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***Internationalization Strategy for Better-for-You Food
Startups: SQUP in the US Market***

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ABSTRACT

This thesis examines how SQUP - an Italian Better-for-You food startup producing 100% plant-based, no added sugar gelato - can expand internationally, with a focus on entry into the United States of America. Applying a combination of traditional internationalization theories (Uppsala, PLC, and the I-model) and frameworks created for startups (Born Global, INV, and the Network Approach), the paper develops a three-phase market entry strategy, using California as the initial entry state. The analysis is informed by primary research conducted during the author's involvement at Team Consulting ITA and an interview with SQUP's co-founder Emanuele Bianconi. The paper finds that SQUP's most effective strategy combines the INV model's alternative governance structure logic (using KeHE/UNFI distributors), the Network Approach's emphasis on establishing strong relationships, and the Uppsala Model's gradual expansion framework - all while continuing the Italian artisanal identity that sets SQUP apart from its core competitors.

INTRODUCTION

The global food industry is undergoing one of the most important changes in its history. The rise in health consciousness, ethical sourcing consumerism, and plant-based food as a trend have created a new food category which intersects indulgence along with nutrition - the ‘Better-for-You’ (BFY) segment. BFY products are foods and beverages that deliver considerable health benefits - such as “those low in salt and sugar, high in fiber or with added vitamins” (Nestle, 2011) - but still manage to taste just as good as the original version. What used to be a niche wellness market has moved into a multi-billion dollar global industry, changing the way consumers and firms think about everyday food.

This thesis originates from direct professional experience. During the 2025/2026 academic year, the author worked as a consultant at Magnet Capital, a consulting agency - mainly composed of students - based in Rome. For several months the consulting team collaborated with SQUP - an Italian startup which makes plant-based, no added sugar gelato - and made a tailored report for them reviewing their potential expansion into the United States, which has been an idea they’ve already been elaborating on for a while. The report (Team Consulting ITA, 2025), provided exclusive access to the company’s data, founders, and internal discussions that would otherwise not be available if the author had only conducted academic research. It is this insider approach, coupled with academic knowledge acquired through the study of Economics and Business, that constitutes the base of this thesis.

The main research question that this thesis seeks to answer is: how should a BFY food startup like SQUP approach the internationalization of its business into the US market? This question emerges from the interface of two well established fields of study - theories of internationalization and the world of food startups. Classical models of internationalization, like Uppsala theory, the Product Life Cycle theory, and the Innovation Related theory, were created specifically for large, established manufacturing companies. However, with the rise of innovation-driven startups observed in the last two decades, the base assumptions of these frameworks have been challenged. New models like the Born Global theory, the International New Ventures theory, and the Network Approach, give us a deeper and more sophisticated understanding of how smaller, resource-constrained businesses are able to internationalize. This

thesis will contribute to applying this existing literature to a real world case, testing their strength against the experience of a startup dealing with the complexities of the US food market.

The US poses great challenges for foreign food startups attempting to expand there. At the same time, it also offers extraordinary opportunities. On one hand, it has the biggest BFY frozen dessert market in the world and many health-conscious consumers as well as very mature premium retail infrastructure. On the other, it is incredibly regulated, highly competitive, and difficult to navigate logistically - so much that even domestic brands struggle to get shelf space. For a small Italian startup like SQUP, a unique product is not enough to enter this market. A step by step strategy is needed with strong distributor relationships as a core pillar. However, the very center of said strategy should be a clear understanding of how its value proposition - Italian artisan plant-based, free from added sugar gelato - connects with American consumers.

This thesis is divided into three chapters. Chapter 1 is a literature review of the primary theoretical frameworks of internationalization, dividing them into two groups: the traditional models and the startup-specific models. Chapter 2 is a contextual analysis that moves from the wider healthy food industry, to BFY startups, and then to the US frozen dessert market - gradually narrowing the focus and making way for the last part of this thesis. Chapter 3 is the core of this paper and, as a result, the most extensive. It analyzes a detailed case study of SQUP's potential expansion to the US. This analysis starts with a company profile, followed by a geographic analysis of target states, a PESTEL analysis of California as the recommended state for entry, a Business Model Canvas comparison between SQUP's current Italian model and the paper's proposed Californian model, and the last part of the analysis are strategic recommendations grounded in the conceptual models discussed in Chapter 1.

The methodology used in this paper is mainly qualitative and it combines secondary research - things like market data, industry reports, and academic research - with primary insights obtained by direct participation in the Team Consulting ITA project and an interview with SQUP's co-founder Emanuele Bianconi (2026). This combination of academic analysis with firsthand involvement makes this thesis offer a rare, inside perspective on SQUP's internationalization strategy.

CHAPTER 1: Literature Review & Theoretical Framework

1.1 Defining the Startup

There is no universal international definition of a startup, every country has its own definition which is based on its economic policies, particularly in Europe. Sinisa Pekeveski, communication expert with over 20 years of experience in startup development, consulting, and entrepreneurship, wrote a paper studying the different accepted definitions of a startup in Europe and identified common traits within them. The definition found through the common criteria is “a new established business, founded and run by young entrepreneurs, operating less than five years, that applies innovative ideas and new technologies for achieving fast market growth in a short period” (Pekevski, 2025). However, the most commonly accepted definition today is a more expansive one that can be found in Eric Ries’ book, *The Lean Startup*. Ries defined a startup as: “A human institution designed to create new products or services under conditions of extreme uncertainty” (Ries, 2011).

As of 2026, there are 150 million startups in the world, and about 50 million new ones launching every year, which adds up to around 137,000 new firms per day (ten Have, 2026). The US is the global leader of this growth, hosting over 80,000 funded tech companies. The total value of startups that are backed by venture capital funds is \$4.4 trillion (Teare, 2026). In the future, technology led investments are expected to fund almost 40% of all US real GDP growth (Miglani, 2026). However, also the Europe region has greatly matured in this regard. It now hosts almost 40,000 funded tech companies, which are valued at a total of \$4 trillion, which adds up to more or less 15% of the continent’s total GDP (Drosin, 2025).

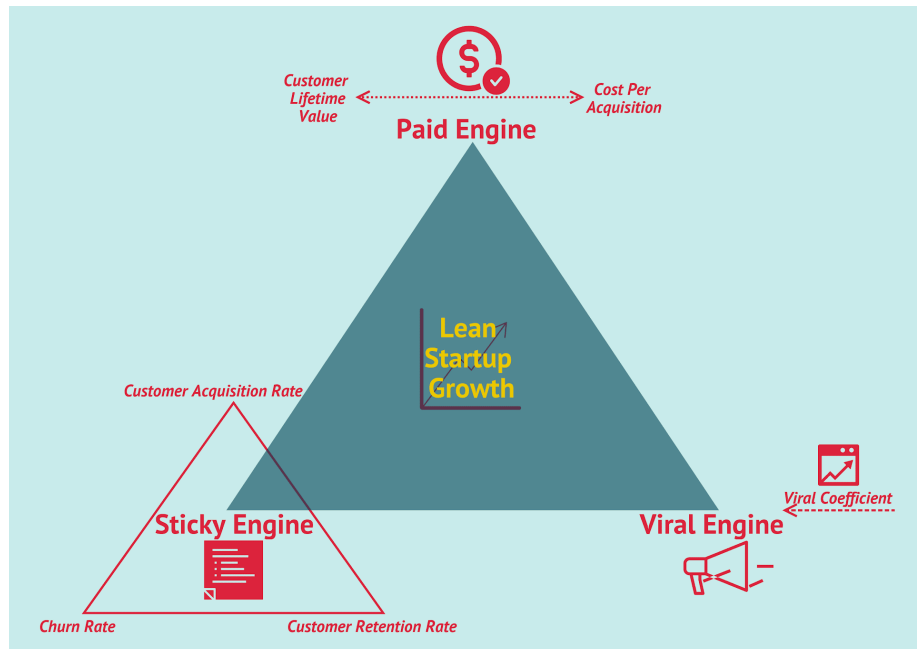


Figure 1: Ries' Three Engines of Business Growth

Source: Cuofano, 2019

Ries also defined the three “engines” that he believes are the main drivers of business growth: the Sticky Engine, the Viral Engine, and the Paid Engine, all of which can be visualized above.

The Sticky Engine is primarily based on customer retention; a startup must have a low churn rate in order for it to grow. Churn Rate is the number of customers lost during a particular period of time. This model draws attention to the fact that a startup's product must be “sticky”, meaning that a customer should remember the product after it uses it because it should provide a quick solution to a problem and a positive user experience. ‘Stickiness’ is measured with various metrics like customer retention rate and the frequency at which a customer returns. The Sticky Engine is activated when the ‘Stickiness’ is higher than the Churn Rate.

The Viral Engine states that growth happens because customers bring in new customers automatically. This engine is measured through the viral coefficient, which is “how many new customers will use a product as a result of each new customer who signs up.” (Laksmi, 2023). For example, if the coefficient is 2.0, every new person that signs up brings in 2 other people with them. Usually, the coefficient alone is not enough because it’s also important to measure

how fast this action of bringing in new people occurs as that would examine the efficiency of the viral engine.

Lastly, the Paid Engine describes a mechanism where startups experience more growth the more they spend on acquiring customers. A way to measure if this engine is successful is with the customer breakeven formula, which determines how long it takes to recover the money spent on acquiring customers. Thus, customer acquisition cost (CAC) must be lower than customer lifetime value (LTV). Once the firm passes this threshold, it has a sustainable business model.

Recently, countries like Estonia, France and Spain have started to recognize innovative startups specifically. In Italy, an Innovative Startup is a separate legal category of its own, created in 2012 by the government's Startup Act. A company can be defined as such if it meets a list of conditions which include meeting at least one innovation requirement. This can be a minimum R&D spending or patent and such. Qualifying as an Innovative Startup rather than a normal has a long list of benefits, including easier equity crowdfunding, better access to funding, and tax incentives (Ministero delle Imprese e del Made in Italy, 2026). The aim of this law was to stimulate the creation, but also simplify the expansion of highly innovative and technological firms.

1.2 Internationalization Strategies

Internationalization is “a process in which the enterprise gradually increases its international involvement” (Johanson & Vahlne, 1990). To be more specific, it entails the expansion of product-market strategies abroad, which requires the adaptation of operating activities and resource use to fit foreign environments. In an evermore globalized world, internationalization has become essential to firms. Now, the question is not if firms internationalize but rather how they do so. This greatly varies based on the firms' personal internationalization aims and philosophy. For this reason, there are various internationalization models a firm can choose from. This section discusses three traditional ones: the Uppsala Model, the Product Lifecycle Model, and the Innovation Related Model.

I. Uppsala Model (U-Model)

This is one of the most significant models because it's the most explanatory one and also one of the models that has been proven to work the most in real life. This model was created in 1977 by Jan Johanson and Jan-Erik Vahlne, in the university of Uppsala, Stockholm. This paper describes the process of internationalization as a slow one, driven by the accumulation of knowledge about foreign markets. The key concept is that firms expand internationally through incremental steps rather than one quick big investment. Firms internationalize gradually because they face extreme uncertainty in the beginning stages of entering a new geographic market, so taking it slow and getting acclimated to the new environment step-by-step is the preferred method of action. Uncertainty is brewed due to a variety of factors including the lack of familiarity with the stakeholders in the new country. Firms have to find a new customer base, new suppliers, new partners. Once they find them, there will still be a level of uncertainty because they don't have the same level of trust and intimacy they would have with stakeholders back home that they have been doing business with for a long time. Another factor that increases uncertainty is cultural and institutional differences, which often generate confusions or errors, and take a long time to learn and get used to. All these uncertainties come from a lack of 'experiential knowledge', which is knowledge gained through first hand observation and experience. This is a specific type of understanding that cannot be taught, and can only be transferred through personal lived interaction, rather than second hand information (Johanson & Vahlne, 1990).

