Illustration 3. Accessories



**Source:** Vertigo Fitness (2020)

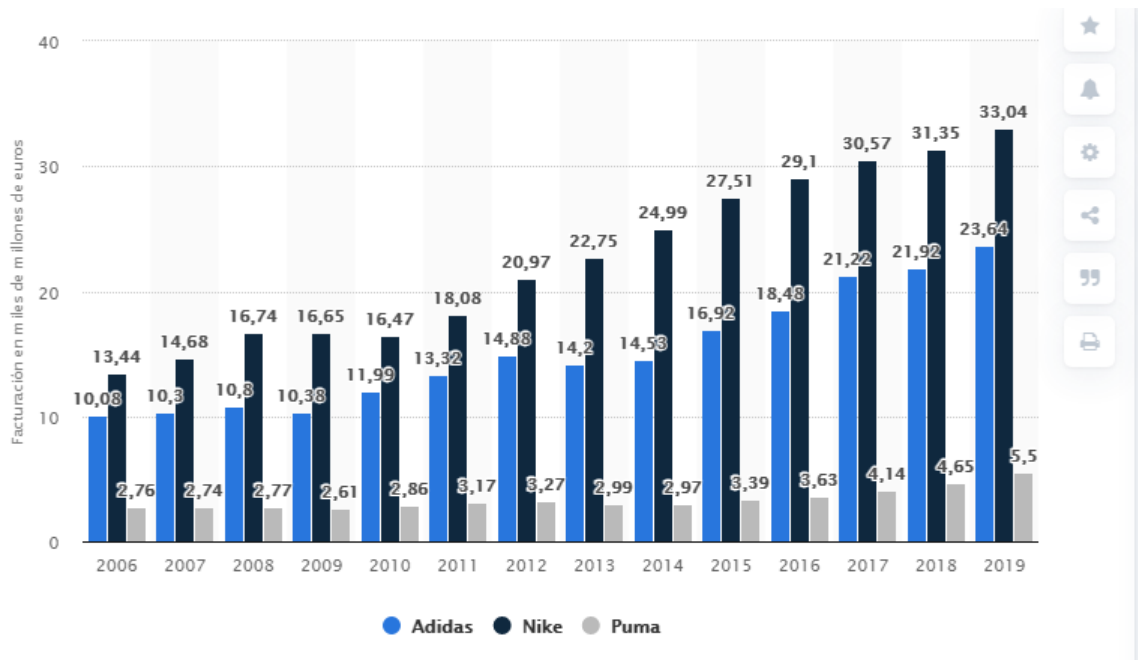


### 2.2.2.3 Competitive Situation

The main competitors of the Vertigo brand in the cycling clothing line in Medellin and Colombia are Adidas, Nike and Puma; as well as in the Northern Triangle. The three countries offer different brands and others in common such as Adidas, Nike and Puma, which cover different price levels and are sold especially in specialized stores investing heavily in advertising.

The Nike brand has been the leader in sales of sports equipment, is the brand with the highest turnover in the period 2006 - 2019 exceeding 33,000 million euros for the year 2019. The three companies Graph 1 shows the turnover comparison of the brands Adidas, Nike and Puma.

Graph 1. Comparative invoicing of the Adidas, Nike and Puma brands



As shown in Graph 1, the sportswear and footwear market is guided by the classic competition of the brands Adidas, Nike and Puma, where Nike has positioned itself, reaching high statistical figures during the period 2006 - 2019. The Adidas s brand enters in second place and Puma in third place.

#### **2.2.2.4 Distribution analysis**

The Vertigo Fitness brand cycling clothing line is sold through various distribution channels. 50% of the garments are sold in specialized stores at local and national level, 30% are sold through the website <https://www.vertigo.com.co/>, where the store displays its products, prices, by categories, color, size, new products, where the customer acquires its products through the shopping cart and virtual payments, the remaining 20% is acquired through the direct sales points of the brand.

