

Gaston Acurio: business model innovation and creation of a Peruvian gastronomic brand

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“A ny restaurant can get the hiccups. This one was having a full-blown seizure.”- Pete Wells (2012), food critic for the *New York Times*

This was not the review that the restaurant La Mar, from renowned chef Gastón Acurio, expected to receive. Acurio was one of the most celebrated and recognized chefs in Perú, winner of the 2013 Global Gastronomy and Gourmand World Cookbook Awards. The review described serious service quality mistakes: the men’s restroom’s garbage bins overflowing with paper towels, elegant cocktails served in glasses that were “as sticky as a jelly jar” and plates that remained on the table so long before being removed that they were compared to “archaeological sites.”

La Mar is a sometimes exciting, often disappointing demonstration of the ways in which a global restaurant chain opening an outpost in New York faces more complex challenges than a retailer planting a new Abercrombie & Fitch in SoHo. When you reproduce a menu from afar without testing it on the locals, or bet on a style of cuisine without scoping the competition, or hire servers who aren’t versed in the care and feeding of the natives, the city’s response can be cold and lingering, or brutal and swift (Wells, 2012).

Although he quickly sent his top chef from the Acurio workshop, as well as his wife, chef and partner to correct mistakes, the restaurant closed at the end of the following year (Contreras, 2012; Morabito, 2013). In interviews years later, Acurio recognized that he arrived in “New York without local partners, without asking information from our local investors about the location, without valuing this. We arrived and crashed” (translated from Jolonch, 2018). He recognized that the failure of La Mar in New York was not only one of service quality but also an opportunity to critically evaluate other parts of the business (Acurio en Jolonch, 2018).

Some questions remained. Had Gastón Acurio reached the limit of his innovative culinary proposal and business model? Specifically, had the business model that allowed him to grow and consolidate his brands begin to reach its limits? If that model required changes, what were they and why?

Gastón Acurio trajectory

Until that time, Gastón Acurio’s restaurants had experienced dizzying growth. After opening his first restaurant, Astrid and Gastón, in Lima in 1994, Acurio opened his second location and first internationally in Santiago, Chile in 2001. The location turned a profit in the first year

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and Acurio showed that his partners had a return on their investment within two years of opening the location (Ganoza Durant, 2004).

In 2003 he opened Tanta, his second brand of restaurants, a Peruvian bistro style. In 2005, he opened La Mar, his third brand, this time seafood and especially ceviches. The same year, he doubled the total number of restaurants in all three brands from four to eight restaurants in three countries in Latin America (Castro, 2007). Its distinctive brands take advantage of the diversity of Peruvian gastronomy, which allows it to be flexible in each market without sales in one brand affecting another (Acurio en Molina, 2007; Herrero, 2014). Also, they are carefully designed to be replicable and managed consistently by local partners, with whom he always entered into new markets (Herrero, 2014).

These partners had provided capital and market experience in different ways (Vera Ramírez, 2010; Meza Cuadra, 2013; Herrero, 2014). For example, in the USA, Acurio has partnered with a local business that put the initial capital and charges a 3-5 per cent commission in exchange for 50 per cent ownership. In Latin America, he has used different franchise models: one franchisee operates six restaurants in Chile with sales of US\$12-14m, while two restaurants in Colombia are operated by different franchisees (Pinasco in Herrero, 2014).

Acurio has also demonstrated a holistic approach to business, from service quality to vendor management (Vilela, 2009). He reiterated in interviews over the years that quality ingredients were critical to his brands, such that he identifies and develops vendors carefully and has withdrawn from partnerships when he was not confident in the brand's quality (Vilela, 2009; "El hombre de la tapa", 2009; Borasino, 2014). This demonstrates an unwavering commitment to his brands and his mission. In Acurio's own words, "our jobs as a company is not to make restaurants, but rather to make this aspect of Peruvian culture a universal one" (Vilela, 2009). His commitment extends to the executive chefs at each restaurant, who had to buy from small producers and give nutrition classes in local schools. However, as La Mar in New York showed, the international expansion comes with the challenge of maintaining standards in food preparation and the supply chain needed to count on consistent quality (Flores, 2013). This led to the creation of Frontera Sur to supply his restaurants in Peru and the world (Costa, 2011).

