

Cultural positioning and strategic resilience: From local icon to the mainstream market

Sharon Schembri

Email: <u>sschembri@fisk.edu</u> Fisk University, Nashville, TN, USA



https://orcid.org/0000-0002-6356-0895

Abstract

The international corridor located on the US-Mexico border is a highly resilient community embedded within a fast-emerging economy. This community comprises a cultural integration of American and Latinx cultures, which is evident within business and consumer practices. Accordingly, business and branding strategy is culturally oriented and culturally expressive. This paper presents two business cases illustrating how cultural positioning is achieved with local brands that expand beyond the local context to the mainstream market. The two cases presented are Topo Chico and Laredo Taco. Each of these cases began within a cultural niche with recognized potential that translated to the mainstream American market, demonstrating strategic resilience along the way. The Topo Chico case shows perseverance in a bottle, and the Laredo Taco case shows resilience combined as authenticity and innovation. The implications of the cases presented demonstrate the value of a strong cultural positioning, strategic alliances, and a view to the longer term.

Keywords: Cultural positioning, Hispanic, Topo Chico, Laredo Taco, Tex-Mex, Case Study

Journal of Resilient Economies (JRE) publishes original research with a multidisciplinary focus to further advance the important concept of resilience. JRE is fully supported by James Cook University Open Journal Systems (OJS), driven by the belief that knowledge has the power to change lives, and that research outputs should be freely accessible online, without barriers. To cite, include:Author(s), Title, Journal of Resilient Eonomies, volume, issue, year, pages and DOI. DOI: https://doi.org/10.25120/jre.1.1.2021.3811

Introduction

The trend towards globalization has increased the need to consider cultural competency in the business and branding context. As well, the shift to virtual commerce and the Covid-19 global pandemic has added to the resilience required of business, branding, and marketing strategies. While globalization promotes one world market and the virtual world is borderless, language and culture are critical considerations. In traditional markets, geographic areas and border regions that juxtapose language and culture also present an intensified need to consider a multicultural and multilingual environment. One such border region is the international community located along the US-Mexico border. The borderland business context of Texas-Mexico offers a strategic view on the intersection of American and Latinx cultures and a window on the world of cultural positioning.

The question addressed in this paper is, how do brands that are positioned within a cultural niche expand into the mainstream market? Case evidence from two specific brands demonstrates how brands evolve from a local cultural positioning to the national mainstream market. The two cases presented are Topo Chico and Laredo Taco Company. The Topo Chico case shows a brand positioned on Latinx culture that evolves from an unbranded commodity to a cultural icon and mainstream distribution. The Laredo Taco Company case offers a distinct Tex-Mex flavour in the form of the iconic south Texas breakfast burrito and achieves penetration within the broader market. Each of these two cases demonstrates strategic resilience, having successfully grown from a local niche to the mainstream market. The following discussion introduces the cultural context from which the two cases presented in this paper originated.

Language, culture, and the Tex-Mex world of international trade

International trade and investment have been increasingly facilitated in recent decades with regional agreements designed to encourage free trade. In 1994, for example, the North American Free Trade Agreement (NAFTA) was established (Barajas et al., 2014), then revised as the US Mexico Canada Agreement (USMCA) in 2020 (Swanson & Tankersley, 2020). Given NAFTA and now USMCA, US-Mexico trade increased 30% from \$3.2 trillion in 2010 to \$4.1 trillion in 2019 (Texas Department of Transportation, 2020). Within the context of cross-border and international trade on the US-Mexico border, language and cultural competency are primary business tools. Similarly, the global and virtual marketplace requires a prioritized consideration of language and culture delivered in a culturally sensitive manner (Cayla & Arnould, 2008).

English is the standard business language throughout the world (Brannen, Piekkari, & Tietze, 2017; Neeley, 2012; Tenzer, Terjesen, & Harzing, 2017), including the USA (Ryan, 2013). The world of international business is, however, necessarily a multilingual and multicultural reality (Angouri, 2013; Fredriksson, Barner-Rasmussen, & Piekkari, 2006). While English is the first language for more than 78% of Americans, the American population includes nearly 12% who are Spanish speaking (US Census Bureau, 2017). With 39% Hispanic (or Latinx) population in Texas, 76% of Texan Hispanics speak a second language (Pew Research Center, 2019). Yet, For Hispanics under 35 years, the use of English is on the rise, with 41% (selfreported) English dominant, 40% bilingual, 19% Spanish dominant, whereas those 36 years and above are 44% Spanish dominant (Krogstad, 2016). Accordingly, language and culture play a significant role in US-Mexico relations with some US communities using Spanish rather than English in public domains previously considered exclusively English language domains (Hidalgo 2001).

Given the cultural intersection of American and Latin cultures along the US-Mexico border, the nuance of the Spanish language, commonly known as Tex-Mex, abounds (Kaler, 2018). Tex-Mex language is a regional dialect form of Spanglish and is evident throughout the international US-Mexico corridor (Goldman, 1986; Kells, 2012). Tex-Mex has complicated definitions of English and Spanish and has consequently generated myths and attitudes that affect business and branding (Kells, 2012). Such myths include assumptions related to laziness (Sayer, 2013) or lack of education (Murillo & Schall, 2016). Linguistic discrimination also overlaps with attitudes towards immigrants (Murillo & Smith, 2011). In US border cities like Laredo and El Paso, window placards and promotional posters announce "el super taco" or "hamburguesa doble con queso," which does not directly translate but means something along the lines of "double cheeseburger." Stateside, street talk is laden with hybrid expressions like "croseando la calle" for "crossing the street" or "cuquiando almuerzo" for "cooking lunch," a meal that sometimes becomes "lonche," which is both Spanish and English, but neither really in any accurate use of these languages. On the Mexican side of the border, Mexican national authorities fear the Spanish language is being debased and have historically sought to discourage English names from being used for business and restaurant brand names (King, 1983). Regardless, language is evolving within this cultural intersection along the US and Mexico border, and the Hispanic consumer is increasingly important in mainstream America.

