









## Análisis de los negocios en el Ecuador para ofertar o diversificar nuevos productos o introducirse en nuevos mercados

*Analysis of businesses in Ecuador to offer or diversify new products or enter new markets*

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## Palabras

### claves:

Diversificación productiva, Nuevos mercados, Economía, Industria y Sostenibilidad.

## Resumen

**Introducción.** La diversificación empresarial implica la expansión estratégica hacia nuevos productos, servicios o mercados, ofreciendo a las empresas oportunidades para mitigar riesgos, aprovechar sinergias y fortalecer su posición en un entorno competitivo. **Objetivo.** Ampliar el portafolio de las empresas para llegar a nuevos segmentos de mercado para potenciar el crecimiento al satisfacer diversas necesidades del consumidor. **Metodología.** El diseño de la investigación partió del paradigma de investigación positivista, tipo de investigación, diseño de campo no experimental y transversal con apoyo documental, nivel de investigación descriptiva, la muestra de 384, se utilizó el instrumento del cuestionario, validado mediante juicio de expertos. **Resultados.** El 38% de los participantes en la encuesta indicaron haber optado por la incorporación de nuevos productos o servicios a una línea ya existente como parte de su estrategia. Además, el 30% señaló haber decidido fabricar productos o brindar servicios que anteriormente adquirirían de terceros. En cuanto a la diversificación relacionada u horizontal, que representa el 25%, esta se refiere a la introducción de productos o servicios vinculados con la actividad principal de la empresa. Por otro lado, la diversificación no relacionada o conglomerada, representando el 7,13%, se destaca como una estrategia más arriesgada para incursionar en nuevos mercados. **Conclusión.** La diversificación productiva se presenta como una estrategia fundamental, brindando a las empresas la posibilidad de reducir riesgos, descubrir nuevas posibilidades y reforzar su capacidad de adaptación en un contexto empresarial en constante cambio. **Área de estudio general:** Gestión de las organizaciones con responsabilidad social, emprendimiento e innovación. **Área de estudio específica:** Calidad, Productividad, Responsabilidad social y Marketing.

## Keywords:

Productive diversification, new markets, economy,

## Abstract

**Introduction.** Business diversification involves strategic expansion into new products, services, or markets, offering companies opportunities to mitigate risks, take advantage of synergies and strengthen their position in a competitive environment. **Aim.** Expand

industry, and sustainability.

the companies' portfolio to reach new market segments to enhance growth by satisfying various consumer needs. **Methodology.** The research design was based on the positivist research paradigm, type of research, non-experimental and transversal field design with documentary support, level of descriptive research, sample of 384, the questionnaire instrument was used, validated through expert judgment. **Results.** 38% of the participants in the survey indicated that they had chosen to incorporate new products or services into an existing line as part of their strategy. In addition, 30% indicated that they had decided to manufacture products or provide services that they previously acquired from third parties. Regarding related or horizontal diversification, which represents 25%, this refers to the introduction of products or services linked to the main activity of the company. On the other hand, unrelated or conglomerate diversification, representing 7.13%, stands out as a riskier strategy to enter new markets. **Conclusion.** Productive diversification is presented as a fundamental strategy, providing companies with the possibility of reducing risks, discovering new possibilities, and strengthening their capacity to adapt in a constantly changing business context. **General study area:** Management of organizations with social responsibility, entrepreneurship, and innovation. **Specific study area:** Quality, Productivity, Social Responsibility and Marketing.

## Introduction

In today's dynamic business environment, adaptability and the continuous search for strategic opportunities are essential to achieving long-term success. In this context, companies are faced with two fundamental decisions: product diversification and entering new markets. These strategies, when implemented effectively, present themselves as strategic paths capable of boosting the growth and importance of an organization in a highly competitive environment.

Product diversification involves expanding or creating new product lines, either by improving existing ones or introducing completely new innovations. This approach not only seeks to stay aligned with changing market demands, but also to reduce risks by avoiding relying exclusively on a single type of product.

In contrast, entering new markets involves exploring untapped territories or penetrating unserved demographic segments. This strategy seeks to take advantage of undiscovered opportunities and diversify revenue streams, thereby expanding the company's customer base.

