

Brazil – the land of soccer, samba, supermarkets and shanty towns

Earlier this year Pedro de Gouveia, GM, Salient Strategic Advertising and Design, flew to Rio de Janeiro in Brazil to attend the city's world-renowned Carnival festivities. This is what he found.



Flying via Brazil's biggest city – Sao Paulo, I had Australian singer/songwriter, Peter Allen's 70's hit "When my baby smiles at me, I fly to Rio, de Janeiro!" playing in my head, which beat the throaty throng of my TAM Airbus's engines.

I landed at night and therefore missed the wonderful views that millions of visitors encounter upon first flying into this picturesque city.

First impressions

My initial experience upon landing matched the experience associated with the stereotypical Latin American banana republic. It took almost an hour for my luggage to emerge from Tom Jobim International's baggage carousel. Upon walking through the airport's doors I was accosted by 20 taxi drivers with the behavioural traits of a troop of disgruntled, drug-induced football supporters. After much haggling I boarded what seemed to be the closest thing to a legitimate taxi. Within five minutes I was arguing with the driver who was adamant that he could take me to a cheaper and better hotel, than the one I'd booked into on Copacabana. His biggest selling point was the very friendly women who attentively "serviced" its guests.

We eventually arrived at my more discreet four-star hotel. The prickly pineapple experience didn't end there, as upon reporting to reception, I was told that my Internet booking had been cancelled two hours ago by the wonderful brain surgeons who run the website <http://www.hotels.com>.

After using some colourful words from my Afrikaans vocabulary, the red-eared hotel manager checked me in and agreed to sort everything out the next morning, which he did.

Don't judge a country on first impressions

My first full day in Rio, quickly disproved my fear of having landed in the latest chapter of PJ O'Rourke's book – *Holidays in Hell*.

The city is not only naturally beautiful in terms of its wonderfully scenic mountains, forests and beaches, but its local residents, the Carioca's, are warm, friendly, outgoing and spontaneous, just as per the travel guides.

Service is attentive and professional, never pushy and overbearing. Food prices are very reasonable, and beer and tobacco is cheap as chips. The laid-back atmosphere, ice-cold beer, coconut juice, compelling caipirihinas and tasty titbits served at the kiosks on Copacabana and Ipanema's beaches, are unbeatable.

When it comes to its coffee... well yes, one must just wake up and smell the dark, rich aromatic coffee in Brazil.

An event called Carnival

The hype leading up to the Weekend of Carnival, sweeps up the populace across the length and breadth of Brazil into a festive frenzy. The whole nation is swinging to the sensuous sounds of the samba, by Friday, the first official day of Carnival.

I attended the last night of the Rio Samba School Parade, in the purpose-built Sambadromo, which is located just off the city centre. This 700m long thoroughfare, consists of concrete seating and corporate boxes which can take 88 500 spectators.

Events kicked off just after 9pm and by 6am I'd sat through the eye-popping and mind-boggling experience of sambaing with 88 000 other people through the songs, parades, performance and floats of eight of Rio's top samba schools. The first school: Porto de Pedra, sang a carnival song, and paraded costumes and intricately built floats; themed on Nelson Mandela and his legacy. Madiba is someone who Cariocas closely identify with in light of the social apartheid that still exists amongst them – separating the two classes – those in the rich mansions and the poor, who live in the favela (the Brazilian equivalent of an informal settlement).

I was also fortunate to see the performance of the overall winner of Parade, the samba school of Beija Flor. Their theme was centred upon Africa and the massive contribution the continent has made to the development and character of Brazil.

The advertising and marketing opportunities around this event are enormous. In the week leading up to the event supermarkets and department stores were running Carnival themed promotions, with the country's biggest department store – Lojas Americanas, sprinkling paper confetti and streamers throughout its stores.

The Sambadromo Parade was sponsored by some of Brazil's biggest companies. One of them beer brewer – Nova Schin, had a key position at the top of the Sambadromo avenue, where the various samba schools commenced with their parades.

The ever innovative competitor beer brand Brahma, which belongs to the world's biggest brewer, Interbrew, then did the next best thing which was to take over 10 of the corporate boxes facing the avenue, and fill them up with hundreds of Rio's most beautiful people wearing red Brahma-branded T-Shirts.

They were then all picked up by the global gaggle of TV cameras and hundreds of paparazzi. These red-shirted folk were then splashed across Brazil's many daily newspapers and weekly magazines.