The rise of Acurio's culinary empire began in 2006 when he created the holding company La Macha with his partner Irzio Pinasco, who was described as "[. . .] the commanding general of the white army that Acurio plans to use to continue the gastronomic conquest of the rest of the world" (Vilela, 2009). The corporate structure and culture that Pinasco built as General Manager of La Macha allowed Acurio's brands and businesses to grow, not just open more restaurants (Castro, 2007). Pinasco's support as general manager complemented Acurio's vision: "when Irzio Pinasco describes each opening for the following years, he does it with the convincing eloquence of a multinational millionaire senior executive. He explains the details and reasons for each location as clearly as a chess player, with the certainty that Acurio has transmitted to all his team, from the dishwashers to the highest pot executives." Acurio, for his part, fully supported Pinasco "[. . .] in the future, whatever he decides will happen: if he thinks adding another group is necessary to be prepared to arrive with our own resources to Hong Kong, for example, I won't interfere" (Acurio en Castro, 2007). Both Pinasco and Acurio shared the same carefully articulated vision and values. Pinasco described four keys to success: "[. . .] the unyielding belief that we must promote Peruvian gastronomy, no exceptions," "commitment to quality," "continuous innovation" and "ability to take risks and move forward" (in Vilela, 2009).

Given the success that La Mar had in San Francisco in 2007, Acurio and Pinasco thought that San Francisco and New York were going to become the new bases for

brand growth in the USA, Europe and Asia, from where they could start preparing new chefs for their new restaurants (Vilela, 2009). At about the same time as La Mar flopped in New York, in 2007, Acurio and Pinasco fell short of their goal of increasing the number of brands to 24. Brands proved to be more difficult to develop in partnership than the opening in new locations (Castro, 2007). In total, 6 of 24 brands were developed in partnership with the local Peruvian Wu Group. Out of the 6, 3 never opened, 1 closed, La Macha withdrew from another, and the only restaurant brand that continues open is Panchita (“El hombre de la tapa”, 2009; 3 días en Lima con Gastón Acurio, 2010). Finally, La Macha chose to increase the number of locations for only 9 brands, almost all restaurants and none under the fast-food or mall food-court formats (Hurtado de Mendoza, 2013).

The Peruvian gastronomic book at home and abroad

Thanks to its cuisine, Peru exists at an international level. Today, this country is producing the most important culinary movement in the world. Kids want to become chefs, not soccer players. And there is a person behind this phenomenon: Gastón Acurio,” – Ferrán Adriá, chef (in Méndez, 2014).

Gastón Acurio’s growth strategy was not necessarily for greater culinary market share, but to rather expand it as Peruvian culinary promoter *par excellence*. Playing this role, he worked with – and even promoted – competing restaurants through his popular cookbooks and the TV series “Aventura Culinaria,” which he hosted since 2002. Moreover, since 2007, he was a founding member of the Sociedad Peruana de Gastronomía (APEGA), devoted to promoting Peruvian gastronomy as an industry (Sugobono, 2014; Vega Jarque, 2007; Benavides, 2014; Herrero, 2014). Acurio also founded and taught at the Pachacútec Culinary Institute, a training center with a modern vision of Peruvian gastronomy for young, low-income Peruvians for those who want become professional chefs (Costa la Cruz, 2011).

In Acurio’s words: “why take Peruvian gastronomy to the world? Because this is what my generation must do, everyone from their own field tries to find ways to, finally, disprove this dreadful idea that we are destined to be a third world country” (Acurio in Vilela, 2009). His speech at a top Peruvian university touched the heart of a country that was beginning to experience unprecedented economic growth and, thus, to change its own self-perception. As his speech reflects, Peru had started to be seen not as an underdeveloped country, but as a country with the value and hope gained through to its people’s effort and talent, reflected in its food (Acurio, 2010; Mapstone, 2009). The speech went viral by e-mail to the extent that it was republished in a leading national newspaper, *Perú 21* (Masías, 2010).