This article will take a detailed look at the key considerations, benefits, and challenges associated with product diversification and entering new markets. Through a comprehensive analysis, we seek to offer practical guidance for businesses to make informed and strategic decisions, paving the way to sustainable growth and a strong competitive position in the current business landscape.

The purpose of diversifying products or entering new markets is to actively seek opportunities to expand and strengthen a company's position in the market. These strategies are designed to drive growth, improve profitability, and reduce risk by diversifying revenue streams.

In the case of new product introductions, the company is enabled to stay relevant in an ever-evolving business environment by prioritizing innovation and adapting to changing consumer needs to ensure continued success.

By diversifying the product portfolio, a company can also mitigate the risks associated with over-reliance on a single product. In situations of changing demand or unexpected events in a specific sector, the presence of other products can support overall performance.

Offering new products can also attract new customers and increase existing customer loyalty by meeting a broader range of needs, thereby encouraging customer retention.

By entering new geographic or demographic markets, the potential customer base is expanded, generating not only more sales opportunities but also the possibility of gaining additional market share. Expansion into new geographic markets also acts as a hedge against regional economic fluctuations, allowing the company to take advantage of opportunities and mitigate risks specific to a region.

It is crucial to note that entering new markets can reveal undiscovered opportunities or unserved market niches, which can translate into significant growth and the establishment of a global presence.

The current research is part of the formative research project entitled "Diversification of productive activities in the city of Cuenca and its impact on MSMEs during the last decade". The justification of this project lies in its contribution from a theoretical-academic perspective to address the challenges of MSMEs, including industrial activities. This is crucial due to the relevance of productive activities in Ecuador, which have a great

impact on job creation and the revitalization of the economy. The project seeks to promote the participation and empowerment of merchants, entrepreneurs and small business owners, which translates into improvements in trade, productivity and, therefore, in socioeconomic conditions.

This study was developed with the intention of providing alternatives that demonstrate how product diversification and entry into new markets seek to create a stronger business portfolio, improve resilience to market changes and position the company for long-term sustainable growth. The choice between these strategies will depend on the specific vision, resources and objectives of each organization.

### Methodology

The methodology to be used in the present investigation was through a documentary, descriptive, bibliographic and analytical review, which involves a focus on the collection and analysis of documents and information related to the "Diversification of production", in relation to the descriptive level consists of the characterization of a fact, phenomenon, individual or group, in order to establish its structure or behavior, that is, to expose the event studied, making a detailed enumeration of its characteristics, so that in the results levels of analysis can be obtained, depending on the phenomenon and the purpose of the researcher (Arias, 2016).

The results of this type of research are located at an intermediate level in terms of the depth of knowledge, linked to field research. Regarding this aspect, Arias (2016) reveals that it is the one that consists of collecting data directly from the subjects investigated, or from the reality where the events occur (primary data), without manipulating or controlling any variable, that is, the researcher obtains the research but does not alter the existing conditions. Hence its non-experimental research character.

For data collection, the technique used in this research was the survey and the questionnaire instrument, for its part, Hernández et al. (2019), maintains that it is: that which seeks to specify properties, characteristics and important features of any phenomenon being analyzed. It describes trends in a group or population.

Considering the database of the Ministry of Production, Foreign Trade, Investments and Fisheries (2023), in the figures bulletin of the Productive Sector, there is a population of Microenterprises of 1,900,000, small companies 25,000, medium-sized companies 12,000, large companies 4,000, totaling 1,941,000, of which the sample size was determined with a 5% margin of error, corresponding to the sample  $n = 384$ , which were applied through the Google forms tool, the content validity was carried out through the judgment of three experts with experience in the area of accounting, taxation and methodology.

A target population of sixty online buyers was determined, corresponding to a sample of  $n = 384$ , a questionnaire, and they were also validated using Cronbach's alpha. In this regard, Bernal (2006) states that reliability is the consistency of the instrument and that it allows for evaluation, through a pilot test, thus verifying its veracity, which is used when the tool includes items with multiple response alternatives.

In the case of the questionnaires, they were applied to online buyers, through a digital questionnaire, using Likert-type items. In this sense, Cañadas & Sánchez (1998), the Likert scale is a measurement method used by researchers with the objective of evaluating people's opinions and attitudes.