#### **2.2.2.5 Macro Environment Status**



As is well known, the countries that make up the Northern Triangle are not in the best economic shape; and according to the Human Development Index (HDI), El Salvador ranks 119th, Guatemala 109th and Honduras 110th in the GDP per capita ranking, which shows that its inhabitants have a low standard of living. (Datos macro, 2020)

The Salvadoran economy depends on 85.7% of the imports from different countries such as the United States, China and Mexico, Honduras, Guatemala, Colombia, among others, with products such as meat grains, dairy products, processed foods, textiles, among others. (Tendencias Economicas , 2015). The economy of Honduras is highly dependent on agriculture, therefore, imports are based on fuel, machinery, chemical industry products, food industry products, plastics and their manufactures, textile materials and their manufactures, among others. Guatemala imports clothing, food, edible fats and oils, plastic materials and their manufactures, and wood products, among others.

### 2.2.2.6 Pest Analysis

In the following analysis Pest can be seen the analysis of the factors that influence the development of export and marketing of the brand Vertigo Fitness for the three countries of the Northern Triangle: El Salvador, Guatemala and Honduras.

PEST ANALYSIS - VERTIGO FITNESS - COLOMBIA - NORTHERN TRIANGLE			
<p>National and international public policies            Environmental regulations            Foreign trade regulation</p> <ul style="list-style-type: none"> <li>• Partial Scope Agreements signed in 1984 within the framework of ALADI</li> <li>• Tariff regulations</li> <li>• National Time and Access of Goods to Market (tlc.gov, s,f)</li> </ul> <p>Export policies</p> <ul style="list-style-type: none"> <li>• Trade agreement between Colombia and Northern Triangle</li> <li>• Products to export to TN               <ul style="list-style-type: none"> <li>• Agricultural</li> <li>• Agroindustrial</li> <li>• livestock</li> <li>• Flowers and live plants</li> <li>• Aquaculture and fishing</li> <li>• Clothing</li> <li>• Entertainment Services</li> </ul> </li> </ul> <p>Currency price volatility            Deficiency in road infrastructure for the transportation of products in Colombia to the port            Changes in commercial treaties</p>	<h1>P</h1> <p>POLITICAL AND LEGAL</p>	<h1>E</h1> <p>ECONOMIC</p>	<p>Local economic situation</p> <ul style="list-style-type: none"> <li>• Low standard of living</li> </ul> <p>High cost of tariffs and taxes</p> <ul style="list-style-type: none"> <li>• For products not included in the FTA negotiation: cosmetics, metalworking electrical conductors. (Icesi, 2008)</li> <li>• High material costs</li> <li>• High labor costs</li> <li>• Difficult access to bank financing</li> <li>• High rate of unemployment</li> <li>• Decrease in purchasing power of the population</li> <li>• High interest rates</li> <li>• Economic crisis (contingency Covid 19)</li> </ul>

<ul style="list-style-type: none"> <li>• Changes in the population's tastes</li> <li>• Preference for other types of clothing</li> <li>• Environmental Awareness</li> <li>• New trends in sportswear</li> <li>• Variety of products and shapes</li> </ul>	 PARTNER CULTURAL	 TECHNOLOGY	<ul style="list-style-type: none"> <li>• High cost of technological tools</li> <li>• No automation</li> <li>• Rapid technological changes</li> <li>• Use of technologies for marketing and customer relations</li> </ul>
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Source: Own elaboration

### **2.3 Development of strategies for the positioning of vertigo brand with its line of cycling clothes in the Northern Triangle, from the use of technologies.**

The progress of globalization has made the consumer more and more complex, which has forced companies to manage marketing processes to attract them and manage activities that achieve brand loyalty. Buying behavior is a complex process, therefore, companies must analyze the factors that influence such behavior and implement perception models that link the acceptance of the product or service (Gázquez-Abad JC, 2016).

The positioning of the product leads to balance the different attributes that compose it such as quality, price, brand reputation, and guarantee, among others. Although the authors state that product perception does not necessarily have to be related exclusively to product attributes, in general, behavior patterns are related to some internal or situational factors that directly influence the process of consumer acceptance of the product or service.

For the brand positioning of Vértigo Fitness brands in the Northern Triangle, strategies focused on the use of the garments (cycling), active competition in the market (brands positioned in the Northern Triangle), strategies focused on the quality and price and benefit of the garments and profitable relationships with the client through a permanent contact at a virtual level.

In order to enter the Northern Triangle market with the brand, four macro strategies related to the variables are proposed: product, price, place, and sale, promotion and service.