Months later, Acurio continued to develop new alliances with other culinary entrepreneurs. With other Peruvian chefs, Acurio represented Peru as the guest of honor in the Madrid Fusión gastronomic festival. In 2008, Acurio spearheaded the creation of the International Lima Gastronomic Festival known as “Mistura.” That year, the first edition of Mistura attracted more than 30,000 visitors; by the following year, the number had quintupled to 150,000 people; and, in 2012, the number increased to half a million people (Peruvian society of gastronomy, n.d.).

In addition to allowing Acurio to keep an unprecedented relationship with his potential clients, his vision to promote Peruvian gastronomy started to impact the industry inside and outside of Peru (Exhibit 3). Bernardo Roca Rey, restaurateur and former Vice-Minister of Cultural Industries, summarized Acurio’s impact on the industry by saying that six people would be needed to replace Gastón Acurio.

Who is Gastón Acurio?

Gastón Acurio started his culinary training while studying law at Universidad Complutense de Madrid. He studied for two years without telling his father, then a Peruvian senator and former Prime Minister, who expected his son to return and follow in his footsteps as a politician. Two years later, Acurio called his father to confess and inform him that he was going to Paris to study at the culinary institute, Le Cordon Bleu. Beyond disappointing his father, at the time, gastronomy neither was valued nor was it considered to have a future by Peruvian society. Acurio claimed his mother was afraid that her son would end up working as a waiter (Vilela, 2007).

While studying at Le Cordon Bleu, Acurio met Astrid Gutsche, who would eventually become his wife and partner in his culinary and business adventures. In 1993, Acurio and Gutsche returned to Peru and opened their first restaurant – Astrid & Gastón – the following year. Despite the fact that they would become the most high-profile ambassadors of Peruvian gastronomy, Acurio and Gutsche did not start that way: they were convinced that they had to emulate French cuisine. Even their first menu was written in French (Vilela, 2007). However, Gutsche identifies the beginning of their “Peruvianization” during a trip to rural Huaraz. They had taken meat to prepare a stew and on the way traded it for heirloom potatoes, olluco and oca, “things we had never seen [...] it was a beginning [...] it was never something thought out or conscious, it just happened” (Gutsche in Sugobono, 2014). Together, they rediscovered the richness of Peruvian flavors and applied the approach learned in his French culinary studies to take them to their full power: respecting the food, its chef and the customer. This transformation developed over nine years between opening Astrid & Gastón in 1994 and Tanta in 2003 (Exhibits 4 and 5 and Hurtado de Mendoza, 2013). After that, their flagship Astrid & Gastón’s mission was to offer Peruvian haute cuisine.

Acurio’s role changed over time with his business. From the small entrepreneur who opened Astrid & Gastón, Acurio became the creative and visionary side of his holding. As Acurio puts it: “I am a cook because it is fun, and an entrepreneur because it is necessary” (Cornejo, 2006). Acurio created almost 1,500 recipes every year through his Taller Acurio. Every night, he sent a different recipe to each one of his restaurants with variations according to the brand style for cooks to prepare the recipe, improve it and decide if it stayed on the menu (Vera Ramírez, 2010).

With the support of Irzio Pinasco, Chief Executive Officer (CEO) of Acurio’s holding company is his compliment: “when Irzio Pinasco describes each opening over the next two years, he does it with the convincing eloquence that a top executive of a multi-million-dollar multinational. He explains the details and reasons behind each location with the clarity of a chess player, with Acurio’s conviction that has suffused all of his team, from the dishwashers to the highest executives” (Vilela, 2009).

Acurio’s challenge

Acurio’s business model had been undeniably successful: he opened restaurants in nearly 50 locations, had over US\$100m in turnover in 2009, and his holding was valued at US\$30m in 2013 (Vera Ramírez, 2010; Flores, 2013). Between 2012 and 2013, the holding attracted more than US\$50m in capital from two international investment funds to open more restaurants in Asia, the Middle East and Oceania (Hurtado de Mendoza, 2013).