Therefore, the model works on a sequential basis called the Establishment Chain, which can be pictured below

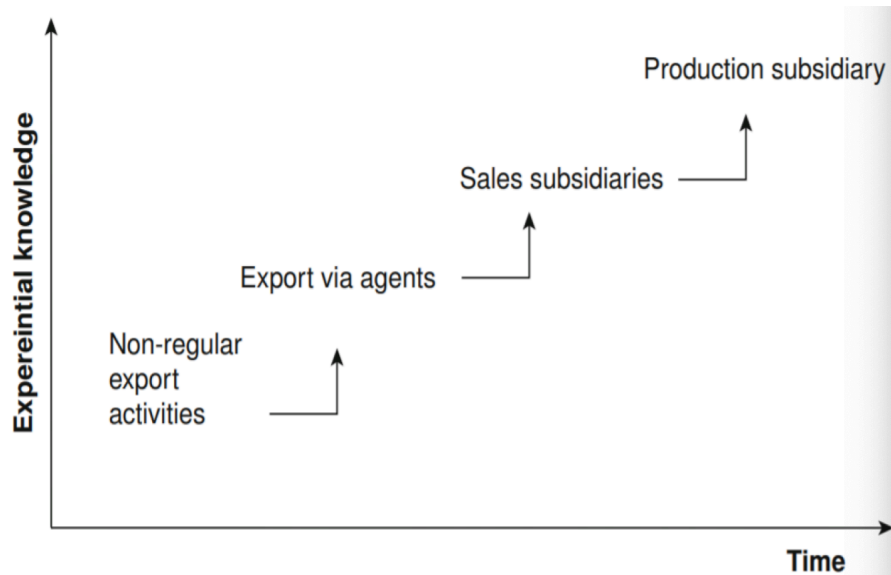


Figure 2: *The Establishment Chain of the Uppsala Model*

Source: Igwe et al., 2021

The image illustrates the four main stepping stones of companies during the process of internationalization. The firms start off with non-regular export activities; low commitment, high uncertainty, and pretty limited knowledge. They then can start expanding via agents or intermediaries; step-by-step, slowly. Over time, this generates the aforementioned ‘experiential knowledge’ that is necessary to run a business activity and to reduce risk and uncertainty. This is where companies start to open their own sales offices in the foreign market. Seeing it get easier over time, firms then expand their business even further, by fully committing to setting up their own production facilities, and the process repeats. This increase in commitment implies greater risk and irreversibility.

The last crucial characteristic of internationalization listed by the U-model is labeled ‘psychic distance’. Psychic distance is how similar one country is to another; do they have similar cultures and customs? Similar languages? Comparable business environments and laws? The smaller the ‘psychic distance’ is between two countries, the more likely they are to expand there because they feel more familiar. It’s less risky to internationalize in a country where a firm has to slightly adjust their normal business model instead of one where it must be radically changed. This is the simplest way to maximize long term growth with a reasonable level of uncertainty.

II. Product Lifecycle Model (PLC)

An alternative model a business could follow to internationalize is Vernon's Product Lifecycle Model (1966). This model was groundbreaking at the time because it was created 11 years before the U-model. It was the first internationalization theory to argue that economies of scale, innovation, and timing were the primary drivers of trade patterns, rather than the usual four factors of production. Vernon argued that the place of production and trade patterns change over time as the product moves through its life cycle. Products tend to be produced in their home country initially, but over time companies internationalize to maximize profits, and they usually do so in lower-cost locations. PLC defines internationalization as something that occurs in three distinct stages: The New Product Stage, The Maturing Product Stage, and The Standardized Product Stage (Vernon, 1992).

The New Product Stage describes a situation in which a product is innovative and not standardized. The production begins in the country of innovation, which tends to be an advanced country; in Vernon's original model it was the US. This is because innovative firms need proximity to skilled labor, R&D facilities, and demanding customers who provide sophisticated feedback. Early adopters of this product are willing to pay a premium price for the innovative technology, so demand is inelastic at this stage. The focus is primarily the domestic market as the firm tries to build experiential knowledge. However, this is also where exportation begins, albeit very limited and mostly to other high-income nations that demand such a technology.

The Maturing Product Stage asserts that, as demand for the technology rises even more, the firm will have the option to establish production in those markets rather than continue exporting the goods. The former is preferential because it reduces costs of transportation and because, if rivals appear, the company would be able to better defend its market share. As a result of mass production, the producing manufacturing methods and design become more stable and standardized. This illustrates a shift in focus to efficiency and cost competition, in fact, economies of scale become vital in this stage.

The Standardized Product Stage is the last stage of this model. In this period, the product is fully standardized and is now defined as a commodity. Competition is based only on price rather than innovation. At this point, it is even possible that the original country becomes an importer of the product it created as production commonly shifts to locations with cheaper labor such as developing nations.

III. The Innovation Related Model (I-Model)

Unlike the previous models which both had one clear theoretical background, although they have been updated to fit modern times, the I-Model has been interpreted in a few different ways over the years. On the other hand, it is also clear that they all have the same central goal: describing how the behavior of firms changes with a change in external triggers and internal readiness.

The first to propose an Innovation Related Model for Internationalization were Bilkey and Tesar in 1977. They came up with a six stage process for internationalization:

- Stage 1: Management is not interested in exporting
- Stage 2: Management would fill an unsolicited export order, but explores no others
- Stage 3: Management actively explores exportation.
- Stage 4: The firm exports to a 'psychologically close' country (same concept as psychic distance)
- Stage 5: The firm becomes an experienced exporter
- Stage 6: Management explores exporting to countries that are more 'psychologically distant'

The focus of this model is to explain how firms develop export behavior, step-by-step (Bilkey & Tesar, 1977).

The next influential I-model was proposed in 1980 by Cavusgil. It is a refinement of Bilkey and Tesar's model, but focuses more on the managerial commitment required per phase:

1. Domestic Marketing: Firm focuses on home market
2. Pre-Export Stage: Firm looks for information and evaluates the feasibility of exporting
3. Experimental Involvement: Firm starts to export
4. Active Involvement: Firm explores and expands exportation
5. Committed Involvement: Exporting becomes a core part of the firm

This model is similar to the previous, but puts more emphasis on the growth of knowledge and commitment over time. It is especially useful to evaluate SMEs because it does not assume that they already have a vast array of readily accessible resources or an already developed structure (Cavusgil, 1984).

The last relevant I-Model is Reids', developed in 1981, which shifted the focus away from the firm and toward the manager. This theory is based on bounded rationality because the manager is a human being rather than an institution. Reid identified five decision stages:

1. Export Awareness: Managers become aware that exporting is an option, often because they see competitors do it first.
2. Export Intention: Managers begin to evaluate whether this is a good option for the firm and form an opinion on it.
3. Export Trial: Firm undergoes a test-run for exporting to see if the job is manageable.
4. Export Evaluation: Managers evaluate the results of said test-run, evaluating metrics like revenue, cost, and profit.
5. Export Acceptance: Firm adopts exporting as standard practice.

Reid's Model highlights that moving between stages depends on how managers evaluate commitment, expected benefits, and risk (Reid, 1981).

The Uppsala, the Product Lifecycle, and the Innovation Related Models all have different theories on what drives internationalization, however, they all agree on the fact that internationalization is a gradual process rather than a sudden decision. The focus of the Uppsala model is the continuous learning and risk of expansion, explaining that internationalization occurs in conjunction with experiential knowledge. On the other hand, the Product Lifecycle model illustrates the evolution of the product itself, highlighting the fact that internationalization occurs as a good becomes standardized. In contrast, Innovation Related models stress the manager's role in expansion, considering every phase of internationalization as a fresh innovation that companies gradually embrace.

1.3 Internationalization Strategies for Startups

In more recent years, the traditional methods of internationalization have proven to be inadequate to explain the behavior of modern firms; they internationalize much quicker than predicted. This is because the models were thought of for established manufacturing firms whereas, in the past decade, there has been a rapid surge of new ventures. This has given rise to discussing internationalization for startups as its own unit of analysis. This thesis will discuss

three of them in the following section: the Born Global Model, International New Ventures, and Network Theory.

I. Born Global Model (BG)

This model was originally coined in a McKinsey & Co. study on Australian manufacturing exports written by Michael Rennie in 1993. Rennie noticed an odd pattern that went against the classic internationalization theories that had been published thus far: new firms were expanding internationally almost immediately, rather than step-by-step.

A 'Born Global' firm is thus one that begins selling its goods in the international markets right away, or, very briefly after its founding. Unlike the approaches we've seen earlier, this one is focused on early and rapid expansion (Øyna & Alon, 2018). The BG model is characterized by a few particular traits, the first of which is Speed and Timing; a 'Born Global' firm is one in which at least 25% of its sales come from foreign markets within three years of its creation (Cavusgil & Knight, 2009). These firms don't care about building experiential knowledge or mastering their home market, their goal is to launch everywhere at the same time. Another key characteristic of these firms is that they have limited resources, but high innovation and flexibility. Since they internationalize so quickly after they're founded, they tend to have much lower budgets than normal, established multinational firms. Therefore, they have to be able to adapt quickly in comparison. They often use expert knowledge to attempt to gain some competitive advantage despite their size. Additionally, they also tend to use quite unique technology and digital tools to simplify the global reach of customers. BG firms also rely on networking, using their connections to access distributors and potential partners as they don't yet own their own global infrastructure (London Business School, 2008). The last crucial characteristic of these Born Global firms is that their product is very specific. It is never a commodity, but rather a high-value good that targets specialized global niches. They compete on quality and uniqueness rather than broadly competing on price.

The BG model became possible due to major world changes, the first and most obvious one being technological advances. The invention of the internet and other digital communication devices rapidly decreased the costs of transportation and transactions. The second big change is, of course, globalisation, which permits lower trade, thus opening up global economies. This also

slashed logistical costs for firms, making it easier for new firms with lower budgets to enter markets and export.

II. International New Venture Model (INV)

The INV model was first seen in Patricia McDougall and Benjamin Oviatt's paper "Toward a Theory of International New Ventures" written in 1994. They also saw an increasing trend of new firms expanding internationally and challenged the Uppsala model. It built on the BG theory, but then added its own twist by combining international business theory with entrepreneurship theory. An International New Venture is defined as "a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries" (Oviatt & McDougall, 2018). The key difference from normal firms is that INVs are designed to be international, instead of evolving into that step, hence the "from inception" part of the definition. McDougall and Oviatt identified four elements that are crucial in order for new ventures to survive foreign environments:

1. Internationalization of Some Transactions

- These companies "internalize" only their most valuable assets and outsource the rest. These assets tend to be intangible assets unique to the company itself like intellectual property or specialized knowledge. These firms do this because they are too small to have the adequate capital to internalize all the assets of production like factories or modes of transportation, so they opt for a quicker and more efficient solution instead

2. Alternative Governance Structures

- Since these companies lack the power and money to own many resources, they must find alternative ways to access them. This is often done through the company's networks - they rely on their relationships with people to give them advantages. This works well for them because it is a much more flexible system compared to contracts. Another way in which a company can do this is via leveraging a hybrid structure - they share their resources with another firm but are able to remain independent. Examples of this include franchising (using another firm's brand but opening your own store), licensing (paying to use someone else's

product), and strategic alliances (working with another firm on a common project).

3. Foreign Location Advantage

- As explained by the Product Lifecycle Model, during the internationalization process, firms go abroad to transfer production to countries with cheaper labor to lower their costs of production. INVs, on the other hand, go abroad to find niche markets or specialized knowledge to get a competitive advantage that they couldn't get elsewhere.

4. Unique Resources

- This is the element that secures long-term, durable success for an INV. In order to compete with incumbent giants, these small firms must have a unique resource that is hard to copy. Usually, this is knowledge - the "know-how" of the founders or an extremely innovative product that competitors don't know how to imitate yet. However, over time knowledge is often spread or copied so firms protect it with measures like patents (Rumyantseva & Welch, 2023).

The core idea of Oviatt's & McDougall's paper is that, unlike in the Uppsala model, firms can skip the learning curve and expand directly because they rely on their networks, their ability to coordinate their resources strategically across countries, and their unique entrepreneurial vision.

III. Network Approach

The Network Approach to Internationalization is the last model specific to startups that will be discussed in this paper. It was initially mentioned by Håkansson and Snehota in a Swedish paper in the late 1980s, but then applied to internationalization specifically by Johanson and Mattsson in 1988. They defined internationalization as the process of establishing, maintaining and developing relationships in foreign networks (Johanson & Mattsson, 2013). Four categories of firms are identified, separated by how internationalized the firm and the network are.

		Degree of internationalisation of the market (the production net)	
		Low	High
Degree of internationalisation of the firm	Low	The Early Starter	The Late Starter
	High	The Lonely International	The International Among Others

Figure 3: Internationalization and the Network Model

Source: Johanson & Mattsson, 2013

The Early Starter is the first category and it describes a situation in which neither the firm nor the industry are very internationalized. These firms tend to start expanding step-by-step through intermediaries to reduce uncertainty. These intermediaries tend to be agents or distributors and they help them build trust with nearby networks and customers

The second category is called the Lonely International - the firm is quite internationalized but the environment is not. In this case, the firm has a lot of experiential knowledge which facilitates further expansion abroad. This advantage reduces risk and increases the flexibility of the firm.

