A Entrepreneur background, resources access and market strategy: a holistic view of entrepreneurship in Brazil

Formação empreendedora, acesso a recursos e estratégia de mercado: uma visão holística do empreendedorismo no Brasil

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Abstract: A better understanding of the entrepreneur’s behavior should consider multiple theoretical perspectives. In this respect, studies capable of integrating different perspectives under a holistic framework are welcome. Gathering constructs under three perspectives, entrepreneurial-based view, resource-based view and market-based view, this article presents a holistic view about how the entrepreneur background influences the firm’s strategy in a traditional industry. This article adopts a holistic perspective of entrepreneurship, investigating the importance of the entrepreneurs’ background in their strategic decisions showing important insights. Through the qualitative approach, there were performed ten comparative case studies with agricultural entrepreneurs of the artisanal cachaça industry in a mining region, which production started in the XVI century and is intimately related to the historical origin of Brazil. In the majority,
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entrepreneurs have access to key production and market resources through family ties. This situation directly influences the product value attributes, the consumer segments focused, and the size of product lines. There is also a relation between the entrepreneurs’ motivation and segmentation strategy and between their formal education and cognitive style. This article should guide the elaboration of entrepreneurial training programs, whereas the firm’s strategy can be designed considering the entrepreneur background.

**Keywords** – Cognitive Style; Family Firms; Developing Countries; Entrepreneurship.

**Resumo:** Uma melhor compreensão do comportamento do empreendedor deve considerar múltiplas perspectivas teóricas. Neste sentido, são bem-vindos estudos capazes de integrar diferentes perspectivas num quadro holístico. Reunindo construções sob três perspectivas, visão baseada no empreendedorismo, visão baseada em recursos e visão baseada no mercado, este artigo apresenta uma visão holística sobre como a formação empreendedora influencia a estratégia da empresa em uma indústria tradicional. Este artigo adota uma perspectiva holística do empreendedorismo, investigando a importância da formação dos empreendedores em suas decisões estratégicas, mostrando insights importantes. Através da abordagem qualitativa, foram realizados dez estudos de caso comparativos com empresários agrícolas da indústria artesanal de cachaça em uma região mineira, cuja produção teve início no século XVI e está intimamente relacionada com a origem histórica do Brasil. Na maioria, os empresários têm acesso a recursos essenciais de produção e de mercado através de laços familiares. Esta situação influencia diretamente os atributos de valor do produto, os segmentos de consumo focados e o tamanho das linhas de produtos. Existe também uma relação entre a motivação e a estratégia de segmentação dos empreendedores e entre a sua educação formal e o estilo cognitivo. Este artigo deve orientar a elaboração de programas de formação empreendedora, visto que a estratégia da empresa pode ser desenhada considerando a formação empreendedora.

**Palavras-chave** – Estilo cognitivo; Empresas Familiares; Países em desenvolvimento; Empreendedorismo.

**Introduction**

The strategic management field evolved over several decades upon two fundamental branches. The first is the market-based view (MBV), influenced by the tenets of industrial organization. This branch was mainly guided by the model of the five forces of Porter (1980), based on the interactions between clients, suppliers, competitors, substitute products, and potential entrants in the market. The second
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branch, the resource-based view (RBV), has its origins at the end of the 1950s with the view of the firm as a bundle of resources (Penrose, 2009), which evolved to the contemporaneity for a systematic understanding of the firm as a set of assets (Wernerfelt, 2013) and capabilities (Teece et al., 1997) as a source of its competitive advantage.

In the strategic management field, the market-based view and the resource-based view are recognized as two complementary perspectives, sufficient to understand the main issues about the firm competitiveness. However, for a realistic view of the entrepreneurial activity, it is also necessary to consider how the social and cognitive formation of the entrepreneurs influence their decisions (Powell et al., 2011; Shepherd et al., 2014) and how contextual factors such cultural (Litzky et al., 2020), educational (Adelaja, 2021; Solomon et al., 2008), and family origin (Kussudyarsana et al., 2020) influence their actions. For analogous reasoning, this branch can be termed the entrepreneur-based view of the firm (EBV). These three building blocks of strategy theory (EBV, MBV and RBV) are still only juxtaposed and need to be s organized in an integrated and cohesive perspective. Some efforts are noted in this direction as the research on the influence of training in the entrepreneur action (Bhatti et al., 2021), the entrepreneurs’ capability in generating and capturing value in their business (Cavallo et al., 2021), the effects of the entrepreneur characteristics in the firm outcomes (Lanivich et al., 2021), attempting to integrate different perspectives in the entrepreneurship research. Although a gap is present in the literature, it still predominates the siloed perspective of strategy, where each study normally is confined to only one of these three branches. In this context, it is necessary to use a holistic perspective capable of gathering these existing branches and linking them into an integrated framework. For its improvement, the strategic management literature could encompass an anthropocentric perspective that can integrate entrepreneurial-based, resource-based, and market-based views. In addition, with respect to the context of the cachaca industry, it is still scarce studies about entrepreneurship and strategy in this industry (e.g., Brito et al., 2020; Coelho et al., 2014; Neto et al., 2012; Paiva et al., 2018), despite its cultural and economic importance in Brazil.
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In this article, we investigate, through ten comparative case studies, how entrepreneurs’ background influences their access to resources and market strategy development. This study is performed in the context of artisanal distilleries of Brazilian cachaça, an alcoholic drink intimately related to the historical origins of Brazil (Paiva and Brito, 2018). It was guided by the following research question: how does the entrepreneurs’ background influence their access to resources and the configuration of the market strategy of their firms in the context of Brazilian artisanal cachaça distilleries?