Given Gastón Acurio’s business evolution and the failure of his restaurant in New York, he had to answer big questions about the future. What does the failure in New York mean for his holding? Has his culinary proposal lost its magic? What urgent changes did he need to make to avoid similar failures? Could this mean that he grew too much and taken his business model to its limit? These and other questions had to be answered as soon as possible while New York’s Tanta was turned around and he continued with his plans to open a restaurant in London and take Peruvian cuisine to the world.

Keywords:

Food marketing,
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Strategy

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Exhibit 1. Timeline

Table E1 Timeline	
1990	Gastón Acurio confessed to his father that he had been in cooking school instead of law school in Madrid and that he would follow his studies in Le Cordon Bleu in Paris
1993	Acurio and Gutsche opened Astrid & Gastón in Miraflores (Lima, Peru)
2001	Astrid & Gastón opened in Santiago, Chile, the first location outside Peru
2002	Acurio published his first cooking book Acurio started hosting the popular TV series "Aventura Culinaria"
2003	Acurio opened his second brand, Tanta, in Chacarilla (Lima, Peru)
2004	Astrid & Gastón opened in Bogotá and Mexico City
2005	The first La Mar restaurant opened in Miraflores (Lima, Peru)
2006	La Macha holding was created with his partner and General Manager, Irzio Pinasco Peru was invited to be part of the international culinary festival Madrid Fusion Acurio gave the academic year opening speech at Universidad del Pacifico
2007	La Mar successfully opened in San Francisco, the first location of the brand abroad and the first location in the USA Astrid & Gastón opened in Madrid, the first in Europe and another big success The Peruvian society of gastronomy (Apega) was created by restaurant and food entrepreneurs and Acurio was chosen as its first president
2008	Apega organized the first gastronomic festival Mistura with over 30,000 visits
2009	Acurio opened a culinary school Pachacútec to train chefs Acurio published the cook book 500 Years of Fusion that would win the international Gourmand World Cookbook Award
2010	Tanta opened in Madrid, the first location for the brand abroad
2011	La Mar opened in New York City
2012	World Travel Awards chose Peru as the 2012 World Culinary Destination Mistura 2012 received more than 500,000 visits
2013	Gastón Acurio received the 2013 Global Gastronomy Award The Abraaj group entered the holding as a capitalist partner with US\$20m to open in new locations in Asia, the Middle East and Oceania Aureos Latin America fund entered the holding with US\$32m to open in new locations in other parts of the world The holding projects to duplicate the number of world locations from 35 in 2013 to 78 in 2014
2014	Acurio and one of his former chefs, Virgilio Martínez, each had a restaurant among the first 20 restaurants of the world's 50 best restaurants list. Peru is the only Latin American country that has two restaurants in the top 20