The Late Starter is the third category and it illustrates a situation opposite to that of the early starter; the firm is not internationalized whereas the industry is. However, such firms are still connected indirectly to the industry through its relationships with suppliers, customers and competitors. Although these late starter firms have many disadvantages including less experiential knowledge, they often get ‘pulled abroad’ early by their relationships with the international environment surrounding it, allowing it to skip gradual expansion.

The last category is the International Among Others, where both the firm and the network are internationalized. In this scenario, since the firm is already internationalized, there is no need for a big expansion. All that is needed for expansion are small incremental changes. Since the firm has already expanded abroad, they have already accumulated the necessary experience and knowledge to continue doing so, thus, strategic coordination is the more important characteristic in this case.

Both the Born Global and the International New Venture models describe internationalization for startups as something that occurs immediately and very quickly. The Network Model takes a different approach and spotlights the importance of relationships for these firms. Overall, all the previous models have demonstrated that startups internationalize at a much faster rate compared to traditional firms due to higher innovation, their wide network and more sophisticated technology.

CHAPTER 2: Contextual Analysis

2.1 The Healthy Food Industry

From a small specialty market, the global healthy food industry has managed to gradually expand and become one of the industry's most important consumer products. According to a Grand View Research report, in 2025, the global health and wellness foods market was valued at \$1015 billion and is expected to reach a value of \$2031 billion by 2033, growing by a CAGR of 9.1% from 2026 to 2033 (Grand View Research, 2025a). This growth is supported by a structural change in consumer patterns brought about by a number of interconnected macro-forces.



Figure 4: Healthy Food

Source: SoFresh, 2021

The first macro-force this paper will discuss is that of the spread of health consciousness. After COVID-19, healthy food became a “trend” on social media and dieting became the norm. Food choices became a mode of self expression: one can communicate things like ethical positioning and how much they value their health through what they eat (Grunert et al., 2014). A study was conducted by McKinsey and NielsenIQ where they analyzed the difference in sales between products with and without ESG claims in recent years - collecting data from 600,000 products from 44,000 brands, representing \$400 billion in annual sales. The data proved that products with ESG claims grew at a cumulative rate of 28% in the past five years, compared to

20% of products without ESG claims (McKinsey & Company, 2023). This translates directly into commercial momentum for firms related to wellness, health, and sustainability.

The second driver of the healthy food industry is the pace of growth of the plant-based market, which, for the past ten years, has been the fastest subgrowing sub-category of healthy food. Its market was valued at \$64.14 billion in 2025 and is estimated to reach \$73.05 billion in 2026, illustrating an astonishing CAGR of 13.9% (Fortune Business Insights, 2026). This disproportionate positive growth can be ascribed to the rapid growth of vegan and vegetarian communities, consumers' growing interest in diets pertaining to wellness and health, the rise of intolerances to lactose and food allergies in general, along with other factors. Flexitarianism - a semi-vegetarian diet which still allows for occasional meat, dairy, and fish consumption - is becoming much more mainstream now than vegetarianism or veganism. A lifestyle survey conducted by Euromonitor International in 2021 demonstrates that 23% of Europeans indicated they have limited their meat intake and 11.1% identified as flexitarian, while only 3.4% claimed to be vegan (The Vegan Society, 2024). The US presents very similar numbers, with 3-5% claiming to adhere to a vegan diet (Zimmerman, 2024), and 11% being self-proclaimed flexitarians (Ólafsson, 2023). This increase in plant-based consumption has radically expanded the addressable market for firms that operate there.

The third force is the “clean-label” and “free-from” movements. “Clean labeling” is an initiative that drives food developers to use natural, recognizable ingredients, minimal processing, and be transparent. A study done in 2022 by Min-Yen Chang and Han-Shen Chen revealed that 53% of surveyed consumers believe “clean label” products are healthier. In addition, they found that 46% of consumers in the US say they are willing to pay more for products that have ingredients listed in simple terms. In fact, 6-10% of food products worldwide are being replaced by their clean label versions (Chang & Chen, 2022). Moreover, buyers say that they identify a product as being “clean” by looking at the packaging for certification logos or claims, for example, “organic” or “free-from” (Asioli et al., 2017). “Free-from” describes foods without specific ingredients that are usually unwanted or unpleasant, for example, artificial preservatives, gluten, dairy, and more. Usually, the avoided ingredients are those known to cause a reaction in people with food intolerances. However, even people that are not intolerant to these foods prefer to try and avoid them because they are seen as “irritating” in general. In fact, about 1/3 of people in Western countries self-diagnose themselves with intolerances to certain food

(Savarese et al., 2021) but, in reality, only 0.6-10% of these people actually have clinically confirmed medical intolerances (Nitzko & Gertheiss, 2023), they just consume these products for perceived health benefits. Either way, this creates a large group of health motivated consumers that are receptive to clean and free-from labels, even if they technically do not impact their general well-being.

Fourth, recent laws and regulations have contributed to legitimising health claims so that consumers are able to trust what they read on these packages, and also making these health standards stricter. In 2022, the Food and Drug Administration (FDA) in the United States of America tightened its definition of “Healthy”. This means that every producer that wants to write the word “Healthy” on its packaging must adhere to a certain limit on added sugars, sodium, and saturated fats. It must also contain a minimum amount of at least one beneficial food group listed by the FDA (US Food and Drug Administration [FDA], 2022). At the same time, the European Union’s “Farm to Fork” strategy launched in 2020 aims to create a healthy and environmentally friendly food system through various restrictions and goals. For example, its goal is to cut pesticide usage by 50% and fertilizer usage by 20% by 2030 (European Commission, 2020). These regulatory forces create openings for startups that are in this healthy, sustainable sector of the food market.

The last driver of the healthy food market this paper will discuss is the premiumisation of the former. A Deloitte report describing the state of the consumer products industry in 2024 details that there has recently been a large industry shift where firms move away from price increases and toward a profitable volume strategy to increase sales. The report details that firms are doing this using premiumization to convince their consumers to pay more for products that they perceive as being higher quality or more ‘ethical’ (Deloitte, 2024). This strategy has been particularly successful in the frozen dessert market, which is projected to reach a value of \$49 billion in 2033 with an astonishing CAGR of 10.6%. However, sales have been pretty static, which means that this growth originates from an increase in prices (Grand View Research, 2025b). This illustrates a value driven rather than volume driven growth, which is consistent with the premiumisation strategy described earlier. Researchers have found that the primary reasons for which consumers are willing to pay higher prices are health consciousness & social influence (Ghazanfari et al., 2024), as well as uniqueness of the product and the guarantee of a superior experience (Prasad et al., 2024).

To summarize, the global health food industry has transitioned from a niche market into a trillion dollar powerhouse. This growth is driven by five structural shifts: the mainstreaming of health and environmental consciousness through social media, the exponential growth of flexitarian diets, consumer propensity to buy a product with ‘clean-labeling’, the legal legitimization of health claims, and a world-wide premiumization movement.

2.2 Healthy Food Startups

In the past ten years, healthy food startups have experienced extreme growth due to a spike in popularity in conjunction with a surge in investments. This has brought about various success stories, proving that BFY products are not just a social media trend, but a business concept that can stay profitable. This growth is especially evident in Europe, which experienced constant remarkable growth from 2013 to 2020, led by the UK, Germany, and Spain, followed by France and Italy (Fouskas et al., 2024).



Figure 5: Example of BFY startups

Source: Goodwin, 2022

Food and agricultural technology, also known as AgriFoodTech, reached peak global venture capital investments in 2022, with investments reaching \$52 billion. Then, it contracted by 70% between 2022 and 2023 due to inflation, economic uncertainty, and high interest rates, and thus in 2023 investments were only \$16 billion in 2023. This is much less than two years prior, but as an absolute value it is still quite a large investment in such a restricted, specific market. However, in 2024, AgriFoodTech started recovering and attracting more capital by

focusing on operational productivity and innovation (Ward, 2025), reflecting the durable nature of the demand shift. The reason for such high investments is because startups with strong Environmental, Social, and Governance (ESG) values are perceived by investors as being lower risk businesses that are able to create and keep value in the long run. Specifically, the plant-based food sector attracts investors in particular. In fact, a study done by the University of Macedonia categorized 940 startups into five main clusters based on their business models: healthy meal services, food waste & digital services, sustainable and plant-based foods, organic health products and supplements, and global food supply chain solutions. Out of all of these, the study concluded that the “sustainable and plant-based food” cluster funded 56.3% of these startups, demonstrating high investor faith compared to the other categories (Fouskas et al., 2024).

Many of these healthy food startups start their firms with experimentation- they try out new formulas, different distribution channels, a variety of delivery formats, etc. As a matter of fact, these early stage ventures are integrating 4.0 technologies like AI more and more recently. Their aim is to improve resource efficiency, optimize food storage, and reduce overall waste (Fouskas et al., 2024). These startups are often founded by people who are very knowledgeable on the sector, though lack the skills and infrastructure to run a big business. This leads to these startups having to depend on partnerships, ecosystems, or acquisitions by large firms in order to scale. Ecosystems differ from acquisitions and alliances because it does not just describe one relationship, but rather a whole environment of support. The startup can get contacts, training, advice, and more from such systems. A great example of this would be the European Institute of Innovation and Technology (EIT), which pushes the idea that innovation is fostered through education and capacity building.

Once the firm passes the early stage and moves into the growth stage, it must decide whether to pattern with an already existing distribution chain to scale quickly or to raise enough capital to build its own to gain independence. The history of the BFY segment suggests that the most successful pathway is that of partnerships. For example, Halo Top - a popular brand of low calorie ice cream in the US - expanded through United Natural Foods Inc (UNFI) - a wholesale distributor of organic and specialty food - before being acquired by Wells Enterprises (Team Consulting ITA, 2025). In large developing countries like Brazil, where farming and food production make represent a huge part of the economy (29%), companies must use technology to

stay competitive. Thus, they often form partnerships to get this technology and improve the efficiency of production and logistics (Fouskas et al., 2024).

Another key characteristic of healthy food startups is the fact that, instead of competing on price like commodity food producers do, they compete on product narrative. These firms heavily invest on communicating how their product is better than others to the consumers. This is done through many different things at a time - the clean label and healthy claims discussed earlier, the packaging design to convey a strong brand identity, a website and social media that transpires honesty and a community feel, and more. Texture is a selling point that makes the difference in the repurchase of food in general, but particularly for healthy food since it often has a very different texture to the normal version of the food (Puratos, 2022). This is notably clear in the frozen dessert industry, as consumers have had difficulty finding a healthy ice cream with the same smooth creaminess as dairy based (Olsen, 2024). As a result, startups are starting to use non-thermal processing technologies like 3D printing and HPP - high-pressure processing - to create attractive textures for their foods while keeping nutritional quality.

A peculiarity of the BFY sector is that most of its claims are verifiable, such as the nutrition panel, ingredient lists, and third party certifications like a fairtrade sticker on the packaging. Thus, firms in this industry face a lot of pressure to be honest because if they lie or exaggerate, consumers notice very quickly and subsequently become very critical and vocal about it. To avoid losing trust, firms are beginning to use blockchain technology - a digital record of a product's route that can't be faked or changed and is public information for everyone. This enables consumers or other buyers to track and verify things like where ingredients come from and how they were used. This improves traceability and transparency, making it easier for companies to confirm ethical origins and reduce worries about false products. Authenticity is no longer a marketing virtue but a critical requirement: brands that fail to meet their stated health and ethical commitments face enormous reputational harm, especially these days where companies face evermore social media scrutiny (Grunert, 2011).

The main challenges that healthy food startups face in internationalizing can be divided into five different categories:

- The first is that retailers often behave like gatekeepers, deciding which products are allowed to be sold in their stores and which are not. A great example of this would be Whole Foods, which bans over 300 ingredients. If the product gets accepted, then it has

the benefit of getting a quality stamp. However, this means producers have less sovereignty over the making of their product as they have to adhere to these strict rules

- The second is that each country has its own personalised regulations for things like labels, food safety regulations and health claims. This makes the process of exporting more complicated and expensive, especially for smaller firms, because they might have to alter the packaging for every country they export to. If a firm does not have a specialized team dedicated to this, something which startups usually lack, it will be even more difficult to manage.
- Third is the fact that some consumers are afraid of unfamiliar foods, a phenomenon called neophobia - fear of the new. This creates a potential barrier where consumers reject these foods because they don't trust this and so companies need to find a solution. These often include things like explaining things clearly and establishing trust, which both take up time and money.
- Fourth, frozen food needs to stay frozen the whole time, whether that be during transport, in storage or in stores. This requires a so-called “cold chain” - refrigerated transport, special storage facilities, and freezers in retail displays. This requires more capital and is harder to manage than non-refrigerated products.
- The fifth and last challenge is consumer education. If people do not know what the brand or product is yet, the firm has to teach them what it is, why it's good, and why they should buy that product instead of others. This entails not only sustained investments, but also a lot of effort as they have to carry out tasks like giving out samples, explaining the product in stores, and creating digital content.

