



# Brazil 2016, Disenchantment, Pragmatism & Hope

Brazil 2016,  
Disenchantment, Pragmatism  
& Hope

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# [ Guide ]

## Ipsos Flair: Understand to Foresee

The world economy and relative weights are changing and our companies are willing to develop their business in increasingly important markets: Brazil, China, India, Indonesia, Malaysia, The Philippines, Russia, South Africa, Taiwan, Thailand, Turkey, Vietnam...

However, these countries are unevenly familiar to international firms and there is the risk to simply project outdated stereotypes, whereby our clients really need information on:

- Country values and mood, at a specific time,
- The influence of history, religion and culture,
- Their vision of the future, their ambitions and desires, their ideals.
- Their relationship with consumption and brand image

This is why *Ipsos Flair* was created in the first place: in order to demonstrate the originality and sharpness of Ipsos, because «*Flair*» is about instinct and intuition. It is the ability to capture the mood, to perceive the right direction, to know when to act...

It is also another way of looking, one that considers survey results as sociological symptoms to understand the real relationship between people and everything around them: brands, ads, media...

Ipsos is uniquely positioned around five major specializations: marketing; customer & employee satisfaction; media and advertising; public opinion research; and survey management.

By bringing together these diverse, yet complementary, perspectives, we are able to explore the many different facets of an individual, be it a consumer, a citizen, a spectator or an employee.

After the success of our first Ipsos Flair in Brazil, made possible thanks to the great reception of our clients and the commitment of our teams, we are pleased to present the second edition.

The scenario has significantly changed within a year, and some of the expected promises were delayed. The most commonly heard 'when' words are: **recession, protests** and **disenchantment**.

Nevertheless, Ipsos is not here to whine. On the contrary, it is in turbulent waters like these that navigation requires more command; because it opens a safe way.

We invite you to discover our perspective and our outlook for **Brazil in 2016**.

Enjoy your reading.

Henri Wallard  
*Deputy CEO*  
*Chairman of Loyalty and Public Affairs*

# [ Editorial ]

*In its first edition in Brazil, Ipsos Flair described 2015 as a crucial year for Brazil, with both uncertainties and certainties.*

*Its very title « **Criticism and Progress** » expressed the general, non-nihilistic public opinion, which developed into a demanding and positive attitude, fueled by the huge shock of Brazil's massive defeat in the World Cup.*

*The prospect of the presidential election also encouraged Brazilians to express their will for change, creativity, innovation and disruption.*

*This desire for dynamism and energy to regain hope in the future and the spirit of conquest turned very quickly into disappointments and disenchantment.*

*Political disillusionment, as expressed in President **Dilma Rousseff's** slim victory over candidate **Aécio Neves**, with 51.52% and 48.48% of the votes, respectively, brought back the feelings of the 1989 election, when **Fernando Collor** also had a very small advantage over candidate **Luiz Inácio Lula da Silva**.*

*This close result expresses doubt and reveals a polarization, as if the country were divided: the rich South bows to Neves, while Brazil's Northeast and North support Rousseff. São Paulo against Rio de Janeiro...*

*Economic disillusionment is already visible: the decline of the GDP by 0.2% drop seen in the first quarter of 2015 (-1.6% when compared to the last quarter of 2014), the financial impact of the Petrobras scandal (- 5 points of growth) and the austerity plans and their impact on the purchasing power.*

*Disenchantment has worsened to the point of becoming outright rejection, as shown by the protests against the broken promises and the increases in the utilities fees, in addition to other basic needs (products and services).*

*It also expresses the very negative perception of the current economic situation, where 91% of Brazilians consider it is “not good”; but the future looks a little bit brighter, with 51% who believe the situation will be better in the next six months (- 2% in one month).*

*Disenchantment offers a new dimension for critical thinking: pragmatism.*

*If enchantment is useless, it is better to focus exclusively on concrete results and practical actions.*

*This is the world of pure reason, as defined by Charles Sanders Peirce in 1878, whose article, «How to Make Our Ideas Clear», is the manual and marks the birth of pragmatic thinking.*

*Meanwhile, the big difference between Brazilians and everyone else is that they really do believe that everything is possible and that «God is Brazilian»; as such, Brazilians find it difficult to limit themselves to a perceptible reality only when it comes to finding a way out!*

*Managing this paradox is an art of mobility that allows Brazilians to get out of situations that were once in stalemate because of powerful struggles and whose outcome could be revolutionary and violent, had the parties remained in their retracted position.*

*A commonly used coaching quote offers an interesting summary of these two forms of adaptation, by reason or by the belief that «if we are too small to overcome difficulties, we must find a way under them.»*

*This is the main key in order not to be affected by a crisis: desire and satisfaction.*

*The worst fear of the emerging middle class is to go back into a state of economic obscurantism; because it has just started to emerge, it rejects any idea of disqualification.*

*The advantage of pragmatism as hope is also to create more subtle power relations, to allow partners to really understand that the game has changed.*

*Relationships change even more quickly with the spread of the Internet, the systematic comparison, the flow of information, blogs... A scenario that creates conditions for alternatives that set a new range of possibilities.*

*For example, collaborative and participatory practices (car rides and exchanges of apartments and services between private individuals) have become common practice in Europe as anti-crisis solutions, as small buffers that have allowed people to continue to have fun and to consume.*

*The worst thing is to lose self-esteem, because in so doing, one gives up on a desire or a need for not having funds.*

*It is clear that the crisis changes the game for the traditional players (authorities, brands, media companies), which are quickly assimilated by monopolies and overtaken by new generations of clients and their new culture, if they do not question it.*

*Traditional players must also adapt themselves to consumer mobility, and manage to be where customers do not expect them to be, or even change their products, their rhythms of communication, their codes and their forms of presence.*

*Traditional players must engage the conversation as soon as possible, in order to become game changers once again, when they get a chance to do so, in their own way.*

*The cover of this edition it is a tribute to Brazil's pragmatism and faith.*

Yves Bardon  
Ipsos Flair Program Director



## [ Perspective from Alex Grönberger – CEO of Ipsos Latam Region ]

*So, here we go again.*

*Ups and downs and downs and ups.*

*Growth in our LATAM economies is again halting to a screech; 1.2% in 2014 and most economists expecting only 0.9% for 2015. The party with good growth years, surfing the wave on high commodity prices is over, and, in many ways, we are back where we started.*

*The money from the good years has not substantially changed us: most was spent on consumption and little on investment; we are still very dependent on commodities; exports are low; and infrastructure is old and weak.*

*As with all hangovers, this one feels bad, but comes with a learning experience: we do not want this to happen again. People are not taking this lightly, they are rather taking it to the streets. If the slow economies and high inflation are at the core of the protests, the claims are vividly against corruption and mismanagement.*

*This rise of the value of Accountability and Transparency is resounding beyond the protests and in the lists of very high profile people prosecuted in the Petrobras case.*

*A much mature demand to analyze, in contrast with the teenager spirit we encountered in last year's Brazil Flair edition.*

*What does this mean for communication, brands and companies?*

*They must appeal more to these new set of values, encourage them in their quest, check for honesty on every piece of communication and open a dialog with consumers through social networks.*

*Avoid any connection to « panis et circenses »; the high Brazilian spirit is not going away, and it never will, but this is a moment of adult conversation, an opportunity for brands to establish a new and enduring connection with people.*

*The brands that thrived through the go-go years are more likely to struggle today, particularly if they are associated with images of easy success and frivolity.*

*A new landscape of brand connections will be established around these new values, it is a big opportunity; companies must act fast and stay close and connected to this new consumer mindset.*

*I trust that this year's Flair will help you get a head-start in this race.*

## [ Point-of-View: Where Is the Leader? ]

**Alexandre de Saint-Léon**  
*(Ipsos Brazil CEO)* & **Dorival**  
**Mata-Machado** *(Ipsos Public*  
*Affairs Managing Director)* ]

*Brazil is currently facing the worst political-economic crisis of the new republic.*

*Month after month, President Dilma Roussef collects unpopularity records and the economy is increasingly affecting the mood of Brazil's consumers-citizens.*

*At other times and in other places, similar contexts planted the revolutionary seed and people hit the streets to demand changes. Changes came either by force or by politics, but always by the hands of new leaders who guided the people towards their yearnings.*

*Why are Brazilians not on the streets now, leading change?*

*Would this be caused by a Brazilian cultural trace, something in the lines of Rousseau's noble savage meets the fearless Iberian, who does not see the urgency of history and does not encourage change by developing leaders?*

*Or is this some sort of innate Brazilian distrust in the leadership figure, effects of a colonized country that cultivates the feeling of always being deceived and exploited by whomever is in charge?*

*Or is this perhaps merely because the conditions for the rise of a person to guide the people towards change still have not been brought about, and because the lack of a leader led the movement to its doom?*

*After all, is it history that shapes and defines leaders? Or do leaders shape and define history?*

*To begin with, there are no doubts that a people's culture defines the profile of its leaders.*

*In the political sphere, the maxim that Congress reflects the people is a universal truth. So what is there to say about Brazil's Congress, historically taken by a mix of corrupt people, clowns and conservative elderly?*

*Brazil's top politicians are at advanced age, most of whom face substantial difficulty in maintaining a reputation capable of inspiring trust to become a leader.*

*In turn, the younger generations, highly engaged when it comes to politics, are still seen by the people as inexperienced to inspire sufficient trust to become new leaders.*

*Within the context of the political parties, the lack of any reaction by parties such as center-oriented PMDB in taking the lead amidst the political crisis is beyond visible.*

*Though there is a clear opportunity for PMDB to take a stand given this general scenario of discontent with the government – after all, it holds the vice-president office, has the greatest number of congressmen and is the most influential party in terms of connections – it has done precisely the opposite, having “accepted” to play the supporting role.*

*Or is the apparent supporting actor in fact the covert protagonist?*

*Since the end of the military regime and rise of the democracy, PMDB, party which consolidated itself as the opposition to the regime, has always been in power. Though it has never been the leader in the traditional definition of the word, the party has always played a political leadership role, perhaps not only in the current but in all other crises in which it was asked to join the government in a “supporting” role.*

*After all, being a political leader in Brazil is not a good deal, for in the absence of a preferred party, any party that is*

*“pro-government” and that is clearly close to the leadership has been the target of popular dissatisfaction.*

*A masked, manipulative leadership – but nevertheless, leadership? Is it in fact possible to refer to politicians who do not fight for a cause, but profit from it instead, as leaders? Populists, opportunists and demagogues are also leaders, are they not?*

*It is said that De Gaulle once claimed Brazilians are not a serious people. Perhaps what the French leader in fact perceived was that the culture of the Brazilian “jeitinho”, or Brazilian way of doing or getting out of things, offers fertile grounds for the bloom and rise of furtive and manipulative leaders.*

*Many people become leaders thanks to a good example; nowadays, in Brazil, there are few role models at schools, in families, at companies and in politics.*

*But is this feature specific to Brazilians? After all, it is undeniable that there are few global leaders nowadays – it has been long since the world has seen a global moral leader.*

*However, in Brazil, the issue seems to go beyond this particular global scenario. Ipsos survey data indicates there is an inherent trait of optimism in Brazilians, which also is not the best ground for the rise of true new leadership.*

*Based on the assessment of Ipsos Global @dvisor, survey conducted in 24 countries globally, it is clear that in the Mood criterion, Brazilians are at the worst levels in terms of perception of the current economic situation, in contrast to the Hope criterion, for Brazilians are amongst those who most believe in improvement in the next six months.*

*In relation to the other countries included in the study, it is clear that, in average, only Brazil, Argentina, Mexico, Spain and Italy have similar behavior. In all the other 20 countries of @dvisor, considering the average of the recent years, the perception on the current economic situation is better than the expectation for the next six months. In other words, Mood prevails over Hope.*

*Such difference is partially explained by the fact that while Brazil, Argentina and Mexico are “starting” to experience the economic*

*crisis, most of the other countries have experienced the crisis for a longer period of time. It is also possible to corroborate with the hypothesis that there is a trait of Christian Latinity in such anachronistic situation, in which there is always hope in the future.*

*Irrespective of the source of such peculiar feature, all other countries in the list experienced far harsher protests during the crisis than the ones seen in Brazil.*

*Yes, the 2013, 2014 and most recent protests revealed a change in Brazilians' "conformist" attitude, though they failed to put forward a new leader among the organizers and minds behind them.*

*The 2013 protests had no single purpose. Several complaints were heard (in relation to transportation, police violence, corruption, the health system, etc.), which did not provide for a connection between the people and any of the leaderships involved.*

*During the most recent protests organized in 2015, though several secondary claims were made (against corruption, people against PT, the President's party, for the impeachment and even for military intervention), the protests were focused on the dissatisfaction with the government. The clear lack of a leader nevertheless remained.*