Exhibit 2. Brands in Gastón Acurio's holding

Brand	Target market description	Average ticket/person
<i>Abiertos</i>		
Astrid & Gastón	The group's flagship brand. It was the first to open and expand internationally. Peruvian signature cuisine. The closing of its original location and re-opening in Casa Moreyra aims at an international haute cuisine level	US\$150-200
Tanta	Homemade style Peruvian bistro	US\$20
La Mar	Gourmet cevichería and second flagship brand to become international	US\$50
Panchita*	Anticuchos and grill restaurant described by Acurio as "La Mar with meat"	US\$40
Madam Tusán	Chinese restaurant that offers Chinese-Peruvian fusion food	US\$30
Chicha	Andean cuisine restaurant in Arequipa and Cuzco	US\$20
Me Late Chocolate	The chocolate shop that works inside five Tanta restaurants	N/a
Los Bachiche	Italian-Peruvian fusion cuisine restaurant	US\$40
Papacho's	Peruvian-style gourmet hamburger restaurant	US\$20
<i>Planned or previously planned</i>		
Astrid & Gastón Café*	Casual version of Astrid & Gastón located only off the main cities	N/a
Chilca	Ice cream parlor named after the town known for its Ovni ice creams. Each shop would have flavors typical of their location	N/a
La Corralada*	Premium chicken restaurant in both its service and ingredients	N/a
Diverxo	Supermarket "plus culinary school permanently open, products with designation of origin and food court designed by chefs. The idea is to optimize the relations with the Peruvian product"	N/a
Malandro Bar	A bar where "...you can find from a bank owner to a drag queen from Avenida Arequipa (a popular avenue in Lima) in the same place"	N/a
Natura	Boutique hotels. Initially to open in Cuzco's Sacred Valley (on the road to Machu Picchu), but stopped due to municipal permits	N/a
Papas y Salsa	Stuffed baked potatoes, initially as food court restaurants in malls or stands	N/a
Pecano	Luxury Peruvian desserts and coffee shop	N/a
Pochita*	"Panchita's daughter," geared toward food courts in malls	N/a
Yoshi	Nikkei cuisine: Japanese and Peruvian fusion	N/a
Yoshi y Ricci	Italian-Japanese cuisine, with pasta dishes tailored to the restaurant's location. "Yoshi's son"	N/a
<i>Closed and/or withdrew from the partnership</i>		
Pasquale Hermanos*	Fast food sandwich bar with locations in food courts, as well as independent branches. According to Acurio, it suffered from mistakes such as fast growth and difficult delivery service implementation that hurt the food quality	N/a
La Pepa*	A juice bar that tried to compete with Starbucks or similar coffee shops. It is the only location closed in part because of the lack of parking spaces for customers	N/a

Notes: *Brands developed in partnership with the Wu Group
Source: All data from [Castro \(2007\)](#), [Mapstone \(2009\)](#), "3 días en Lima con Gastón Acurio" (2010), [Hurtado de Mendoza \(2013\)](#) and [Meza Cuadra \(2013\)](#). Quotes are from Gastón Acurio.

Exhibit 3. Impact of Peruvian gastronomy promotion globally

- In 2007, 42 per cent of tourists in Peru stated that food was a key factor in their decision to visit the country (Ministerio de Comercio Exterior y Turismo en [Vega Jarque, 2007](#));
- Between 2002 and 2007, 22 culinary schools opened in Lima ([Niezen, 2007](#));

- In 2009, the renowned American food magazine *Bon Appetit* named Peru “the next big destination for foodies” (Mapstone, 2009);
- The Peruvian food industry employs 1.2 million direct workers and generated S/45 billion in 2012, equivalent to 8 per cent of that year’s GDP (Hurtado de Mendoza, 2013);
- The World Travel Awards chose Peru as the “2012 World Culinary Destination” (Herrero, 2014); and
- Peru was the only Latin American country with two of the top 20 restaurants on the list of the world’s 50 best restaurants in 2014 (Herrero, 2014).

Exhibit 4. Number of restaurants in each brand, by year

Table EIII														
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Astrid y Gastón	2	2	2	3	4	5	7	8	9	9	9	8	8	8
Tanta	–	–	1	1	3	4	4	4	5	6	6	7	15	17
La Mar	–	–	–	–	1	2	2	2	6	7	8	8	7	8
Pasquale Hermanos*	–	–	–	–	–	1	3	4	–	–	–	–	–	–
Panchita	–	–	–	–	–	–	–	–	1	1	1	1	1	1
Madame Tusan	–	–	–	–	–	–	–	–	–	–	2	2	2	4
Chicha	–	–	–	–	–	–	–	–	2	2	2	2	2	2
Los Bachiche	–	–	–	–	–	–	–	–	–	–	–	1	1	1
Papachos	–	–	–	–	–	–	–	–	–	–	–	1	1	4
Melate Chocolate	–	–	–	–	–	–	–	–	–	–	–	–	–	5
Total	2	2	3	4	8	12	17	19	23	25	28	30	37	50

Note: *In 2009, La Macha sells all of its shares in Pasquale Hermanos to its partners, the Wu Group.