In light of this, it is possible to identify various traits that characterise healthy food startups that have success. This first is a founder that has a real connection to the product and is very informed on its industry. The second is a very unique product that fills a gap in the market. The third is a distribution strategy that favors quality over volume, usually done through premium GDOs that give credibility through certificates before entering mainstream GDOS. The last is an ecosystem rather than a partnership that has its own networks and connections which can substitute the need for capital and infrastructure in the beginning (Oviatt & McDougall, 1994; Johanson & Mattsson, 1988). As Chapter Three will show, these characteristics accurately characterise SQUP's profile.

2.3 The US Frozen Dessert Market

The US frozen dessert market is a huge sector with extraordinary financial strength. As illustrated in the following graphs, the market closed 2024 at a value of \$20,284 million, denoting a constant growth compared to the \$18,480 million in 2021. The trend is predicted to keep positively growing in the next five years. Estimates indicate that the market will reach \$23,608 million by 2029, with a CAGR of 3.1% for the period of 2024-2029 (Grand View Research, 2025).

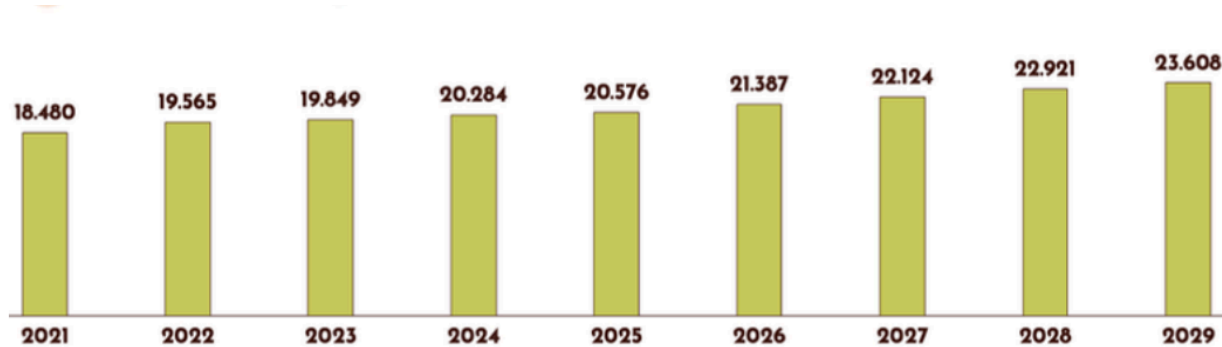


Figure 6: Frozen Dessert Market, USA, 2021-2029

Source: Team Consulting ITA, 2025

A deeper analysis of the data uncovers a crucial phenomenon for this market: the divergence between value and volume, as mentioned in the previous sub-chapter. While the monetary value of the market is constantly growing (+16.4% predicted between 2024-2029, compounded), the volumes of sales in terms of quantity (kilograms) indicate stability or a slight contraction (-0.9% in 2024). Therefore, this growth is due to Americans spending significantly more per unit of ice cream.

The market is divided into a traditional segment, one dominated by classic brands like Häagen-Dazs that compete mainly on price and flavour. The other segment is the BFY one, dominated by new brands like Halo Top, in which growth is concentrated. This segment is made of the vegan ice cream market and the no-added sugar ice cream market. To calculate the value of this market, the two were summed. The 2024 market was estimated at \$2,261 million in 2024 and is projected to reach \$3,165 million by 2029. Data analysis exposes a segment in full explosion, that has now surpassed the niche phase and has become a structural pillar of the sector, with a compound growth of over 70% in less than ten years. This outpaces the total

market CAGR of more than double, proving that the Free-From market is the main driver of category growth.

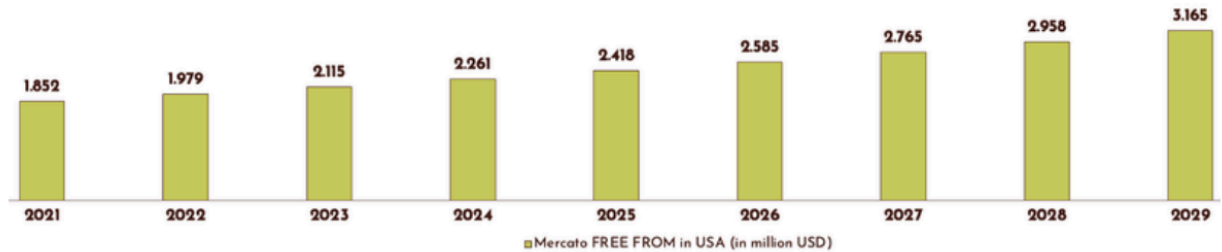


Figure 7: Free-From Frozen Dessert Market, USA, 2021-2029

Source: Team Consulting ITA, 2025

Within this Free From Segment, two major trends are converging. The first trend is plant-based eating, usually done for ethical reasons or reasons concerning sustainability. This trend is led by Millennials and by Gen Z and it rewards green living and animal welfare. As documented in the industry analysis above, the flexitarian consumer has significantly increased the addressable market beyond devoted vegans. Millennial are the most commercially relevant age group for plant-based companies, with 62% of them expressing a desire to follow a more plant-based diet (Rockström et al., 2025). The second macro-trend is functional health - being more attracted to no sugar products. This is no longer only a diet for diabetic people, but a mainstream lifestyle for whoever is looking to control their glucose intake without renouncing to the flavor. The intersection of these two movements has created a “Super Segment” where products concurrently satisfy the demand for a glucose-free and an ethical & plant-based lifestyle.

The distribution landscape in the US is very polarized - it can be divided in three main categories that carry out complementary roles in the Go-to-Market strategy:

1. **Mainstream Retailers** - led by giants like Walmart, Target, and Albertsons. These large supermarkets are not simply for cheap, basic groceries, but are starting to replace old sugary brands with healthier alternatives (including plant-based ones) to make wellness affordable for everyone
2. **Premium & Natural Channels** - represented by Whole Foods, Sprouts, and Trader Joe's. They act as “quality filters” because they have such strict rules against certain

ingredients. Customers trust them to pick only the best and healthiest products. This leads to healthy brands wanting to sell through them to be perceived as a high quality and ethical food product.

3. **Online Channels** - mainly Amazon Fresh, GoPuff and Instacart. These apps and websites help customers look for specific things like vegan or sugar free products anywhere in the US. GoPuff even has the option of delivering these goods immediately to the customer if they'd like.

The most logical strategy for a new market entrant would be initially to get certified by premium retailers like Whole Foods to prove the brand is high-quality and reputable to gain the trust of consumers. The next step would be to amplify brand awareness through digitalization, using sites like Instacart to reach a broader audience. The last logical step would be to scale to mainstream GDOs like Walmart once the brand is already known. This would permit them to sell larger volumes at lower prices. This timeline reflects that of other successful firms in this industry like Oatly and Nick's.

The competitive landscape has drastically changed in the past few years - before, the main competition was between the giants of traditional flavors like Ben & Jerry's and Häagen-Dazs, now, the real fight for market power has shifted to the BFY sector. This thesis identified four players which stand out for being the first to tap into the health and sustainability macro-trends, which then created entry barriers based not only on distribution, but also on strong value propositions. Written below is a brief overview of the corporate and strategic profile of each competitor, so as to outline the landscape which SQUP will need to navigate.

- **Halo Top** is the pioneer which hacked the concept of ice cream, transforming it from a guilty pleasure to a daily protein snack. It was founded in LA in 2011 by Justin Woolverton, an ex corporate lawyer. It was subsequently bought by Wells Enterprises in 2019, which was then bought in 2022 by the Ferrero Group. Thus, today, it's part of one of the biggest "sweets" MNCs of the world. Its mission is to "Save ice cream from itself" - allowing consumers to eat an entire pint without feeling guilty about it because it has such few calories yet still maintains its indulging flavor.
- **So Delicious Dairy Free** is the 'veteran' of the sector - a symbol of trust and food safety for the allergic or ethical consumer. Founded in Oregon in 1987 by Mark Brawerman and

is currently part of Danone North America after WhiteWave Foods' acquisition in 2017. It's a Public Benefit Corporation. Its goal is "to bring dairy-free delight to every day" using responsible ingredients. It aims to be the benchmark for conscious consumption, promoting sustainable practices as a Certified B-Corp and total transparency regarding ingredients.

- **Oatly** is the Swedish disruptor that shifted the attention from the ingredient to the cultural movement "Post-Milk". It was founded by Rickard Öste and Björn Öste in 1994 in a city called Malmö in Sweden. It is currently a public company listed on the Nasdaq. Its primary shareholders include Verlinvest and China Resources. Its aim is "to make it easy for people to turn what they eat and drink into personal moments of healthy joy without recklessly taxing the planet's resources". They want to create a "Post-Milk Generation" driving the global transition towards a plant-based food system to reduce the impact on the environment.
- **NICK'S** is the food-tech company that challenges traditional chemistry to offer sweetness without any sugar. It was founded by a mechanical engineer called Niclas "Nick" Luthman who became a food-tech entrepreneur after a pre-diabetes diagnosis. This happened in 2017 in Sweden, and was then launched in the US two years later in 2019. It is a private corporation sustained by Venture Capital funds and it does not belong to any big conglomerate. Its purpose is to "change the world with snacks that are better for you" and fight the sugar epidemic in the US using food-tech and innovative ingredients (like plant-based sweeteners). It wants to demonstrate that taste does not need to be sacrificed for health.

This analysis shows a gap in the market: there is no ice cream that provides a formula which is plant-based AND has no added sugar, and most of all none of them are Made in Italy. This is where SQUP can insert itself into the market, positioned between Oatly which is European and plant-based, but not sugar free, and Nick's which is European and sugar free but not plant-based. In addition, it has the added premium aspect that a Made in Italy aspect adds, something which none of these brands can credibly imitate.

CHAPTER 3: Case Study - SQUP's Expansion in the US

3.1 Company Profile & Value Proposition



Figure 8: SQUP Ice Cream

Source: SQUP, 2025

Squp is a 100% plant-based gelato with a particular formula that contains no added sugars, lactose-free, gluten-free, and has low calories. (SQUP, 2025). The packaging is certified by the PEFC - the Programme for the Endorsement of Forest Certification. This product is placed at the conjunction of three large and growing categories: premium artisan gelato, plant-based food, and no sugar food. SQUP conveys a nutritional offering that is simultaneously inclusive - accessible to people who are lactose intolerant, vegan, or diabetic - and aspirational - delivering a guilt-free indulgence without compromising on taste.

It was founded in 2020 by two Italian entrepreneurs that studied at Rome Business School - Emanuele Bianconi and Samuel Lonero (Rome Business School, 2023). In 2024 it gained €214,975 in revenues, which is a +364.28% growth from 2023 (Ufficio Camerale, 2026).

It currently only offers 3 very simple flavors - Pistachio with 159 kcal for every 100 grams, Hazelnut that has 162 kcal for every 100 grams, and Cacao with 130 kcal per 100 grams. They are all packaged in a 450ml tub format priced at €5.50 each on the website. SQUP's low calorie density is enabled by natural sweeteners (erythritol and steviol glycosides), which deliver sweetness without impacting blood glucose levels. They do this through a plant-based fat blend

that recreates the creamy texture of normal dairy-free ice cream. The ice cream is produced in Italy with artisanal methods and is certified to relevant food safety and quality norms.

SQUP's value proposition is based around four primary factors. The first is clean-labeling. SQUP's list of ingredients is short, simple, and free from artificial additives, as shown below.