The Google Forms tool was sent to the email addresses of the buyers surveyed. Once the information was obtained from these sections, it was exported to SPSS, version 29.0, for the respective processing and analysis.

#### *Theoretical Foundation*

The theoretical framework includes theoretical, conceptual, legal, and situational aspects of the reality that are part of this research, thus ensuring the integration and interrelation of theory with the methodology and research objectives.

According to Correa & Stumpo (2019), SMEs occupy a very important place within the Latin American economy; for the group of companies in Latin America, they are a fundamental element, since the extent of their collaboration in job creation is total.

In Ecuador, SMEs are seen as drivers of the economy since, according to the National Institute of Statistics and Censuses (INEC, 2021), 99% of businesses in that country operate under this business modality.

Bárcena et al. (2016), in their book *Performance and New Challenges for Development Policies*, argues that its purpose is to analyze the evolution of industrial companies, highlighting the advances in policy design and the incorporation of innovative instruments, telling us that the world is experiencing changes in different areas.

SMEs cannot be left out of this process; countries in the region have made efforts to support small manufacturing companies. Consequently, it can be deduced that they do not have sufficient technology for their production, which makes it difficult for them to work on the deficit and the lack of public policies does not lead to the desired progress at a global level, much less internationally or nationally. A necessary contribution in this scheme is sustained government support, thinking more about the social, economic and productive well-being of companies. Internationally (Lampón et al., 2018).

Clavijo & Dorado (2020) states that companies from the beginning of their creation have to focus on the national market, they consider the international market as an option,

demonstrating that there necessarily has to be a change in the effective structure, hence different countries are exporters of their products worldwide, in the manufacture of raw materials. It is very likely to offer in the national and international market, with positively guaranteed products and with a lot of advantage.

According to Viteri & Tapia (2018), regarding the Ecuadorian economy, they point out that agricultural activities in Ecuador contribute to the generation of capital that allows the mobilization of secondary industry; however, Ecuadorian agrarian structures have not yet reached levels that allow them to transform agro-industrial systems that generate financial and commercial synergy. Therefore, based on these factors and variables analyzed, it is concluded that Ecuador is a country that generates services with agricultural potential, in which schooling decisions in its population are oriented towards training to increase the range of services offered, which directly reflects the deficit balance of the trade balance. Hence, the importance of prioritizing mechanisms that guide the optimal use of Ecuadorian human talent, framed in the potential of natural resources, promoting good living through an inclusive, fair and supportive model.

The analysis carried out in Ecuador by Viteri & Tapia (2018), Ecuadorian Economy of Agricultural Production in Service focuses on a low evolution of the agricultural sector in the country, the investigation is based on the method of data collection to test hypotheses based on numerical measurement and precise statistical analysis whose investigation demonstrates confirms the reality that exists in the productive sector, and the economy. Emphasizing that Ecuador does not take full advantage of the potential it has.

In the context of a globalized economy, the benefits provided by trade agreements, which arise from the use of natural resources as a source of wealth generation, enable the establishment of productive processes that influence the transformation of the economic structure and its updating, that is, it is necessary to technify, to improve the agricultural sector, which will allow a direct contribution to the development of the country.

Likewise, it is necessary to keep in mind the importance of entrepreneurship in Ecuador. In this regard, Zamora (2018) states that in recent years, Ecuador is the country with the highest level of entrepreneurship created. Despite this, the country does not meet the necessary requirements to generate a sustainable ecosystem of entrepreneurship as a response to the high levels of unemployment that the country faces. According to surveys carried out, 28.7% of the economically active population is self-employed, 54.8% is salaried and 4% is an employer.

Similar to this is the contribution of small and medium-sized industrial companies in the Ecuadorian economy. In this sense, Carranco & Gudiño (2017) declare that they are essential actors for the growth of any economy. They constitute more than 90% of the

companies in the world, with their participation being even higher in Latin America, with 97%.

Izquierdo et al. (2021), argues that the development of entrepreneurship in Ecuador through the UNIANDES university. Universities fulfill the function and commitment of supporting society in the development of entrepreneurship, with the objective of generating administrative empowerment through business plans technically designed to improve the productivity and competitiveness of actors and organizations of the popular and solidarity economy.