**Table 2. Formulation of Macro-Strategies**

MACRO-STRATEGY RELATED TO THE VARIABLE: PRODUCT
Develop new lines and designs of the garments
MACRO-STRATEGY RELATED TO THE VARIABLE: PRICE
Maintaining the best value for money
MACRO-STRATEGY RELATED TO THE VARIABLE: PLACE AND SALES

Diversify into new virtual communication and distribution channels

**MACRO-STRATEGY RELATED TO THE VARIABLE: PROMOTION**

Orient the communication strategy towards brand recall

**MACRO-STRATEGY RELATED TO THE VARIABLE: SERVICE**

Provide the company with a true culture of service and customer care

**Table 3. Strategy Formulation**

**MACRO-STRATEGY**

Develop new lines and designs of the garments

**PRODUCT STRATEGIES**

- 1.1. Elaborate designs according to the topography of the Northern Triangle
- 1.2. Using smart fabric materials

**MACRO-STRATEGY**

Maintaining the best value for money

**PRICING STRATEGIES**

- 2.1. Implementation of aspirational promotions that generate increased product
- 2.2. Regular pricing according to customer expectations and the sector for which the brand is marketed

**MACRO-STRATEGY**

Diversify into new distribution channels

**SALES STRATEGIES**

- 3.1. Community Manager System - Internet community management
- 3.2. Enhance the website with new designs and more information about products, materials, quantities and prices per m

**MACRO-STRATEGY**

Orient the communication strategy towards brand recall.

**PROMOTIONAL STRATEGIES**

- 4.1. Implementing strategic advertising media such as social networks
- 4.2. Development of a media plan to have electronic notices at bus stops in the Northern Triangle

**MACRO-STRATEGY**

Provide the company with a true culture of service and customer care

**SERVICE STRATEGIES**

- 5.1. Improvement of PQRS response levels
- 5.2. Customer service training programs for human talent
- 5.3. To have a relationship marketing with distributors from the CRM program

**Table 4. Formulation of the tactical plan**

**Develop new product lines for the company**

<b>DEFINITION OF THE STRATEGY</b>			
<b>1.1. Developing new lines and designs of the garments</b>			
<b>EXTENSION-EXPLANATION OF THE STRATEGY</b>	<b>RESPONSIBLE</b>	<b>PERIOD/TIME</b>	<b>BUDGET</b>
Development of an eye-catching new design for the market introduction of the Northern Triangle	Commercial Management	January-June 2021 (180 days)	

<b>DETAIL OF THE ACTIONS OR TACTICS</b>
Elaboration of various models or prototypes
Combination of colors and shapes
Election and approval of design
Presentation to company management for decision making
Management approval
production new design

**DEFINITION OF THE STRATEGY**

**1.2. Smart material innovations**

<b>EXTENSION-EXPLANATION OF THE STRATEGY</b>	<b>RESPONSIBLE</b>	<b>PERIOD/TIME</b>	<b>BUDGET</b>
Development of garments with intelligent material that protects from heat or cold according to the topography of the NT	Commercial Management	January-June 2021 (180 days)	

<b>DETAIL ACTIONS OR TACTICS</b>
Elaboration of various models or prototypes

Smart material choice  
 Election and approval  
 Presentation to company management for decision making  
 Management approval  
 Production of new garment with intelligent material

**MACRO-STRATEGY RELATED TO THE VARIABLE: PROMOTION**  
**Maintaining the best value for money**

**DEFINITION OF THE STRATEGY**  
**2.1. Implementation of aspirational promotions that generate increased product**

EXTENSION-EXPLANATION OF THE STRATEGY	RESPONSIBLE	TIME	BUDGET
Development of 4 promotions in the year...	Commercial Management	January-June 2021 (180 days)	

DETAIL ACTIONS OR TACTICS
Definition of promotions with management group
Promotion focused on specialized stores selling sportswear in the TN (direct discounts for the customer, 2 x 1, for purchase of clothing is given thermos)

**DEFINITION OF THE STRATEGY**  
**2.2. Regular pricing according to customer expectations**

EXTENSION-EXPLANATION OF THE STRATEGY	RESPONSIBLE	TIME	BUDGET
research public sales prices in points of sale specialized in sportswear and cycling and propose discounts to unify prices	Commercial Management	January-June 2021 (180 days)	

DETAIL ACTIONS OR TACTICS
analyze public price in specialized sportswear and cycling stores in the NT
investigate public price in stores, chain stores and large surfaces of the TN
propose suggested prices