Figure 9: SQUP's Ingredient List

Source: SQUP, 2025

This perfectly aligns with Mintel's theory that ingredient trust is one of the main factors that pushes people to pay for BFY products instead of normal products. The second factor of the value proposition is that it does not compromise on taste to offer these healthier alternatives. SQUP promises a creamy texture with a well-rounded flavor - something that is not common at all with BFY ice cream options and is thus one of the main things consumers complain about. The third factor is the Made in Italy claim, which offers authenticity and an artisanal feel that normal ice creams do not have. Labeling it a gelato instead of an ice cream provides a powerful shift in narrative, ensuring that consumers perceive the product as having superior quality and being more premium. The last factor is, of course, the BFY claims aforementioned (like plant based and low calorie), which creates the classic indulgence-health trade off explained earlier.

As of now, SQUP operates in Italy but is beginning to prepare to scale up and expand internationally. It's available in many of the most famous big distributors in Italy, including Carrefour, Conad, and Esselunga, as well as specialty food stores and online channels. An interview was conducted with founder Emanuele Bianconi to better understand the passage from small specialty shops to large distribution. He explained that the large distribution system in Italy is incredibly fragmented, describing it as a "Matryoshka doll" where national brands are not a single authority but rather are often made up of many smaller independent local store owners. The system is split into two models, the V-play retailers like Esselunga are those where one

company decides what every store sells. The other model is the cooperative one, used by Conad and Carrefour, where individual owners have some decisional power over what is sold in their stores. This decentralization creates opportunity for smaller brands because, even though local owners buy most of their products through a central system, they can still choose a certain percentage of products by themselves. Using this to their advantage, SQUP bypassed the strict national headquarters and went directly to shopkeepers and small local groups to ask if they themselves would take their products. Initially these shopkeepers were hesitant so SQUP used an incentive tactic by providing their own freezers directly to the stores to overcome barriers like small shelf space and entry costs. Using this “Trojan Horse” approach, as described by Bianconi, gave them access to around 30 locations. Once they were already present in the store, they successfully pitched themselves to the larger regional group and expanded quickly - reaching 1400 selling points in 2025.

Expanding into Europe, however, is much more complicated. Bianconi took time to describe the structural barriers SQUP faces when trying to enter European supermarkets: “We haven't yet expanded in Europe because, although we're sending many requests, many don't reply and many say no. What they do is first get the enormous groups - multinationals. After that, they get the products that work for them, so the ones that they already know sell. Then potentially new and unique products, but these are innovations of the multinationals or firms that are already famous. You see how this is a waterfall system? Then they pass onto other firms, but they go to local ones first. So we are the last of the last, considering that there is no shelf space either.” (Bianconi, 2026). This underscores a clear structural gatekeeping dynamic, echoing the difficulties outlined in Section 2.2: extensive retail systems are designed to benefit incumbent players, forcing new entrants to seek alternative strategies for market entry. In Europe, SQUP has not yet identified such a strategy. In contrast, the premium retail entry strategy proposed for the US in this thesis is intentionally crafted to avoid the same trap: instead of immediately attempting to enter into mainstream GDOs, SQUP should first approach premium independent retailers where gatekeeping is about the quality of the product, and where a small differentiated brand can establish credibility prior to expanding upward.

Overall, since the firm produces a very innovative product but doesn't have much global infrastructure, it aligns mainly with the International New Venture and Born Global models, which describe a unique approach for its global expansion.

3.2 Geographic Analysis

A systematic comparative analysis was conducted across five states identified as the most relevant for SQUP due to a variety of variables like per capita ice cream consumption, weather conditions, disposable income, and health & wellness trends. The five states are California, New Jersey, New York, Massachusetts, and Florida. Each state was evaluated across five dimensions and each dimension was weighted to reflect its relevance to SQUPs priorities. These are the dimensions and their respective weightings: free-from ice cream demand (30%), qualitative data like climate conditions or health consciousness (25%), access to distributors (20%), level of competition (15%), and ice cream demand in general (10%).

California holds the title of the most populous state of the USA, with approximately 39.2 million inhabitants (Johnson et al., 2026). It enjoys an average of 290 days of sun annually, with peaks in coastal regions such as the Bay Area, Los Angeles, and San Diego, which significantly reduces the seasonality of ice cream consumption (Current Results, 2026). Its per capita income is \$85,518, which is higher than the national average of \$75,375 (U.S. Bureau of Economic Analysis [BEA], 2024b). Using the methodology described previously, the state's free-from frozen dessert market was estimated at \$260 million in 2024 and is predicted to grow at a CAGR of 6.96% from 2025-2029 and reach a value of \$364 million at the end of that time period. This state also generates more than 36% of organic sales, and is second in the US per number of vegans per 1 million inhabitants. Lastly, California has the richest premium retail infrastructure in the country, including places like Erewhon, Whole Foods, and Trader Joe's (Kan-Rice, 2025).

New York (NY) and New Jersey (NJ) are analyzed jointly because they work as one single economic area, sharing many things like consumer demand and labor markets. Their combined population is 29.4 million people (World Population Review, 2024). They are two of the seven states with higher income per capita (NY's is \$85,733 and NJ's is \$84,071) (BEA, 2024a; BEA, 2024d). The combined market of free from ice cream was valued at \$195 million in 2024 and is expected to reach a value of \$273 million by 2029. New York City has more than 2420 free from establishments (can include gluten-free, vegan, etc.) (Pritchett, 2025). The vegan market in NJ was valued at \$366.2 million in 2024 and is predicted to grow 14% annually until 2030 (Research and Markets, 2025). The premium retail infrastructure is great here as well, with places like Eataly, Whole Foods, and Wegmans being the primary stores, providing a natural

entry channel. However, due to the colder climate, there is quite a strong seasonality. The months of March to September are those where ice cream is sold the most, while the other months experience a large drop (Jones, 2026).

Massachusetts is the smallest of the selected areas, with a population of 7.14 million people, and is extremely concentrated in the metropolitan area of Boston (World Population Review, 2024). It also has a very elevated number of university students, since Boston alone hosts 44 universities, including some of the most famous ones in the world like Harvard and MIT. The market of free from ice cream was valued at \$46 million in 2024 and is expected to grow at a CAGR of 6.96% until 2029 to reach a value of \$64 million. MA has the highest nominal median salary of the entire country (\$85, 843) (BEA, 2024), and a consumer base that spends about 17% more than average on organic and premium food. This state is classified as the “Healthiest” and “Most Environmentally Friendly” state in the US by multiple indices. Its main limitation is its small size: California represents 13.5% of US food spending, while Massachusetts represents only 2.3%. Another barrier to entry for SQUP would be the fact that there are many local ice cream shops and specialty shops that sell local packaged ice cream, and the residents of MA have proven to have a preference for local products.

Florida is the third most populous state in the US, with over 22 residents. It’s capital is Tallahassee but its main economic and cultural hubs are Miami, Orlando, Tampa, and Jacksonville. Similarly to California, it has a warm climate which removes the problem of seasonality. The free-from ice cream market was valued at \$155 million in 2024 and is expected to reach \$217 million by 2029 through a CAGR of 6.9%. It also has a rapidly growing demographic base due to the immigration from Northeast states which are more health-conscious. However, its per capita salary (\$41,902) is below the US mean, which makes locals averse to premium, more expensive products (BEA, 2024c). Additionally, it also has quite a republican and conservative political climate, a factor which shows a disinclination towards sustainable and wellness related products.

Following this analysis, each state was assigned a value between 1 (being the highest), 0.75, 0.5, 0.25, and 0 (being the lowest) to each state for every dimension outlined above. The scores for **Free-From Ice Cream Demand** were based on the state’s market value of said sector in 2024: above \$190 million scored 1, from \$190-100 million scored 0.75, from \$100-30 million scored a 0.25, and below \$30 million scored a 0. For **Qualitative Data**, scores were assigned

more holistically; considering a variety of variables like climate, seasonality, vegan population density, vegetarian restaurants, health-consciousness indices, and eco-friendly metrics. States with low seasonality and high wellness rankings scored a 1, while those with slightly less progressive socioeconomic profiles were assigned a score of 0.75 - 0, depending on the severity of these conditions. For **Distribution Access**, scores were assigned by examining the density of premium and natural food retailers per state. NY/NJ and California received the highest scores due to their vast concentration of relevant retail. Conversely, Florida and Massachusetts scored lower for different reasons: Florida has a stronger tendency towards conventional retail rather than premium, and Massachusetts is limited by its small geographic size, which would yield fewer sales points and a limited revenue cap for SQUP. For **Competition**, scores were reversed relative to the level of competitive intensity: states with fewer established BFY frozen dessert brands and lower shelf saturation received higher scores. Massachusetts received the lowest score here due to its high number of local natural ice cream shops, which are often preferred to bigger chains by its citizens. For **Ice Cream Demand**, the concept was the same as that of Free From Ice Cream Demand, but regarding all ice cream instead of BFY ice cream. California is the state that produces the most ice cream in the US so it received the highest score - 1 - while Massachusetts, despite its wealth, scored a 0.5 given its markedly smaller population.

	Free-From Ice Cream Demand	Qualitative Data	Distribution Access	Competition	Ice Cream Demand
CA	1	1	1	0.5	1
NY + NJ	1	1	0.75	0.75	0.75
MA	0.25	1	0.5	0.25	0.5
FL	0.75	0.75	0.5	0.5	0.75
Weight	30%	25%	20%	15%	10%

Table 1: State Scoring Matrix

Source: Author's elaboration, 2026

After multiplying every value with the weight of the category, the following results were obtained:

CA	93%
NY + NJ	89%
FL	66%
MA	51%

Table 2: Weighted Scores by State

Source: Author's elaboration, 2026

These results indicate that California is the priority entry market, and that Massachusetts is the least ideal.

3.3 California: PESTEL Analysis

Since California is the recommended entry market, a PESTEL analysis is conducted to examine the Political, Economic, Social, Technological, Environmental, and Legal factors influencing the state.

Political

California has a very democratic and progressive political climate, a factor which reflects a strong attention towards sustainability, wellness, and innovative products. This is caused by a phenomenon called “perceived prevalence”. In this case, this describes a situation in which conservatives observe less people in their political group buying certain products, so by nature they also buy fewer of such products (Cakanlar et. al, 2026). Indeed, the last time California supported a Republican presidential candidate was 1988 (270towin, 2026). Additionally, the Food & Drug Branch of California Department of Public Health (CDPH) has implemented some of the strictest food regulations in the US, focusing on additive restrictions and stringent labeling (Broad Leib, 2019). The state has also doubled down on food regulations focused on environmental sustainability and waste reduction, for example, mandatory organic waste recycling (CalRecycle, n.d.). This orientation is highly favorable for SQUP because the government actively promotes sustainable and “free-from” food. It also achieves this through initiatives like the Farm to School Program, which encourages schools to choose California-grown, healthy foods for their cafeterias and also encourages students to learn more

about this topic through activities like cooking classes and farm field trips to understand where their food comes from. However, the current national political climate renders things a bit more difficult. As of early 2026, the Trump administration implemented ulterior tariffs on European food imports. When added to those already implemented in 2025, one can see that the costs of exports for European food companies has risen by 10-20% - something which SQUP must take into consideration when deciding its pricing architecture (The White House, 2025).

Economic

As of early 2026, California registered an astonishing GDP of \$4.25 trillion, growing by about 5% in 2025 only - continuing a 16 year growth streak. California's growth outperformed every single other state in the US, with Texas being in second place. California's GDP represents 13.8% of the nation and drives more than 40% of the growth in value of the countries' publicly traded equities, while only constituting 11.8% of the US population. If California were a sovereign nation, it would be the fifth largest economy in the world (Governor of California, 2026). California's per capita income is \$85,518 - one of the highest in the nation. Even when adjusting the value for inflation, the real per capita personal income is \$63,028, significantly higher than that of the nation which is \$59,195 (BEA, 2025). In the list of the top three counties with the highest median income of the US, 2 out of three are in California - Santa Clara County and San Mateo County. Having such a high income base is favorable for SQUP because it means they are more willing to pay higher prices for food products if they are of higher quality, if they're more ethically aligned with the product, or if they're healthier (Deloitte, 2024). The pricing of premium ice creams in California is well beyond most benchmarks. For example, in Erewhon - the ultra-premium grocery store chain that has gained a lot of traction on social media for its focus on wellness - prices its pints of plant-based or sugar free ice cream at \$10-\$12 (Erewhon, 2026). This demonstrates that the Californian consumer is used to such high prices and such premium products, meaning that SQUP could position itself in the \$7-\$9 price range without appearing relatively expensive. The main economic risk here are the very high costs involved in the market. Cold storage, logistics, and also labor costs are all priced well above the countries' average. At the same time, it's important to note that these are all things that would mainly be relevant if SQUP decided to produce there rather than in Italy, which seems unlikely since one of its main value creators is the 'Made in Italy' factor.