This research relied on a conceptual framework based on three sets of constructs, entrepreneur background, resource access and market strategy. In general, the research suggests that in the Brazilian artisanal cachaça, most entrepreneurs have access to key productive resources through family ties; the previous history of a distillery has a strong influence on the possible market strategies; the cognitive style and the motivation of the entrepreneurs are related respectively to their educational level and market segmentation strategy.

In addition to this introductory section, the following is presented the conceptual background (Section 2). In the third section, the methodological steps are presented, followed by the results in Section 4. Section 5 introduces the discussion considering the literature. Finally, Section 6 presents the main conclusions and contributions of the article.

Conceptual background

This section introduces the conceptual underpinnings of the article, the entrepreneur background in Section 2.1, the resource access and market strategy in Section 2.2 and the current research about strategy in the Brazilian cachaça industry in Section 2.3.

Entrepreneur’s background

The entrepreneur’s background corresponds to all factors that influence the formation of an entrepreneur’s identity (Davidsson and Honig, 2003). From a sociological perspective, one can assume that the social system where the individual has his formation influences his entrepreneurial career (Brändle
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et al., 2018; Meoli et al., 2020). Notably, family origin and formal education are central to entrepreneur formation.

Family ties are the primary means of transmitting economic resources between generations (Brannon and Wiklund, 2013; Joshi et al., 2010) and important sources of the flow of knowledge and social ties inter-generations (Combs et al., 2020; Kussudyarsana et al., 2020). Through time, the family firm will face changes in the command through successive generations (Arteaga and Menéndez-Requejo, 2017; Daspit et al., 2015). The successor has his entrepreneurial activity facilitated due to access to already structured resources, but his autonomy can be constrained by family issues (Vallejo, 2007). Lastly, Jaskiewicz et al. (2015) investigated the inter-generation succession in wineries, considering the importance of transmitting the entrepreneurial legacy through telling past experiences in the family context.

The inter-generational relations among professionals of the same family in an organization configure its trajectory in a path-dependent situation (Froehlich and Bitencourt, 2009). Throughout a firm’s development trajectory, affective, cognitive, evaluative, and social ties are formed among the individuals, which constitute organizations’ essential resources (Fernandes et al., 2009). This situation triggers learning processes, whereas past experiences influence future managers’ decisions (Vasconcellos et al., 2015; Sydow et al., 2020). The sharing of these previous experiences among individuals converts individual experiences into collective learning (Mesquita et al., 2017). The formal educational background also can play an essential role in entrepreneurial activity (Adelaja, 2021). Some studies reveal a positive relationship between specific entrepreneurial education and entrepreneurial outcomes (Martin et al., 2013; Solomon et al., 2008; Walter and Block, 2016), wherein is also important knowledge diversity and complementarity (Franco et al., 2021).

Another important issue to be addressed in the entrepreneurship context is the motivation of the entrepreneur to the decision to follow an entrepreneurial career. Even though the economic aspect can influence this decision, there are also existential issues (Chandra et al., 2021; Duymedjian et al., 2019), such as identarian and cultural issues (Brändle et al., 2018; Weerasekara and Bhanugopan, 2022).
According to the literature, the individual decision to founding a business is based on a dichotomic perspective of the influence of external factors and the entrepreneur’s personality (Krueger et al., 2000). In this respect, the push/pull perspective assumes that the individual is pushed to the entrepreneurial activity when he is compelled to do this activity due to negative feelings such as dissatisfaction with the current job unemployment, among others. In contrast, he is pulled to the entrepreneurial activity due to positive factors, such as promising opportunities, seeking independence, and self-fulfilment (Barros and Moreita, 2006; Gimmon et al., 2018; Mahto and McDowell, 2018; Santarelli and Vivarelli, 2007).

It is necessary to investigate the entrepreneurs’ cognitive style to understand better how they make their decisions (Haynie and Shepherd, 2009). This helps to understand better how firms develop through time (Feeney et al., 2019; Hough and Dt Ogilvie, 2005). Understanding cognitive styles help explain how individuals with similar abilities and experiences make different decisions (Hough and Dt Ogilvie, 2005). Research on cognition relates the responses to stimuli of each individual, from the processing of information that surrounds them (Cools and Broeck, 2008; Hough and Dt Ogilvie, 2005; Metallo et al., 2021).

The cognitive style can be understood by a dichotomic framework of intuitive versus analytical decisions (Feeney et al., 2019; Hough and Dt Ogilvie, 2005). Intuitive thinking is an automatic process resulting from learning through experience, guided by habits and thoughts that spontaneously come to mind (Feeney et al., 2019; Hough and Dt Ogilvie, 2005). Analytical thinking is formal and controlled, following a step-by-step approach to solving problems (Dutta and Thornhill, 2008; Garret and Holland, 2015). Research from the 1990s onwards has proposed a dual approach in which experience and rationality coexist in the same decision in a continuum (Molaei et al., 2014; Orlandi and Pierce, 2020; Okoli and Watt, 2018).