According to Yance et al. (2017), the source of social development in terms of production, demand and purchase of products or simply by added value, is a process that leads to the improvement of the living conditions of the entire population, being an indispensable factor for generating wealth and employment.

Article 283 of the Constitution of the Republic of Ecuador, authored by the Constituent Assembly (2008), establishes that the economic system is social and supportive and is made up of the following forms of economic organization: public, private, mixed, popular and supportive, and others that the Constitution determines. The popular and supportive economy will be regulated in accordance with the law and will include the cooperative, associative and community sectors.

Organic Law on Entrepreneurship and Innovation, promoted by the National Assembly of Ecuador (2019), in its Art. 1 aims to establish the regulatory framework that encourages and promotes entrepreneurship, innovation and technological development, promoting entrepreneurial culture and implementing new corporate and financing modalities to strengthen the entrepreneurial ecosystem. The scope of this law is limited to all public or private activities linked to the development of entrepreneurship, innovation and productivity.

Diversification in the business field is defined as the strategy that involves the expansion of commercial activities into new products or markets with the aim of reducing dependence on a single business segment. This strategy seeks to mitigate risks by distributing investments in different areas, allowing the company to better cope with variations in the economic environment and market fluctuations (Ansoff, 2020).

According to Torreblanca (2020), company diversification has been a relevant topic from the point of view of Business Management, which has been extensively discussed in academic literature. Indeed, the problem of how companies decide on the different businesses in which they want to compete is a field of study of interest to business practice that has been attempted to be resolved through theoretical research.



Regarding business diversification, it is a strategy that consists of expanding the potential market with the aim of expanding and achieving greater growth. Speaking in marketing terms, it is about discovering new market niches that the company can penetrate and achieve success. Diversification consists of creating new products or services, developing a new approach to existing products or services or looking for other consumer profiles with needs or desires to meet. In this last option, analyzing the new lifestyles that are emerging, especially generationally, can provide an interesting new vision to the company from a strategic point of view (Markowitz, 2019).

Likewise, when referring to Productivity, it consists of the set of actions that are carried out to meet the company's objectives, knowing the amount of resources that were used for this and comparing it with the results that were obtained. Business productivity seeks that resources are used in a way that generates greater income or production in a given period. The more efficient the production processes are, the greater the opportunities to achieve economic growth. "Productivity is a concept that is necessarily associated with a product obtained by means of resources used to achieve it" (Hernández, 2005).

For their part, Becerra & Cuadrado (2020), society generates barriers that deny people access to employability, and therefore access to a better quality of life, in a world where there are difficulties that prevent them from taking advantage of the advantages of the markets, accumulating capital and increasing their productivity.

According to Ramos & Valle (2020), it is a corporate lifestyle applied to business, its objective being the balance between financial profitability and the use of different environmental, social and economic resources, improving socioeconomic conditions for everyone, including the companies themselves. Therefore, a company is sustainable if it ensures long-term consistency and status, contributing to the progress of current and future generations. Sustainability is a fundamental key to the success of companies, transforming them and thus facilitating the creation of more business opportunities.

Regarding new markets, it can be understood as the identification and exploitation of business opportunities in areas that have not been previously explored or that present significant growth potential. This may involve entering unserved geographic regions, product diversification or capturing non-traditional customer segments. In this regard, Kotler & Keller (2012) maintain that new markets refer to the expansion of business activities towards previously unexplored areas or segments, seeking to take advantage of growth opportunities and increase a company's market share.

## Results

The results are findings derived from this study, in accordance with the objectives of the research, that is, to analyze the participation of buyers regarding the impact that

informality generates in electronic commerce, through an online connection, not only allows immediate and real-time interaction, but also facilitates the resolution of problems much more quickly.

The tabulation and interpretation of the questionnaires addressed to the merchants consisted of a total of 12 items; for the present analysis only five, the most important, have been selected.

**Figure 1**

*Which of the following maneuvers has your company used to continue operating?*



**Note:** Taken from the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade. Based on the analysis of the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade.