Hispanic culture and consumer power

Terms referencing ethnicity, such as Hispanic, are sometimes used interchangeably with other terms, such as Latino/a or Latinx (Martínez & Gonzalez, 2020). Recognizing the heterogeneity among those originating from Latin America, Hayes-Bautista and Chapa (1987) argue for the use of Latino, rather than Hispanic. The US Census Bureau (2020) uses the terms Hispanic or Latino to identify people of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin. Given the Federal population classification system and the need for researchers to be consistent with that Federal designation, Treviño (1987) argues for the use of Hispanic rather than Latino. Notably, the debate regarding the use of such terms has shifted over time and will continue to be revisited going forward.

Currently, more than 18.7% of the US population are Hispanic (Creamer, 2020). As one of the fastest-growing racial minorities in the US, the Hispanic segment has recorded a 26% population increase since 2010 and the expected growth rate of the Hispanic population from 2014 to 2060 is 115% (Colby & Ortman, 2015). The 61.5+ million Hispanics segment is also heterogeneous (Noe-Bustamante, Lopez, & Krogstad, 2020), comprising various subgroups, including 64% of

Mexican origin, 9.5% from a Puerto Rican background and 3.7% Cubans (US Census Bureau, 2010).

In terms of prosperity, 28.1% of Hispanics are living below the federally designated poverty line. Despite this level of poverty, the Hispanic consumer segment holds an estimated purchasing power of \$1.7 trillion (Morse, 2018). As a predominantly collectivist culture, Hispanic cultural values include a priority on family and familial relationships (Alvarez, Dickson, & Hunter, 2014). Family as the cultural priority entails overcompensation to children with higher spending on baby goods, hair care, and toiletries (Nielsen 2015). Brand loyalty is also high because Hispanics are fear-driven and risk-averse consumers (Korzenny & Korzenny, 2012). From a language perspective, Spanish advertising is preferred with 30% better recall of Spanish ads (Waterston, 2019). As well, Hispanics are avid radio listeners and spend more time on their smartphones than mainstream Americans, African Americans, and Asian Americans (Nielsen, 2015).

Brands aiming to target this cultural niche astutely attend to language and culture. Spanish and Spanglish, if not Tex-Mex, feature prominently, and evidence of familial cultural values contribute towards effective cultural positioning. Examples of such brand evolution and cultural positioning are found with two iconic Hispanic brands: Topo Chico and Laredo Taco. Before presenting this case evidence, the following review of relevant literature gives an overview of brand management, including brand evolution and cultural positioning. The argument presented suggests that unbranded commodities can be differentiated with a strong brand strategy then further evolved with symbolic and cultural positioning. This review arrives at the question of how do brands positioned within a cultural niche expand into the mainstream market.

Cultural positioning and brand evolution

Brand management is considered in various ways such as developing and managing the brand (Aaker, 2003; Boatwright et al., 2009), brand performance (Harris & de Chernatony, 2001; Muhonen, Hirvonen, & Laukkanen, 2017; Yin Wong & Merrilees, 2008), brand management teams (Veloutsou & Panigyrakis, 2001), and internal brand management (Burmann, Zeplin, & Riley, 2009; Pioch & Gerhard, 2014). An assumption within these various brand management perspectives is that the brand as an identity marker is a transactional tool managed by the organization (Veloutsou & Guzman, 2017). On the international front, a managerial perspective assumes branding is a universal technique (Cayla & Arnould, 2008).

Another approach to brand management is brand evolution (McEnally & de Chernatony, 1999). Beyond branding as a transactional tool, brands might evolve to engagement tools, where co-creation is key (McEnally & de Chernatony, 1999; Merrilees, 2016; Veloutsou & Guzman, 2017). For example, consumers use brand consumption for purposes of self-expression (Schembri, Merrilees, & Kristiansen, 2010; Voyer, Kastanakis, & Rhode, 2017). Through consumption, consumers demonstrate brand personality (Aaker, 1997), brand meaning (Schembri, 2009), and self-image (Schembri et al., 2010). Just as the brand can be a strategic asset for consumers, other stakeholders can use brands to generate and co-create value (Jones, 2005) and brand meaning (Escalas & Bettman, 2005; Black & Veloutsou, 2017). Similarly, international branding efforts can generate and co-create value by recognizing the role and importance of a cultural approach to branding (Cayla & Arnould, 2008).

Globalization and the world of international business includes developed and developing countries, as well as fast-emerging economies. In developing countries and fast emerging economies, the process of commodities being commercialized as branded goods is evident. Indeed, brands may begin their evolutionary journey as unbranded commodities (McEnally & de Chernatony, 1999; Stanton & Herbst, 2005). Branded commodities abound in the agribusiness and food marketing sectors, and a recent example is provided by Raj (2021) with an account of the branding of green leaf tea in India. Branding Indian green leaf tea shows brand differentiation further than the physical product is key; a valuable lesson for small scale, low (climate) impact primary producers.

Beyond the branding of commodities and following the brand evolutionary process, brand managers

aim to demonstrate the functional benefits of a product. By positioning the brand with unique functional benefits, the branded product is effectively differentiated from the competition (McEnally & de Chernatony, 1999). Evidence of this stage of brand evolution is evident with green branding, and Wang (2017) shows the distinctiveness of green brand positioning as a strategically practical approach.

Beyond functional benefits, brands can position on specific values that consumers use for self-expression (Belk, 1988, 2013; Levy, 1959; Schembri et al., 2010). Brands that are recognized symbols of particular consumer meanings and emotional values realize an iconic stage of brand evolution (McEnally & de Chernatony, 1999). Again, green branding offers various examples that show the combination of function and emotional benefits as fruitful (see, for example, Hartmann, Ibáñez, & Sainz, 2005). On the international front Batra et al. (2017) document the impact of accommodating a variation in cultural values with positioning multi-country brands.

In this paper, a case method is used to demonstrate the strategic resilience of iconic Hispanic brands that have evolved beyond a local cultural positioning to the mainstream American market. More specifically, the research question addressed in this paper is, *how do brands that are positioned within a cultural niche expand into the mainstream market*? The following discussion explains the case approach followed by the case evidence of two Hispanic brands.