**Strategy through the perspectives of the resource-based view and market-based view**

The basic assumption from the resource-based view is that the firm competitive advantage is based on resources rare and difficult to imitate (Barney, 2001; Barney et al., 2021). According to Teece et al.
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(1997), resources are assets that contribute to the firm competitive advantage. They can be tangible, such as equipment, location and plants, and intangible such as knowledge, brand image, reputation, and culture (Peteraf, 1993; Wernerfelt, 2013; Srivastava et al., 2001).

From a market-based view, a firm’s competitive advantage manifests in its relative market power in relation to other environmental agents. It is the basic premise of the model of the five forces introduced by Porter (1980), wherein the prosperity of a firm relies on its capability to cope with different types of pressures (clients, competitors, potential entrants, substitute products and suppliers).

From a market view, the firm competitiveness is rooted in its capability to generate value through the offering of products to markets (Chen, 2015). The product value can be understood by two basic constructs, the product functionality (Watanable et al., 2011), that is, the activity or property provided to the user, which is common to a product category (Cattani and Porad, 2017; Durand and Khaire, 2016), wherein the products in the same category have the same functionality.

The product also can be understood as a totality of physical, economic, and psychosocial characteristics that generate value for customers (Feurer and Chaharbach, 1994; Sweeney and Soutar, 2001), which can be termed as value attributes. In a purchase situation where there is more than an option of product to buy in the same category, the individuals will base their decisions on the relative performance of the competing options in value attributes, which can be physical such as lead time (Pekgun et al., 2016) and quality (Zeithalm, 1988), economic, as price, and psychosocial such brand image (Pinkse and Slade, 2004).

An essential aspect of the free markets is the continuous efforts of firms to attain reciprocal product differentiation (Kodeih et al., 2018). As a result, it is natural that products in the same category can be directed to different market segments according to the specific necessities of different consumer groups (Liu et al., 2012; Baker and Edwards, 2012). Market segmentation can be based on consumer characteristics, such as demographic and behavioral, and a company may focus on single or multiple segments (Ardley and Mcintosh, 2019; Baker and Edwards, 2012; Le Fur and Outreville, 2021).
An important strategic decision in a firm is the product portfolio that involves the variety of product models to be offered to the market (Alperstedt and Dantas, 2021; Yalcinkaya et al., 2015). The size of the product portfolio depends on factors such as the initial conditions in the foundation of a firm and the availability of resources and capabilities (Álvarez and Merino, 2008). The product lines between firms can differ in the number of products offered (Giachetti and Dagnino, 2013) and in the variations of these products (Yonezawa and Richards, 2016). In the same sector, it is possible to find companies with broad portfolios and others with very narrow ones (Álvarez and Merino, 2008). On the consumer’s side, it increases the options, granting them greater freedom of decision (Wang and Vakratsas, 2021). On the company side, broad product lines increase the business complexity (Giachetti and Dagnino, 2013).

Figure 1 introduces a synthesis of the main issues of the three categories of constructs, entrepreneur background, resource configuration and market strategy, that served as a reference guide to the empirical research.

Figure 1. Category of constructs and their relation in the conceptual model
Source: The authors.
The cachaça is an alcoholic drink generated from the sugar cane, created at the beginning of Brazil’s colonization in the XVI century (Paiva and Brito, 2018). In the artisanal cachaça context, the production unit is the distillery, which is a rural firm usually comprehended by land and specific equipment (Neto et al. 2012). The cachaça is sold in bottles to the public of different segments considering age, lifestyle, and rent in internal and international markets (Coelho et al. 2014).

The Brazilian cachaça industry has profound historical and social-cultural aspects in its formation and development through the centuries in Brazil (Paiva and Brito, 2018; Lima et al., 2022). As such, beyond its characteristic as a product that can generate rent for its producers, the cachaça also has an identitarian character. In a study of the cachaça industry through the institutional lenses, Paiva and Brito (2018) identify four institutional logics organizing this industry, tradition, market, techno-scientific and state. Accordingly, this industry has institutional complexity involving the cooperation of several different types of stakeholders that support the producers of the cachaça in technical and marketing issues (Lima et al., 2022; Mulling et al., 2015; Paiva et al., 2017). The three theoretical constructs used in this research (EBV, MBV and RBV) can be used to analyze the reach of the existent research about the Brazilian cachaça industry.

Beginning from the entrepreneurial perspective, Brito et al. 2020 state that cachaça entrepreneurs can be attracted to this industry due to familiar issues and other affective and traditional issues related to the production of the cachaça, and the possibility of rent. Despite the traditionalism of the cachaça industry, some authors also found the continuous effort of some producers to seek distinction and legitimacy in the markets (Paiva et al., 2018) through adding value to the product, such as its certification, improvement of quality, and focus on a specific market segment (Coelho et al., 2014; Paiva et al., 2018). Furthermore, from the perspective of MBV, some studies highlight the importance of the following value attributes in the consumer decision: package, brand, labelling, wood tanning process, time of tanning, taste, and flavour (Carneiro et al., 2012; Dornelles et al., 2009; Neto et al., 2012). Lastly, with research based on the tenets of the RBV, Neto et al. (2012) found that entrepreneurs perform an important role in seeking competitive advantage by configuring their resources. Moreover, in the cachaça business, some
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essential resources are land, knowledge about the process and market knowledge (Neto et al., 2012; Coelho et al., 2014; Spoto et al., 2011).