**MACRO-STRATEGY RELATED TO THE VARIABLE: PROMOTION**  
**Orient the communication strategy towards brand recall.**

**DEFINITION OF THE STRATEGY**  
**4.1. implement strategic advertising media such as social networks**

EXTENSION-EXPLANATION OF THE STRATEGY	RESPONSIBLE	TIME	BUDGET
Hire a Community Manager for the administration of social networks	Commercial Management	January-June 2021 (180 days)	

DETAIL ACTIONS OR TACTICS
Community Manager recruitment process



selection and recruitment Community Manager

Layout of work

**DEFINITION OF THE STRATEGY**  
**4.2. Development of a media plan to have electronic warnings at bus stops in TN**

<b>EXTENSION-EXPLANATION OF THE STRATEGY</b>	<b>RESPONSIBLE</b>	<b>TIME</b>	<b>BUDGET</b>
Contract with public space directives in the Northern Triangle to manage bus stop signs	Commercial Management	January-June 2021 (180 days)	

**DETAIL ACTIONS OR TACTICS**

Virtual advertising design
Hiring space
Assembly and advertising

**MACRO-STRATEGY RELATED TO THE VARIABLE SERVICE**  
**Provide the company with a true culture of service and customer care**

**DEFINITION OF THE STRATEGY**  
**5.1. Improvement of PQRS response levels**

<b>EXTENSION-EXPLANATION OF THE STRATEGY</b>	<b>RESPONSIBLE</b>	<b>TIME</b>	<b>BUDGET</b>
Attention to PQRS will be available through the website - contact us	Commercial Management	January-June 2021 (180 days)	

**DETAIL ACTIONS OR TACTICS**

PQRS web page design
Opening of PQRS on Facebook and WhatsApp

Opening of the telephone line

**DEFINITION OF THE STRATEGY**  
**5.2. Customer service training programs for human talent**

<b>EXTENSION-EXPLANATION OF THE STRATEGY</b>	<b>RESPONSIBLE</b>	<b>TIME</b>	<b>BUDGET</b>
Training for commercial advisors in customer service			

<b>DETAIL ACTIONS OR TACTICS</b>
Monthly meeting
Leadership, interrelation and assertive communication workshops

**Macro product strategy: develop new lines and designs of the garments**

**Strategies**

Development of garments with intelligent material that protects from heat or cold according to the topography of the NT

- Elaborate designs according to the topography of the Northern Triangle
- Use smart fabric materials

**Actions or tactics**

- Elaboration of various models or prototypes
- Smart material choice
- Election and approval
- Presentation to company management for decision making
- Management approval
- Production of new garment with intelligent material

**Macro pricing strategy: maintaining the best value for money**

**Strategies**

Development of 4 promotions in the year

- Implementation of aspirational promotions that generate increased product

- Regular pricing according to customer expectations and the sector for which the brand is marketed

### **Actions or tactics**

- Definition of promotions with management group
- Promotion focused on specialized stores selling sportswear in the NT (direct discounts for the client, 2 x 1, for purchase of garment is given thermo analyze public price in stores specializing in sportswear and cycling in the NT)
- investigate public price in stores, chain stores and large surfaces of the TN
- propose suggested prices

### **Macro-strategy of market and sales: diversify into new virtual channels of communication and distribution**

#### **Strategies**

- Community Manager System - online community management
- Enhance the website with new designs and more information about products, materials, quantities and wholesale prices
- Investigate public sales prices in points of sale specialized in sportswear and cycling and propose discounts to unify prices

### **Macro promotion strategy: orienting the communication strategy towards brand recall**

- Implement strategic advertising media such as social networks
- Development of a media plan to have electronic notices at bus stops in the Northern Triangle

### **Actions or tactics**

Hire a Community Manager for the administration of social networks

- Community Manager recruitment process
- selection and recruitment Community Manager
- Layout of work

Contract with public space directives in the Northern Triangle to manage bus stop signs

- Virtual advertising design
- Hiring space
- Assembly and advertising

**Macro service strategy: providing the company with a true culture of service and customer care**

- Improving PQRS response levels
- Customer service training programs for human talent
- Have a relationship marketing with distributors from the CRM program

Attention to PQRS will be available through the website - contact us

- PQRS web page design
- Opening of PQRS on Facebook and WhatsApp
- Opening of the telephone line
- Training for commercial advisors in customer service
- Monthly meeting and Workshops leadership, interrelation and assertive communication.