Method

This paper demonstrates strategic resilience and brand evolution from local niche to mainstream distribution with two cases: Topo Chico and Laredo Taco Company. The Topo Chico case tells the story of an unbranded commodity, Mexican spring water, that has evolved to an iconic brand strongly positioned on Latinx culture and became part of the Coca-Cola brand portfolio. The Laredo Taco Company case tells the resilient story of an authentic and innovative Tex-Mex brand that grew up to be part of the 7-Eleven brand portfolio. Both Topo Chico and Laredo Taco began within a cultural niche then expanded into the mainstream American marketplace within a global distribution network. Each of these two cases demonstrates growth, resilience, and the value of a culturally sensitive approach to business and branding.

Topo Chico: Perseverance in a bottle

Topo Chico is a sparkling mineral water brand established in Monterrey, Mexico, in 1895 (Stieb, 2015). Sourced from underground springs located in Cerro del Topo Chico, Monterrey, Mexico, the Topo Chico brand name translates as "little mole" (Lalonde, 2018). The history of the Mexican Topo Chico springs involves the 15th Century legend of Moctezuma, an Aztec King and ruler of Tenochtitlan, who was seeking a cure for his daughter, Princess Tecuichpoch, of a mysterious illness (Gerlsbeck, 2018). Priests advised Moctezuma's daughter to drink the Topo Chico water to be healed (Gerlsbeck, 2018; Stieb, 2015). Referencing this legend, history, and mysticism, the Topo Chico brand logo depicts Princess Tecuichpoch drinking from the healing waters. The Princess label and logo reinforce the effervescent, magical quality of Topo Chico and the brand image developed around the mystical healing properties of the Cerro del Topo Chico springs (Interbrand, 2018). Reflecting the packaging of traditional Mexican sodas, the Topo Chico bottle is a tall, thin, retro style, green-tinted glass bottle topped with a scallop-edged aluminium cap (Taylor, 2018).

Water as a commodity, and specifically the Cerro del Topo Chico spring waters, is the unbranded form of what became the Topo Chico brand. Given the assumed healing powers of the springs, people would drink the waters of Cerro del Topo Chico and bathe in the springs (Nelson, 2012). Production and bottling of Topo Chico water required a monthly payment of 100 Mexican pesos and a town permit from San Bernabe, a town close to Monterrey (Walsh, 2015). Following the attainment of property rights of the Cere del Topo Chico springs in 1929 and the establishment of Compañía Topo Chico (Topo Chico Company), Topo Chico began developing their product range by offering various flavored drinks as well as producing Coca-Cola products (Hayes, 2018). The Compañía Topo Chico provided Coca-Cola with a sterilized manufacturing process and compliance with the health and safety standards of the public health regulation

administration, the Consejo Superior de Salubridad (Maynard, 2017). Operating as a Coca-Cola producer in Mexico, the Topo Chico brand became an industry reference point for optimal production in Mexico. Like Coca-Cola, Topo Chico uses distinct packaging that has only been minimally changed over the years.

As an established Mexican brand of bottled sparkling water, Topo Chico began distribution throughout the USA in 1987 (Valencia, 2016), achieving national distribution as an independent brand in 28 states (Lalonde, 2018). This market expansion strategy was designed to appeal to Mexican Americans in search of authentic products from their homeland. But, given the targeted market of expat Mexicans, Topo Chico was hard to find because distribution was limited mostly to Hispanic grocery stores (Gerlsberg, 2018). The goal, therefore, was mainstream American adoption with an intensive distribution strategy. To achieve this goal, Topo Chico had to get the product on supermarket shelves, but first, Topo Chico had to raise awareness.

Topo Chico is not an overnight success story. Rather, Topo Chico is more a story of perseverance in a bottle. One of the challenges for a niche brand to achieve market penetration in mainstream America is distribution. Another challenge is marketing and the marketing budget, or lack thereof. While the distinct, retro Topo Chico bottle is a point of differentiation, some adjustments were required for mainstream America, including offering some plastic packaging in partnership with larger retailers such as Walmart (Maynard, 2017). Access to the Walmart retail network facilitated national distribution, and sales in Texas were highest, with 70% of Topo Chico sales coming from Texas (Taylor, 2018).

In terms of marketing and unlike other beverage brands that are nationally distributed and targeting mainstream America, Topo Chico did not have a high dollar marketing budget. So, a grassroots approach was taken with on-site sampling offered at various festivals and events. Popularity grew, celebrities began to embrace the brand, and restaurant chains began to stock the increasingly in-demand brand (Gerlsberg, 2018). With this sustained and relationally focused grassroots effort, the Topo Chico brand realized cult status (Cowan, 2017; Lucas, 2020; Taylor, 2018). Some fans have even chosen to tattoo the Topo Chico brand on their bodies (Gerlsberg, 2018; Murphy, 2016).

Given the iconic status of the Topo Chico brand within the Hispanic niche, Coca-Cola recognized the mainstream potential and acquired Topo Chico in 2017 for \$220 million (Cowan, 2017; Maynard, 2017; Taylor, 2018). This brand acquisition enabled Coca-Cola to navigate the trend away from high sugar drinks and accommodate the increasingly health-conscious consumer. For Coke, adding Topo Chico to the brand portfolio offered entry into the sparkling water market valued at \$16 billion (Taylor, 2018). The strength and support of Coca-Cola's marketing and distribution network increased Topo Chico sales by 39% within 12 months (Navarro & Walsh, 2019). With nearly \$184 million in annual sales, Topo Chico is one of the fastestgrowing brands in the sparkling water category (Beverage Industry, 2020).

As a product development strategy, Coca-Cola is taking the Topo Chico brand into the hard seltzer market (Lucas, 2020; Garcia, 2020), with a limited rollout in March 2021 (Noel, 2021). Hard seltzer is fizzy, alcoholic, water, and the hard seltzer market is valued at \$3 billion per year with 241% projected growth (Funari, 2020). The challenge for Coca-Cola will be to take advantage of Topo Chico's popularity and preserve the cultural positioning without alienating their cult following or undermining the brand's mystique.