*Since the beginning of the crisis, there has been no leadership capable of channeling all the demands and playing – whether properly or poorly – the role of a leader for this moment.*

*Is economic deterioration "**scaring away**" the contenders likely to take over such leadership, given the leader would become the target of popular dissatisfaction?*

*In fact, if one disregards the effects of the FIFA World Cup and of the Elections, since June 2013, popular dissatisfaction has decreased every month, though another protest of equal size only took place in March 2015.*

*What do both protests have in common? What do they have in common with international protests?*

*The unarguably common ground is the successful organization of the protests in social media.*

*Both Brazilian and international protests had media – the Internet and social media – as their protagonists.*

*Unlike the international protests, however, where popular leaders guided the online protests, in Brazil, one witnessed the lack of individuals acting as true leaders.*

*In the absence of people, one hypothesizes that the leader of the protests is a media – the social media were the true leaders of the protests that took place in Brazil. This phenomenon is not entirely new. As discussed last year, Brazil is a relatively young country, and, much like a teenager, it has trouble dealing with leaders or even with taking on a leadership role.*

*The point is – how long will it take for Brazil to grow up?*

*The future still seems quite uncertain, given the current scenario.*

*On the one hand, there is the risk of the current moment resulting in the disruption of the entire political system, thus creating grounds for the rise of a new opportunistic leader.*

*On the other hand, there is the risk and even the hope for the economic situation to stabilize by 2018, and for the corruption scandals to lose their change-oriented strength, context in which former leaders – PT included – may perpetuate themselves in power.*

*Until new leaders are not found in Brazil, it will be difficult for substantial changes to be capable of causing an even more drastic modification in this scenario.*

*Wanted: a real leader.*





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## [ User's guide ]

*«I judge that it might be true that fortune  
is arbiter of half of our actions,  
but also that she leaves the other half,  
or close to it, for us to govern»*

**Niccolò Machiavelli**

# [ Brazilian Situation ]

## Economic crisis

After the crushing blow of being defeated in the World Cup, Brazilians expected that 2014 could lead to better news after President Rousseff's election.

But with the GDP drop of 0.2% from January to March 1, 2015 (-1.6% when compared to the same period in 2014), Brazil has seen its worst result since 2009; markets are very pessimistic, having even predicted a 0.5% decline.

The austerity plan implemented by Finance Minister Joaquim Levy, totaling the amount of BRL 69.7 billion, has hit double resistance: public opinion, of course, and from his own party, which has called for a more flexible line. On its own, such insurgency does not bring about very positive results.

Investors are doubtful, especially after the corruption scandals that have destabilized national oil company Petrobras and involved major players in the construction industry. Gross fixed capital formation was down by 7.8% in a year.

Marcelo Carvalho, chief economist at BNP Paribas in São Paulo, has said that the worst is yet to come, with the risk of Brazilian economy «*sinking in quicksand*».

As a response, the government has taken actions by means of a five-year plan to raise BRL 198.4 billion in private investments to modernize and manage roads, railways, airports and port terminals.

Examples of said investments include: 4,371 kilometers of highways, extension of certain railway concessions and privatization of several airports, such as the Porto Alegre, Fortaleza, Salvador and Florianopolis airports, and the opening of twenty-nine brand new seaports.

The government expects earnings of BRL 66.1 billion from its investments in highways, BRL 86.4 billion in railway transport, BRL 37.4 billion in ports and BRL 8.5 billion in airports.

For now, Brazilian citizens are suffering. With the launch of new utilities fees, and the inflation decreasing purchasing power, the drop in the consumption has also been triggered by credit restrictions and rising unemployment.

The unemployment rate reached 6.4% in April, against 4.3% in December 2014; and it is expected to hit more than 7% in the second half of the year.

### **Where Are Brazil's Wild Things?**

〈 **Graziela Castello, Ipsos Public Affairs** 〉

*The year of 2015 opened its curtains with a backdrop of significant apprehension and expectations in terms of public opinion. It is not surprising that news on large-scale corruption and the reports on the likely aggravation of the Brazilian economic crisis reverberated in the population's pessimism indexes with respect to the country's political and economic directions – unprecedented in the past ten years.*

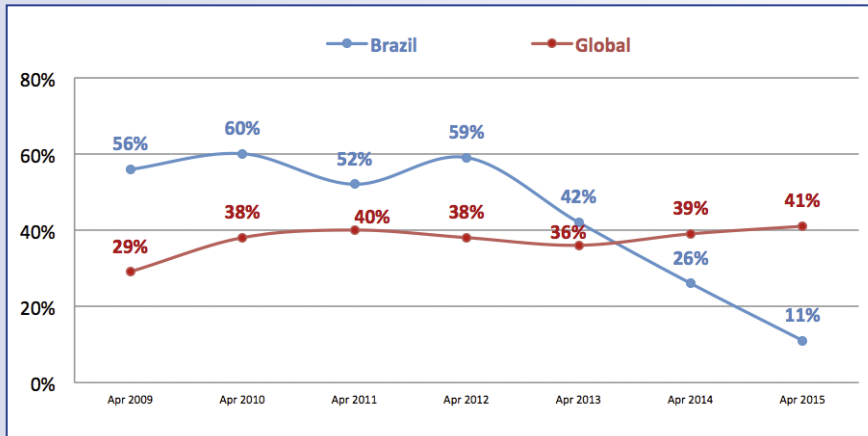
*Nothing short than ¼ of Brazilians claimed to have read news on corruption and on scandals reported between January and April 2015; together with price increases, inflation, increased cost of living, these themes were among the top ten references on the topics Brazilians most read about during said period (Pulso Brasil data – Ipsos, January-April 2015).*

*Brazilians' trust indexes in the country's politics and economy concurrently revealed a scenario that clearly imposed difficult challenges for public and private managers alike.*

*If one goes back to 2009, marked by the global economic crisis that triggered the substantial rise of unemployment in Europe, coupled with growing poverty in the US and bankruptcy of century-old banks, among other factors, it is clear that Brazilians' perception in relation to the economy was far from the pessimism of the other top economies worldwide at the time.*

*Today, six years later, results on population trust in different countries with respect to their own economy reveal some optimism when compared to said period. In Brazil, however, this perception has shifted to a different direction: in April 2009, 56% of connected Brazilians perceived the country's economic situation as good, and such percentage has dropped to 11% in April 2015.*

## Proportion of the Population Evaluating the Current Economic Situation as 'Good'



*The international scenario is currently better than the one seen in 2009. Despite the deceleration in the growth of the emerging countries (especially China), Europe has managed to find its way out of financial crises in specific countries, whilst others once again have tackled consistent growth (as is the case of Germany and the UK). Finally, the US economy has already picked up with substantial soundness.*

*The Brazilian scenario is nonetheless quite different. Among all said differences – national scenario, political and economic decisions – the one that certainly calls greatest attention lies precisely on the change of perception of public opinion.*

*The year of 2009 ended with a 0.2% retraction in Brazil's GDP, marking the first retraction in the country's GDP in 17 years (in 1992, the Brazilian GDP had a 0.5% retraction, and the year also witnessed the impeachment of then President Collor).*

*In turn, the year of 2014 closed with a positive GDP balance, though already in stagnation (GDP had a slight 0.1% increase). If, on the one hand, Brazil's GDP results in 2014, together with the current international scenario, could suggest less apprehension in public opinion in relation to Brazil's future, when compared to 2009, data on the other hand reveals precisely the contrary:*



Public Opinion Indicators – Brazil Total	April 05	April 09	April 15
Country's Direction (% on the right track)	42%	55%	15%
President's Administration (% good + great)	40%	65%	10%
Personal Financial Situation in the Next 6 Months (% better + much better)	55%	55%	38%
Trust in Investing in the Future, in Relation to the Past 6 Months (% more confident)	45%	34%	26%

Source: Ipsos – Pulso Brasil, national household survey (N=1000 cases in 2005 and 2009; 1200 cases in 2015)

*There is no doubt that Brazil is currently facing turbulent days in its political and economic scenario, to say the least. What has changed in Brazilians' trajectory, considering that in other crisis periods people did not express such dissatisfaction?*

*One of the possible answers may perhaps be the changes Brazil has undergone in the past decade.*

*It is widely known that the country has witnessed social and economic ascension of its people in the past ten years: growth in the number of people in the middle class (from 2005 to 2011, over 40 million Brazilians joined the C class – Ipsos/Cetelem data, 2001); real increase of the minimum salary; drops in the unemployment rates; university access for previously excluded classes; and funding and programs that enabled new portions of the population to purchase their own home, among others.*

*In sum, all such changes took place in a scenario of permanent stability in the national economy, including the stable currency and controlled inflation in the past two decades. It seems obvious for youth today to hit supermarkets without having to stock food, to have conditions to identify the increase of abusive prices, to have access to all sorts of imported products and even the possibility of travelling abroad, once in a while. This scenario is nevertheless recent and entirely contrary to Brazilian experience during the first years following the fall of the military regime.*

*Since 1980, Brazil has experienced eight recessions but no GDP drops, except in the zenith of the 2009 global economic crisis. In the last two decades of the twentieth century, agendas such as economic instability, lack of financial control, super inflation, high unemployment rates and the impossibility to make long-term investments were part of Brazilians' daily life.*

*Within the scope of the government, there was no room for constant discussion on social rights. The possibility of surviving amidst the eminent risk of being unemployed was at stake, as was the loss of salary value and the constant fear of losing the (few) savings made throughout one's life.*

*At the time, the first issues to be dealt with for Brazilians were economic in nature. The population adapted to different plans (many or most of which made no sense whatsoever) and oftentimes made calculations and accurately converted values during the currency changes, even without being trained to do so. Brazilians managed to survive in a chaotic economy.*

*Though incipiently, the inclusion of different social rights in the life of millions of Brazilians brought forth a new situation: the perception that quality of life may change in a same generation. Such perception used to be impossible.*

*It is not surprising that Brazilians believed the economic issues were the most pressing for the government to address up to the first years of the twenty-first century. The current scenario is quite the opposite, considering the threat of unpredictability with respect to future employment and increased cost of living – social issues gradually give way to economic life as the leading Brazilian nightmare.*

*No one wants to go back to living in a world where unpredictability prevents any dream with possible achievements in relation to quality of life.*

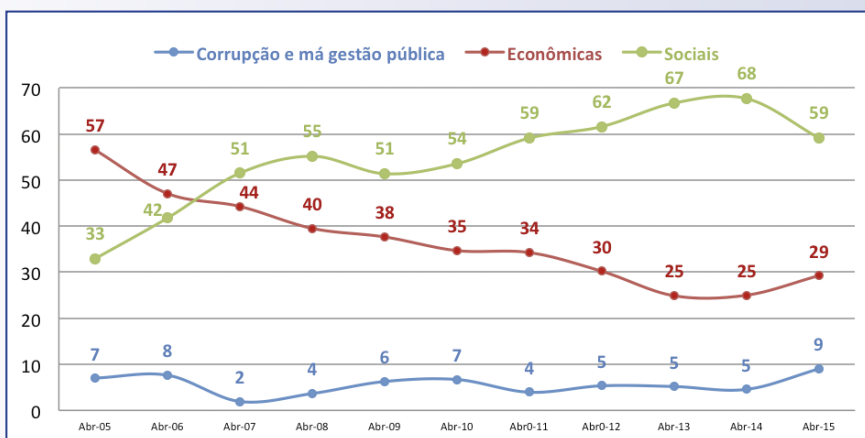
*Spike Jonze's film **Where the Wild Things Are** was released in Brazil in 2009. In this film, a boy sees himself in a world where monsters materialize their great desires and unconscious fears. After a decade of achievements, Brazilians have seen their unconscious desires "materialize" in this new world of possibilities that improved their daily lives. Other monsters nonetheless still inhabit this same world: the fears that scared the population for decades, caused by economic instability.*

*Much like in the movie, the different types of monsters live together in a same place. However, unlike in the 1980s and 1990s, Brazilians are currently aware that they may also access their desires instead of only attempt to run away from their fears. Everyone will have to deal with this: companies,*

*government, institutions... Brazilians are no longer optimists by definition, which does not mean they are unwilling to bet in the future. Accurate actions today must take into account the population's awareness (in terms of critical thinking) and not its resignation.*

### People's Perception on the Main Issues to Be Addressed in Brazil (% of the answer of the main issue)

- Corruption and poor administration
- Economic issues
- Social issues



Source: Ipsos – Pulso Brasil , national household survey (N=1000 cases in 2005 and 2009; 1200 cases in 2015).

\* The following issues were classified as economic issues: unemployment, inflation, low salaries and company closings, among others.

\*\* The following issues were classified as social issues: health, education, housing, violence and hunger.