Looking at Figure 1, 22.89% corresponds to product diversification, since limiting the variety of these considerably reduces sales opportunities. Online sales, or better known as “ecommerce,” account for 21.10%; small and large companies have adopted this new modality, since one of the strategic channels for generating sales today lies in the purchase and sale of products or services over the Internet.

With 18.85% this Discounts and promotions seek to attract consumers by offering additional economic benefits or attractive experiences. These strategies are common in retail and in various sectors of the industry, as they can generate an increase in sales and improve the perception of value by customers.

On the other hand, 18.49% of respondents believed that improving productive activities involves implementing changes and adjustments in the processes and practices within a company with the aim of achieving greater efficiency, quality, and performance in the production of goods or services.

Similarly, with 16.97%, credit sales allow customers to purchase products or services and postpone full payment until a later time. This practice offers several benefits for both consumers and sellers, it is important to keep in mind that, although credit sales offer benefits, they also carry risks, such as the risk of non-payment. Companies must carefully manage their credit policy and carry out risk assessments to mitigate these potential drawbacks.

Finally, with 1.71%, this greater and better budgetary control implies a more efficient and effective management of an organization's financial resources. This includes a more rigorous monitoring of income and expenses, the identification of areas of opportunity for cost reduction, the efficient allocation of resources to different areas and projects, and the continuous improvement of budgetary practices.

**Figure 2**

*Choose one of the options if you have diversified your business?*



**Note:** Taken from the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade. Based on the analysis of the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade.

From Figure 2, it is established with respect to options if you have diversified your business that 28.39% have opted for the use of resources, it is about maximizing performance and minimizing waste in the use of all available resources.

With 19.53% of respondents answering the question about business diversification options for new markets, it involves expanding a company's reach beyond its traditional areas, seeking growth and diversification opportunities. This can be crucial to a company's long-term survival and success, as it allows it to adapt to changes in market demand and take advantage of new trends and opportunities.

Similarly, 18.75% is expanding the investment scope and having several businesses, which refers to providing greater stability, growth opportunities and flexibility in the

business landscape. 18.23% is examining production processes, which consists of carrying out an exhaustive analysis with the aim of optimizing efficiency, controlling quality, reducing costs and adapting to changing market demands. This contributes to the long-term competitiveness and sustainability of a company.

Regarding the development of new activities, the graph represents 15.10%, which implies opting for a proactive strategy to remain relevant and competitive, whether through expansion, innovation or adaptation to changes in the business environment.

**Figure 3**

*In what economic activity has your company been associated with diversification over the last decade?*



**Note:** Taken from the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade. Based on the analysis of the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade.

The analysis in Figure 3 established that, with respect to the economic activity that was associated with the diversification of their company in the last decade, 19.79% of respondents answered that food and beverage products cover a wide variety of items intended for human consumption, and their production and marketing involve careful management of quality, safety, innovation and compliance with regulations.

With 17.19%, textiles, knitwear and clothing are included, covering all stages from the production of materials to the marketing of final products, and is influenced by fashion, innovation and sustainable considerations.

Likewise, with 16.67% there is chemicals, rubber and plastic, which is diverse and comprehensive, with activities ranging from the production of basic chemical products to

the manufacturing of final products, and is constantly focused on innovation and sustainability.

Likewise, with 11.46% of this wood and furniture, they are interconnected in the creation of functional and aesthetically pleasing living spaces, and the choice of these elements plays a crucial role in interior design and decoration. Similarly, with 10.68% other activities.