Effectively, as an independent brand, Topo Chico has evolved from an unbranded commodity in Mexico to an iconic brand focused on a cultural niche in Texas. Acquisition by Coca-Cola took the Topo Chico brand into the mainstream American market and further into the hard seltzer market. Just as Topo Chico is now a rising star in the Coca-Cola brand portfolio, Laredo Taco has also achieved increased market exposure through cultural authenticity, innovation, and acquisition by a global brand.

Laredo Taco and Tex-Mex authenticity

Based in Irving, Texas, 7-Eleven operates, franchises, and/or licenses more than 67,000 convenience

stores throughout 17 countries, including 12,000 stores in the USA. One way that 7-Eleven has achieved this extensive global network is through mergers and acquisitions. For example, in 2018, 7-Eleven acquired Sunoco and their respective 1,340 convenience stores (CS News, 2019), including the Stripes chain and the Laredo Taco brand (Kress, 2016).

Founded in south Texas, Laredo Taco Company has achieved a steep growth curve given a progression of brand acquisitions. For nearly 20 years, Laredo Taco operated with a strategic alliance with Stripes' national chain of gas station convenience stores (CSP Daily News, 2015; Kress, 2016). This strategic alliance and cobranding strategy enabled distribution across multiple states such as Texas, New Mexico, Oklahoma, and North Virginia (Neilbauer, 2015; Wadsworth, 2017). In 2015, Stripes and Laredo Taco Company were acquired by Sunoco for \$1.9 billion as part of their Susser Holdings acquisition (Lindenberg, 2015; PR Newswire, 2018).

The Laredo Taco Company is a foodservice brand with a full-service and made-to-order model that is recognized as a primary driver of Stripes' in-store sales (Pas, 2020). Laredo Taco offers fresh tacos and other Mexican food items and is particularly known for their iconic breakfast tacos (Taco Trail Jose, 2013). As a convenient (breakfast) food option, Laredo Taco provides the distinct Tex-Mex flavor of the deep south of Texas (Taylor, 2019). Handmade tortillas, carne guisada, barbacoa, and chorizo with egg tacos are some of the indemand items on the menu. Beyond the breakfast choices, beef fajitas and the fresh salsa bar present standard taco inclusions such as cilantro, pico de gallo, salsa chile de arbol, and salsa verde. The popularity of these culturally oriented breakfast and menu options have made Laredo Taco a south Texas icon.

Evidence of Laredo Taco's Hispanic roots are found in the "*¡Amamos Los Tacos!*" tagline and the grainy Tejano style of font used as the Laredo Taco brand logo. More Spanish and Spanglish language is presented on the brand menu and website. Further underlining the Tex-Mex cultural orientation, Laredo Taco released the Selena cup in March 2019. Selena Quantanilla-Pérez was a young south Texan singer, songwriter, and performer, recognized as the Queen of Tejano music. The tragedy of her success story is that she was murdered by her manager in 1995, and yet she continues to draw crowds at an annual festival 24 years later (Gomez, 2019). In south Texas, Selena is an iconic persona and alliance with Selena reinforces the positioning of Laredo Taco as an iconic south Texas brand.

Considering a broad industry definition, Laredo Taco competes in the fast-food industry with major competitors, including McDonald's, Subway, Whataburger, and Taco Bell. As the clear market leader in the fast-food industry, McDonald's holds 17% of the fastfood market share (Statistica, 2015). Considering a narrower industry definition, Laredo Taco competes within the convenience store (c-store) foodservice industry. C-store industry competitors include Buc-ees, Chef Point, Love's Travel Stops, CST Brands, RaceTrac, and QuikTrip, as well as Stripes and 7-Eleven (Westra, 2016). As a recent acquisition for 7-Eleven, Laredo Taco now has the potential for a mainstream national and even global market expansion. While some critics question the potential of Laredo Taco beyond the Tex-Mex cultural niche and Texas geography (Lindenberg, 2017), 7-Eleven has launched Laredo Taco in 75 locations opened in 2020 across the US, with another 100 set to open before the end of 2021 (Pas, 2020).

Other innovations spurred by the social distancing demands of Covid-19 include a drive-thru option introduced in Dallas, Texas (Edwards, 2021), which is one of six in the US (Gustafson, 2021). Notably, tortillas, burritos, tacos, and other Hispanic foods are a fast-emerging food trend in the c-store foodservice industry (Convenience Store Decisions, 2017). Effectively, Laredo Taco is an on-trend and innovative c-store foodservice brand that is differentiated via strategic alliances, distribution strategy, and a Tex-Mex cultural positioning.

Discussion and implications

The challenges that brands face in their evolutionary journey include growth. The two brands showcased here demonstrate growth and strategic resilience within an evolutionary process. The brand cases presented are stories of brands that grew from a narrow cultural niche to the broader mainstream market.

The evolution of brands is theorized as beginning in an unbranded form, as a useful or valuable object or commodity (McEnally & de Chernatony, 1999). The unbranded form of the Topo Chico brand is Mexican spring water, and the unbranded form of the Laredo Taco brand is homemade tortillas and salsa found in authentic Mexican taquerias and homes. Taking these unbranded commodities into the branded marketspace demonstrates the first step towards business success and strategic resilience because there is no guarantee of success. New product failure rates are as high as 95% (Christensen & Raynor, 2013).

As a next step in the process of brand evolution, differentiating a brand from the competition enables a recognition of a reference point (McEnally & de Chernatony, 1999). For both the Topo Chico brand and Laredo Taco brand, differentiation was primarily achieved through cultural positioning. Topo Chico offers a minerally rich, effervescent, healthy beverage that is packaged as a traditional Mexican soda. Laredo Taco offers authentic, homestyle Tex-Mex hot plates and handmade tortillas teamed with a fresh salsa bar. For both the Topo Chico brand and the Laredo Taco brand, these distinct functional benefits enabled initial brand differentiation in the local marketplace.