Exhibit 5. Number of brands in each country, per year

Table EIV														
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Perú	1	1	2	2	5	7	10	11	9	9	10	12	16	27
Colombia	–	–	–	1	1	1	1	1	1	2	2	2	2	2
Chile	1	1	1	1	1	1	1	1	2	2	3	3	4	5
Venezuela	–	–	–	–	–	1	1	1	1	1	1	1	1	1
Ecuador	–	–	–	–	1	1	1	1	1	1	1	1	2	2
Panamá	–	–	–	–	–	–	1	1	2	2	2	2	3	3
Argentina	–	–	–	–	–	–	–	1	1	1	1	–	–	–
México	–	–	–	–	–	1	1	1	2	2	2	2	2	2
España	–	–	–	–	–	–	1	1	1	2	2	3	3	3
Estados Unidos	–	–	–	–	–	–	–	–	1	1	2	2	2	3
Brasil	–	–	–	–	–	–	–	–	1	1	1	1	1	1
Bolivia	–	–	–	–	–	–	–	–	1	1	1	1	1	1
TOTAL	2	2	3	4	8	12	17	19	23	25	28	30	37	50

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Teaching notes

Elizabeth Ontaneda and Guillermo Quiroga.

Summary

Gastón Acurio is a successful Peruvian chef and restaurateur who was key in shaping the country's gastronomic industry. His innovative business model distinguished him from other Peruvian restaurateurs and allowed him to grow and take advantage of opportunities in Peru and internationally. His success and growth attracted US\$52m in investment funding. However, his model's challenges surfaced during a difficult restaurant launch exacerbated by a harsh review in the *New York Times*. Students must identify and analyze the key elements of Acurio's business model to evaluate and propose changes to better take advantage of its strengths and opportunities, as well as to mitigate weaknesses and threats.

Target audience, recommended courses and location

This course is designed for business strategy courses in the second year of an MBA program when students can draw upon knowledge developed in earlier courses. Students should be familiar with Osterwalder's business model canvas or the case can be used to apply it.

It can be used at the beginning of the course because it can be used comprehensively to open discussion on several aspects of the strategy that can be addressed later in the course, including the entrepreneur and internationalization. It can be used in courses such as business strategy, business models and business plans. The case is short, easy to read and complement material available on the internet that might help students to review before using the case.

Learning objectives

- Identify the types of innovation that Gastón Acurio's proposal has created;
- Understand the key strategies developed to grown and consolidate Peruvian food as a category internationally and as part of Acurio's business;
- Identify elements of the business model using the business model canvas;
- Explain how elements of a business model are related, reinforce each other and drive results;
- Evaluate strengths, opportunities, weaknesses and threats to a business model; and
- Analyze changes to the model that can capitalize upon or mitigate these factors based on evidence.

Discussion questions

1. What has Gastón Acurio's innovation to position Peruvian gastronomy?
2. What are the strategies he developed for his businesses' success?
3. What is his business model? Use Osterwalder's business model canvas to explain.
4. What are the possible reasons for the failure of Acurio's New York restaurant? Did the business model reach its limit? What would you recommend to continue its growth?

Teaching strategies

Case preparation. Students should read the case critically and, at the discretion of the instructor, research Acurio's businesses on the web.

Preguntas de apertura. Before the discussion, the following CNN video report can help find the main theme, motivate discussion, as well as understand Acurio's personality and the international impact of Peruvian gastronomy: <https://www.youtube.com/watch?v=vdbrruoPLGQ>

The opening questions try to help students find their personal connection to the case and intuitively identify some of the elements of the business model that students may know from previous analysis or personal experience.

- Who enjoys a meal at a restaurant? Why?
- What makes you enjoy that food or restaurant?
- How do you decide what restaurant to go or return to?

Main activity. Divide students in groups of three to five to debate the answers to their questions in preparation for the plenary. One member should take notes.