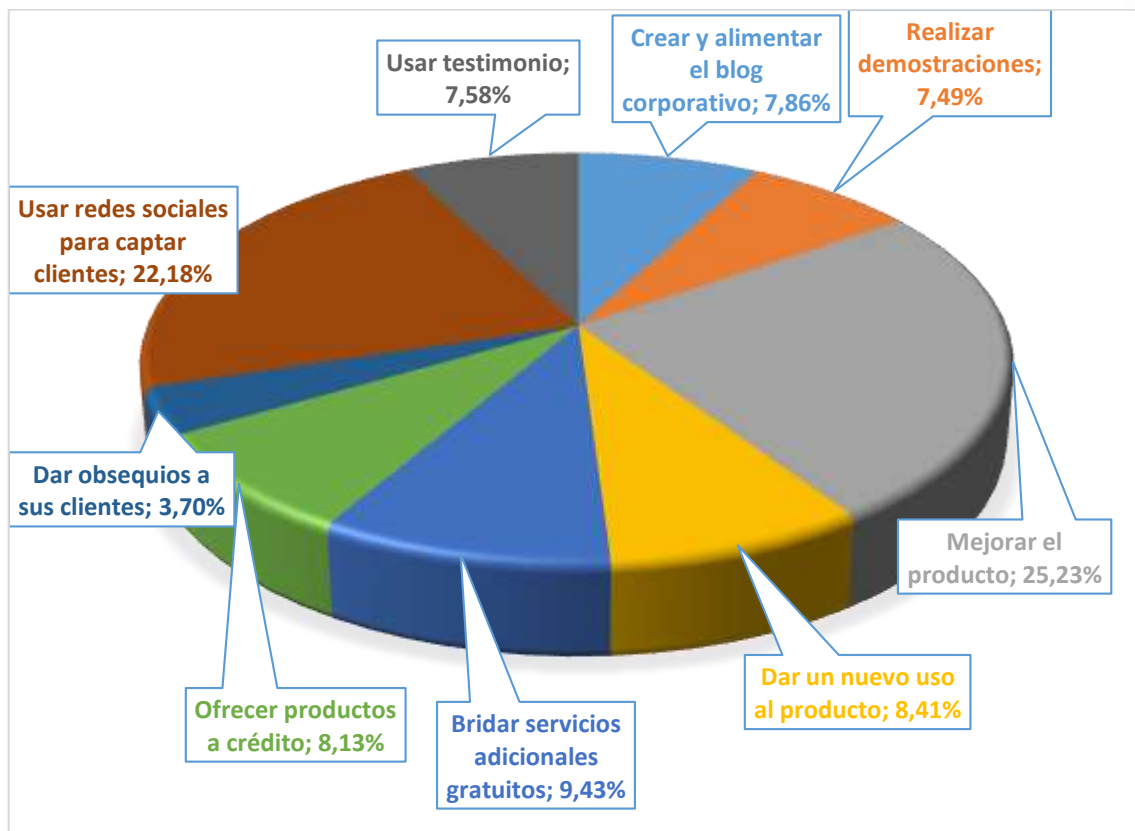
On the other hand, with 10.16% are metal products, which involve using metals as raw material to manufacture a wide variety of items, using various manufacturing processes to achieve specific properties. These products play a fundamental role in numerous industries and offer durability, strength and versatility.

Machinery, equipment and electrical appliances account for 8.07% of the total. They are essential components in numerous industries, playing a crucial role in production, technology, health, construction and other sectors. Their continuous innovation drives progress and efficiency in various areas of society.

Finally, with 5.99%, there are vessels, vehicles and parts, covering a wide range of activities, from vehicle manufacturing to component design and the incorporation of advanced technologies. Safety, efficiency and sustainability are key considerations in this sector.

**Figure 4**

*In your opinion, what are three strategies that a company needs to succeed in the new market?*



**Note:** Taken from the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade. Based on the analysis of the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade.

In Figure 4, regarding the question "main strategies that a company needs to succeed in the new market", we have 25.23% to improve the product, which refers to user feedback, market research, technological innovation and optimization of manufacturing processes to achieve more competitive products aligned with consumer needs and preferences.

With 22.18% using social media to attract customers, it involves a comprehensive strategy that combines active presence, interaction, targeted advertising and data analysis to maximize effectiveness in customer acquisition and retention.

Likewise, with 9.43%, offering free additional services implies a conscious strategy to improve the value proposition, satisfy customer needs and strengthen the relationship with customers, which can translate into benefits in terms of loyalty, marketing and competitiveness in the market.

Regarding giving a new use to the product, 8.41% said this involves a combination of creativity, adaptability and marketing strategies to highlight its capabilities in different contexts, offering additional benefits for both the company and consumers.

Similarly, 8.13% of the respondents believe that offering products on credit is an option, that is, providing financial flexibility to customers, stimulating sales and encouraging loyalty, while requiring careful management of credit risk and the implementation of transparent policies.