When brands are presented to the market in an authentic and culturally sensitive manner, consumers connect to that brand in complex ways (Cayla & Arnould, 2008). The strength of cultural positioning achieved by Topo Chico and Laredo Taco, reached iconic status within the local market. When consumers take action to own a brand, the brand is recognized as an iconic brand (McEnally & de Chernatony, 1999). For Topo Chico, building a strong cultural following without a generous marketing budget required a grassroots approach teamed with much perseverance. This grounded strategy involved much legwork and a focus on building relationships, which was highly aligned with the Hispanic culture. This approach contributed to the cult following with Topo Chico devotees choosing the brand as a tattoo is evidence of the Topo Chico iconic status. As a daily breakfast ritual

for many Hispanics, the iconic Laredo Taco breakfast burrito with the distinct Tex-Mex flavor and style is customizable to consumer preferences. Effectively, establishing the brand within a narrow cultural niche has attracted attention and investment from high profile brands with access to mainstream distribution networks.

Just as Topo Chico had a production alliance with Coco-Cola for many years, Laredo Taco had a distribution alliance with the Stripes' national network of gas station convenience stores. This culturally positioned food product is intensively distributed at more than 500 convenient locations through their co-branding alliances with Stripes and now also 7-Eleven. Alliances between brands is a long-held business success strategy and brand acquisition is a way to formalize strategic alliances. The success and resilience of the Topo Chico brand are now usurped into the Coca-Cola brand portfolio, and similarly, the Laredo Taco brand is now part of the 7-Eleven global brand network.

Conclusion

The increasingly globalized world requires a culturally competent approach to business and branding. This paper presents two business cases that have evolved from a cultural niche to mainstream distribution. Evidence of the resilience and innovation required to overcome challenges along the way is demonstrated in the fact that each of these two brands are now part of a high-profile brand portfolio. The Topo Chico case demonstrates strategic resilience with a grassroots marketing strategy that grew the brand to iconic status. The Laredo Taco case also demonstrates strategic resilience achieved with authenticity and innovation. The result is two brands that have evolved from commodity status to local cultural icons and onto the mainstream market with much potential, including national distribution and global exposure.

References

Aaker, D. (2003). The power of the branded differentiator. *MIT Sloan Management Review*, 45(1), 83-87.

Aaker, J. L. (1997). Dimensions of brand personality. *Journal of Marketing Research*, *34*(3), 347-356. <u>https://doi.org/10.1177/002224379703400304</u>

Alvarez, Cecilia. M., Dickson, P. R., & Hunter, G. K. (2014). The Four Faces of the Hispanic Consumer: An Acculturation-Based Segmentation. *Journal of Business Research*, *67*(2), 108-115. https://doi.org/10.1016/j.jbusres.2012.11.010

Angouri, J. (2013). The multilingual reality of the multinational workplace: Language policy and language use. *Journal of Multilingual and Multicultural Development*, 34(6), 564-581.

https://doi.org/10.1080/01434632.2013.807273

Barajas, I. A., Sisto, N. P., Cantu, G., Chapa, J., & Lópe, B. H. (2014). Trade flows between the United States and Mexico: NAFTA and the border region. *Articulo-Journal of Urban Research*, 10. Accessed from https://journals.openedition.org/articulo/2567

Batra, R., Zhang, Y. C., Aydinoğlu, N. Z., & Feinberg, F. M. (2017). Positioning multi-country brands: The impact of variation in cultural values and competitive set. *Journal of Marketing Research*, *54*(6), 914-931. <u>https://doi.org/10.1509/jmr.13.0058</u>

Beverage Industry (2020). 2020 State of the beverage industry: All bottled water segments see growth. *BNP Media*, accessed from https://www.bevindustry.com/articles/93226-state-of-the-

beverage-industry-all-bottled-water-segments-see-growth Belk, R. W. (1988). Possessions and the

extended self. Journal of Consumer Research, 15(2), 139-168. https://doi.org/10.1086/209154

Belk, R. W. (2013). Extended self in a digital world. *Journal of Consumer Research*, 40(3), 477-500. https://doi.org/10.1086/671052

Black, I., & Veloutsou, C. (2017). Working consumers: Co-creation of brand identity, consumer identity and brand community identity. *Journal of Business Research*, 70, 416-429.

https://doi.org/10.1016/j.jbusres.2016.07.012

Boatwright, P., Cagan, J., Kapur, D., & Saltiel, A. (2009). A step-by-step process to build valued brands. *Journal of Product & Brand Management. 18*(1), 38-49. https://doi.org/10.1108/10610420910933353

Brannen, M. Y., Piekkari, R., & Tietze, S. (2017). The multifaceted role of language in international business: Unpacking the forms, functions and features of a critical challenge to MNC theory and performance. In *Language in International Business* (pp. 139-162). Palgrave Macmillan, Cham. <u>https://doi.org/10.1007/978-3-319-42745-4_6</u>

Burmann, C., Zeplin, S., & Riley, N. (2009). Key determinants of internal brand management success: An exploratory empirical analysis. *Journal of Brand* *Management*, *16*(4), 264-284. https://doi.org/10.1057/bm.2008.6

Cayla, J., & Arnould, E. J. (2008). A cultural approach to branding in the global marketplace. *Journal of International Marketing*, *16*(4), 86-112. https://doi.org/10.1509/jimk.16.4.86

Christensen, C., & Raynor, M. (2013). *The innovator's solution: Creating and sustaining successful growth.* Harvard Business Review Press: Boston, MA Colby, S. L., & Ortman, J. M. (2015).

Projections of the size and composition of the US population. Accessed from

https://www.census.gov/content/dam/Census/library/publ ications/2015/demo/p25-1143.pdf . United States Census Bureau (pp. 2014–2060).