## **Political crisis**

Brazilian politics is currently facing a very peculiar period. Following the reelection of President Dilma Rousseff, in 2014, and the several corruption scandals that have concurrently been triggered, Brazil's political and economic situation has become increasingly adverse.

Caught in a scenario of recession – in other words, of economic slowdown –, in addition to the water, energy and political crisis, the current period is marked by instability, dissatisfaction and discontent.

Brazilians are apparently tired of waiting for government action and seem to be leaving their comfort zone to hit the streets and protest.

### **Who Wants Change and Who Wants to Change?**

⟨ **Nancy Carolina Peris Acquisti,**  
*Ipsos Public Affairs* ⟩

**“The crisis consists precisely in the fact that the old is dying and the new cannot be born.”  
(Antonio Gramsci)**

**What is the main idea behind the protests? Why exactly are Brazilians unhappy? What does it take to change the roads Brazil is about to take? Above all, are there concrete projects to bring about change?**

*Voices on the streets are far from being unison. Some claim for President Dilma's impeachment, whereas others for the return of the military regime. For many, the main reason for concern is Brazil's economic situation: inflation on the rise, the threat of unemployment and the loss of purchase/consumption power. Corruption nevertheless seems to be on the foreground.*

*On this matter, it is necessary to start a discussion that is often ignored when corruption is under the spotlight. Assuming Brazilian politicians are the representation of Brazilian voters, if Brazilians want to put an end to corruption, it is mandatory to reflect on one's very own behavior, so as to render Brazil a country in which laws are complied with, where it is no longer possible to use the "jeitinho" (Brazilian way of doing or getting out of things) to solve problems or benefit from certain situations. As DaMatta has said, the 'jeitinho' is easily mistaken for corruption and is a transgression, for it renders unequal that which should necessarily be treated equally. As such, if one assumes corruption is not limited to politicians, but is present in Brazilian culture since time immemorial, demanding the end of corruption implies first changing everyday life behavior. Who wants to change? This would be a very important step in changing the country.*

### **Loss of Public Space in Post-Modernity**

*There is yet another issue that must be taken into consideration following the 2015 protests: are people effectively interested in change that benefits the population as a whole or what they*

*truly want is for their personal interests to be protected? The agenda is not that extensive when it comes to common good.*

*In his book "Democracy in America", of 1835, Alexis de Tocqueville already mentioned that people are not as concerned with specific issues and do not have time for politics in democratic countries. "As the men who inhabit democratic countries have no superiors, no inferiors, and no habitual or necessary partners in their undertakings, they readily fall back upon themselves and consider themselves as beings apart. [...] Not only are they naturally wanting in a taste for public business, but they have frequently no time to attend to it. Private life is so busy in democratic periods, so excited, so full of wishes and of work, that hardly any energy or leisure remains to each individual for public life."*

*In "The Fall of Public Man" (1977), Richard Sennett goes back to the origins of the contemporary fall of public life observing precisely the issues related to the rise of intimacy. Sennett believes post-modern individuals attempt to settle public issues based on personal and intimate feelings and perspectives, without taking common good into account. The immediate effect of such stand is that "people are working out in terms of personal feelings public matters which properly can be dealt with only through codes of impersonal meaning".*

*Would the protests therefore be a way to revitalize such public sphere, which has long felt the effects of Brazilians' lack of interest in politics? One of the possible interpretations for the discontent brought to light by the protests is a crisis of representation. In other words, Brazilians are no longer feeling represented by the current political system. According to the Brazil Pulse survey conducted in April 2015, 81% of the population has neither preference nor sympathy for any political party. Another online poll Ipsos conducted revealed that 76% of the people do not trust the political parties, and roughly 60% do not trust the federal government. In essence, citizens no longer feel represented by the political parties – let alone by the governments.*

*Protests hatching throughout Brazil are clearly a sign that the political model currently in effect is not working and that change is adamant. According to philosopher Vladimir Safatle,*

*the most significant issue is the governability model. He believes that Brazil urges for a full-fledged reform of the democratic model to increase society involvement in political decisions. As such, it is imperative to revitalize public space in order to think of change. And how can that be done?*

*For Hannah Arendt, “it is in the examples of civil defense and action of organized minorities that there is a valuable mechanism of protection against arbitrary government and to promote gains and changes. Are forms of voluntary association that can cope with the power of the majority, because they become pressure groups and are able to make changes.” (Arendt, H. “On Violence” In: Crises of the Republic).*

*The “Movimento Passe Livre” (or Free Bus Ticket Movement, if literally translated), responsible for the first wave of protests, in 2013, and the “Movimento dos Trabalhadores Sem-Teto” (Homeless Workers Movement), active since 1990, are examples of consolidated popular movements that have clearly defined principles and objectives. Left-oriented, these groups fight for the implementation of social policies.*

*Though shyly, 2015 witnessed the rise of other movements that have increasingly gained strength thanks to the social media: “Vem pra Rua”, “Movimento Brasil Livre”, “Frente União Brasil”, “Legalistas”, “Patriotas”, “Revoltados OnLine”, etc. Such recent movements are still putting their agenda together, and therefore lack a clear and centralized direction. However, all such different currents have one common ground: rejection to the left-oriented Partido dos Trabalhadores (PT), the labor party currently in the government, coupled with a right-wing ideology.*

*No one is quite sure whether these movements will become consolidated initiatives, with the ability to mobilize people and fight for greater good, or if they are only ephemeral movements representing the personal interests of given groups. Nevertheless striking is the return to the polarization of left and right in this scenario.*

*If being against the labor party (PT) is what bring these movements together, what would effectively change in the event of Rousseff’s impeachment and the modification of political*



*parties heading the government? Would it effectively change Brazil's course?*

### **Should Brands Take a Stand?**

*In this context, do protests affect brands? Is there anything brands can learn from the protests? Should brands take a stand at times of crisis and protests? As this is a very new issue, there are still more questions rather than answers.*

*Brands currently see themselves before a new consumer: citizen consumers. Consumers who claim changes and who have influence power, are very critical, aware and demanding. Engaged citizens are engaged consumers, increasingly involved with the brands they admire – and ready to criticize those they hate.*

*It is therefore necessary to take a stand – to truly look into one's products and eliminate anything deceitful from marketing strategies. Nowadays, consumers look for more than benefits in products; they expect brands to help them in everyday life.*

*Consumers are looking for socially committed companies that run the extra mile instead of merely providing a good product or service. Brands and politicians alike are expected to be transparent and sincere. People are tired of hypocrisy. Any brand that presents itself as such is far more likely to adapt to this new scenario.*



## Social restrictions

Polarization is a natural consequence of this bad mood.

Petistas (those who vote for or support the center-left labor party, PT) against anti-petistas, Brazil's northeast against the southeast, white elite against the Brazilian people – us against them.

There is no room for monotony in a period of economic crisis coupled with political stability, all in a society enduring its democratization process.

## Polarized Society

〈 **Flavio Ferrari**, *Ipsos Connect* 〉

*Things were already like this when I was born.*

*Living in society was never my decision.*

*During the first years of my life, I accepted the world as it was.*

*I believe I only started questioning things when my will began clashing with social rules.*

*This was when my parents, teachers and history books tried to convince me that this type of organization is beneficial for the preservation of our species, which is precisely the reason why it perpetuates itself.*

*The fact of the matter is that social life requires complying with several rules.*

*There are social conventions one is not generally obliged to live by, but which makes group acceptance easier.*

*We also live with equally imposing moral rules, acknowledged by most as desirable and necessary to maintain good relations between people.*

*Additionally, there are the legal rules for issues deemed sufficiently serious to deserve an authoritarian nature and the creation of punishments for those who do not follow them.*

*And if there are authoritarian rules, one must necessarily receive the power to organize, impose, supervise, judge and punish, in addition to the other necessary tasks to manage public spaces and aspects of living together.*

*These people, who obviously deserve to be compensated therefor, eventually have greater influence and power than other members of the society they govern, regardless of the regime.*

*One therefore has the relations of power (governors and governed), public services, taxes and politics.*

*As social organizations expand, their organic needs and level of complexity also increase.*

*Food, health, education, safety, cleanliness, public transportation, infrastructure, basic input (water, electricity, fuel) and the environment, only to mention a few of the main elements of social life, become part of society's permanent agenda.*

*Rights and duties are discussed.*

*Based on what I have been told, this discussion is not new.*

*The first known cities date back to 4,500 BCE (Sumerians in the south of Mesopotamia, nowadays Iraq), though I believe political discussions substantially precede the creation of cities.*

*According to my history teacher, human kind began living in tribes in the age referred to as the Neolithic (10,000 BCE).*

*It is easy to imagine our ancestors walking around in small groups, led by the strongest (or by some sort of 'éminence grise' capable of manipulating the strongest member) and paying taxes for their protection, albeit intimately annoyed by the fact that someone else's will prevailed over one's own will, at some point.*

*The greatest difference between such times, when daily survival was our priority, and nowadays, when we are distributed in the Maslow pyramid and add other more sophisticated priorities to*

*our list, it is our awareness of this power relationship and the notion that we have rights.*

*Brazil is a democratic and presidential republic.*

*We elect those who will theoretically govern us according to the will of the majority, informed and defended by means of our representatives in the Legislative Branch (councilmembers, representatives and senators).*

*However, in order for this system to adequately work, the population must have a certain level of maturity and education.*

*Education to understand how the social system works and to acknowledge one's role in this system. In order to understand the difference between conventions, moral and legal rules and to make decisions. To be able to identify "populist" speeches and actions and to reject them, despite their seduction power.*

*Maturity to understand that it is not possible to immediately meet all demands, and that for one to receive a benefit one cannot afford, someone else has to pay for it.*

*Brazilian society is maturing and education is its main challenge.*

## **Democratization**

*The democratization process is not exclusive to Brazilian society.*

*According to the Copenhagen Institute for Futures Trends (CIFS), democratization is one of the most important global megatrends.*

*Democratization is a transformation process in which equality, human rights and freedoms evolve, including access to information, equal opportunities and participation in all spheres.*

*Still according to CIFS, the most prominent sub-trends derived from democratization are individual and collective empowerment, greater demand for transparency in relations and the manifestation of diverse social values.*

*Traditional hierarchical studies open way for networks of empowered individuals in this process.*

*The empowerment of groups with different social values may lead to significant social conflicts.*

*Minorities or even previously marginalized significant sectors of society increase their awareness, power of influence and find space to defend their ideas.*

*The demand for transparency is followed by the requirement of accountability.*

*Nowadays, in Brazil, all such forces are emerging in their early stages, still clouded by instability.*

*Such forces – and their intermittence – are perceivable in the protests that have taken place in the past two years.*

*They are also present in the diversity of causes, in the hardships political parties face to guide the events (which was relatively easy to do before), in the demand for transparency and accountability of both the authorities and the media and in the fight against corruption.*

*Additionally, such forces are seen in antagonism and polarization.*

*The groups have already reached a certain level of awareness that enables them to realize when they are being hindered in their rights, but Brazil still lacks the maturity and education it takes to understand the need to negotiate.*

### **In a Breadless Home...**

*There is an old Brazilian saying that goes, “in a breadless home, everyone argues and no one is right.”*

*To the extent in which it threatens our achievements, the economic crisis works as a collective mobilization agent.*

*The rich fear the future.*

*The poor are scared of the idea of losing the little they have.*

*Corruption stands out as the main factor behind our problems – not so much for the moral aspects, but because of the fact that those who should be working to protect our financial safety are in fact misappropriating the money we soon will lack.*

*However, all sorts of different – and often antagonistic – causes orbit around this point of convergence.*

*Groups calling for military intervention in Brazil are labeled ultra-conservative extreme right and further motivate the others' contestation. Causes of the groups deemed more liberal bother both right-wing conservatives and religious fundamentalists, especially Catholics and Evangelicals. Small anarchist groups are also on the rise with revolutionary and seldom popular proposals for a chaos-fearing and order-pursuing society.*

*There is a parade of flags on the streets – predominantly Brazilian and without references to political parties, indiscriminately accused of being co-responsible for the perceived evil.*

*For the despair of the "intelligentsia", who believe in the need for a single cause to provoke consistent changes, everyone wants to be right in this home.*

*In the short term, we will very likely live moments of convergence and divergence in the protests.*

*We will most certainly see a reorganization effort of the political forces, and it will not be surprising if they follow the same pattern, oscillating between defending major causes and polarized stands.*

# 「Brazilian Resilience」

## Should We Cry or Start Selling Handkerchiefs?

〈Silvia Herranz, Ipsos Connect〉

Reflections on Overcoming  
the Current Economic Crisis  
Stronger Than Ever



*“When written in Chinese, the word ‘crisis’ is composed of two characters. One represents danger and the other represents opportunity.”*

John F. Kennedy, former US President (1961-63)