### **3.2.1. Conclusions and recommendations**

#### **3.1. Conclusions.**

Entering international markets is a complex process for organizations since there are multiple economic, political, social and cultural factors that determine how companies can effectively manage their brands are the minimum risks.

Vertigo's mission is to enter the international market with its line of cycling, specifically in the Northern Triangle formed by countries like El Salvador, Guatemala and Honduras, since it is an opportunity for the frequent practice of cycling in these countries.

Within the international marketing, it is essential to obtain information about the socio-economic environment because it allows to know the exchange rate, inflation, interest rate, currency, among others, as well as the demographic environment, know what population has, the size, distribution, ages, occupation, education, among others, in addition to political factors of each country.

It is important that companies wishing to compete in international markets get to know the different factors and in turn the threats and opportunities they will face, then they can apply appropriate marketing strategies according to the international environment and successfully achieve their objectives

The Northern Triangle is made up of three Central American countries: El Salvador, Guatemala and Honduras, which began negotiations with the signing of the Free Trade Agreement in 2006. The following is a comparative analysis of each of the countries in relation to their socioeconomic, cultural, political, legal and commercial environment

When analyzing the Northern Triangle market from a socioeconomic, cultural, political, legal and commercial point of view, it has been perceived that each country independently has its own culture, codes of conduct, traditions, manners, customs, religious practices; as well as its ways of trading, which makes it very challenging for marketers coming from other countries.

At the socioeconomic level, the Northern Triangle is in a relatively high position in the economy of the countries, El Salvador is in the 107th position, Guatemala is in the 71st position, Honduras is in the 110th position, and the 94th position.

The Northern Triangle has many similarities in terms of political and legal factors; it has a government based on democracy and free elections; it has fundamental bodies based on the executive, legislative and judicial branches. Starting from the formation of the Northern Triangle, they share free trade agreements, low tariff agreements, security alliances

and common strategies to fight for tax regulations, anti-avoidance, consumer protection law, monetary law, free negotiation of foreign currency law, among others.

On a commercial level, the Northern Triangle shares economic integration and trade agreements with other countries such as Colombia, Mexico, Panama and the United States. When analyzing trade relations, it shows a deficit in the trade balance, however, year after year it has been showing a slight growth. The main products they export are coffee, clothing, oil and its derivatives, bananas, alcoholic beverages, oils and fats, sugar and honey. As for imports, the Northern Triangle shows growth and the main products are: oil and its derivatives, iron manufacture, vehicles, telecommunications and sound, telephone devices, industrial machinery, textiles and pharmaceutical products.

We proceeded to design a marketing plan for the commercialization of the Vertigo brand cycling clothing line in the Northern Triangle, exposing the characteristics of the company, mission, products, features and current market situation of the products; in addition to the description of the competitive situation, the analysis of the distribution and the situation of the Macroenvironment; for the latter, a Pest analysis was carried out to observe the analysis of the factors that influence the development of the export and commercialization of the Vertigo Fitness brand for the three countries of the Northern Triangle (El Salvador, Guatemala and Honduras).

Finally, strategies were developed that would allow the positioning of the vertigo brand with its line of cycling clothes in the Northern Triangle, emphasizing the use of technologies, therefore, strategies related to the variables: product, price, place, and sale, promotion and service were described.

The macro strategies designed were: to develop new lines and designs of the garments, to maintain the best value - money relationship, to diversify towards new virtual channels of communication and distribution, to orient the communication strategy towards brand recall and to provide the company with a true culture of service and customer care.

### **3.1. Recommendations**

According to the conclusions of the research, it is recommended that Vertigo analyze more in the macro environment of the Northern Triangle to determine where it wants to direct its market and its brands since the economy and standard of living of its populations is very low.

The company must design innovative garments, but at competitive prices given the condition of the economy in the three countries that make up the Northern Triangle.

Make a face-to-face visit to the Northern Triangle to know the different environments and analyze in depth where you want to locate your brand.

Carry out benchmarking to really know the processes and the competition that you are going to face since these countries have their own brands in cycling clothes, besides sharing common brands like Nike, Adidas, among others.

Perform an exhaustive analysis of the environment before starting negotiations so that you are directly aware of cultural, social, economic and political factors and thus safely enter this market.

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