Method

Data collection

This research happened in Brazil, specifically in Minas Gerais state, in the neighbourhood of the city of Ouro Preto. The cachaça is intimately related to the historical colonization of this region, associated with its mining activities that started in the XVII century. The decision to research the artisanal cachaça industry is due to its socio-cultural dimension, its economic character, and the possibility of contributing to this literature, still scarce, by presenting a holistic perspective of entrepreneurship and competitive strategy in this industry (ex. Brito et al., 2020; Coelho et al., 2014; Neto et al., 2012; Paiva et al., 2018).

The study was conducted with ten entrepreneurs of 10 artisanal cachaça distilleries (see Table 1). While artisanal cachaça distilleries are small production unities, there is in the cachaça market big producers that are comprehended by big companies, which compete in price produced through industrial, highly automated processes. It used the qualitative approach, with the application of a semi-structured protocol (Engel et al., 2017; Hindle, 2004; Sandelowski, 1995), with the purpose of obtaining a deep understanding of the socio-cultural context investigated (Neegaard and Ulhol, 2007). This protocol was based on the research constructs (Qu and Dumay, 2011) organized into three categories: entrepreneur background, resource access and market strategy. The use of data from entrepreneurs followed a comparative cross-case analysis which permitted to draw of a general picture of the research object. The data of entrepreneurs were compared through a dialectical perspective that, at the same time, sought to identify commonalities and idiosyncrasies among them.

Firstly, this protocol was applied in a pilot test with the owner of a cachaça distillery. This first interview permitted the researchers to refine and improve the research protocol. Posteriorly the new protocol was used to perform interviews with 10 new entrepreneurs. After each interview, the data were
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semantically coded, and the main categories related to the research were elicited in a qualitative approach (Grodal et al., 2021). Interviews were carried out in Portuguese, lasting, on average, an hour.

The number of interviews performed was based on theoretical saturation (Corbin and Strauss, 1990). That is, the identification and new entrepreneurs along the data collection process were maintained until the researchers concluded that the marginal gain of an additional interview did not provide sufficient new insights into the knowledge accumulated.

| Table 1. The general data about the entrepreneurs |
|----------------------|------------------|------------------|
| **Entrepreneur**    | **Gender**       | **Education level** |
| EP                   | Male             | Graduate (Pilot interview) |
| E1                   | Male             | Pos-graduate      |
| E2                   | Female           | Graduate          |
| E3                   | Male             | High Scholl       |
| E4                   | Male             | Pos-graduate      |
| E5                   | Female           | Pos-graduate      |
| E6                   | Male             | High Scholl       |
| E7                   | Male             | Pos-graduate      |
| E8                   | Male             | Graduate          |
| E9                   | Male             | Pos-graduate      |
| E10                  | Male             | Pos-graduate      |

Data coding and analysis
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Following the basic steps for coding qualitative data (Corbin and Strauss, 1990; Linneberg and
Korsgaard, 2019), the interviews were semantically coded, whereas each minute, each issue addressed
in each recording was attributed to general codes (e.g., the foundation of the distillery, the formation of
entrepreneur, etc.).

In the second step, there was generated for each interview coding file, whereas it was screened,
and its respective parts were associated with constructs defined in the conceptual background, according
to the structure of constructs: entrepreneur background – familiar origin, formal education, motivation,
cognitive style; resource access – tangible resources, intangible resources; market strategy, product lines,
main value attribute; and market segments.

In the third step, the data of each entrepreneur was classified. This classification was based on two
different processes. Those constructs previously defined in the literature were consolidated and applied to
the research to classify the valence of the construct in each case. For example, entrepreneurial motivation
was classified as a push or pull, according to correspondent literature (Barros and Moreita, 2006; Gimmon
et al., 2018; Mahto and McDowell, 2018; Santarelli and Vivarelli, 2007). The second process of
classification was based on grounded theory, wherein the general categories for classification emanated
from the research data (Corbin and Strauss, 1990; Grodal et al., 2021).

In the fourth step, the configuration of the study variables associated with the constructs of each
entrepreneur was plotted in a unique table, which permitted the researchers to obtain a comparative view
of the configuration of the researched constructs. This framework allowed us to identify some regular
patterns between the constructs of the three categories (entrepreneur background, resource access, and
market strategy) and enumerate a set of propositions about relations between them. The research sought
to associate the data in a unique and integrated view capable of establishing the dialogue among the results
obtained in the three building theoretical blocks used in this research, namely, entrepreneur-based view,
market-based view, and resource-based view, in a holistic perspective.

Results
In this section, we present the data of the interviewed entrepreneurs based on the entrepreneur background (Section 4.1), resource access (Section 4.2), and market strategy (Section 4.3).

Entrepreneurs’ background

Except in the case of the entrepreneur E9, that revealed that his family is not a landowner and does not have any tie to the cachaça industry, all remaining interviewed told that they have entrepreneurial action due to family ties, 9 out of 10 entrepreneurs had access to land to cultivate sugarcane, and 6 of them in addition to land also had access to the distillery (Table 2). This situation probably occurs because the artisanal cachaça industry is a traditional and centenary activity in the mining region near Ouro Preto. Most entrepreneurs revealed a high level of emotional attainment to their family ties, termed entrepreneurial legacy (Jaskiewicz et al., 2015), as follows:

Quotation 1 – “This farm pertains to my family most than 250 years. (…). I entered in this business because it [the production of cachaça] was old in my family” (E3).