Guided discussion.

Q1. What has Gastón Acurio's innovation to position Peruvian gastronomy?

This question can be used to open discussion and quickly delve into analysis of the type of innovation. Steer students away from answers that refer to the product (food) itself, given that the fusion of northern hemisphere techniques with local products is not as innovative as others. Acurio also does not innovate in processes: while efficient, he does not do anything differently. Students may arrive by default at the business model as his innovation. International gastronomy has clear competitive leaders, so Acurio seeks to be competitive by offering what many clients demand: innovation in multiple dimensions.

Innovating means doing things differently after overcoming established perceptions that can be limiting. This paradigm shift can help rethink innovation and what Acurio has done well. Peruvian food was considered home cooking and quality food was international. Acurio rescued Peruvian family recipes and worked with modern methods to create well-presented, internationally competitive meals. Meals had very little value added until Acurio's respect for himself, not as a cook but a chef; for his clients, who are not eaters but treated with a unique experience; and for food that is no longer a home meal but a quality experience that takes the best native products and flavors of Peru with the latest French technology.

Acurio's innovation is in changing the rules of the game to compete. Following Govindarajan, there are three forms of innovation:

- Completely redesigning the value chain, for example, modifying or reducing it. International examples include Dell and Zara. In Peru, this would be the agricultural export industry that has created processes that have added value to their products;
- Reinventing the value offered to the client, for example, Cirque du Soleil. Gastón Acurio falls into this category because of this restaurant, brand and service that has made Peruvian food internationally competitive; and
- Addressing an unattended competitor. In Peru, examples would include Kola Real and Mibanco, first in carbonated beverages and second in microfinance, respectively.

Q2. What are the strategies he developed for his businesses' success?

Although broadly, Acurio's business model is based on transforming the client experience, the strategies include:

- Highly segmented Peruvian cuisine. Though traditionally seen as a whole, Peruvian cuisine is diverse and complex. Acurio's strategy has been to divide it into specialized segments to focus on those that have more potential for international acceptance and scalable growth. It always began with high quality meals, their flagship Astrid and Gastón. La Mar becomes their seafood brand becomes the most easily exported. For a larger market segment, Tanta serves high quality, yet less sophisticated cuisine. The only failures were in the low-end and fast food segments;
- High client experience. Acurio's restaurants truly sell a world-class experience, from their architecture, design and decoration of each location. The service is first class and the quality and innovation is based on the fusion of Peruvian products;
- Ensure critical resources. The expansion plan has been possible because Acurio has designed a model that removes key restrictions. Financially, he found an excellent CEO

and has found investors who put capital into each restaurant and brand. He identifies local partners in countries who know the market and he puts his brand and culinary proposals.

Human resources, especially chefs and developing the Pachacutec Institute, creates a motivated group of young people taught the mindset and highest standards. The first cohort of 50 graduated 8. It is a training ground not only for Acurio's restaurants but also for Peruvian food.

A final key element is the quality of the products for all his local and international restaurants sourced through his company Frontera Sur to ensure this critical resource;

- Professional administration. Acurio describes once, early on, not knowing what a bill of exchange was, investing and losing money. He began professionalizing his management as soon as he began working with Irzio Pinazco, allowing Acurio to do what he loves best: develop gastronomic concepts and initiatives based on Peruvian cuisine. He has also remained open to partners and capital for growth;
- Personal positioning. With his books, television shows, participation in international conferences, Acurio reinforces his image and personal brand. Without a doubt, he is better known for his work to establish Peruvian gastronomy than for his novel products; and
- Cooperate and form a Peruvian gastronomic cluster. Other chefs are not his competition but rather part of a unified front to conquer a global market. Through Apega, he promotes cooking internationally. The Mistura food festival has also become an international success.

Q3. What is his business model? Use Osterwalder's business model canvas to explain.