Convenience Store Decisions (2017). Food offerings cross border. *The CSD Network*, accessed from <u>https://cstoredecisions.com/2017/09/26/food-offeringscross-border/</u>

Cowan, J. (2017). Big splash: How Topo Chico went from a taste of Mexico to a Texas cult favorite. *Dallas Morning News*, accessed from

https://www.dallasnews.com/business/business/2017/02/ 08/big-splash-topo-chico-went-taste-mexico-texas-cultfavorite

Creamer, J. (2020). Inequities persist despite decline in poverty for all major race and Hispanic origin groups. *US Census Bureau*, accessed from

https://www.census.gov/library/stories/2020/09/povertyrates-for-blacks-and-hispanics-reached-historic-lows-in-2019.html

CSP Daily News (2015). Sunoco LP Bringing Laredo Taco to New Markets. *Winsight*, accessed from <u>https://www.cspdailynews.com/category-</u> news/foodservice/articles/sunoco-lp-bringing-laredo-

taco-new-markets

CS News (2019). 7-Eleven opening six text stores to try out new concepts. *Ensemble IQ*, accessed from <u>https://csnews.com/7-eleven-opening-six-test-</u> stores-try-out-new-concepts

Dworski, B. (2020). 7-Eleven debuts Laredo Taco Company in Florida. *CSP Daily News*, accessed from <u>https://www.cspdailynews.com/foodservice/7-</u> eleven-debuts-laredo-taco-company-florida

Edwards, A. (2021). 7-Eleven opens its first corporate-owned drive-thru with a Laredo Taco Company at an Evolution Store in Dallas. *Dallas Innovates*, accessed from <u>https://dallasinnovates.com/7eleven-opens-its-first-corporate-owned-drive-thru-witha-laredo-taco-company-at-an-evolution-store-in-dallas/</u>

Escalas, J. E., & Bettman, J. R. (2005). Selfconstrual, reference groups, and brand meaning. *Journal of Consumer Research*, *32*(3), 378-389. https://doi.org/10.1086/497549

Fredriksson, R., Barner-Rasmussen, W., & Piekkari, R. (2006). The multinational corporation as a multilingual organization: The notion of a common corporate language. *Corporate Communications: An* *International Journal*, *11*(4), 406-423. <u>https://doi.org/10.1086/497549</u>

Funari, C. (2020). Boozy Topo Chico is coming, but Coke's alcohol strategy remains a secret. *Forbes*, accessed from

https://www.forbes.com/sites/chrisfurnari/2020/07/31/bo ozy-topo-chico-is-coming-but-cokes-alcohol-strategystill-a-secret/#6db3698375b1

Garcia, T. (2020). Coca-Cola launching Topo Chico hard Seltzer as brands from Sam Adams parent and Molson Coors soar. *MarketWatch*, accessed from <u>https://www.marketwatch.com/story/coca-cola-</u> <u>launching-topo-chico-hard-seltzer-as-brands-from-sam-</u> <u>adams-parent-and-molson-coors-soar-2020-08-03</u>

Gerlsbeck, R. (2018). The man who made Mexican water a hit. *Smith Magazine*, accessed from <u>https://smith.queensu.ca/magazine/issues/summer-</u> 2018/profiles/man-who-made-mexican-water-hit.php

Goldman, L. (1986). Tex-Mex where Texas, Mexico, English & Spanish meet. *English Today*, 2(1), 23-26. <u>https://doi.org/10.1017/S0266078400001668</u>

Gomez, M. (2019). Selena's music and warmth draw thousands to Corpus Christi 24 years after her death. *Los Angeles Times*, accessed from <u>https://www.latimes.com/nation/la-na-texas-selena-</u> <u>quintanilla-fans-festival-20190411-story.html</u>

Gustafson, I. (2021). C-Stores accelerate foodservice technology. *WTWH Media*, accessed from <u>https://cstoredecisions.com/2021/05/13/c-stores-</u> accelerate-foodservice-technology/

Harris, F. and de Chernatony, L. (2001), "Corporate branding and corporate brand performance", *European Journal of Marketing*, *35*(¾), 441-456. <u>https://doi.org/10.1108/03090560110382101</u>

Hartmann, P., Ibáñez, V. A., & Sainz, F. J. F. (2005). Green branding effects on attitude: functional versus emotional positioning strategies. *Marketing Intelligence & Planning*, *23*(1), 9-29. https://doi.org/10.1108/02634500510577447

Hayes, H. (2018). The sparkling water only southerners in Texas know about but the word is spreading. *Southern Living*, accessed from <u>https://www.southernliving.com/drinks/topo-chicomineral-water</u>

Hayes-Bautista, D. E., & Chapa, J. (1987). Latino terminology: Conceptual bases for standardized terminology. *American Journal of Public Health*, 77(1), 61–68. doi:<u>10.2105/ajph.77.1.61</u>

Hidalgo, M. (2001). Spanish language shift reversal on the US-Mexico border and the extended third space. *Language and Intercultural Communication*, *1*(1), 57-75. <u>https://doi.org/10.1080/14708470108668063</u>

Interbrand (2018). Rediscovering a national treasure in Topo Chico. *Interbrand.com*, accessed from <u>https://www.interbrand.com/work/rediscovering-a-natural-treasure-in-topo-chico/</u>

Kaler, B. M. (2018). The racism of requiring bilingual language skills. *San Antonio Express*, accessed

from

https://www.mysanantonio.com/opinion/commentary/arti cle/The-racism-of-requiring-bilingual-language-skills-13464791.php

Kells, M. H. (2012). Tex Mex, metalingual discourse, and teaching college writing. In *Dialects, Englishes, creoles, and education* (pp. 194-210). Lawrence Erlbaum Associates: Mahwah, NJ. https://doi.org/10.4324/9780203928660-21

King, W. (1983). Its English, and its Spanish, and its officially a problem. *New York Times*, accessed from <u>https://www.nytimes.com/1983/08/02/us/it-s-</u> <u>english-and-it-s-spanish-and-it-s-officially-a-</u> <u>problem.html</u>

Korzenny, F. & Korzenny, B. A. (2012). *Hispanic Marketing: A Cultural Perspective*. Routledge: New York, NY.