*In modern Western civilization, the word “crisis” is generally associated with negative events or periods, or even with dramatic consequences. This is yet another example of the lack of respect for (or knowledge of) the etymology of the word. “Crisis” comes from Greek κρισι (krisis), which derives from the verb κρινειν (krinein), meaning “to separate” or “to decide”. A crisis is something that breaks or bursts – precisely the reason why it must be analyzed. Other words also result therefrom, as is the case of “critics”, which means “analysis” or the study of something in order to issue a judgment of value, and “criterion”, which is the appropriate rationalization. “Crisis” calls for thinking, which therefore leads to assessment and reflection. There was no connotation whatsoever in the term “crisis” for the Greeks. This is also the case of another major civilization: the Chinese represent the word crisis with two characters: one standing for danger and the other for opportunity.*

*We must therefore go back to the original meaning of the word and face the harsh moment currently lived in Brazil with lucidity and the best possible attitude to leverage positive results during and after this period of “crisis”. It is necessary to think, analyze, reflect and use good judgment to strengthen who we are and stand out as leaders and organizations.*

*Below are a few key questions that must be asked:*

- 1. What mindset and skills are necessary to face the economic crisis?*
- 2. How is it possible to profit from this period to “challenge oneself as a leader and motivate people, so as to leave the crisis with greater strength?”*
- 3. Which strategies that may be used to overcome (and not to “survive”) the economic crisis have had the best results?*

*The first questions we must ask ourselves are: should all of us – our companies included – start operating on crisis mode? When is time to think of changing the game? Will some of us perhaps continue operating our “business as usual”, thereby feeling little or no effects of Brazil’s current situation?*

*Perhaps it is all a matter of keeping your focus straight.*

*“The main danger of the current moment is losing track of what is most important for a company – focus on results, always having people in mind. When we start speaking of crisis all the time, it seems like we are running in circles and not getting anywhere” – argues **Magui Lins de Castro**, partner of headhunting firm CTPartners.*

*According to Magui, companies must see, in the crisis, the opportunity to adjust the size of their business to the new reality and to have all employees pursue a new target, thereby moving the focus away from the crisis and bringing more solid results.*

*“I was asked for my opinion on the recession. I’ve thought about it, and decided not to participate.”*

*Sam Walton, founder of Wal-Mart*

*When **Sam Walton**, founder of the retail empire **Wal-Mart**, passed away in 1993, he had the greatest fortune in the world.*



*He started out of nowhere and had no vote of trust whatsoever. He nevertheless believed in his idea, even when it was against the trends of his time: to open huge supermarkets at small rural areas in the sixties, with a business model focused on permanent cost reduction, low prices “each day, everyday” and on client service as absolute priority.*

*He won. Not without effort, tenacity, trust in himself and on a work and life philosophy in which he truly lived by, as proved to everyone (employees and clients alike). For example, his belief. Sam’s business underwent several periods of economic crisis and was strengthened by them every time.*

*It is clear that not all of us work in such thoroughly conceived businesses in what concerns facing dark economic times, but nevertheless most of our organizations will not be substantially affected by recent Brazilian events – especially if things take an upturn as from 2016, as many experts have already claimed. Companies whose business models continue bringing in results during such period do not have to undergo radical changes within the organization. However, using the opportunity the crisis brings to review such “business model”, in the pursuit of cost efficiencies and even testing some new idea (“sell a little, learn a lot”) seems to be a good strategy, including for companies that behave best.*

*If, to the contrary, your business revolves around nonessential goods or services that are susceptible to not being prioritized in family consumption (such as entertainment, travel, etc.); if your product portfolio is in the highest – or premium – market price levels; or if you work by providing services to other companies that may be undergoing difficult periods, it is likely for Brazil’s current situation to in some way affect your results in 2015 (or even for a longer period). It is likely, but not necessary. Strong surfers watch a wave as it comes and goes and prepare (themselves and their boards) to hit the next wave as accurately as possible, fully profiting from it. You may do the same for yourself and your organization. “Appropriate” the crisis, “profit from” it. Ride the wave in the best possible way.*



*“There is nothing permanent, except change.”*

Heraclitus, Greek philosopher

*The main skill to be cultivated and put in practice to successfully face the crisis cannot be learnt at school and has nothing to do with individual, intellectual and analytical skills. Here is the good news: it is therefore at anyone’s reach, irrespective of background or training.*

**re·sil·ience★**

1. [Physical] *A body’s property of recovering its original form after suffering shock or deformation.*
2. [Figurative] *Ability to overcome, to recover from adversities.*

★**“resilience”**, in *Dicionário Priberam da Língua Portuguesa* [online], 2008-2013, <http://www.priberam.pt/dlpo/resili%C3%Aancia>

*Most authors of the recently published business and leadership literature have identified resilience as the most important skill to be nourished by current leaders. Neither intelligence nor empathy is key, but the ability to overcome and recover from adversities, leaving them behind stronger than before. Resilience is not an innate trait people have, but a “muscle” that may and must be exercised in life. Those of us who have the greatest self-confidence, are more optimistic, sociable and empathetic, have greater self-control and are capable of adapting, will have more tools to face the challenges to come. It is nevertheless possible to work on this “muscle”. Education experts have indicated family behaviors that favor such ability from an early age: avoid overprotecting children (think of phrases such as: “do not do this, it may hurt you... do not do that, you may fall...”), show your trust in children, acknowledge achievements, both big and small and dedicate a few moments to learning after every failure (“what did you learn?”, “what is the positive take on this?”). It is not about becoming an optimist at any cost, in any situation, but about cultivating the balance between our negative feelings (when faced by failures or significant challenges) and our positive feelings, of will to overcome, self-esteem, etc.*

*What about in the professional context? Is it possible to develop or promote greater resilience among our employees and in the company as a whole? Yet, it is. In fact, several organizations and companies are already investing in specific training to such end (even in the US military!). In essence, the reflexes to focus on in the organization revolve around two axes:*

- 1. Train employees and teams to overcome the habit of negativity and to put **hard situations into perspective** (“see the forest and not only the trees”);*
- 2. Promote **positive feelings** at the office, on a daily basis (happiness, gratitude, satisfaction, achievement, growth and enthusiasm). It may seem hard or even idealistic, but it is possible. Companies such as **Google**, and even certain Brazilian companies as is the case of **Elektro** or **Gazin**, or even **Magazine Luiza**, are a proof thereof (all of which lead the Great Place to Work Brazil 2014 rank). When we increase the number of positive feelings when compared to negative feelings, our ability to respond to adversities in a resilient fashion is also furthered.*

*Committing to the development of this skill on both a personal and a corporate level may perhaps be the best “present” we can give ourselves during such hard times, and the impact thereof will be long-lasting both in our professional and personal lives: take time to invest in self-knowledge, give up on fake ideas and beliefs that are nevertheless grounded in us, the ideas that cut down our self-confidence, and profit from this opportunity to build stronger relationships and networks and to acknowledge everything that makes us happy in life. The “crisis” will be positive to the extent in which it is a way to draw attention to ourselves.*

*“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change”*

Charles Darwin, British naturalist

*I have been reading several books on leadership and personal development, and have attended several lectures and training on the subject, having further studied it in the past two years*

*in an Executive MBA. Many of the notions and tips fall into oblivion. However, some of such notions I will address truly stuck to my head and have turned up in my professional context on a daily basis, which therefore helps to face and overcome challenges. Many of you are probably familiar with Stephen Covey's book entitled, "7 Habits of Highly Effective People". I must confess I have always been skeptical as to how Americans like to make up "recipes" for everything, as if mixing ingredients according to a very accurate order could solve anything in life. The same happened with this book and during a training I attended for a couple of days, about ten to twelve years ago, at a charming mountain hotel somewhere in Switzerland. I forgot most of Mr. Covey's recipes, except of one concept I have kept and that has helped me throughout these years: the importance of focusing our energy on our **Circle of Influence**, instead of on our **Circle of Concern**. The Circle of Influence is everything we can control or influence towards our interest, in the pursuit of our objectives. In turn, the much larger Circle of Concern covers everything we are unable to influence or control. When faced by adversity, most of us tend to first see the Circle of Concern, increase our anxiety in the attempt to change or control that over which we have no control, or even acknowledging everything that is out of our control. Quite to the contrary, however, it would be far more productive to focus our energy on the things we are able to influence, change and control in the pursuit of our objectives. So far, there is nothing new on everything I have said. Stoics spoke of the same notion back in III BCE.*

*Covey's true insight is claiming that the more energy and efforts we focus on the Circle of Influence, the bigger it becomes. We are able to make it grow, thereby increasing our action and control "radar", our ability to solve problems and consequently reduce our Circle of Concern. In this case, and at the risk of oversimplifying: there is no use in stressing out over Brazil's monthly inflation and the impact thereof on our business; it is better to focus our energy on things we can control, such as the sale price of our products, thus dedicating our efforts to make or purchase solid price elasticity assessments and working on different price and profit scenarios.*

*“If you are pained by external things, it is not they that disturb you, but your own judgment of them. And it is in your power to wipe out that judgment now.”*

Marcus Aurelius, philosopher and Roman Emperor

*Besides attempting to encourage the aforementioned mindsets and skills among our employees, there are certain management strategies and tools that may help organizations not only survive the crisis, but overcome it stronger than before.*

*First of all, as soon as we take into consideration that our business will be negatively affected by the economic situation, I believe it is essential to take a moment (or hours or days, depending on the case) to **reflect** and **review** our market situation, thereby going over strengths, weaknesses, opportunities and threats as an organization. The purpose thereof is to foresee our customers' behavioral changes. The strategies leading companies and small players will adopt will be drastically different.*

*A company's financial conditions and the pre-crisis profitability will also determine the ability to invest in opportunities others will leave behind, whether in assets, acquisitions or even strategic partnerships facilitated by the hardships many are facing. It is clear that small companies with weak market or balance sheet positions will be forced to implement cost-reduction policies. However, even stronger companies in terms of market share and financial conditions should and must profit from this moment to seek **opportunities for greater cost and process efficiencies**. Investing based on this mindset (strong professionals to lead such taskforces or even consulting services) also seems like the smart thing to do. Every efficiency will be multiplied (in terms of profit) when sales start to pick up again (scale effect).*

*To the greatest extent possible, a part of the efficiencies found should be reinvested in **innovation**, thereby strengthening our pursuit for new products or solutions to be released as soon as the market situation improves: a clear competitive edge to multiply sales when the crisis ends.*

*Another area worth investing at times like these, when possible, is human capital – or **talent**. The crisis may lead us to make much delayed decisions related to employees whose performance has been below par, who are not as motivated or who have*

become used to their routine. On the other hand, there is greater access to strong professionals who could be available in the market as a result of cuts at other companies. Let us profit from this opportunity – seize the day to “clean up” talents and bring new people with different profiles and backgrounds to our companies, thereby increasing diversity.

Crisis has rendered such “cleaning” increasingly clear in the Brazilian scenario. “We have seen many executives fall as others rise, because of the fact that inefficiencies become more evident during a crisis. Executives who had big teams and who were not necessarily very productive or hands-on are quite exposed by this context”, as Magui mentions. She further adds: “The number one feature is being a hands-on executive, who helps teams bring in numbers. Executives who merely sit at their desks waiting for numbers at the end of each month no longer have a place in this scenario”.

According to the Headhunting executive, though the crisis takes caution, including because of the natural apprehension inherent to the situation itself, companies must not fear making necessary structural decisions. “Companies do not make themselves. Talents are necessary precisely to help face the crisis”, she adds.

### *“Advertising is an anti-recession tool.”*

The Harvard Business Review

If investment in talents must not stop during a crisis, market surveys and studies are unanimous issues for companies with products to be released in the market, when it comes to **marketing** investments: companies that manage to keep their investments will also be strengthened once the crisis is over. Some of our (smaller) competitors will certainly reduce investments, thereby increasing our market visibility (“share of voice”).

It is nevertheless necessary to rethink the content of the message so that it makes sense during the economic crisis, to render our brand(s) more empathetic to target audiences.