Quotation 2 – “He died [his father], and then I ended up taking over, in 2004. I saw there that something had been done very well, a family history that had already existed for generations” (E4).

Quotation 3 – “This business started with the great grandfather of my husband, and today He and I manage this business” (E5).

Owing to the formal education of the entrepreneurs, one can observe the predominance of post-graduating formation (five entrepreneurs), followed by graduate formation (three entrepreneurs), and high school formation (two entrepreneurs). Most of the interviewees stated that they entered the cachaça
industry attracted to positive feelings, family affective feelings, and the opportunity of obtaining additional profit from the lands owned by the family:

Quotation 4 – “(…) He died, and I just assumed in 2004. I saw here that were many well-done things, a history of my family of several generations. So, I understood that it was important for me, for future generations, my sons (…)”. (E4).

In the case of pushed entrepreneurs, they were compelled to entry in this market due to a negative factor, such the prejudice in an existing business, that forced some entrepreneurs to seek a new source of profit:

Quotation 5 – “My father had a farm, he dealt with milk and milk was very bad. He had employees there; everything was already booked. So, I said: let’s change this […] to cachaça, we don’t lose the product” (E1).

Table 2.
Entrepreneur’s background

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Family origin</th>
<th>Motivation</th>
<th>Cognitive style</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Land-owner</td>
<td>Pushed</td>
<td>Intuitive</td>
</tr>
<tr>
<td>E2</td>
<td>Land-destillery owner</td>
<td>Pushed</td>
<td>Intuitive</td>
</tr>
<tr>
<td>E3</td>
<td>Land-destillery owner</td>
<td>Pulled</td>
<td>Analytic</td>
</tr>
<tr>
<td>E4</td>
<td>Land-destillery owner</td>
<td>Pushed</td>
<td>Analytic</td>
</tr>
<tr>
<td>E5</td>
<td>Land-destillery owner</td>
<td>Pulled</td>
<td>Intuitive</td>
</tr>
</tbody>
</table>
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<table>
<thead>
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<th></th>
<th>Role</th>
<th>Cognitive Style</th>
</tr>
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<tbody>
<tr>
<td>E6</td>
<td>Land-destillery owner</td>
<td>Pulled, Intuitive</td>
</tr>
<tr>
<td>E7</td>
<td>Land-owner</td>
<td>Pulled, Analytic</td>
</tr>
<tr>
<td>E8</td>
<td>Land-destillery owner</td>
<td>Pushed, Intuitive</td>
</tr>
<tr>
<td>E9</td>
<td>No related to the business</td>
<td>Pushed, Analytic</td>
</tr>
<tr>
<td>E10</td>
<td>Land-owner</td>
<td>Pulled, Analytic</td>
</tr>
</tbody>
</table>

Regarding cognitive style, the research revealed two types of decision processes as a slight predominance of intuitive entrepreneurs. The two quotations in the following respectively show the intuitive and analytical methods, and the third is a combination of them:

Quotation 6 – “I make my decision based on the feeling because I know the market” (E2).

Quotation 7 – “I wanted to prove to my father that this business [the production of cachaça] was not worth it. […] as I’m from the research area, I wanted to understand, study and present, let’s say, statistically, […] that it wouldn’t work. But then […] in the first three hours of the course, I was already focused and saw that it was science and technology, everything I knew […]. Our potential is far beyond what people are doing” (E9).

Quotation 8 – “About my decision process […]. I am a very analytical person, but in some situations, we ended by decide based on feelings. I would say that I am 70% analytical and 30% intuitive” (E7).

**Resource access**
As can be seen in the previous data (tables 1 and 2), except in the case of E9, all remaining entrepreneurs had access to the land for sugar cane production, which is a fundamental resource in the production of cachaça. In several cases, the entrepreneur sought to produce cachaça as a strategy of product diversification on the farm:

Quotation 9 – “My father-in-law already had the farm, which is the most difficult thing in this business [cachaça production]. So, I saw an idle area in the property, and I asked him to use it to produce cachaça as a way of diversifying the production and rent of the farm” (E10).

Not necessarily the ownership of lands implies the ownership of the cachaça distillery. In four cases, the entrepreneurs looked to acquire the distillery equipment and the knowledge to cachaça production. This situation is narrated in Quotation 4 about the entrepreneur E4. In the remaining six cases, the entrepreneurs already had the distillery, which implied facilitated access to equipment, manufacturing knowledge and market reputation, as expressed in the following:

Quotation 10 – “My father, with so much difficulty, established this distillery. (…). After, I started to administrate this business” (E8).

Quotation 11 – “I understand, my father already owned the distillery. Then he passed it on to me, so I already had the opportunity that he belonged to my father, and I’m continuing with the business” (E6).

**Market strategy**

With respect to the market strategy, there were verified seven subcategories of cachaça, according to the taste (see Table 3). The subcategorization was due to the wood used in the barrel to tan the cachaça, through five kinds of woods that were used alone or in combination in the tanning process. There were
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detected different product line strategies that range from narrow product lines, such as E3 with 1 product line, to broad product lines, as in E6, E8 and E10 with 5 lines. In relation to this strategy, one entrepreneur stated:

Quotation 12 – “In the cachaça industry, there is only the same thing. We must get out of traditionalism. [...] I believe that the next cachaça will always be better. I must ever to surprise.”

