



Virtual Roundtable: Insights into Brazil
2.00 pm BST, 10 June 2020





Introductions

To open the virtual roundtable, Paul Duncanson (PD) welcomed all of the attendees and introduced the ground rules for this new, virtual format of our quarterly events. The ninth in the series, this roundtable differs from the previous eight which were held face-to-face as an informal breakfast format with a maximum attendance of 25.

To start the discussion, PD introduced the invited experts – Constance Malleret (CM), Editor and Brazil country expert at LatinNews, Roberto Doring Pinho da Silva (RDPS), Minister-Counsellor, Deputy Heads of Mission of the Embassy of Brazil to the United Kingdom of Great Britain and Northern Ireland, Vania Lourenco (VL), Cultural Strategist and Researcher, Bruno Barreto Lino (BBL), Creative and Cultural Strategy Advisor at Aurora3, and Carolina Silvestre (CS), Global Manager IMI – Insights & Market Intelligence at Avon, to introduce themselves and to brief the roundtable on their areas of expertise and views on Brazil.

General Discussion Points

Politics and Economics

CM and RDPS provided an up to date snapshot the Brazilian political and economic landscape. Today, Brazil is governed by the right-wing party headed by President Jair Bolsonaro. Corruption is a central issue within Brazilian politics, especially since 2014's "Car Wash" exposé that brought to light major issues of political corruption within the Brazilian government. Upon coming into power, Bolsonaro's key promise included the eradication of corruption and uncertainty, but in reality, both still remain central issues. Religion is also a key characteristic of Bolsonaro's governance. Despite the political and economic uncertainty in Brazil, RDPS confirmed that in essence, we see a country driven by two main sets of consensus: democracy and development. CM affirmed that despite current struggles, in the long-term, Brazil is essentially a rich country with a great potential.

CS discussed the forecast for foreign brands in the Brazilian market as unstable in the main due to their expensive prices: when the exchange rate is poor for Brazil, Brazilians tend to support more local markets and brands. CS discussed Natura (part of Avon), which is made in Brazil, as an example of this. However, products from outside of Brazil remain desirable, although consumers know that they have access to high-quality products within the country as well.

Brazilian culture, sustainability and global brands

Despite instability in the economy and politics, Brazil's culture is rich and ripe for opportunity for international brands. VL highlighted one word that describes Brazil at its core: diversity. Understanding this diversity is extremely important for brand positioning and consumer insights. It is a developing country with a high stratification within social classes and their economic access. Brazil is younger than Europe, and this gives Brazilians a unique adaptability and power of improvisation.





Sustainability is an important topic globally, and Brazil is no different. In his work for Electrolux, BBL discovered key insights about Brazilians' perceptions of sustainability and ecology. The key takeaways were that Brazilians are very good at extracting components of nature to be sustainable, but when it comes to discarding waste, they are not. Brazilians believe that government support is vital in the nation's aim to be sustainable as a whole.

Foreign brands are often aspirational in Brazil. However, marketing brands in Brazil requires careful localisation, tailored to Brazilian wants and needs. And whilst foreign brands are generally well regarded, Brazilians are also quite prepared to support and develop locally originated products that can address their own cultural needs directly.

Foreign products also tend to be expensive in Brazil, so although they are desirable, people will often substitute them with a less expensive local product.

Digital engagement and media landscape

In Brazil, the power of the internet is very strong. Now more than ever, adapting websites and marketing campaigns to mobile-friendly content is essential. Many people in Brazil use pre-paid telephone plans, own several mobile phones, and Facebook and WhatsApp are free. These are platforms that people use to interact both with each other and with brands.

The TV landscape in Brazil still is the most important channel to consumers, but it is not a diverse landscape. It is mostly based in Rio de Janeiro and Sao Paulo. The penetration of television is universal, and whatever is placed on television tends to reach all parts of Brazil. Importantly, there is a major increase in second and third screens: everything made for television is also shared on other platforms. Localisation of content for Brazil is essential for all video media. Radio, although spread nationwide, is a local platform.

Impact of Covid-19

Not only is Covid-19 a political issue in the country, but it is heavily intertwined with the marketing and advertising industry in Brazil. The country's economic divide impacts how people are responding to the current pandemic, and therefore impacts how brands have to engage and respond with both Covid-19 and their consumers. The wealthiest in Brazil are the only ones able to quarantine at home and have a home office. The federal government says that people must go out to sustain the economy, but not everyone can experience this in the same way.

Importantly, brands need to understand how all types of Brazilians are experiencing this pandemic and communicate to them authentically; at the moment, there are many brands that participate with social justice movements and global health crisis aid. It is essential for brands to adapt themselves to what specific communities need at this time. Recently, brands who shared an opinion on "Black Lives Matter" with no real foundations or valid reasons to do so have suffered backfire on social media. Ethnic considerations are historically complex in the country.





Regardless of social or economic status, consumer research in Brazil shows that the main concern of customers are safety and health, related to both physical health and financial security. When brands can authentically tap into this, they will generate an authentic, emotional connection with their consumers.

Tips for brands

Mélanie Chevalier concluded the meeting by asking roundtable experts to share some do's and don'ts when it comes to operating and communicating in Brazil.

Do:

- Understand that it is a country of contrasts and is very unequal.
- Connect emotionally with the people, understand the target audience and not just their desires but also their fears.
- Come to Brazil with an open mind and engage with the people and culture.
- Know that Brazilians have different needs and opinions related to brands than Western cultures do. Be open-minded to this.
- Be transparent and innovative.

Don't:

- Fail to consider adversities in Brazil.
- Think the target audience is homogeneous even when it is niche.
- Take things for granted in Brazil: the country needs to be well-understood because it large, complex, and nuanced.
- Underestimate the knowledge of Brazilians: they are curious and do a lot of research into brands and products before purchasing.

The virtual roundtable concluded at 3.30pm.