Ana Cortat, Head of Strategic Planning at Pereira & O’Dell, argues that empathy is essential at times of crisis. “Brands



*belong side-by-side with people, supporting their achievements, beliefs and hope, and encouraging the creation of mechanisms to help the continuity of individual and collective growth processes. We must support people in the pursuit of their 'next steps'."*

*The period does call for caution, but also for attitude. Reinforcing the crisis as a no-turning-back condition would be a great mistake. "Right now, normal people – the ones who are truly interesting – are working on their mechanisms for the crisis to be break pedal, but not a full break on development", as Ana says. "The Brazilian crisis cannot be denied. But this is not our first crisis and it does not represent a one-way road. (...) There is no place for the brands beside the crisis, reinforcing disbelief or hopelessness".*

*In fact, taking such stand before customers and target audiences alike is very important in order not to transform the crisis into something bigger than it actually is. The same attitude is necessary in relation to our employees. As soon as we have an action plan, it is essential to talk to our employees, share our thoughts and show them our faith in them and in our choices, without forgetting to offer opportunities for employees to contribute with their own ideas. **Engagement** is key, having everyone feel as if we are all in this together. It is also adamant to reinforce the company's **vision**. I believe Seneca has a brilliant take that fits to this matter: "no wind blows in favor of a ship without direction". Knowing exactly what you want to achieve as an organization, both in the short and in the long term, is crucial. Clarity in terms of tangible results, but also defined as "legacy" to be left for the company. Results, or numbers, may call for review or renegotiation to reflect the effects of a harsher business condition. In turn, our project as an organization, our **legacy**, a company's **mission**, must not change, though how we will get there is likely going to differ from our original plan.*

*In short, there is no "recipe" for success, but it is definitely not limited to generalized cost reduction. It is time to dedicate attention to and require improvement in operating efficiency to invest as much as possible in innovation and marketing/advertising, profiting from this opportunity to renew talents within the company. It is time to avoid any vertical approach (top-down) and engage teams in the action plan, thus valuing individual ideas. Right-handed people trying to write with*

*their left hands face the same hardships as left-handed people trying to write with their right hands – we must use one hand to address the action plan amidst the crisis, and the other to prepare each detail of the post-crisis plan. Ambidextrous organizations will be the real winners. It is neither about crying nor about selling tissues: it is about producing pulp as efficiently as possible and at the same time developing future raw material for more sustainable tissues. Raw material that is 100% recyclable, thereby also serving the purpose of our mission – to be a citizenship-oriented company that takes care of the planet. But this is only one example.*

*“What does not kill me makes me stronger.”*

Friedrich Nietzsche, German philosopher

*A special thank-you goes out to Magui Lins de Castro – partner of headhunting firm CTPartners; and to Ana Cortat – Head of Strategic Planning at Pereira & O’Dell for their essential contributions to this paper.*

## Optimism and Conformism

If one asks foreigners what Brazilians are like, one will likely hear that Brazilians are happy, extroverted and creative, and that Brazil is a young, colorful and musical country with beautiful beaches; but that there is also significant poverty, violence and corruption.

Recently, a corruption scandal put Brazil in the headlines of top newspapers worldwide, mostly questioning how come the investment-attracting country that was once on the rise now scares investors away because of its uninviting growth results.

In a country of such contrasts, Brazilians are “used” to understanding social inequalities as the scenario of a country in (everlasting) development, with a substantial part of its people living in poverty or dealing with violence in the streets and favelas, passing away while waiting for medical assistance at hospitals and suffering at the mercy of fate to have access to housing and education.

Nevertheless, Brazilians are optimistic, believe in a better tomorrow even after tragedies, or losing everything to a flood – Brazilians are capable of rebuilding everything from scratch because “life goes on”. Solidarity also has a great meaning for Brazilians.

Many share whatever they have today because tomorrow may be one’s turn to need something. Brazilians welcome relatives in ever-so-small homes, dreaming of prospering together and living a better life.

God is Brazilian!



## Mood in Brazil

〈 **Leda Kayano, Ipsos Marketing** 〉

### **Are Brazilians Optimistic or Conformed with their Situation/Condition?**

*I had the opportunity to participate in one of the ethnographic research projects conducted in Brazil's Northeast a couple of years ago, when I heard from an elder that, “the poor exist for the rich to exist, because the rich do not know how to get around as the poor do”. Though he seemed quite conformist to me, I understood this this was his way of “rationalizing” his inferior social condition. Such reality must have clearly improved following the implementation of social programs in the area.*

*But are we conformists? Brazilians use so many expressions in everyday life that reveal both conformism and the ability to overcome difficulties: we use the “Brazilian way”, or ‘jeitinho brasileiro’, which is borderline taking advantage, finding a loophole or tricking someone into doing something (or ‘malandragem’); “Gerson’s law” to refer to people who want to take advantage of everything; ‘não tem jeito, tudo acaba em pizza’, or there is no use in doing anything, for nothing is going to happen anyway – including a reference to things ending up in pizza – to describe scandals under investigation that will likely reach a dead end; “God helps us, everything will be alright”; and, finally, Brazilian’s faith deposited on issues that apparently cannot be solved.*

### **Pessimism and Nonconformism?**

*Thanks to the government’s social programs, Brazil’s improved economy, access to credit and government incentives for consumption have given rise a middle class that now has opened the doors to previously unobtainable assets – appliances, cars, travels, private schools and language learning schools – and has certainly claimed its space in consumer society.*

*The macroeconomic scenario has however changed – and for the worse. Increasing inflation has caused consumers to take the hit of the growing prices of food and other products, thereby resulting in consumption retraction and economic slowdown. Unemployment is increasing, public transportation services are precarious because of the lack of investments and are unable to meet current demand, making the commute of workers dwelling in large-sized cities such as São Paulo a living hell.*

*Basic health, education and housing problems continue and the crisis is installed when Brazilian must face water shortage, concurrently to power outages that oftentimes last for long periods, which have caused not only discomfort, but especially financial losses. After all, the tax burden is heavy on Brazilians and services received in exchange are below par. It has become more than clear for all Brazilians that the country is undergoing significant challenges in the most basic aspects. Brazilians witness a never-ending sequence of bad news in the media, thus causing a feeling of uncertainty.*

*As a result, there is a growing number of groups of outraged people; people who are tired of feeling betrayed by a corrupt government and who have decided to organize themselves to become giants and greater than government to face the breakdown and to say it is enough.*

*On March 15, 2015, approximately two million Brazilians hit the streets to protest, make noise and show that Brazilians no longer take promises, for they know they will be broken. Political marketing and its catchy phrases are no longer as effective, not as originally intended. People are wary and clearly signaling limits have been reached – even for Brazilians.*

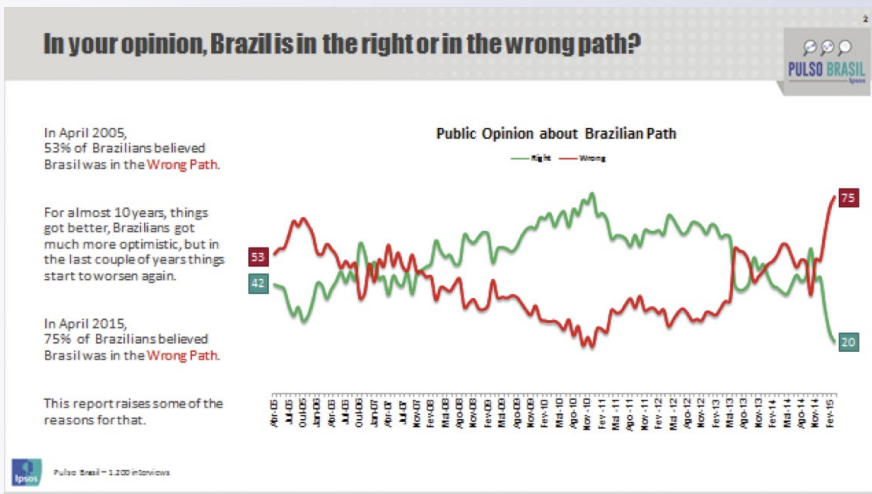
### **Deception or Realization?**

*Since the 2014 #nãovaitercopa (or There Won't be a World Cup) movement that led millions of people to the streets protesting against the high investments made in building soccer stadiums for the FIFA World Cup 2014, despite the lack of hospitals and public transportation, Brazil has witnessed the rise of a strong network of **outraged** people who managed to take two million people to the streets, nationwide, on March*

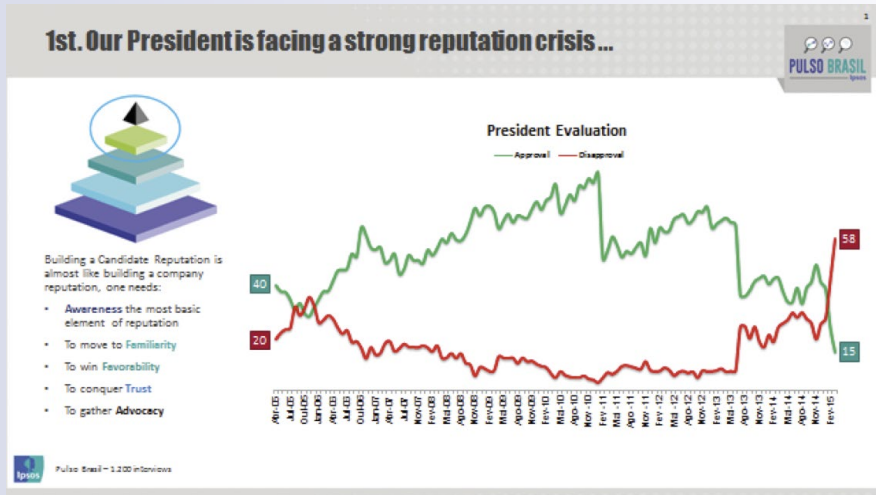
15<sup>th</sup>, thanks to social media. The protests were peaceful, nonviolent and democratic.

There are three leading groups in São Paulo, each with their own agenda: *Vem Pra Rua*, *Movimento Brasil Livre* and *Intervenção Militar Já*. The groups mobilized one million people (according to the Military Police), who concentrated at the city's most famous avenue, Avenida Paulista, to rally against President Dilma Rousseff's administration. Brazilians hit the streets once again on April 12th – though in a smaller number, chanting “Dilma Out”, in unison.

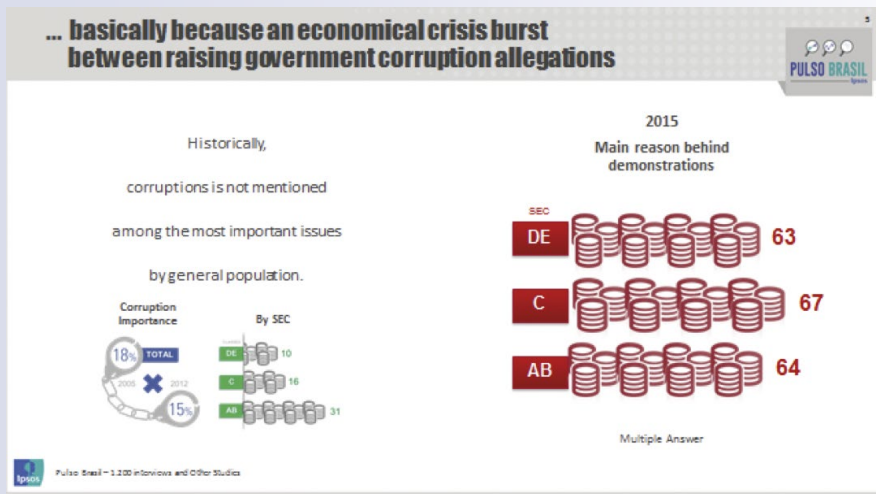
Ipsos' Brazil Pulse study reveals that in April 2015, 75% of the Brazilians claimed the country is going down the wrong path. Brazilians had been more optimistic for almost a decade, claiming Brazil was on the right path, but tables have turned in the past two years.



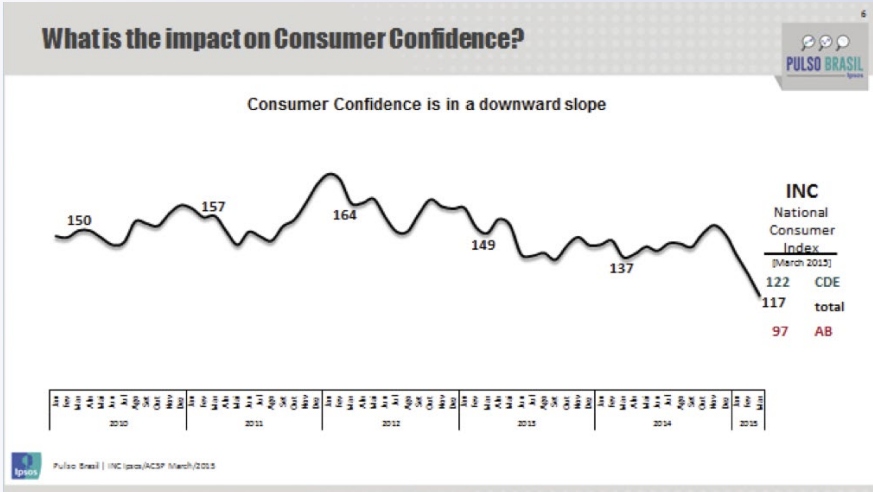
This is so because President Dilma is currently facing a reputation crisis, and the government's lowest approval rate is even amongst those who voted for her in the last elections held in October 2014.