The brand image is the main attribute prioritized for five entrepreneurs. In the majority, they had access to the land and the distillery. The remaining value attributes prioritized are quality, variety, exclusiveness (long tanning time of cachaça), and price, which is an uncommon strategy in small producers. Several interviewees revealed the emphasis on the packaging as a brand strategy:

Quotation 13 – “We prioritize packaging, [...], with a beautiful label. I think the main attraction for the customer is the packaging” (E2).

In the prioritization of brand, those distilleries with several decades or even centuries of operation seek to reinforce their tradition in the cachaça production process, as is the case of the entrepreneur E3, whose distillery was founded in 1755:

Quotation 14 – “I am the oldest mill in operation, the mill has been in the same family for eight generations. (...) This also adds up in marketing” (E3).

Table 3.
The market strategy of cachaça entrepreneurs

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Categories</th>
<th>Value attributes</th>
<th>Segments</th>
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<tbody>
<tr>
<td>E1</td>
<td>4</td>
<td>Quality</td>
<td>Traditional consumers</td>
</tr>
<tr>
<td>E2</td>
<td>3</td>
<td>Brand</td>
<td>New consumers</td>
</tr>
<tr>
<td>E3</td>
<td>1</td>
<td>Brand</td>
<td>Traditional consumers</td>
</tr>
<tr>
<td>E4</td>
<td>2</td>
<td>Brand</td>
<td>Diversified</td>
</tr>
<tr>
<td>E5</td>
<td>3</td>
<td>Brand</td>
<td>Diversified</td>
</tr>
<tr>
<td>E6</td>
<td>5</td>
<td>Brand</td>
<td>Diversified</td>
</tr>
<tr>
<td>E7</td>
<td>3</td>
<td>Price</td>
<td>Traditional consumers</td>
</tr>
<tr>
<td>E8</td>
<td>5</td>
<td>Variety</td>
<td>New consumers</td>
</tr>
<tr>
<td>E9</td>
<td>2</td>
<td>Exclusiveness</td>
<td>New consumers</td>
</tr>
<tr>
<td>E10</td>
<td>5</td>
<td>Quality</td>
<td>Diversified</td>
</tr>
</tbody>
</table>

Finally, as a segmentation strategy, there were observed three basic types of those entrepreneurs dedicated to the traditional cachaça market, which is formed by the middle-aged and older men; those dedicated to prospecting new consumers, which is formed by the young people and female audience; and the diversified, that in same time attend the traditional market and seek for new consumers. The statements following reveal these segmentation strategies:

Quotation 15 – “I developed a market strategy focusing on young public and also the female public” (E2).

Quotation 16 – “The consumers have my age [65 years, male] and some are a little young (E3)”.

**Discussion**

The background of the Brazilian artisanal cachaça entrepreneur

In most of the cases, it was observed that the family origin played an important role in the entrepreneurial activity, permitting access to land and to land and the distillery, corroborating the view that in the context of the family business, the family is an important means to the entrepreneur access.
economic resources (Joshi et al., 2010) and social ties (Combs et al., 2020; Kussudyarsana et al., 2020). Accordingly, this study is in line with other studies in the cachaça industry (Lima et al., 2022; Neto et al., 2012; Paiva and Brito, 2018), confirming the existence of strong family and cultural ties linking the entrepreneurs with their distilleries. Most entrepreneurs had facilitated access to at least land that is an important resource in the cachaça production.

Additionally, the cases of entrepreneurs that had access to land and distillery showed in their majority emphasis on similar value attributes – the focus on the brand – and segmentation strategies – the focus on diversification. Based on interviews, this result corroborates partially (Vallejo, 2007), suggesting a restriction on the degree of decision autonomy of entrepreneurs that operate legacy distilleries. These entrepreneurs face some decision restrictions and have access to a consolidated business that opens new possibilities for action. Indeed, the organizational trajectory of older distilleries implies several tangible and intangible resources accumulated through time (Fernandes et al., 2009; Vasconcellos et al., 2015; Sydow et al., 2020), which offers the entrepreneurs several strategic possibilities that seem not to be available to the entrepreneurs that operate in the newest distilleries. As a result, the older distilleries have a market strategy which emphasizes brand, traditional or diversified product lines due to their consolidated reputation, while the newest distilleries are compelled to prospect new consumers.

As the artisanal cachaça business has historical roots, it was also observed strong attainment of entrepreneurs to the entrepreneurial legacy of their ancestors, corroborating the study of Jaskiewicz et al. (2015). Several cases revealed the existence of an entrepreneurial legacy, suggesting that entrepreneurs operate their distilleries motivated not only by economic incentives (Chandra et al., 2021) but also due to their origin and identity, which is in line with several authors in literature (Brändle et al., 2018; Weerasekara and Bhanugopan, 2022). Newy, it is possible to infer the intertemporal transference of knowledge and cultural values between different generations of family members (Froehlich and Bitencourt, 2009; Sydow et al., 2020) in the cachaça business through the trajectory of the distilleries.