Kress, M. (2016). Sunoco unwraps Laredo Taco Co. growth plan. *Convenience Store News*, accessed from <u>https://csnews.com/sunoco-unwrapslaredo-taco-co-growth-plan</u>

Krogstad, J. M. (2016). Rise in English proficiency among US Hispanics is driven by the young. *Pew Research Center*, accessed from <u>http://www.pewresearch.org/fact-tank/2016/04/20/rise-</u> <u>in-english-proficiency-among-u-s-hispanics-is-driven-by-</u> <u>the-young/</u>

Lalonde, M. C., (2018). The 10 must know facts about Topo Chico, the magical elixir. *Wide Open Eats*, accessed from <u>https://www.wideopeneats.com/10-</u> <u>facts-didnt-know-topo-chico/</u>

Lindenberg, G. (2017). The fate of the Laredo Taco Co.. *Winsight*, accessed from

https://www.cspdailynews.com/foodservice/wawataking-catering-chainwide

Lucas, A. (2020). Coca-Cola partners with Molson Coors for US launch of Topo Chico hard seltzer. *CNBC*, accessed from

https://www.cnbc.com/2020/09/29/coca-cola-molsoncoors-partner-for-us-launch-of-topo-chico-hardseltzer.html

Navarro, A. & Walsh, B. (2019). Cult favorite Topo Chico breaks out of Texas with help from Coke. *Bloomberg Business*, accessed from

https://www.bloomberg.com/news/features/2019-08-05/cult-favorite-topo-chico-breaks-out-of-texas-withhelp-from-coke

Neeley, T. (2012). Global business speaks English: Why you need a language strategy now. *Harvard Business Review*, *90*(5), 116–124.

Neilbauer, M. (2015). Gas station tacos, from dream to reality in one Northern Virginia community. *Washington Business Journal*, accessed from

https://www.bizjournals.com/washington/blog/topshelf/2015/11/gas-station-tacos-from-dream-to-reality-inone.html

Nelson, M. (2012). Mexico's bottled mineral waters. *Mexico Insurance Services*, accessed from

https://www.mexinsurance.com/blog/mexicos-bottledmineral-waters/

Nielsen Company (2015). Nielsen Share of Wallet: A Look at Hispanic Spending on Consumer Packaged Goods. Accessed from http://www.nielsen.com/us/en/insights/reports/2015/niels en-share-of-wallet-lite-march-2015.html.

Noe-Bustamante, L., Lopez, M. H., and Krogstad, J. M. (2020). US Hispanic population surpassed 60 million in 2019, but growth has slowed. *Pew Research Center*, accessed from <u>https://www.pewresearch.org/fact-tank/2020/07/07/u-s-</u> <u>hispanic-population-surpassed-60-million-in-2019-but-</u> growth-has-slowed/

Noel, J. (2021). Topo Chico hard seltzer review: Early returns are strong for the latest seltzer sensation. *Chicago Tribune*, accessed from <u>https://www.chicagotribune.com/dining/drink/ct-fooddrink-topo-chico-hard-seltzer-review-20210422-</u> gliccvct4vc6hbqlmdxmy6ejb4-story.html

Martínez, D. E., & Gonzalez, K. E. (2020). 'Latino' or "Hispanic"? the sociodemographic correlates of panethnic Label preferences among U.S. Latinos/Hispanics. *Sociological Perspectives*. doi:10.1177/0731121420950371

Maynard, M. (2017). Topo Chico, the trendy sparkling Water, is now in the Coca-Cola fridge. *Forbes Media LCC.*, accessed from

https://www.forbes.com/sites/coxbusiness/2018/05/01/fr om-dial-up-to-gigabit-how-intern et-speed-hastransformed-the-small-business/#276f15f60534

McEnally, M. & de Chernatony, L. (1999). The evolving nature of branding: Consumer and managerial considerations. *Academy of Marketing Science Review*, 2(1), 1-16.

Merrilees, B. (2016). Interactive brand experience pathways to customer-brand engagement and value co-creation. *Journal of Product & Brand Management*, 25(5), 404-408.

https://doi.org/10.1108/JPBM-04-2016-1151

Murphy, K. (2016). How do Texans beat the heat? With water from Mexico. *New York Times*, accessed from

https://www.nytimes.com/2016/08/10/dining/topo-chicowater-mexico.html?_r=0

Morse, P. (2018). Six facts about the Hispanic market that may surprise you. *Forbes Media*, accessed from

https://www.forbes.com/sites/forbesagencycouncil/2018/ 01/09/six-facts-about-the-hispanic-market-that-maysurprise-you/#35a4a0d95f30

Muhonen, T. Hirvonen, S., and Laukkanen, T. (2017), "SME brand identity: Its components and performance effects," *Journal of Product and Brand Management*, *26*(1), 52-67.

https://doi.org/10.1108/JPBM-01-2016-1083

Murillo, L. A., & Schall, J. M. (2016). "They Didn't Teach Us Well": Mexican-Origin Students Speak Out About Their Readiness for College Literacy. *Journal* of Adolescent & Adult Literacy 60(3), 315-323. https://doi.org/10.1002/jaal.581

Murillo, L. A. & Smith, P. H. (2011). "I will Never Forget That": Lasting Effects of Language Discrimination on Language-Minority Children in Colombia and on the US-Mexico Border. *Childhood* Education, *87*(3), 147-153.

https://doi.org/10.1080/00094056.2011.10521714

Levy, S. J. (1959). Symbols for sale. *Harvard business review*, July-August, 117-124.

Pas, R. (2020). The reimagining of 7-Eleven. *NACS Media*, accessed from

https://www.nacsmagazine.com/issues/december-2020/reimaging-7-eleven

Pew Research Center (2019). *Demographic* profile of Hispanics in Texas, 2014. Accessed from <u>https://www.pewresearch.org/hispanic/states/state/tx</u>

Pioch, E. A., & Gerhard, U. (2014). Organizational culture as differentiator in international retailing. *The Service Industries Journal*, *34*(8), 729-749. PR Newswire (2018). 7-Eleven, Inc.