Corruption is the main factor behind such disapproval, which historically was not mentioned as a relevant factor. Nowadays, all classes claim corruption is the main reason for discontent.



Such perception eventually affects consumer confidence, which reached a historical low for the past five years in April 2015, reflecting the drop trend seen since 2013.



## Brazilian Pride

The lyrics to the chant sung by Brazilian supporters of several sports, especially during soccer matches, and also during protests – which have become very common recently in the country – already say: “Eu sou brasileiro com muito orgulho, com muito amor!” (I’m Brazilian, couldn’t be prouder, with all my love).

### What is “pride”?

Michaelis Dictionary explains: “Pride, noun.

1. Extremely high notion one has of oneself; lordliness, honor.
2. Exaggerated self-love.
3. Arrogance, boastfulness, presumption.
4. Ufania.
5. That which one may be proud of.”

Brazilian pride was evidenced during the Vargas era, which thanks to the global scenario under the strong influence of exacerbated nationalism (Nazi fascism), made growing use of communist groups as scapegoats to justify power centralization in the Federal Executive Branch, having used the ode to the nation and the use of national symbols to express unity.

The strongest moment of such pride nevertheless came forth in the 1970s during the military regime, when the government launched propaganda attempting to reinforce the regime’s good intentions and the so-called “*Brazilian miracle*”: “*Ninguém segura este país*” (No one can stop this country) and “*Brasil, ame-o ou deixe-o*” (Brazil, love it or leave it) – whose potential was further increased when Brazil won its third World Cup in 1970, in Mexico.

In fact, every four years, national pride reaches a whole different level with the World Cup, when Brazilian flags are ubiquitous, in all sizes, fluttering on the windows of cars and apartments alike. Brazilians paint themselves in green and yellow – which colors become part of any outfit, and the famous yellow jersey practically becomes one’s layer.

## Are We Ashamed of Being Brazilian?

### 〈 Martha Santos, Ipsos Marketing 〉

*There is a very thin line separating pride from shame. The following excerpt of Max Lucado's "He Chose the Nails" exposes the antagonism of such feelings:*

*"Pride and shame. You'd never know they are sisters. They appear so different. Pride puffs out her chest. Shame hangs her head. Pride boasts. Shame hides. Pride seeks to be seen. Shame seeks to be avoided."*

*The same Brazilian national team, which for a brief moment made chests puff, six minutes later was capable of leaving the entire nation's head hanging in shame.*

*In 2014, Brazilians witnessed the greatest pillars of national pride undergo vexatious situations. When the national team suffered seven goals by the German national squad at the Mineirão stadium, not only undermined – yet again – the hopes of lifting the trophy at home, but also created a growing feeling of shame. Such feeling was further catalyzed with the corruption scandals involving the executives of Petrobras and leading construction companies, having marred the image of the greatest exponent of national economy and perhaps consequently of the entire country, in front of the whole world.*

*The crisis faced by Brazil's largest state-owned company was also broadly promoted in the international press. According to British newspaper Financial Times, in a piece published in December 2014: "Petrobras, the pride of Brazil in 2007 after it announced the world's largest offshore oil discoveries in decades, is today in danger of becoming a pariah among investors and a national shame for Brazilians".*

*Brazil has long dealt with the criticism of the foreign press. In January 2014, French magazine "France Football" published a cover article entitled "Peur sur le mondial" (Fear for the World Cup), in which it analyzed Brazil's situation on the eve of the tournament, having also mentioned the population's discontent, the spurring economic growth, Brazilian laws, which leaves loopholes for leading construction companies to*



take advantage of government contracts and further comparing education costs to investments made to build the stadiums. Finally, the piece includes an interview with sociologist Mauricio Murad, who claims a strong campaign by the national squad could be subject to political manoeuvre in the October elections, thereby reducing the strength of the popular protests.

British publication *"The Economist"* also featured Brazil on its cover. In November 2009, the magazine's cover had the Christ launching as a rocket, with the **"Brazil Takes Off"** headline. In turn, in 2014, the cover had the same Christ on it, though taking a plunge after an unsuccessful flight (*"Has Brazil Blown It?"*). The magazine mentioned the optimistic scenario of 2010, when Brazil had strong economic growth – having reached 7.5% in 2010 – and compared it to the 0.9% seen in 2012. Additionally, the publication mentioned the 2013 protests, when the streets were packed full with people complaining against the high living costs, precariousness of the public services and corruption. According to *The Economist*, *"Many have now lost faith in the idea that their country was headed for orbit and diagnosed just another 'voe de galinha/ (chicken flight), as they dubbed previous short-lived economic spurts"*.

The streets were once again taken by the protests in 2015. On March 15<sup>th</sup>, two million Brazilians rallied nationwide against corruption and the current administration. São Paulo staged the largest protest – according to the military police, one million people went to Avenida Paulista. Shame was such that some people even claimed for military intervention. Seriously? Does one honestly consider the return of the military regime?

In spite of people's increased engagement, Brazil ranks 44<sup>th</sup> in the index of British consulting company Economist Intelligence Unit (EIU), which classifies countries according to the quality of their democracies. Thanks to such rank, Brazil heads the group of **"imperfect democracies"**, which, according to EIU, refers to the countries that have free and fair elections, and in which basic civil liberties are complied with (such as freedom of expression and religious freedom). However, such countries also face governance issues (as is the case of corruption and low transparency of the authorities) and low levels of political involvement. Perhaps the latter reflects voters' disbelief in



politics and what Brazilians currently have in terms of political representatives.

The aforementioned disbelief was also subject to international criticism. American comedian John Oliver had already satirized the World Cup costs, and actually used the Brazilian election process as theme for one of the jokes on his show. The comedian associated the mandatory vote to Brazilians' lack of seriousness during the elections, who protest by voting on comical candidates. Candidates who are actually entitled to free time on national television, as Oliver highlights: even CNN aired a piece on the comical candidates.

Discontent with politics and the economy has also led several Brazilians to claim they were leaving Brazil or planning to do so in the near future. For some, this movement has gained real contours. According to Luciana Puggina, of Alliance Group, which offers real estate and legal advisory for people seeking to move to Florida, the number of in loco Brazilian clients increased 30% during the shifts experienced with the presidential elections. Brazilians have made it clear that they are tired of being "the country of the future", expression used by author Stefan Zweig, in 1940.

One will now have to wait and see whether this alleged shame will fuel the true engagement of Brazilians in the country's politics, so as to adjust the current pathways.

There are some who claim Brazilians have short-term memory, but one would rather believe that Brazilians "acknowledge the fall but will not be stopped by it; stand back on your feet, shake the dust off and go fight for your comeback" ("reconhece a queda e não desanima; levanta, sacode a poeira e dá a volta por cima"), as the words to the Paulo Vanzolini song go. Though many are now shameful, most Brazilians do not deny their potential: all in all, Brazil is a 200 million people nation that continues to grow, representing a considerable work and consumption force for the future. According to Luiz Felipe Lampreia, associate professor of international relations at Brazilian college ESPM, believes that "Brazilians have three basic convictions: they belong to a country of significant size, of which they are very proud; Brazil, though continental, is a country united by the feeling of nation, by language and the lack of separatism; and despite past challenges and difficulties,

*which still persist in some aspects, Brazil has a future that mirrors such greatness, as its national anthem says – but Brazil still ought to do its homework”.*

*Shame may in fact be currently on the rise, but the belief that Brazil may be much better still overcomes it. Maybe now the time has come to look at Brazil from a more realistic and critical perspective, fully aware that there is a long way to run – and it begins with politics. However, sports are still likely to largely influence Brazilian emotions. As such, national pride should come back with full strength in 2016, when the Olympic Games will be held in Brazil. The event will be an excellent opportunity for brands to share this feeling with the consumers.*

*It is worth mentioning Sadia’s example, which strongly benefited from the World Cup spirit with the #jogapramim (play for me) campaign, inspired by the millions of children born after Brazil won the World Cup for the fifth time in 2002, and who still have not experienced what it is like to see Brazil lift the trophy.*

*Though the period was marked by several soccer-related ads, the brand ranked fifth in the recall of the study on TV communications during the World Cup (Ipsos Connect survey), and its hashtag ranked fourth amongst Twitter’s trending topics in Brazil during the match against Chile. Furthermore, having reflected Brazilian spirit, the brand was the first sponsor brand to manifest itself after the 7x1 hit against Germany, having launched the #tamojunto (we’re in this together) hashtag on the next day.*

*The successful campaign also helped the brand rank eighth in The Most Influential Brands survey, together with the most influential brands in Brazil, in 2014 (survey conducted by Ipsos Marketing).*

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# [ The New Grid ]

# [ The Multiple Influences of the Crisis ]

## In.di.vid.u.al.is.m

noun (individual+ism)

1. Moral stance opposite to solidarity.
2. The ability to live separately.
3. Theory in which individual rights prevail over collective rights.
4. Social Doctrine that preconizes the importance or value of individuals and seeks to undermine the role of tradition and authority as determining factors of both thought and action.
- 5 Biol. Association of two nutritionally interdependent organisms, which form another individual, different from both, in its structural form and life conditions (as is the case of lichens).

The human being is a simple organism.

In times of expansion, people demonstrate trust, openness, curiosity, etc. On the other hand, anxieties and frustrations generate withdrawal, intolerance and violence against the outside world.

But then one is faced with the events that should not have happened; what was intended to have minor consequences destabilizes the economy and employment; what was anticipated and planned gets out of control and changes the strategies; what should involve few people impacts the entire social structure... Then, nothing else works.

Individual satisfaction replaces the idea of common interest and becomes increasingly blurred and generic when the ultimate beneficiary is no longer identified. The greatest risk is when nobody is able to say what the common ideal is.

The feeling of personal happiness itself is used as compensation and antidote, a personal response to find out results, progress and trust, when the collective systems give the impression that nothing is working.

In France, for example, it explains the difference between the negative responses to questions on the overall situation of the country or society, and positive responses when a person answers from the point of view of his/her own experience.

In one case, the person does not identify progress or perspective of reviving a strong and shared movement; in the other, the person actually realizes if he/she was able to get him/herself a particular wish or element of happiness or not.

Due to this polarization that there is no crisis of desiring, because Brazilians continue to consume and to give themselves little pleasures, while looking forward to a more favorable situation.

## Crisis x Individualism

〈 **Lia Bonadio & Diego Novaes, Ipsos Loyalty** 〉

### **How Is It Possible to Position Brands, Communicate with Consumers and Create Long-Lasting Relationship Strategies?**

*It is no wonder that such doubts permeate the corridors of any company and embody one of the most complex management tasks.*

*Society is currently undergoing deep changes in which paradoxes multiply. In order to better understand such reality, it is necessary to go back to the early Middle Ages, when individuals were part of a group and unable to detach from the “social whole”, thus governed by a transcending and religious order.*

*During the Enlightenment, issues such as freedom and independence started guiding modern individuals. Man became the center of the universe, having pursuit of affirmation as a principle and basic value: what truly matters is reason and satisfying one’s desires.*

*However, such rich and creativity-prone social structure, favorable for the free production of ideas, ran into the “technological dissolution of privacy”<sup>1</sup>, responsible for the significant control of freedom and disintegration of collective will. Individual interests come before collective interests, whereby one lives “in a democracy in which people co-exist, without the other.”*

*Everything is permitted nowadays, on behalf of the manifestation of freedom of expression and due to the lack of limits and inefficiency of the institutions to deal with the state of complexity mankind currently finds itself in. At the same time, nothing is freely possible anymore, thereby eventually annulling freedom of others.*

*What is individualism after all? Traditional sources<sup>2</sup> define individualism as the “moral stance opposite to solidarity”, as well as “the ability to live separately”.*

**Is it nevertheless possible to live in an individualistic world? May brands be built and products be created upon an individual existence?**

*When Alexis de Tocqueville coined the term “individualism” in the early nineteenth century, he used it to describe a growing feeling of isolation in American society, marked by the waning of social connections and the belief in “to each one his own”, both in relation to one’s problems and way of living. Interestingly enough, Tocqueville saw individualism as a “mature and calm” feeling. Nowadays, said feeling is likely to be associated to an anxious frenzy for immediate gratification<sup>3</sup>.*

*Such gratification translates into the ubiquitous desire for transformation and improvement of several aspects of one’s life (career, looks, mental skills, relationships) – further reinforced and postulated by promises of products designed to “revolutionize” a given aspect of one’s life. The effect of each change is nonetheless ephemeral and characterized by a “Sisyphean spirit”, thus calling for far more effort and additional investment.*

*The effectiveness of each improvement oftentimes is not measured by the objective result in itself, but by the repercussion of likes and followers in the social media – the contemporary Agora or “gathering place”. Such hyper-stimulated environment witnesses a fierce competition for prominent positions on timelines, fluid structures that constantly reward and bury calls for attention of all sorts.*

*Considering individuals as consumers, people are clearly and increasingly avid for tailor-made products and services that trigger a feeling of exclusivity. However, such consumers also pursue overexposure to claim their stands and to obtain the approval of a predetermined group. The expectation of individualized treatment is backed by the significant quantity of information available on the habits and attitudes of a given subject or group<sup>4</sup> – an invite to deep and thorough segmentation to cater to unique desires.*

*Living with the millennials<sup>5</sup> is both interesting and paradoxical – with their social awareness and strongly collective agenda, as well as a consumer take or stand in all relations. There is a general intolerance of low-quality products and services,*



*passionately expressed in the social media with posts, tweets and even selfies.*

*Hence, in the pursuit of experiencing individualism, many seek hyperconsumerism as a manifestation of one's freedom of expression, which materializes in a potential dilemma for companies: should brands highlight their values and seek harmony with a given target audience, or should they rather direct their efforts towards flexibility and full-scale customization, thereby strategically acting and intervening on individual needs?*

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## Trade-offs

Household consumption fell by 0.9% in the first quarter of 2015, against 1.3% in the fourth quarter of 2014.