It was observed an equilibrated incidence of positive and negative factors in entrepreneurs’ motivation that corroborates the existing push/pull perspective (Barros and Moreita, 2006; Gimmon et al.,
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2018; Mahto and McDowell, 2018; Santarelli and Vivarelli, 2007). Even though, according to the adopted terminology, the entrepreneurs were classified in a discrete framework as pushed or pulled, in some situations was observed the concomitant presence of positive and negative factors, although with the predominance of positive over negative factors. Among the positive factors, it was prominent the presence of affective issues such as family and cultural ties of the entrepreneur with the cachaça business, which is in line with the study of Brito et al. (2020).

In relation to the cognitive style, it was observed an equilibrium between the two types, intuitive (five) and analytical (five). As in the previous situation, even though the entrepreneurs were classified in a discrete way, according to the literature analytical (Dutta and Thornhill, 2008; Garret and Holland, 2015) and intuitive (Feeney et al., 2019; Hough and Dt Ogilvie, 2005), the interviews corroborate authors who consider that the entrepreneur can be positioned in a continuum between the purely intuitive and purely analytical (Molaei et al., 2014; Orlandi and Pierce, 2020; Okoli and Watt, 2018). Indeed, a decision manifests the presence of the two types of issues, analytical and intuitive, but with the predominance of one above the other. It is present in the emblematic statement of the entrepreneur E8 in Quotation 8 that he considers himself “70% analytic and 30% intuitive”. Therefore, it is worth noting that the personal, educational, and professional trajectory of each individual contributes to his cognitive style. Thus, each individual’s style can be considered a path-dependent issue.

Another aspect is that intuitive reasoning can also be related to the previous experiences of the individual in the business, as pointed to the entrepreneur E2, who states in Quotation 6 “I make my decision based on the feeling because I know the market “. As such, this type of decision process can also be associated with the personal trajectory and experiences of the individual.

Propositions about the influence of entrepreneur background in the resource access and market strategy

Through the comparative analysis, it was possible to enumerate propositions and frame a general view of the researched entrepreneurs. As presented in the previous subsection, the entrepreneurs’ family
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Origin has a preponderant influence on their access to tangible and intangible resources. While distillery equipment and knowledge about the cachaça manufacturing process are homogeneously distributed in the artisanal cachaça industry, the brand reputation seems to be dominated by the older distilleries, configuring a resource advantage for them, corroborating the main assumptions of the resource-based view (Barney, 2001; Wernerfelt, 2013).

Without the control of a strong brand reputation which is an intangible resource the remaining entrepreneurs are compelled to focus on different value attributes, such as variety, quality, or exclusiveness. This finding also reveals the validity of the value attribute perspective (Zeithaml, 1988), whereas due to their small size, ten out of eleven distilleries avoid price competition, seeking an effort of mutual differentiation in value attributes (Kodeih et al., 2018). Specifically, in the cachaça industry, this study verified the importance of value attributes such as brand, labelling, package, tanning process, time of tanning, taste and flavour, which corroborates other studies in this sector (Carneiro et al., 2012; Dornelles et al., 2009; Neto et al., 2012). This study extends this view by suggesting that the previous firm’s history can interfere with its possibilities of what value attribute focus vis-à-vis competitors.

Follows three propositions related to the basic characteristics identified:

**Proposition 1** – The artisanal cachaça industry is characterized by a high level of traditionalism, whereas the entrepreneurs have access to important resources due to family origin.

**Proposition 2** – It seems to be the influence of the entrepreneur’s access to resources in his value attribute strategy. While entrepreneurs with facilitated access to land and distillery are prone to focus on brand image, the remaining entrepreneurs seek value attributes different from brand image.

**Proposition 3** – Due to its small scale, most distilleries play the mutual differentiation strategies focusing on value attributes different from price.
Another general aspect is the occurrence of different segment strategies among entrepreneurs corroborating the literature (Ardley and McIntosh, 2019; Baker and Edwards, 2012; Le Fur and Outreville, 2021), which state that firms can focus on single and more than one segment. In addition, a comparative view of the data showed the existent relation between distillery age and segmentation strategy, synthesized in the following proposition:

**Proposition 4** – It seems to be a relationship between distillery age and segmentation strategy. While most of the entrepreneurs associated with the older distilleries implement the diversified segment strategy, the remaining focus is on new or traditional consumers.

The entrepreneurs that implement diversification strategies have broader product lines compared with entrepreneurs that focus on traditional or new consumers, with an average of 3.75 and 3 product lines, respectively. This suggests that diversification strategies require the development of product lines to serve different consumers’ preferences, which corroborates the view of Baker and Edwards (2012), Le Fur and Outreville (2021) and Liu et al. (2012). Follows the proposition:

**Proposition 5** – The segmentation strategy seems to influence the size of the product lines of distilleries. Diversified strategies imply broader lines than the focus on a unique market segment.

It was detected a clear influence of the type of entrepreneur motivation in the market strategies, pulled entrepreneurs – those attracted to the cachaça industry due to positive factors – implemented in their majority the diversification strategy, the pushed entrepreneurs – those that compelled to the business due to negative factors seek to implement new consumers segmentation – being more explorative. It probably occurred because these entrepreneurs were pressured by the economic need to seek markets still not explored by the consolidated distilleries. Follows the proposition:
Proposition 6 – Entrepreneur motivation seems to play an influence in the segmentation strategy. While pulled entrepreneurs are prone to implement diversification, pushed are compelled to seek new consumer segments.