Social

California's social landscape is perhaps one of the most valuable and advantageous factors for SQUP's entry. California dominates the organic market, generating over 36% of national sales and a 27% share of consumers of biological products (California Department of Food and Agriculture, 2026). Furthermore, California is one of the states with the highest concentration of vegan and health-conscious consumers, ranking second in the US for number of vegans per million citizens (Robertson, 2021). California is also the state with the highest production and consumption of ice cream nationally, with 5.5 million gallons sold in 2023 (Dienstman, 2024). The major urban centres are the Bay Area, Los Angeles, and San Diego are mainly populated by the age group 25-54 which, according to Olsen (2025), is the same age group that drives plant-based and free-from purchasing decisions. Within this context, one is able to identify four key socio-demographic clusters for SQUP's entry:

1. *Urban Millennials* - primarily found in the Bay Area and Los Angeles, this group of people are defined by their curiosity and initiative to try new things and food, with a particular awareness for ethics and sustainability
2. *Families* - mainly seen in Orange County, San Jose and Sacramento, families prefer natural products, free from allergens and with a low sugar count
3. *People with an Active Lifestyle* - these people mostly live in San Diego, Santa Monica, and Encinitas. They consume functional ice cream with low sugar as a "post-workout" snack and are very receptive to innovative products with high protein
4. *Flexitarians and Vegans* - nicknamed "ethical foodies", this cluster represents an extremely loyal and vocal segment, sensitive to sustainability and ingredient transparency

SQUP occupies a unique market "sweet spot" by blending authentic Italian provenance with high demand BFY credentials like plant-based ingredients and no added sugar. While competitors offer utility, SQUP can authentically lean into the "Mediterranean diet" and "italian wellness" identity to provide a rich, authentic story that is functionally unavailable to its American competitors

Technological

California is a very tech-savvy state. It is the third state with the highest percentage of tech workers (10.17%), in fact, this sector generates 16.7% of the state's money. The San Francisco Bay Area holds the first spot in the ranking of US tech talent since it has a workforce of 436,740 people (Loy, 2025). It has an internet usage penetration rate of 81.2% (Statista, 2024) and high online grocery adoption rates, driven by the large number of people working from home in the Bay Area. Instacart - one of the online platforms mentioned in the previous chapter as a common online distribution channel - actually has its headquarters in San Francisco. In California alone, Instacart created over 11,500 retail grocery jobs and also made \$337 million in revenue in 2019 (Instacart, 2024). Instacart's deepest market penetration is in this state - it accounts for 94% of grocery delivery sales in San Francisco and 86% in Los Angeles (Perri, 2021). Additionally, Amazon Fresh also penetrated California very well. Before March 13 2026, when they decided to close down all their stores in the country as part of a plan to shut down all brick-and-mortar stores, California had 22 Amazon Fresh locations - about 38% of all Amazon Fresh stores in the US (ScrapeHero, 2026). However, it plans to continue running completely online. Amazon Fresh and Whole Foods are both owned by Amazon and thus work together as a so-called dual-challenge ecosystem. SQUP could leverage this system and reach both consumers that want the product delivered to their house and shoppers that are willing to pay a premium price in-store. On another note, the quick e-commerce channel is also profitable in these dense urban areas. Platforms and apps like GoPuff and Doordash are able to quickly deliver groceries or simple products from many different stores to people's homes. SQUP is uniquely positioned to take advantage of California's robust status as a global leader in FoodTech and cold-chain innovation. With over 200 specialized ice cream production facilities within the state, SQUP would easily be able to produce in-state through co-manufacturing partnerships. This would reduce many costs like those of tariffs but, as aforementioned, it would go against the main value proposition.

Environmental

California was ranked at the third greenest state in the nation based on these four metrics: green energy prevalence, open spaces and natural beauty, waste diversion and recycling, social justice and access to clean outdoors (MPH Online, n.d.). PwC carried out a survey which

indicated that 80% of Californians are prepared to pay 10% more for a product that is sustainable and socially responsible, particularly Millennial and Gen Z consumers (Gorman & Siegler, 2024). This is an advantage for SQUP because the plant-based formulation alongside the sustainable packaging greatly reduces the environmental footprint of the product and strongly aligns with the Californian consumers' beliefs. California also has very strict regulations surrounding the topic of sustainability in food production. For example, California's Senate Bill 54 - the Plastic Pollution Prevention and Packaging Producer Responsibility act signed in 2022 - requires firms to hit specific goals of cutting down waste from plastic takeout containers and single-use packaging (CalRecycle, 2024). SQUP must ensure it meets these requirements before its launch in this state. On a federal level, FTC Green Guides is the system that SQUP must meet to make environmental claims. For example, SQUP is only allowed to use the claims "sustainable" or "recyclable" if they are supported by facts in the US. This emphasis on environmental wellbeing aligns perfectly with SQUPs commitment to natural ingredients and sustainable packaging. Moreover, the brand can leverage its Italian heritage to highlight reduced ingredient travel distances thanks to its European production base.

Legal

The legal aspect of expansion is possibly the biggest challenge for SQUP. First and foremost, the firm must comply with federal laws and regulations. The most important requirements are the following:

- It must register the Italian production facility of the ice cream to the FDA facility registration with a US Agent present (FDA, 2024a).
- The Foreign Supplier Verification Programs (FSVP) require that the importer verifies that the foreign supplier (SQUP) respects USA norms like risk controls and Hazard Analysis Critical Control Point (HACCP) (FDA, 2018).
- The packaging must comply to the FDA labelling norms in 21 CFR 101 (SG Systems Global, 2025)
- SQUP must include a Nutrition Facts panel with a specific declaration if it has Added Sugars, vitamin D, and Potassium. See Figure 10 for an illustration of a correctly labelled nutrition panel (FDA, 2024b).

- To put a “no added sugars” claim, 0g of added sugars must appear in the Nutrition Facts panel. To add “sugar free” as a claim, total sugars must be below 0.5g per serving, which is very little.
- The ingredient list must be in descending weight order, which in turn must be written in both imperial and metric units
- The Food Allergen Labeling and Consumer Protection Act of 2004 (FALCPA) says that there are nine main allergens: milk, eggs, fish, crustaceans, nuts, peanuts, wheat, sesame, and soy. If present in the product, they must be clearly stated on the label (FDA, 2022)
- Must denominate its product as a “non-dairy frozen dessert” rather than ice cream because the latter term is reserved only for dairy based products
- SQUP must be able to present documentation which shows that the product was transported in a cold chain in which the temperature is constantly at -18°C or below

Moving on to the state level, the California Department of Food and Agriculture (CDFA) mandates that every label be submitted for review and approval before being placed on the market. In addition, a Limited Frozen Manufacturing Permit is required for frozen desserts (CDFA, 2024).

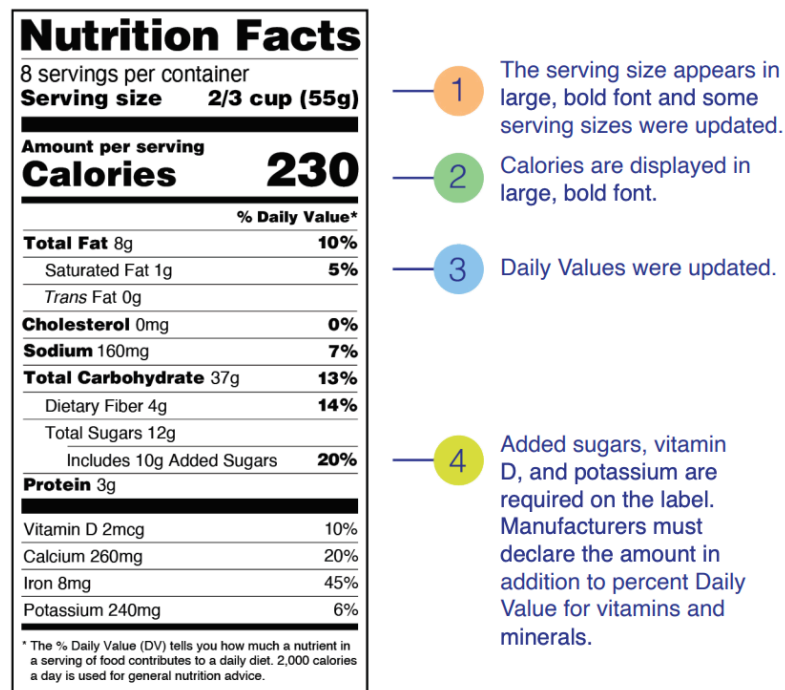


Figure 10: Correctly Labeled Nutrition Facts Panel

Source: FDA, 2024b

Overall, entering California's BFY frozen dessert market has proven to be potentially very beneficial for SQUP, but also very difficult. The consumer trends are aligned with SQUP's views, the economic potential is strong, and the sustainability culture is prevalent. At the same time, costs are very high, and legal requirements are complicated and specific.

3.4 Business Model Canvas

Having established why and where SQUP should expand, it is essential to determine how. This is analyzed using the Business Model Canvas (BMC), a holistic model which provides an all-encompassing map of how an organisation creates, delivers, and captures value designed in 2010 by Osterwalder and Pigneur. This model describes organizational activities as all activities the firm establishes with suppliers, buyers, and partners. An essential part of this framework is that the firm is seen as an open system - customers, partners, and stakeholders are not just passive recipients, but actually participate in value creation and appropriation. The Canvas is made of up nine building blocks which can be divided in two sides: the Left and the Right. At the center of it all is Value Proposition, which links these two parts. The Left is composed of Key Resources, Key Activities, Key Partnerships, and Cost Structures. It governs the efficiency of the firm - how it manages its costs and how it organises its operations. The Right is made up of Channel, Customer Relationships, Customer Segmentation, and Revenue Streams. It governs value - how the firm monetises its proposition, reaches its customers, and builds loyalty. This framework is useful for the present analysis as it allows for an assessment of how SQUP should alter both the efficiency and the value side of the model, but keep the value proposition the same as it is what makes the product so unique.

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
- Italian natural sweetener & plant fat suppliers - Italian artisan gelato manufacturer (contract production) - GDO (e.g. Conad) - Domestic specialty food distributors - Packaging design studio (clean-label aesthetics) - Local Ho.Re.Ca (beach clubs, bars)	- Product formulation, R&D (e.g. no sugar) - Quality control & ingredient sourcing - Brand building & marketing	- Plant-based gelato with no added sugars & no lactose - Premium positioning justified by quality italian ingredients - Full indulgence without nutritional compromise - Eco friendly packaging - Authentic italian artisan origin - Low calorie	- Community engagement (social media) - Educational content on healthy indulgence and ingredients	- Health-conscious urban millennial 7 Gen Z (Italy) - Vegans & flexitarians - Lactose intolerant consumers - Diabetic risk / low glycaemic diet followers - Fitness enthusiasts - Families that prefer natural products
Key Resources  - Proprietary formulation (know-how) - Italian gelato heritage narrative - Manufacturing relationships in Italy			Channels  - Large retail distribution - Direct to consumer (D2C) website - Specialist food shops	
Cost Structure  - COGS: plant based fats, natural sweeteners, etc. - Contract manufacturing fees (italian facility) - Regulatory certifications (Italian & EU) - Domestic logistics & cold chain		Revenue Streams  - Product sales - 300g & 100g tubs (unit price ranges from €4.50 to €5.50) - Direct to consumer online (secondary) - B2B supply to Ho.Re.Ca		

Figure 11: Current BMC of SQUP in Italy

Source: Qastharin 2016; edited by Author

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
- KeHe Distributors (main distributor) - UNFI (secondary distributor) - FDA registered cold chain logistics provider - Conca D'Oro (Italian food importers, network bridge) - Fitness & Wellness influencers	- US regulatory compliance - Managing distributors - Digital channel activation - Brand storytelling	- Plant-based gelato with no added sugars & no lactose - Premium positioning justified by quality italian ingredients - Full indulgence without nutritional compromise - Eco friendly packaging - Authentic italian artisan origin - Low calorie	- In-store sampling - Micro-influencer partnerships - Community activation (e.g. at vegan cafes) - Events (Eataly)	- Urban Millennials Bay Area & Los Angeles - Families (Orange Country, San Jose & Sacramento) - People with an Active Lifestyle (San Diego, Santa Monica, & Encinitas) - Flexitarians and Vegans
Key Resources  - Proprietary formulation - Italian origins narrative - KeHe/UNFI distributor relationship			Channels  - High-end grocery chains - Boutique gyms & yoga studios - D2C via platforms like Instacart	
Cost Structure  - US import tariffs (10-20%) - KeHE/UNFI margin - Retailer margin (35-45%) - US adaptation of product		Revenue Streams  - Wholesale to premium retail (pricing around \$7.00-\$8.50 per pint) - Online platforms like Instacart & Amazon Fresh - Specialty venues & Eataly LA		

Figure 12: California adapted BMC of SQUP

Source: Qastharin 2016; edited by Author

Customer Segments

This section virtually does not change - the target audience remains the same. However, one can segment them geographically, as was done in Section 3.3, to further understand the social environment available for SQUP in California.