Divide the board into the grid diagrammed below. Use students' in-class answers to complete the business model canvas. Prompt students to explain how each element fits with others within the canvas:

The elements of Acurio's success are all present in his solid business model. Beginning with product quality and a superior experience, he can put a premium price and create a virtuous cycle that reinforces the value proposal. On the operational side, solid management that ensures critical resources are always available and critical processes are well managed. A business model is successful when the story it tells is not only passionate but also coherent and financially sustainable.

Q4. What are the possible reasons for the failure of Acurio's New York restaurant? Did the business model reach its limit? What would you recommend to continue its growth?

Table I				
Key partners	Key activities	Value propositions	Customer relationship	Client segments
Local investors	Development of	Quality Peruvian cuisine for the world	Engagement through	Top-down strategy:
Investment funds	concepts and products	Culinary segmentation	experiences	from high-end,
APEGA	Formation of alliances	A unique client experience through	Carefully managing	exclusive Astrid and
World-renowned	Appearances in	environment, service and pride	service details	Gastón to the most
chefs	conferences and on TV	Internationally innovative		accessible Tanta
(Ferrán Adriá)	<i>Key resources</i>	and quality food	<i>Channels</i>	Restaurants specialized
	Chefs, formados en		Top architecture,	by cuisine: seafood,
	Pachacútec		decoration and design	Peruvian grills,
	Abastecimiento con su			Chinese-Peruvian
	empresa proveedora			fusion, etc
	con la calidad que			
	requiere			
<i>Core structure:</i> professional management		<i>Revenue sources:</i> high-priced restaurants where clients are willing to pay to live an experience. Restaurants with different prices but always treated as a premium product: "Peruvian cuisine is worth it"		

This is the most complex question but one that helps close the case. The beginner's mistakes suggest a failure of controls that could be excessive growth. The high expectations the New York opening created magnified the mistake. Finally, he did not enter the New York market with a local partner, and in some cities, it pays to do so. Some students will identify that the model reached its limit, at which point it is useful to suggest Gastón refocus upon consolidating what he already has and New York as a warning to review his business model.

Closing

The epilogue can be used to close the class with a more positive balance of success and learning from failure.

In October 2013, La Mar in New York closed its doors. He was evaluating a new opening, though it could take time.

In August 2013, Acurio opened a Tanta location in Chicago. Within a year, it was named one of the three best restaurants in town and continued to thrive.

The following year, Acurio closed the original Astrid and Gastón location in Lima and moved to a colonial mansion that he invested US\$5m to renovate. The new incarnation seats a maximum of 150 guests who pay S/500.00 (approximately US \$150.00) for a prix fixe and to be tended to by approximately 50 people. Although it seems unprofitable, it is a strategy that Ferrand Adrià used at El Bullí. The objective seems to be to make the restaurant iconic, rank among Pelegrino and position it among his brands to support its international expansion.

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Abstract

Title – *Gastón Acurio: business model innovation and creation of a Peruvian gastronomic brand.*

Learning outcomes – *Identify the types of innovation that Gastón Acurio's proposal has created. Understand the key strategies developed to grow and consolidate Peruvian food as a category internationally and as part of Acurio's business. Identify elements of the business model using the business model canvas. Explain how elements of a business model are related, reinforce each other and drive results. Evaluate strengths, opportunities, weaknesses and threats to a business model. Analyze changes to the model that can capitalize upon or mitigate these factors based on evidence.*

Case overview/synopsis – *Gastón Acurio is a successful Peruvian chef and restaurateur who was key in shaping the country's gastronomic industry. His innovative business model distinguished him from other Peruvian restaurateurs and allowed him to grow and take advantage of opportunities in Peru and internationally. His success and growth attracted US\$52m in investment funding. However, his model's challenges surfaced during a difficult restaurant launch exacerbated by a harsh review in the New York Times. Students must identify and analyze the key elements of Acurio's business model to evaluate and propose changes to better take advantage of its strengths and opportunities, as well as to mitigate weaknesses and threats.*

Complexity academic level – *Master's or MBA.*

Supplementary materials – *Teaching Notes are available for educators only.*

Subject code – *CSS 12: Tourism and hospitality.*