With respect to the influence of education on the cognitive style, While Adelaja (2021) found a relationship between educational level and entrepreneurial intention, Solomon et al. (2008) found an association between academic level and success measures, and this study found that entrepreneur with more formal education, pos-graduate course 66.6% (4 in 6 entrepreneurs) are prone to an analytic cognitive style. For entrepreneurs with less formal education (in high school or graduate level), the percentage of the analytical process is 20%. This situation is probably due to entrepreneurs with a major level of formal education adopting their decisions routines used in post-graduating courses, associated with scientific and systematic reasoning, evident in Quotation 7 of the E10.

Proposition 7 – While entrepreneurs with a lower educational level tend to have an intuitive cognitive style, entrepreneurs with a higher educational level tend to have an analytical one.

Table 4 shows a synthesis of the valid and no valid cases considering the seven propositions of this study.
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Finally, using the holistic framework based on the concepts of EBV, RBV and MBV, as presented in Figure 1, to the interpretation of results about the ten cachaça entrepreneurs, it is possible to conclude that the entrepreneurial activity in most cases is highly entrenched in the cultural, historical context of the trajectory of the distilleries. As a result, on the one hand, the entrepreneurs that operated in older distilleries have privileged access to firms with a consolidated bulk of resources, that is, tangible and intangible resources, and a market strategy already implemented. However, they also probably have a narrow level of autonomy, being in part compelled to continue a business constituted by their ancestors. On the other hand, entrepreneurs that operate in the newest distilleries are compelled to strive for more daring strategies to conquer new markets, whereas their distilleries have intangible resources (brand, reputation) less developed than the first group.

These two basic different situations of oldest and newest cachaça distilleries suggest that the entrepreneurial action of researched entrepreneurs is conditioned at least in part by their educational formation and the resources available to them, which will be decisive in strategic decisions such as the value attributes prioritized in the cachaça and the length of product lines. In conclusion, the use of a holistic framework encompassing constructs of EBV (origin, motivation, and cognitive style), RBV (tangible and intangible resources) and MBV (value attributes, categories of products and segments) suggests that in the case studied, there is a mutual influence among the characteristics of entrepreneurs and their respective distilleries in these three levels of scope.

Conclusion

To integrate of entrepreneur-based view, resource-based view and market-based view, this article relies on an anthropocentric perspective of these building blocks and analyzes how entrepreneurs’ background in the Brazilian artisanal cachaça industry influences their access to productive resources and
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the development of their market strategy. It is based on the following research question: how does the entrepreneurs’ background influence their access to resources and the configuration of the market strategy of their firms in the context of Brazilian artisanal cachaca distilleries? Through the entrepreneurs investigated, it was possible to observe that the entrepreneur’s family origin has a strong influence on his access to the main productive resources. It is possible to observe a high level of traditionalism and social rigidity in this industry in the context of a developing country. This configuration constrains the market strategy possibilities of the entrepreneurs, influencing the prioritization of value attributes, the size of the product portfolio and the consumer segments served.

The main contribution of this article is to present a holistic view of entrepreneurship that encompasses three perspectives, entrepreneur-based view, resource-based view, and market-based view, to integrate different issues in entrepreneurship theory. Relying on the basic role of identifying categories from qualitative data (Grodal et al., 2021), this article presents an alternative perspective of integrating different building blocks in entrepreneurial research. As a result, it adds a new view to the contemporary literature that seeks to expand the knowledge about entrepreneurship and its effects on firms’ activities (e.g., Lanivich et al., 2021).

Considering the building blocks of the entrepreneurial-based view, the resource-based view, and the market-based view, this article suggests an archetypical perspective of a holistic entrepreneur that bypass the stylized view that considers this social agent from a single perspective, or purely rational, or as the single result of social context. In sum, while the researched entrepreneurs are highly constrained by their family origin and history, they also have some freedom to adjust the market strategy of their inherited firms to the challenges of the modern day.

In addition to existing studies, this article also contributes to a better understanding of the strategic issues in the cachaca industry in Brazil. This article reinforces several findings already presented by some studies (Coelho et al., 2014; Neto et al., 2012; Mulling et al., 2015; Paiva et al., 2018) but introduces a comprehensive view of the main strategic issues in this industry gathering constructs of three different theoretical lenses, entrepreneur-based view, resource-based view and market-based view. In this case, this
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article permits a better understanding of how aspects of these different but complementary perspectives are responsible for the configuration of the strategies in cachaça distilleries.

A practical implication of this article is that the entrepreneur’s background should be considered an important issue in the process of orientation of the entrepreneurial activity. In fact, entrepreneurial educational programs may go beyond the standardized view of current business models, considering the specific situation of each entrepreneur in terms of origin and possibilities of obtaining rent of their existing resources.

Even though this study is based on nine constructs (familiar origin; education; motivation; cognitive style; access to tangible resources; access to intangible resources; product portfolio; value attributes; market segmentation), grouped into three categories due to space limitations, this study was not capable of addressing several other possible constructs inside each category.

This article opens new opportunities for future research. One possibility is to develop a structured protocol to map all Brazilian artisanal cachaça industry to verify the influence of the entrepreneurial background on the access to resources and the configuration of market strategy. This can help identify the existent profiles of the entrepreneurs in this industry in a study with statistical validity. Additionally, this study can be enhanced and applied to other artisanal agricultural contexts in Brazil and other countries to verify the influence of ‘entrepreneurs' backgrounds in their strategic possibilities.

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