However, some of these beautiful people reportedly took offence at having to put on these shirts on entering the Brahma boxes.

The beauty of Brazil

Brazil is South America's biggest country and its 186 million people make it the sixth most populous country in the world.

Even though it's a country known for its violent crime and disparity in income, Brazil has a lot of positive things going for it.

It is the country that has had the most success in combating AIDS and other sexually transmitted diseases, and continues to be a universal success story.

In the general elections of 2000, the country's regional electoral reporting system was able to deliver election results to all of Brazil's regions in under 24 hours of the election commencing.

It's the world's third largest democracy, after India and the USA.

This 10th-largest economy of world is the largest in Latin America. In the context of retail, Brazil is an emerging market. In many ways it is similar to South Africa, in terms of its massive population disparities and contradictions.

Brazil's upper income classes, which make up 22% of its population, accounts for 55% of its consumption. The southeast of the country, which includes the populous states of Sao Paulo and Rio, contains 42.6% of the population, and thus has 53.7% of the country's purchase power.

Its book-publishing industry is bigger than Italy's with 50 000 new titles launched per annum.

Approximately 20 million people use the Internet, with one-third of them already using broad-band. Brazil has the world's second biggest cellular phone market, with on average 650 000 new users signing up per month.

It is the world's second largest market for private yachts and helicopters.

With a multiethnic society, which has absorbed numerous Diasporas (from Japan, Italy, Lebanon, Germany and elsewhere), Brazil is predominantly Catholic (up to 75%), young (42% of the population is under 20 years of age) and urban.

Its two biggest cities, Sao Paulo and Rio de Janeiro, are home to 19 and 12 million inhabitants respectively. Brazil was colonized by the Portuguese in the 1500s and the country is the largest Portuguese-speaking country in the world.

Brazil's retail industry

There are two major challenges facing this retail market. First, a growing Brazilian population requires more food and second, the country is undergoing rapid urbanisation. Brazil's food retail industry accounts for about 5.5% of GDP and more than 800,000 jobs.

This massive market features the complete range of distribution channels, from commercial shopping centres to mail order and e-commerce activities. As lovers of shopping and innovative products, Brazilians have access to practically every type of modern store format, including hypermarkets, supermarkets and specialized superstores, with French based brands such as Leroy-Merlin (DIY) and FNAC (multimedia & entertainment).

The top five retailers have 42% market share. International retailers like Carrefour and Wal-Mart in food and general merchandise retailing and French DIY retailer – Leroy Merlin, account for around 30% market share.

These foreign retailers have importing the European experience of buying groups. These buying groups merge independent operators under the same retail brand and marketing message.

Stores can open seven days a week, 24 hours a day. Organized mass retail outlets (46% of the market) compete for business with more informal operators. Hypermarkets are a growth format and represent 53% of the organized retail sector.

A case study: Carrefour in Brazil

The French-based Carrefour Group opened its first store in Brazil in 1975. At the time, hypermarkets had not yet been introduced into Brazil. The group's arrival in this market coincided with the launch of its house brand products in 1989 and the introduction its limited assortment/hard-discount store format - Dia in 2001.

The group's strength lies in strong brand awareness, its multi-format offer and the active part it plays in the life of local communities. Popular among Brazilians, the Carrefour brand is represented on television by celebrity presenter Ana Maria Braga.

Carrefour's emphasis on fresh products, including the Garantia de Origem range, organic products and innovative items, gives it a strong competitive advantage. Some five million people possess a Carrefour Card, which was launched in 1989.

Since 2004, Carrefour has updated its brand image, both in relation to its customers and its employees, and has restructured its supermarket network based on a new concept suited to local markets: called Carrefour Bairro. With a presence in the petrol retail market since 2003, it is also developing its sales of non-food products (18 travel agencies and 50 pharmacies).

Already the country's leading hypermarket chain, the group became the No. 1 mass retailer in the food market in terms of sales in April 2007. It has also acquired Atacadao, a discount hypermarket brand with 34 stores and sales equivalent to about R13.5 billion. This acquisition allowed Carrefour Brazil to expand its operations into a new customer segment by offering some 6,000 food items at discount prices in stores with an average surface area of 6,300 sq.m.

The Carrefour Group reported sales equivalent to R34 billion (before tax) in 2006. It is one of the country's five largest private employers, with 48,000 staff. More than 19,000 new employees joined the group in 2006. Carrefour has also developed partnerships with more than 15,000 local suppliers.

For more, visit: <https://www.bizcommunity.com>