Similarly, for 7.86%, creating and feeding the corporate blog involves the constant generation of valuable content, building an online community, optimizing for search engines and promoting the brand, all with the aim of strengthening the online presence and effectively connecting with the audience.

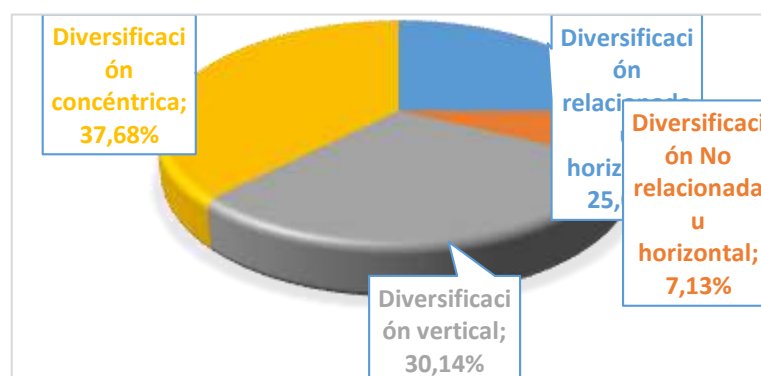
Likewise, 7.58% use testimonials, referring to taking advantage of the positive experiences of previous clients as a persuasive and emotional strategy to influence the purchasing decision of new clients.

According to 7.49%, conducting demonstrations involves actively showing products or services to customers in a practical and persuasive way, seeking to generate interest, demonstrate value and facilitate purchasing decisions.

For its part, with 3.70%, giving gifts to its customers encompasses a comprehensive strategy that ranges from loyalty and gratitude to product promotion and market differentiation, contributing to strengthening the relationship with customers and improving brand perception.

**Figure 5**

*In your opinion, can you point out the diversification strategies that your company has opted for in the last decade?*



**Note:** Taken from the surveys of the Formative Research Project called Diversification of productive activities in the city of Cuenca and its influence on SMEs during the last decade. Based on the analysis of

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According to the graph above, 37.68% of respondents indicate that they have chosen concentric diversification. This means that companies have implemented concentric diversification, integrating new products or services into an existing line as part of their strategy. An example of this strategy is the Tesalia beverage, which has introduced several variants of its classic beverage to the market, such as Tesalia mineral water, Tesalia ICE and Tesalia flavored beverages.

Similarly, 30.14% of respondents have chosen the vertical diversification option, which occurs when a company decides to manufacture products or offer services that it previously obtained from third parties. This approach can materialize in two ways: the first involves the company acquiring or establishing partnerships with other companies to cover the initial phases in the production chain, becoming its own supplier. The second occurs when the company manages the stages of the production process closest to the customer, such as marketing, logistics or distribution.

Regarding related or horizontal diversification, it represents 25.05%, this occurs when a company launches a product or service linked to its main activity.

In contrast, unrelated or conglomerate diversification, which accounts for 7.13%, is presented as a bolder strategy for entering new markets. In this case, the company's new activities have no connection to the existing business model. The purpose of this strategy is to take advantage of profitable opportunities in market segments that are very different from each other.

## Discussion

When examining the impact of productive activities in Ecuador and their effect on MSMEs, a considerable impact is observed in the stimulation of employment, the generation of tax revenues and economic dynamics. This phenomenon succeeds in involving and strengthening the position of merchants, entrepreneurs and small business owners, resulting in palpable improvements in the area of trade and productivity.

This is how our economic system, by constitutional definition, is based on the social and solidarity economy; within this economic system, the subsystems of the public, private, popular and solidarity economy interact. The economy cannot be understood without covering the relationships between the economic actors of these subsystems, which are of great importance and require incentives, regulations and policies that promote productivity and competitiveness (Becerra et al., 2021a).



Diversification becomes crucial for the ongoing development of SMEs, providing them with the ability to achieve sustainable growth over time and consolidate their position in the market. The term SME covers micro, small and medium-sized enterprises (MSMEs), a classification based on the size of the companies. These companies play a prominent role in generating sustainable employment and supplying basic products to the domestic market. In this context, diversification is presented as an essential strategy to strengthen their position and adapt to market dynamics (Jaramillo, 2012).