Brazil is currently undergoing an adjustment period in its economy and price increases were the immediate effects thereof for the population. The country's official inflation has been near the target ceiling since 2010.

The only reason for which it has not pierced this limit at certain occasions was the managed prices, whose increases were delayed by the government.

Recent months further corroborate such conclusion: managed prices were adjusted as part of the measures to correct the economy, thereby triggering the inflation rise.

Such period has translated into Brazilians resorting to the famous *jeitinho*, or the Brazilian way of getting doing or getting out of things, to minimize the effects of the aforementioned increases in everyday life.

In what concerns food, for instance, Brazilians have been replacing products whose prices have skyrocketed for those that are cheaper at this point. Friends are inviting each other for meals instead of meeting at restaurants, and many have also gone back to packing their own lunch to reduce costs.

As for the non-essential items, Brazilians are still looking for ways to maintain the habits acquired when Brazil's economic situation was friendlier.

In fact, though such **"splurges"** have not been completely dismissed, the products or services that back such habits are not as frequently bought anymore, and many are looking for cheaper alternatives thereto (for instance, by choosing to use a cheaper brand or service provider).

## Crisis Strategies x Behavioral Changes

〈 **João Paulo Venezian de Carvalho,**  
*Ipsos Public Affairs* 〉

*Recent increases in energy costs (it is worth mentioning that Brazil has recently seen the opposite scenario, when reductions in energy costs led Brazilians to spend more energy, thus purchasing more household appliances) have triggered concern with unnecessary waste.*

*In other words, Brazilians are paying more attention to sources of energy waste, such as lights that do not need to be on, connected equipment that is not effectively being used, rationalized use of certain power-consuming appliances, such as microwave ovens and air conditioners.*

*Though not directly related to the price increase issue, it is possible to find similarities between the attitude of those facing water shortages and that of other Brazilians facing the rise of energy costs: identifying waste and rationalizing use.*

*Brazilians have always lived based on the firm belief that water was an abundant resource, nationwide (the draught periods of Brazil's northeast were always understood as remote for most of the population, for the effects thereof were rarely felt by anyone living outside the area). As a result, water was used very poorly, and the crisis was necessary to raise awareness of reality.*

*To this end, people are taking shorter showers, turning off taps when the water does not need to be running (for instance, whilst washing dishes, brushing teeth or shaving), putting off the very Brazilian habit of hosing down sidewalks and holding back on the use of washing machines and car washes.*

*The pursuit of means to rely less on the water supply network, such as capturing rainwater and reusing grey water laundry, has also been on the rise.*

*Despite the price increases, Brazilians are not ready to let go of certain habits, which is why people are trying to find means to keep them, even if reduced frequency is involved (water capture is a more positive example, but there are several others such as building wells, purchasing water tanks to increase domestic*

water storage, renting water trucks and even not taking showers at home in order not to use “one’s” water – albeit everyone’s water being used up anyway).

*In view of the foregoing, it is possible to say that the attitude in relation to water shortage is similar to the attitude adopted to deal with the consumption habits of nonessential items.*

*Brazilians are a very interesting and genuinely optimistic people (perhaps nowadays not as much as before, but nevertheless, optimistic).*

*Despite being fully aware that Brazil is going through a period of severe crises – from the most obvious ones, such as the economic crisis and its effects on the price increases, budget restriction, unemployment risk, corporate investment reduction and the stalled GDP growth, to the crises that are not even directly related to the economy, such as the severe water supply crisis and the effects thereof on energy generation, and the lack of trust in politicians/institutions (materialized by the protests that began in 2015, the ‘panelaço or pot-banging “borrowed” from Argentina and adapted to Brazilian reality, confirmed in the results of recent polls conducted during the period): Brazilians nonetheless believe in a better tomorrow!*

*Such cultural traits are seen in daily actions, and the clearest reflection thereof lies in the culture of immediacy. Brazilians concentrate on the present – as a result, anything that relates to savings and guaranteeing a future ranks low among priorities.*

*Examples of such mindset abound: low savings level (Brazilians use hard-earned money to consume – after all, God is Brazilian! – instead of saving), long-term debts (though many are not sure of having the means to honor them in the future) and purchase of assets in installments considering the price of each installment and not the total cost involved in the purchase. In short, Brazilians strongly believe everything will be settled by tomorrow (which will certainly be better than today).*

*This mindset is also seen amongst politicians and the administration, to a certain extent: they pay more attention to the potential effects of their actions and stands on their own performance (or that of their respective parties) in the next elections than to the development of Brazil or the areas they represent.*

*The aforementioned culture of immediacy also directly reflects on the actions taken to face crises: Brazilians started implementing new habits during the 2001 blackout, which became known as “apagão”, such as unplugging appliances instead of leaving them on stand-by, accumulating clothes to turn on the iron once only and the use of environmentally-friendly lighting, in order not to exceed the consumption “quota” determined at the time (approximately 100 kWh per month) and thus avoid heavy fines.*

*Result: once the more critical period is over, people go back to old habits: despite the fact that most people are still using energy-efficient light bulbs, people seldom unplug appliances and rarely bother to check how much clothes need ironing before turning the iron on.*

*One does not need to go far: despite the water crisis that currently haunts Brazil’s southeast (especially the state of São Paulo), as soon as the reservoir levels slightly rose, people laid back on their efforts and awareness to reduce water use.*

*Now that Brazil is facing yet another critical situation in the energy sector (whether by the increased energy costs or by the low though not negligible risk of rationing in the upcoming months), the media is once again providing guidance to the population on common sources of energy waste, consequently encouraging the adoption of new habits (mostly on the same lines of the terms used in 2001).*

*There is yet another personality trait whose effects are directly seen in Brazilian attitude in crises: Brazilians lack coherence between speech and action. June 2013 witnessed a strong movement against the government, politicians and political parties – shortly over one year later, most of the politicians in office at the time were reelected (3/4 of the representatives who ran for a new term were elected; the president was reelected, as were 61% of the state governors who ran for reelection, which percentage is close to the historical average of 64%). Additionally, less than five months after the elections, Brazilians have gone back to the streets to protest against politicians elected – and therefore legitimately vested in office – shortly before.*

*The state of São Paulo does not fall far behind: in spite of the effort to increase awareness on rational water consumption, government-owned buildings and offices in the state have*

*increased their water expenses amidst the crisis, thereby setting a terrible example of discrepancy between speech and actions (the notorious “do as I say, not as I do”).*

*Having the foregoing in mind, one would not be surprised if the population forgets to put a significant part of the measures taken in practice once the crisis is over. Permanent behavioral change calls for investments focused on such purpose (as speech and words alone do not suffice). Though a highly complex task, there are examples of such projects in other countries (effectively changing behavior towards certain issues). In 2012, Australia launched efforts to identify mechanisms capable of mobilizing its citizens to adopt safer habits.*

*The purpose thereof was to reduce the risks and impacts arising out of natural disasters further strengthened by current climate changes, such as forest fires, floods and storms, by increasing awareness on the fact that being safe lies in the hand of each person, and not of the government alone.*

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## [ The Teenage Country ]

Crises are machines that accelerate sagacity and narcissism. Sagacity not to give up and find smart solutions, alternatives – which are always renewed. Narcissism to remain as the master of the game and center of the world. This is a typically teenage attitude, a transgressive game, a mirror in which one recognizes much of the current society.

French writer Jean Cocteau once said, interestingly enough, that *«since these mysteries are beyond us, pretend to be their organizer.»* Transposed to this complicated period experienced by Brazilians, it could be something in the lines of *«since the situation is beyond me, I will pretend to enjoy it!».*

Yes, Brazilians are intensely living the quite revealing adolescent phase.

One oftentimes runs into leftover traces of childhood; at other times, Brazilians are adults, responsible for their own means, with sufficient input and courage to hit the streets alone and say what one no longer wishes to eat from now on. Brazilians are discovering and revealing themselves at an unprecedented speed – be it their personality, ideals and ideas – as to what there may be in common between Brazilians, aside from the language and the Brazilian constitution.

Brazilian awareness in relation to adult life rights and duties is also broadening, in the constant pursuit of identity.

As teenagers, Brazilians are tired of depending on their parents, of being the country of coffee, samba, oil or soccer. Brazilians have painfully figured out that it is not possible to go on solely based on the happiness brought forth by soccer – and maybe, for the best.

Before having any sort of social responsibility, soccer is a beautiful game in which individual talent and group strength lead to inevitable triumph – and these are in fact relevant issues for our current moment.

Obviously, if the crisis worsens and if the outlooks close, the mutation from teen to rebel will go fast.

Soccer aside, maybe Brazil wants to be of the Brazilians.



## [In]tolerance of a Teenage Country

⟨ **Filipe Varela & Rafael Lindemeyer,**  
Ipsos Loyalty ⟩

*As true teenagers, as Brazilians gradually realize their strength and the challenges and possibilities that are waiting for them, Brazilians are capable of feeling the growth of the spirit of independence. Amidst trial and error, Brazilians often fall to the illusion that they are able to walk solely on one's two feet; that the world is to each one its own, though everyone is part of it; that there is only one truth, which is the truth each person carries within. It is a phase of discoveries, self-affirmation and exposure, that somehow places Brazil, as a society, in more vulnerable conditions.*

*A substantial part of the population, which was farther apart from the issues that guide its development when compared to its current moment, sees itself bombarded by information and questionings, which in turn influences it to take stands and give opinions on the issues broadcast in the leading media, or even over an ordinary meal or happy hour. In this pursuit of having an opinion – whether individual or collective, grounded or otherwise – and in not staying outside of heated debates, everyone becomes more susceptible to the first good story heard. And this is also a fertile ground for the development of a permanent risk: intolerance.*

*Studies reveal that intolerance generally becomes more intense in the event of uncertainty, threat or insecurity – any similarity with Brazil's current condition [and its teenage years] does not seem to be mere coincidence. It is nevertheless hard to say whether the cases of intolerance have increased in the past years. Thanks to the spread of the internet, the tools for information transmission have brought a new bias to temporal analysis. It is nonetheless worth mentioning that the cases of intolerance have become more evident in recent years.*

*Politics, religion, sexual orientation, race, soccer... The list goes on and on and may arise out of a more sensitive issue, though with smaller effects on society, but which is nevertheless*



*important for certain individuals, thereby rendering any type of intolerance permanently dangerous.*

- *In politics, intolerance may be observed in recent popular protests, with unprecedented involvement of the (still young) twenty-first century in Brazilian democracy, but which on the other hand rejects ideological plurality, reacting aggressively to leftist-orient movements;*
- *Sexual intolerance has manifested itself in the cases of attacks against [allegedly] homosexual youth at public areas of the city of São Paulo; without mentioning the sergeant who was put on mandatory leave from the army after assuming his homosexuality;*
- *Intolerance was seen in soccer in supporter violence, in and outside the stadiums, which among several other cases eventually caused the death of a child who was watching a match with his family in Bolivia;*
- *Religious intolerance has also been seen in soccer matches, expressed in the several satires against soccer player Kaká, for being evangelical and for donating part of his income to the church;*
- *Brazilian health professionals manifested xenophobic and racist intolerance in their reaction to the arrival of foreign physicians via the government-supported program Programa Mais Médicos;*
- *Social intolerance was also present in the reaction of businessmen and executives who attempted to prevent youth from circulating in the so-called “rolezinhos”, at commercial establishments, as well as in the case of the Native Brazilian who was put on fire by a group of youngsters who had allegedly mistaken him for a beggar;*
- *Ethnocentric intolerance was seen in the intensification of separation-oriented debates between Brazil’s North and South, especially in the “São para os Paulistas” (São Paulo for Its Natives, in a free translation) manifesto, of 2010;*
- *As consumers, SINDEC (authority that integrates the data filed by all Consumer Protection Authorities – PROCONs in Brazil) has registered an increased number of complaints*