Value Proposition

This is the only building block that absolutely remains identical during internationalization because it is the core of the brand. The structure of this proposition (plant-based, no added sugars, etc.) remains intact and perhaps is even compelling in the Californian market compared to the Italian one since its BFY market is more mature. The only aspect that could change here would be the communicative one: when expanding to California SQUP should emphasize the Italian provenance of the gelato whenever it can - whether in the packaging or in the marketing or elsewhere - because that is the reason for which consumers in California would choose SQUP instead of its identified incumbent competitors.

Channels

Of course, this building block has to undergo huge changes when switching from the Italian area to the Californian one. The physical Californian distribution system follows a three tier system. The first tier consists of mainstream GDO's like Albertsons (584 stores in California), Walmart (320 stores), and Target (320 stores). These stores guarantee volume of sales, but its more price driven and less specialized in BFY food compared to premium channels. The second tier of the distribution system in California is premium retail, with stores like Trader Joe's (205 stores), Sprouts (139 stores), and Whole Foods (95 stores). Here, consumers are more willing to pay a premium price and often explicitly search out BFY products, making this the more obvious "first entry point" for SQUP. The last pillar of distribution is represented by club stores like Costco (143 stores) and Sam's Club (29 stores). The target consumer here is usually families and price-sensitive consumers that prefer to buy in bulk. For SQUP, these are better for a last phase of entry, when the brand has already built a name for itself in the state. Aside from physical distribution California is also driven by online distribution through channels like Walmart, Instacart and Amazon Fresh for in-home deliveries. Lastly, California has a relevant specialty food store ecosystem - valued at \$2.2 billion and grows at a pace of about 1.6%

annually. These include any type of gourmet bottegas, specialized stores, and plant based ice cream shops / cafes.

The ideal route-to-market for SQUP combines entry in premium channels as a first entry point, followed by presence in online channels, moving on to the activation of specialty stores, and lastly the firm could consider entering club store channels if it deems it necessary and beneficial in the moment. This way, SQUP's channels would serve all five functions described by the O&P Canvas framework: improving brand awareness, facilitating evaluation, enabling purchase, delivering value, and fostering loyalty after purchase.

Customer Relationships

According to O&P's framework, strengthening this building block is essential in order to stand out from competition and serve as a mechanism for businesses to attract and retain customers. Social media and community are the main drivers of SQUP's customer relationships in Italy. In California, the customer groups' lifestyle is defined by a dense network of wellness community touchpoints like yoga studios, vegan food events, boutique fitness studios, micro-influencers and partnerships with well-known California wellness brands. The creation of devoted brand advocates - the 'vocal and faithful' segment that O&P identify as especially valuable for premium brands and that the Network Approach to internationalization that was defined in chapter one identifies as the relational nodes through which foreign market legitimacy is established - is the objective, rather than just transactional acquisition. To summarize, SQUP must transition from community building to network-embedded brand activation.

Key Partners

This heavily depends on how SQUP decides to bring its product into the US. One option could be to create a NewCo in California and produce directly there. The branch would directly manage things like pricing, branding, marketing, and commercial relationships. This would make the management of it all easier on SQUP, yet would also take away some of its sovereignty and control on its own product and brand. However, the main downside to this model is that it would completely erode the Value Proposition of SQUP, which is completely based on the "Made in Italy" as a point of differentiation to its competitors. Thus, the second and more useful model would be to produce in Italy and then export it to California. The most commonly used

distributors are KeHe and UNFI for large distribution, and some chains like Whole Foods and Walmart distribute themselves actually. However, choosing KeHe and UNFI would offer a broader range of distribution to most retailers. UNFI is one of the largest distributors in North America with very wide coverage, while KeHE is more specialized in natural and organic products. Most of SQUPs competitors use one or the other, or both. Partners like these two would manage the logistics of it all - including the relationships with GDOs - but SQUP would be able to keep control over its own product. Although this model offers lower margins, it is the fastest route to take and also the only one that would keep the Italian provenance as a value adder. Thus, KeHE / UNFI distributors would definitely be key partners in California.

Key Activities

Key activities are the most important things a firm must do to run up its business. They can be divided in terms of production, problem solving, and platform/network. In Italy, SQUP's key activities are mainly production oriented - they are based on the formulation, manufacturing, and quality control of the product itself. There are also some problem-solving activities like addressing the health / taste trade-off. In the California BMC, there are new activities pertaining to the production of goods. These include all US compliance tasks like FDA labeling adaptation, CDFA permitting, and FSVP management, all of which have been listed and described in section 3.3. Even if they are not part of the actual manufacturing of the ice cream, they still relate to getting the product into the market, so they are all part of the production-adjacent activities. Furthermore, there are also additional platform / network activities in this updated model. These include managing distributors like KeHe/UNFI, activating delivery platforms like Instacart, and collaborating with the local wellness community for marketing and branding purposes.

Key Resources

The Key Resources building block is composed of physical, financial, human, and intellectual resources. In California, the most useful resources are intangible ones: the proprietary formulation and the Italian provenance narrative, both of which differentiate SQUP from competitors because they are unique, inimitable assets. This aligns with the international new venture internationalization model which emphasizes unique resources as the basis of international competitive advantage. The last Key Resource added to the California model would

be the KeHE/UNFI distributor relationship, which serves as a network-embedded access point to premium retail shelf space and would otherwise require years of independent relationship building. Overall, this building block shifts from Italian production know-how to a hybrid portfolio composed of both tangible and intangible resources.

Cost Structure

O&P emphasize that the cost structure has to be flexible enough to react to exogenous changes from the external environment. The cost structure in California is definitely more complex than the one in Italy due to the added layer of exportation. For instance; the cold chain costs of international transport, US import tariffs on European food which are now around 10-20%, KeHE/UNFI distributor margin (13-25%), retailer margin (35-45%), slotting fees and free-fill requirements (\$250-\$1000, depending on the store). Additionally, all the extra costs of adapting the packaging to fit with labelling requirements, the costs of registering to the FDA facility, and the costs of getting a CDFA permit. Moreover, all the costs associated with the extra marketing to be done in California to create a brand image. The strategic implication is that in Phase 1 in California, SQUP will earn lower profit because they will focus more on building the brand and increasing how quickly the product sells rather than maximising unit profitability. This is in line with the INV model described in chapter one, which views entering a foreign market as an investment in reputational and relational capital.

Revenue Streams

This is how the Value Proposition is converted into financial gain. In Italy, SQUP's revenues simply derive from its domestic sales. On the other hand, in California they can derive their revenue from many different channels - wholesale to premium retailers, specialty venues, and online platforms - and every channel has its own profit margins. Wholesale has the lowest margins but highest volume, specialty venues have the highest margins per unit but low total volume, and online channels have slightly better margins than wholesale but include platform fees. To ensure that profits are enough to support the marketing needed to sustain the brand, SQUP must actively manage all these different channels and margins.

In summary, the evolution of the Business Model Canvas from Italy to California illustrates an essential strategic shift in the operating logic adopted by SQUP: from a domestically focused production based on Italian supply relationships, to an internationally distributed value model based on networks, US premium retail positioning, and gradual expansion across different sales channels.

3.5 Applying theoretical frameworks to SQUP's internationalization

Having established the market analysis, competitive landscape, and business model evolution, the theoretical frameworks of Chapter 1 are now applied to develop strategic recommendations for SQUP's US internationalization.

Classical Models

The three classical theories of internationalization - Uppsala, PLC, and the I-model - don't perfectly fit its modern needs. However, they can help us provide context for SQUP. The Uppsala model suggests a step-by-step expansion to build experience and know-how before committing fully. This might be too slow of an approach for a company like SQUP since the American BFY market is growing fast. Waiting for too long could result in a loss of valuable shelf space to competitors in stores like Whole Foods, which are currently seeking to expand their plant-based food array. Brands that establish presence early are structurally advantaged against future entrants, so following this style would risk missing the window of opportunity. The Product Lifecycle model also is not a great fit for SQUP's expansion because it's focused on cost-based production, emphasizing that a firm should choose cheap production locations to reduce labor costs. However, this does not map onto SQUP's artisan, Italian-original positioning strategy. The Innovation Related model in this case is certainly the most useful. Following this model, one could say that SQUP is past the "domestic marketing" and "pre-export" phases and is ready to move onto "experimental involvement". This model demonstrates that, in order for SQUP to be successful in California as well, they can't just rely on market research but must fully organize and commit to the expansion. Cauvusgil accentuates that internationalization requires managerial commitment and resources, demonstrating that its not just about market analysis, but about organisational commitment.

Startup-Specific Models

The three startup focused frameworks this paper discussed - Born Global (BG), INV, and Network Approach - are much more helpful in the comprehension of SQUP's situation. The BG model applies occasionally but is not enough to encompass it all. Various BG characteristics are present in SQUP - it is a small firm with a unique product, it plans to expand internationally (and radically) early on in its lifecycle, and it targets a global niche of health conscious consumers. A difference between the BG model and SQUPs' is that the firm did not have a multi-market international presence from inception. SQUP first built its brand in Italy, its home market, and is now ready to expand step-by-step, not all together. The company shares the ambitions and speed of the BG model, but prefers to apply it in a more gradual way by choosing one state as its trial state before expanding to others.

The International New Venture model is perhaps the one most aligned with SQUP theoretically. SQUP exhibits all four of the key characteristics described by INV - it internalises its more valuable assets like the proprietary formulation, while outsourcing operational activities like distribution to network partners. It utilizes alternative governance structures like importer-distributor partnerships to access resources it is not able to own yet due to capital limitations. It looks for a foreign location advantage to position itself in premium segments instead of cutting costs. Lastly, it is a unique resource due to its product combination of Italian origins, no added sugar, and plant-based. This supports SQUP's strategy of partnering first and foremost, and owning later. For example, beginning with experience importer-distributors like KeHe and UNFI to access the US market without heavy investment.

Finally, the Network Approach adds an essential practical perspective that was not seen in the INV model. In this model SQUP can currently be described as a "Late Starter": the firm is not yet internationalized but the industry - the US BFY frozen dessert market - is highly internationalised. The model predicts that the Late Starter gets 'pulled abroad' early by its relationship with the international environment surrounding it and thus is able to skip gradual expansion. SQUP's existing connections with Italian food industry partners, links to importers, and platforms that connect both worlds like Eataly are all factors that can aid in compensating for its lack of experience. Another crucial aspect of this approach is that it describes success as something that is not simply product-dependent, but also strengthened by relationships with key players like retail buyers, food influencers, and health-conscious communities in California.

Building these relationships is thus essential to international expansion and should not be viewed simply as a marketing effort, but as an essential strategy.

Recommended Strategy

Based on the above analysis, the recommended strategy for SQUP is to adopt a hybrid strategy that combines the Network Approach's way of developing in foreign markets by building strong relationships with its environment, and the INV model's way of using alternative governance structure and unique resources. A three phase strategy is proposed to implement this approach gradually rather than all at once.

Phase 1 - in the first year, SQUP should focus on entering into premium channels and creating a strong network in California. It should enter through a specialised natural food importer-distributor like KeHE or UNFI. Said importer takes away the responsibility of regulatory requirements from the firm by handling it themselves, leaving SQUP the time to focus on building the brand and adapting their product to US packaging and labelling rules. SQUP should start distributing in about 30 premium retail locations - just like they did in Italy. They should concentrate their launch in Los Angeles and the Bay Area as that is where most of their customer groups seem to reside. At the same time, they should activate online channels, particularly Amazon Fresh and Instacart as those are the most developed ones in California. During this phase, SQUP should prioritize investing in its network by building strong relationships with retail buyers, wellness and food influencers in the area, and specialty venue partners like Eataly LA or vegan restaurants. They should provide sampling of their product to these people and places to build brand image and credibility. The pricing heavily depends on the retailer used, for example, a pint of healthy ice cream in Erewhon ranges from \$10-\$12, but in Sprouts they range from \$7-\$9. Since the first is considered 'ultra-premium', SQUP should price their pints in Spouts' range, so from \$7-\$9.