Becerra et al. (2021b) argue that micro, small and medium-sized enterprises (MSMEs) play a fundamental role in driving job creation and production in society through the various stages of production chains.

Small and medium-sized enterprises (SMEs) play a significant role in the socio-economic development of every nation, which generates the need to enhance their performance by implementing strategies that favor their operations. This approach seeks to reduce operating costs, optimize process efficiency, effectively manage inventory levels, improve product quality and, ultimately, increase productivity (Yance, 2017).

Becerra et al. (2021c), refers to electronic commerce, which acts as a key driver of productivity, hence e-commerce, today, plays a fundamental role in productive diversification, acting as a key vehicle to expand the presence of companies in various markets. The versatility of e-commerce allows companies to explore new opportunities and segments, diversifying their sources of income. This form of commerce not only expands the geographic reach, but also facilitates the offering of a more varied range of products and services.

Connecting directly with consumers through digital platforms fosters adaptability and innovation, two essential aspects of productive diversification. In addition, e-commerce provides the ability to customize the offer according to changing market demands, thus contributing to the resilience of companies in a dynamic business environment. This strategic approach not only boosts productivity, but also strengthens companies' ability to mitigate risks and thrive in a constantly evolving business environment.

Productive diversification is essential to explore new markets and strengthen the economy and industry. The intersection between these elements seeks not only to boost economic growth, but also to ensure long-term sustainability. Expansion into new markets, driven by diversification, contributes to economic development and the creation of a more robust industrial sector. Consideration of sustainable practices in this process ensures that growth is balanced and respectful of the environment, thus promoting a more sustainable and responsible economy.

## Conclusions

The main conclusions are presented below, integrating the analysis and the observation technique, in this sense it is indicated below:

- The analysis of the information allowed us to determine that one of the maneuvers that companies used to continue operating was the diversification of production, with 23%, followed by online sales, with 21% and improvements in productive activities with 18%. These strategies seek to improve the flexibility, efficiency and adaptability of companies in a constantly changing business environment. The combination of these strategies can vary depending on the industry and the specific objectives of each company.
- Regarding business diversification, 28% support the use of resources, 20% support new markets, expanding the investment scope and having several businesses (19%) and examining production processes (18%). This seeks to optimize business performance through business diversification, efficient use of resources, exploration of new markets, expansion of the investment scope and management of multiple businesses. In addition, the intention is to thoroughly examine production processes to ensure their efficiency and continuous improvement.
- The analysis indicated that the economic activity that is significantly associated with the diversification of their company in the last decade was food and beverage products with 20%, followed by textiles, knitwear and clothing with 17%. In other words, companies have boosted their business by diversifying their products in two main areas: food and beverages, as well as textiles, knitwear and clothing. This strategy involves expanding the offer to serve different market segments, taking advantage of opportunities in complementary sectors.
- Regarding the strategies that a company needs to succeed in the new market, the results determine that 25% of the strategies are to improve the product, and 22% are to use social media to attract customers. In other words, success in a new market requires strategies that include continuous product improvement and the effective use of social media to attract and retain customers. These elements are crucial to adapt to the competitive environment, meet consumer needs and establish a solid presence in the digital age.
- It is worth highlighting that the diversification strategies that your company has chosen in this last decade are of greater importance: concentric diversification with 38%, vertical diversification with 30%, and related or horizontal diversification with 25%. Therefore, companies have implemented diversification strategies, highlighting concentric, vertical and related (horizontal) diversification. These strategic decisions have been fundamental for growth, covering expansion in related areas, the incorporation of new stages in the value chain and the exploration of opportunities in related sectors.

- The sustainability of a company is fundamentally supported by diversification. By expanding its operations in different areas or market segments, the company can mitigate risks, adapt to changes in the business environment and build a stronger foundation for long-term growth. Diversification is presented as a key strategy to strengthen the resilience and stability of the company over time.
- Manufacturing companies, including MSMEs, play a crucial role in Ecuador, being an important part of the economy by generating employment, fulfilling tax obligations and contributing to the country's economic growth.

### Conflict of interest

The authors declare that they have no conflict of interest.

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