Completes acquisition of 1,030 Sunoco stores. *Markets Insider*, accessed from

https://markets.businessinsider.com/news/stocks/7eleven-inc-completes-acquisition-of-1-030-sunocostores-1013723177

Raj, S. J. M. (2021). Branding of green tea leaf: a disruptive innovation for building market competitiveness of small tea growers in North East India. *Journal of Agribusiness in Developing and Emerging Economies*, *11*(2), 88-104. https://doi.org/10.1108/JADEE-09-2019-0145

Ryan, C. (2013). Language use in the United States: 2011. US Census Bureau, accessed from <u>https://web.archive.org/web/20160205101044/http://www</u>.census.gov/prod/2013pubs/acs-22.pdf

Sayer, P. (2013). Translanguaging, TexMex, and bilingual pedagogy: Emergent bilinguals learning through the vernacular. *TESOL quarterly*, *47*(1), 63-88. https://doi.org/10.1002/tesq.53

Schembri, S. (2009). Reframing brand experience: The experiential meaning of Harley-Davidson. Journal of Business Research, *62*(12), 1229-1310. <u>https://doi.org/10.1016/j.jbusres.2008.11.004</u>

Schembri, S., Merrilees, B., & Kristiansen, S. (2010). Brand consumption and narrative of the self. *Psychology & marketing*, *27*(6), 623-637. https://doi.org/10.1002/mar.20348

Stieb, M. (2015). Hecho en Azteca: The mythic history of Topo Chico. *San Antonio Current,* accessed from

https://m.sacurrent.com/Flavor/archives/2015/04/13/hech o-en-azteca-the-mythic-history-of-topo-chico

Stanton, J. L., & Herbst, K. C. (2005).

Commodities must begin to act like branded companies: some perspectives from the United States. *Journal of Marketing Management*, 21(1-2), 7-18.

https://doi.org/10.1362/0267257053166848

Statistica (2015). Market share of leading brands in the United States fast food industry in 2015. *The Statistics Portal*, accessed from <u>https://www.statista.com/statistics/196611/market-share-of-fast-food-restaurant-corporations-in-the-us/</u>

Swanson, A. & Tankersley, J. (2020). Trump just signed the USMCA. Here's what's in the new NAFTA. *New York Times*, accessed from <u>https://www.nytimes.com/2020/01/29/business/economy/</u> <u>usmca-deal.html</u>

Taco Trail Jose (2013). Stripes/Laredo Taco Company. *The Taco Trail*, accessed from <u>https://thetacotrail.com/2013/12/30/stripeslaredo-tacocompany/</u>

Taylor, A. (2019). Wildly popular Laredo Taco Company opens an outpost in a fancy new West Dallas 7-Eleven. *Dallas Observer*, accessed from <u>https://www.dallasobserver.com/restaurants/laredo-tacocompany-opens-a-popular-south-texas-style-taco-jointin-an-oak-cliff-7-eleven-11584574</u>

Taylor, K. (2018). Coca-Cola is using a sparkling water brand with a cult following to take over a \$16 billion industry. *Business Insider*, accessed from <u>https://www.businessinsider.com/coca-cola-secret-</u> weapon-is-topo-chico-2018-6

Tenzer, H., Terjesen, S., & Harzing, A. W. (2017). Language in international business: A review and agenda for future research. *Management International Review*, *57*(6), 815-854. <u>https://doi.org/10.1007/s11575-017-0319-x</u>

Texas Department of Transportation (2020), 2020 International Trade Corridor Plan. Accessed from https://ftp.dot.state.tx.us/pub/txdot-info/iro/border-tradereport.pdf

Treviño, F. M. (1987). Standardized terminology for Hispanic populations. *American Journal* of *Public Health*, 77(1), 69–72. doi:<u>10.2105/ajph.77.1.69</u>

US Census Bureau (2020). *About Hispanic* origin. Accessed from

https://www.census.gov/topics/population/hispanicorigin/about.html

US Census Bureau (2017). 2001-2017 American Community Survey 5-year Estimates. US Department of Commerce, accessed from https://factfinder.census.gov/faces/tableservices/jsf/pages /productview.xhtml?src=CF

US Census Bureau (2010). Race and Hispanic or Latino origin: 2010. US Department of Commerce, accessed from

https://factfinder.census.gov/faces/tableservices/jsf/pages /productview.xhtml?src=CF

Valencia, J. (2016). Topo Chico becoming most popular imported sparkling water in Southwest. *KJZZ*, accessed from <u>http://kjzz.org/content/10461/topochico-becoming-most-popular-imported-sparkling-wat</u> <u>er-southwest</u>

Veloutsou, C., & Guzman, F. (2017). The

evolution of brand management thinking over the last 25 years as recorded in the Journal of Product and Brand Management. *Journal of Product & Brand Management*, 26(1), 2-12. <u>https://doi.org/10.1108/JPBM-01-2017-1398</u>

Veloutsou, C. A., & Panigyrakis, G. G. (2001). Brand teams and the brand management structure in pharmaceutical and other fast-moving consumer goods companies. *Journal of Strategic Marketing*, 9(3), 233-251. <u>https://doi.org/10.1080/09652540121770</u>

Voyer, B. G., Kastanakis, M. N., & Rhode, A. K. (2017). Co-creating stakeholder and brand identities: A cross-cultural consumer perspective. *Journal of Business Research*, *70*, 399-410.

https://doi.org/10.1016/j.jbusres.2016.07.010

Wadsworth, C. (2017). Review: Laredo Taco Company surprises. *The Burn*, accessed from <u>https://www.theburn.com/2016/11/04/review-laredo-</u> taco-company-surprises/

Walsh, C. (2015). Mineral springs, primitive accumulation, and the "new water" in Mexico. *Regions and Cohesion*, 5(1), 1-25.

https://doi.org/10.3167/reco.2015.050101

Wang, H. J. (2017). A brand-based perspective on differentiation of green brand positioning: A network analysis approach. *Management Decision*, 55(7): 1460-1475. <u>https://doi.org/10.1108/MD-04-2016-0251</u>

Waterston, A. (2019). The advantages of bilingual advertising. *Media Post Agency*, accessed from <u>https://www.mediapost.com/publications/article/334587/t</u> <u>he-advantages-of-bilingual-advertising.html</u>

Westra, A. (2016). Top 10 c-store foodservice. CSP Daily News, accessed from <u>https://www.cspdailynews.com/foodservice/top-10-</u>

states-c-store-foodservice

Yin Wong, H. and Merrilees, B. (2008), "The performance benefits of being brand-orientated", *Journal* of Product & Brand Management, 17(6), 372-383. https://doi.org/10.1108/10610420810904112