Phase 2 - in the second year, SQUP should dedicate itself to deepening its relationships with its network and expanding further within California. After having tested and validated consumer receptivity of this product, SQUP should increase its premium retail locations within California. To reach the 1400 selling points in Italy in 2025 that Bianconi mentioned in the interview, SQUP must have installed more than 300 new selling points a year once it started selling. Since the Californian market is riskier for SQUP as its not its home market, paired with

the fact that costs are higher, a more realistic number for expansion might be to install around 100 new selling points this second year. They should begin exploring the second most attractive state - New York / New Jersey - through the same importing structure they used in California as they can leverage their relationship with their distributors now. SQUP should also start to experiment with more mainstream GDO's like Albertsons and Walmart to scale the business. This is when the firm starts to build up the "experiential knowledge" emphasized in the Uppsala Model, meaning it is ready for deeper commitment. SQUP will begin to truly understand all the cold chain logistics, any crucial retail dynamics, US consumer preferences in taste and packaging, regulatory problems, and more - all of which will aid it in expanding further in the US in general and prepares it for more independence. This is usually the stage where companies start exploring producing in the area where they are selling or at least close by to lower costs but, as mentioned several times throughout the paper, this would erode its value proposition of Italian origin.

Phase 3 - from the third year onwards SQUP should establish a new company (NewCo) in the US that directly controls relationships with the biggest retailers, and manages marketing strategies and brand storytelling. However, production should continue only being done in Italy. This is similar to the "own sales subsidiary" stage described by the Uppsala model, yet it is less risky and faster because the 'experiential knowledge', brand equity, and network have been built already in phases 1 and 2. This stage gives SQUP more control over its own pricing and brand positioning, without having to rely as much on distributors.

This three phase hybrid strategy is both theory based and practical - phase 1 uses the INV model's alternative governance structures, phase 2 uses the relationship-building logic seen in the Network Approach, and phase 3 uses the Uppsala Model's gradual commitment framework.

CONCLUSION

The goal of this thesis was to answer one question: how should a BFY food startup like SQUP approach the internationalization of its business into the US market? After working through this theory in these last three chapters of theoretical grounding, contextual analysis, and case-specific application, the answer has become very clear and practical.

SQUP is in quite a rare position in the US frozen dessert market. It is the only product that brings together a plant-based formula, Italian artisanal quality, and no added sugars. This convergence places it in the middle of two major consumer macro-trends in the US: the growing focus on functional health and the plant-based movement. As shown in Chapter Two, the US BFY frozen dessert market is not just big, it's also growing fast. It was valued at over \$2.2 billion in 2024 and is expanding at twice as fast as the overall category. Therefore, this is not just a niche, passing trend - it reflects a real structural shift in how Americans choose and consume frozen desserts.

Chapter Three's geographic analysis identified California as the clear priority entry market, with a 93% score across the five weighted key factors: demand of free-from products, qualitative indicators, distribution access, competitive landscape, and overall ice cream consumption. California brings together the perfect environment for SQUP's launch: a high concentration of health-conscious and plant-based consumers, economic power, a well developed premium retail network, and an advanced online grocery system. The PESTEL analysis reinforced this, while also highlighting the main obstacles SQUP could face: a complex legal and regulatory landscape, high logistics costs, and the US import tariffs of 10-20% on European food products.

The comparison between SQUP's current Italian Business Model Canvas and the proposed California one showed that the core value proposition should stay unchanged during expansion. It's identity - plant-based gelato with no added sugars and Italian origin, indulgent yet healthy - is exactly the proposition that differentiates SQUP from its four main identified competitors: Halo Top, So Delicious, Oatly, and NICK'S. While these brands are strong players in the market, none can replicate the 'Made in Italy' origin story, and none combine plant-based and no added sugar in the same formula. Therefore, SQUP's value proposition is not only differentiated - it is inimitable in the short to medium term.

What does need to change, however, is the operational architecture around that proposition rather than the product itself. The California BMC adds new key partners (the most important being KeHE and UNFI as import-distributors), new channels (specialty venues, premium retail, online platforms), new cost structures (slotting fees, cold chain logistics, tariffs), and new customer relationship strategies (wellness community activation, micro-influencer partnerships). These are significant changes, but they fit into a clear logic rooted in the startup-specific internationalization models discussed in Chapter One.

From a theoretical point of view, Chapter Three places SQUP as a 'Late Starter' within the Network Model: a company entering a highly globalized market without prior international experience, but still able to leverage its existing relationships to skip gradual expansion. This idea shaped the three-phase hybrid strategy proposed in the thesis. Phase 1 applies the International New Ventures logic of alternative governance structures, using distributors like KeHE/UNFI to access the US market without heavy upfront investment, while simultaneously beginning distribution in around 30 premium retail locations across Los Angeles and the Bay Area - an approach similar to the “Trojan Horse” entry strategy that proved so effective in Italy. Phase 2 focuses on enhancing its presence within California and begins gradual exploration of New York and New Jersey, building the 'experiential knowledge' described by the Uppsala Model. Lastly, Phase 3 entails the establishment of a NewCo in the US to gain full control of branding and retail partnerships, while keeping production in Italy to safeguard the brand's fundamental value proposition.

The interview with SQUP co-founder Emanuele Bianconi (2026) was crucial in making this strategy feel grounded in practicality rather than just theory. His explanation of how SQUP maneuvered Italy's very fragmented GDO system - by working straight with independent cooperative members, offering freezers as incentives, and using early entry to gain credibility with regional groups - shows a founder who thoroughly understands not just his product, but how retail access actually works. He described Italy's distribution landscape as a 'Matryoshka doll' of overlapping cooperatives and independent operators, and was very open about how difficult European expansion has been. This underscores a key idea of this thesis: that internationalization is not only about having an innovative product, but it is also greatly about understanding and navigating the relational and institutional structures of each market.

With that being said, there are clear limitations to this analysis. The thesis relies mainly on publicly available market data and a one primary interview, which means that some internal financial details of SQUP - such as its detailed cost structure or margin targets - could not be independently verified. Moreover, the US market is constantly evolving: regulations, tariffs, and competition may change by the time of any actual market entry. The recommended strategy should thus be seen as a guiding framework instead of a fixed plan.

Looking ahead, the largest question for SQUP concerns timing. The US BFY frozen dessert market is rapidly growing, and ‘early movers’ like Halo Top have demonstrated that entering premium retail early provides durable advantages. SQUP's unique value proposition that differentiates it from others - as the only Italian, plant-based, no added sugar gelato - will not be uncontested indefinitely. For this reason, this thesis’ recommendation is not only to enter California, but to do so quickly and with a clear, structured plan: start with premium retail, move to online channels, then to specialty venues third, and lastly to mainstream GDOs. This order helps in protecting the brand's premium image while simultaneously building consumer trust and the retail track record needed to grow.

In conclusion, SQUP has the product, the provenance, and the positioning to succeed in the United States. What this thesis has attempted to offer is the strategic roadmap for turning that potential into reality - combining academic theory, market analysis, and direct experience of working alongside the company.

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APPENDIX

Bianconi, E. (2026). Interview with Flaminia Cinelli on SQUP's distribution strategy and European expansion plans. [Personal interview]. Conducted via WhatsApp, March 2026.

“Flaminia Cinelli: Hi Emanuele, it’s Flaminia. I wanted to ask if you could share some information regarding SQUP’s internationalization in Europe, maybe regarding the sales or your presence in different supermarkets. Of course, I would only use this information for my thesis.

Also, could you please explain to me how you were able to enter large scale distribution with Carrefour being a startup? I wanted to study if it was possible to replicate this strategy for American large scale distribution.

Do you think the primary challenge of expanding is more about the lack of brand recognition abroad or shelf space? And do you think your strategy in Italy could work in the US market too?

Emanuele Bianconi: Hi Flaminia, we haven't yet expanded in Europe because, although we're sending many requests, many don't reply and many say no. What they do is first get the enormous groups - multinationals. After that, they get the products that work for them, so the ones that they already know sell. Then potentially new and unique products, but these are innovations of the multinationals or firms that are already famous. You see how this is a waterfall system? Then they pass onto other firms, but they go to local ones first. So we are the last of the last, considering that there is no shelf space either, which is why they tell us that they have no space for us. What's needed is a much bigger impact and investment so this is the complex theme here. It’s also true that we are trying to go with our own resources, but also that we have a production in Northern Italy that logistically lends itself well for this type of operation. It’s also true that in Italy we are in groups like Carrefour that doesn’t only exist in Italy so we are not going unprepared or anything we have a year or research on our shoulders and we perfectly know what we are doing - both the pros and cons and we are doing it in a structured way. We

hire a person that speaks 4 languages perfectly and can communicate in 6 so we have everything we need but obviously there are many layers.

Flaminia Cinelli: Wow that's very interesting, especially the waterfall system you were talking about. Would you say that, in the beginning, direct contact and personal relationships had a higher importance than the product? And when you approached supermarkets like Conad and Carrefour, did you have a clear strategy from the get-go or was it more trial and error?

Emanuele Bianconi: Well, this would be a very long discussion. I'll summarize it for you with a few pillars so it can be clear, simple, and concrete. Number one, we went knocking on the doors of the first ones. We tried to understand how large-scale distribution worked, and it's actually a real mess. Italy is one of the most fragmented countries in the world, with endless Russian dolls. When you go grocery shopping, you look up, see the sign, and say, "This Conad is Conad Italia, isn't it?". No. Because maybe that person is an entrepreneur with a store who joins a Conad cooperative that belongs to a Conad cooperative, which is headed by a Conad cooperative. It's a never-ending story. But there is an advantage, the advantage is that sometimes depending on the type of brand, for example Esselunga, you can't do it. Conad, you can do it. I'll explain to you later why you go shopping. At the reception desk, you say good morning, but this Conad is from the cooperative that belongs to Conad Italia or it belongs to an entrepreneur. Sometimes they say no it's from an entrepreneur called Mario Rossi or Mario Rossi Srl. So you ask for an appointment and you will have to speak to Mario Rossi or Mario Rossi Srl and you tell them we are a company, we want to sell this product, will you take it? Local entrepreneurs obviously take almost everything from Conad, but they choose a small, small, small slice on their own, you know like local products and it happens that we did this, we discovered that with Conad and with Carrefour at the time you could do it and it worked. So we elbowed our way like crazy people, that is, we went to talk to everyone, we knocked, we didn't understand anything, then little by little we understood, we found groups, that is, an entrepreneur who maybe had 10 points of sale, five points of sale, so instead of going to the rather poor one who only had one, we went to these little groups and we told them come on, take our product and they took them. So in Lazio, Emilia-Romagna and Lombardy, so a little with Carrefour, a little with Conad, we managed to do this stuff, we talked to them about 30 points of sale, 30 points, we gave them freezers, to

incentivize them because they say, eh, but I don't have space, but how can I get it from you, I order only a few, so the costs are huge, but we needed to validate it. So we said, let's go in, let's spend the summer there, let's do everything to get those points sold. Crazy thing because what did we do? Like a Trojan horse the following year we went to the cooperative above and said: Conad, look, we are already in Conad, even if you don't know it and since it worked, why don't you take us directly. Long story short this was the strategy so they actually said the products seems to be doing well, you are already in Conad, there haven't been any problems so we trust you a bit more so let's go from 30 sales points in a nose-dive (because then they change during the season, they are badly managed, the large-scale retail trade is a mess) we get to 400. Last year we touched 1400 more or less, so now this year we are trying to grow further so the growth has been excellent of course it is always very complex so the strategy was this. The thing I told you before "I will tell you later" is: why can this thing be done with Carrefour and Conad but not with others? Because, to simplify, they branch out into two typologies: the large distributions there are the pure play and the cooperatives. The pure play is like Esselunga where Esselunga is directly responsible for all the bridges, for example Esselunga has 200 sales points? Very well, one decides and you go to 200 sales points. On the other hand, Conad is hyper fragmented, so you can't go to one and he decides for all, it's completely different.

Flaminia Cinelli: Emanuele thank you so much for this interview, you've helped me a lot with my thesis, especially the part about the Trojan horse strategy because it explains how startups can enter through decentralised structures first and then scale up, which is an essential point for my thesis."