*in 2014, compared to the past years – but this may be a good sign; and*

- *Brazilian clients/consumers are filing an increased number of complaints with SINDEC (authority that integrates the data filed by all Consumer Protection Authorities –PROCONs in Brazil).*

*Even Brazilians' eating habits have become more intolerant – fructose intolerance, gluten intolerance, lactose intolerance. It is worth reflecting whether this list will continue to grow or the pathways Brazil will go down in the next couple of years.*

*According to Erik Erickson's psychosocial development theory, adolescence is a period of definition. Psychiatry claims it is very common for individuals to be caught in confusion and revolt during the phase, in the attempt to answer the "Who am I?" question. However, those whose internal conflicts are well resolved will be prepared to successfully walk through adolescence and socialize in a constructive fashion. Delinquency and fanaticism would otherwise tend to gain strength.*

*One must nevertheless think about how a country that has been able to welcome said diversity in the past decades may now reject such an important part of its identity and background. Is this merely another trace of adolescence? If one takes another time leap, was Brazil [or is Brazil] really one of the most tolerant places in the world? From Bumba Meu Boi to Milonga, Brazil is a place where everyone is welcome, where no one is afraid of visiting or always wants to come back.*

*There are those who characterize Brazilian tolerance as being passionate, in other words, which accepts difference for realizing difference cannot be avoided. There is no use in trying to argument an answer in this case, and it seems far more relevant to assess how intolerance is able to manifest itself in a rather extreme fashion in the many spheres of individual or collective life. Such manifestation is the perverse side of Brazil's adolescent spirit, which does not recognize the other's importance for one's own growth and [re]acts aggressively. There is also no use in being hypocritical and claiming it is possible to be tolerant at all times. Sometimes days do not start on a good note and the level of tolerance in relation to such events gradually decreases*

*as the day progresses. In the end, it is all about do as I say, not do as I do.*

*The punk movement of the early 1970s had being anti-chauvinism, anti-homophobic and anti-fascist. There are several songs of this period that speak of intolerance. An example thereof is band Inocentes from São Paulo, one of the icons of the punk movement in Brazil. Born in the early 1980s, the band plays to this day, and has clearly included the issue of intolerance in one of its songs:*

*Intolerance (Inocentes)  
What is your color?  
What is your religion?  
What is your ideology?  
What is your nation?  
What is your name?  
Is this from where you came?  
What is your social class?  
How much money do you have?  
Does this really matter?  
I want an answer!  
In the meantime  
There are armed neo-Nazis  
Beating up and humiliating  
A poor citizen  
Intolerance  
No, no*

*Following the same pathway as the punk movement, a teenage country claims for its voice to be heard, but it seems like no one is able to understand it – and the teenager barely understands him/herself. Plus teenagers want the world to change so that they can finally be understood. Teenagers will realize they have to change, too, but group efforts may in fact be necessary in the attempt to understand how Brazil became what it has become, so that people are able to pick out the good choices that will lead to the full development of Brazilian maturity. Education and guidance are essential tools for people to become more actively involved in this process.*

*Because of its current moment and ethnic background, Brazil may be a great arena for active tolerance, which acknowledges and values difference, to be satisfactorily sown. Despite the many motivations, the recent popular protests seen in Brazil indicate a process of awareness of information and collective power. On this matter, one may intuitively conclude that people will also demand and pursue information as consumers. It does not seem coherent to imagine that citizens will demand more transparency and ethics from their governors and not do the same with brands.*

*In the short, medium and long-term, it seems plausible to infer that the brands that will be able to develop a more sensitive relationship with the turbulent moment currently faced by Brazilian society – thereby being more transparent in their activities, and, to the greatest extent possible, assuming a guiding and educational role in the area in which they develop activities with their clients – will not only contribute to the development of a fair and healthy society, but will also reinforce the characteristics that are likely to be increasingly present in the consumer decision-making process.*

*When will all this happen? It is happening... right now! Brazil must first and foremost be a country of the present to even think of one day being the country of the future. It seems Brazilians want to be leading actors, instead of watching scenes of the next episodes. As a researcher, one is curious and looking forward to see what will happen.*

# [ The Mindset of Independence ]

## Internet impetus

People born before 1994 may not believe it, but there was a time when there was no internet.

Or better yet, before then, online access was restricted to researchers and the military.

Prior to the virtual age, information and content generation was exclusive to traditional communication means. No one ever imagined how this new global connector would change both communication and behavior.

Brazil is still undergoing a rough digital inclusion process; however, according to EGM Multimídia data, 55% of Brazilians already have some sort of access to the internet, currently seen as a tool that revolutionizes how people think, act and especially communicate.

In this new scenario, everyone has free access to the internet and to amazing opportunities to express opinions and stands.

If people were once passive, now everyone has a place to be heard. According to Canadian philosopher and educator **Marshall McLuhan**, “*medium is the message*”.

Each individual has gained independence and only depends upon her/himself to plunge into this world of possibilities – such space would never have been possible in traditional media.

Before the internet, anyone who had any talent or opinion and who wished to express it had to mobilize traditional media. Singers went to the radio or to TV; interior decorators or chefs resorted to magazines; journalists went straight to leading newspapers and so on and so forth, in all markets.

In the current globalized era in which all it takes is having a good internet connection, singers can have their own YouTube channel to promote their work; decorators or chefs post their tips

and suggestions in the social media in a split second; journalists publish their work and stands on several blogs.

## Everybody is an artist

Internet success is not limited exclusively to how fast access to information is. The true change brought forth by the internet lies in the ability to communicate, offered to anyone who is online.

Additionally, there is the possibility of creating and promoting independent content – previously unthought-of in other media.

The success of certain online-born global and national personalities who later migrated to traditional media proves the internet has overcome the media barriers.

One of the highlights of this new scenario is teen star Justin Bieber. At age 12, the singer – who currently has an international career – created his own **YouTube** channel to broadcast his videos to relatives and friends living far away. Bieber posted covers of famous artists and in a very short period of time managed to bring in 10 million views and sign a contract with a leading record label.

In Brazil, it is clear that content production for traditional media still suffers with the lack of creative freedom.

Such reality was precisely the motivation that led comedy group **Porta dos Fundos** to create a channel for its sketches on **YouTube**. The channel has been online for two years, and the group has hit the incredible milestone of 1 billion views and over 9 million subscribers, having become the top Brazilian internet phenomenon and one of the leading YouTube channels worldwide.

Thanks to its success online, Porta dos Fundos has managed to take large steps, having even surprised its founders: in the past, they had no plans to migrate content to other platforms, as mentioned in the prior version of Flair Brazil. Porta dos Fundos has also become a television hit and is known nationwide by the general public.

The troupe, whose expected 2015 profit is of BRL 35 million, is supported by three leading brands – **Asus**, **Coca-Cola** and **Itaipava** – and their main target is to transform the company

into something similar to Pixar, studio acknowledged for its production quality and creativity.

It is not possible to conclude whether Porta dos Fundos would have been so successful without the internet, but the fact of the matter is that the group is clearly following the trend of this new era, which inverts the direction of creative pathways: content is first developed for the internet and then broadcast in traditional media.

When comparing the first video Porta dos Fundos posted on **YouTube**, which had one of its co-founders visiting a zoo, to the type of content shared nowadays, one clearly sees the media has evolved. Technological advances and the need for new formats triggered such evolution, transforming the world's greatest streaming platform into one of the leading channels of global communication.

The lack of creative freedom to develop innovative content in traditional media, coupled with the speed in which information spreads online were the main elements behind a movement that takes place on a daily basis: the rise of web celebrities.

Once commoners in their convivial circles, such web celebrities have found a place to speak their minds online; whatever they say obviously interests other people, considering they gross an increasing number of so-called fans, common denominator between artists and web celebrities.

Nowadays, these people, who may be referred to as phenomena given how fast they achieve success, are recognized as artists; much like Porta dos Fundos, they have already migrated their projects to traditional media and make substantial profits from business partnerships.

Such trendsetters, who speak directly to a very loyal public, have already caught the attention of leading (and aware) companies that have realized the opportunity they offer to establish genuine contact with their consumers, either by generating relevant brand content or by selling products and services.

All thanks to the fact that web celebrities are the true artists of the online world, which develops and contributes to different tastes and opinions.

# [ Consequences ]



# [ The New Consumers ]

## The Time of Skepticism

Brazil is currently undergoing an unprecedented situation. People have increasingly realized – and ever so clearly – that many of the country's economic uncertainties are directly connected to the several and astounding corruption cases, perpetrated by those in power.

As the level of understanding increases (including because of the recurring examples of dishonesty in all areas of both the private and public sectors), so does the generalized disbelief in what concerns the character of any person related to the decision-making realm.

A similar phenomenon is also happening in marketing. Brands lose credibility when they claim their products have a given quality and offer certain benefits, but do not live up to the very expectation they created. When several brands recurrently implement the same behavior, they promote skepticism among consumers.

## Humanized Consumption, Brands Fail

〈 **Tania Cerqueira, Ipsos Marketing** 〉

*There are in fact products and services systematically marked by bad quality. This is nonetheless not the only scenario. Failures may eventually take place because of problems in the production system: a contamination or a change to the product standard. Irrespective of the reason, it is indispensable to immediately report the defect. There is little use in reporting, however, if no diligent treatment is given to the format or the content of the message.*

*Unfortunately, such maximum is not always followed. For example, the car recalls, which narrow down to text and voiceover. Instead of an apology, there is a call. A harsh and mandatory one, in fact. The consumer is left with the burden of the company's mistake. Not only does the consumer run the risk of being injured, but also bears with the distance travelled, with delays in the services provided and employees who have not been adequately trained to welcome clients.*

*The company's movement should have been precisely the opposite: to minimize the headaches it causes. For instance, having the car picked-up at a convenient time and place for the customer, making a car available as the other is being serviced, reimbursing any expenses incurred and providing assistance during the service period, in lieu of increasing discontent with the product and annoyance thanks to the poor treatment offered.*

*Here is an example of a completely different approach: in the 1990s, Perrier water faced a contamination problem. Not only did it withdraw the compromised bottles from the market, but also launched an ad picturing a "crying" bottle, whose text read, "I'm sorry!". By humanizing the bottle, Perrier acknowledged its failure and expressed its regret for it, in order to recover empathy and regain consumer trust in the brand.*

*Much like the Perrier case, other companies have tried to foster brand positioning with human needs – people relate to such needs, whereby such strategy triggers empathy and identification.*

*An interesting parallel is created: people fail, brands fail and transparency at a time of uncertainty seems to be an interesting pathway to walk down.*

## **Know Your Rights**

*Ipsos has conducted the **Trend Observer** survey since 2003, which offers international, regional and local behavior and consumer inclinations, in order to provide a panorama on global consumption trends. The Know Your Rights trend has consistently matured and increased in the past six years of the Observer, manifested in three types of reaction: critical, ethic and sophisticated.*

**Critical Reaction.** *This reaction relates to resentful, if not angry, consumers. Offended by recurring events in which they believe to have been cheated, such consumers no longer believe in brands in general and even consumption itself. For said consumers, they are nothing other than pure hocus. Customers therefore tend to resist and repeal brands, similar to disillusioned citizens who give up on their rights to choose their representatives by annulling votes.*

**Ethical reaction,** *in turn, is in line with engaged consumption. Ethical consumers are appreciative when they realize their contribution has a positive social effect. Such consumers want to know the origin of the product and the socio-environmental impact caused by its production, and reflects on the ideological dimension associated to consumption. For ethical consumers, companies must be accountable for the products they make and offer products that not only benefit society, but also meet their demands.*

*Finally, **sophisticated reaction** refers to consumers who are extremely demanding. This profile is associated to luxury and hyperconsumerism. Though it is true that luxury has been appealing in all product and service categories, the innovation of the new trend lies in reinventing products in order to continue offering unforgettable experiences to such consumers, as well as to provide them with prestige.*

*In any event, consumers must believe that consumption is neither guided by product, nor by the brand or trade, but by*

*the sincere effort of catering to one's needs and motivation. Consumers long to always be the center of attention.*

*Companies must seek transparency in order to win over consumer trust. Nowadays, the ease with which one posts and shares complaints has rendered information spread immediate and uncontrollable. On the other hand, it has also provided brands with opportunities to react and interact directly with the consumers.*

*Dialogue has been furthered. If companies are able to use technology correctly to increase their transparency, promote empathy and favor identification, they will most certainly have better chances at winning the credibility upon which lies their reputation.*

*People fail – and so do brands. No one expects brands to be perfect and flawless, but only transparent brands are able to inspire reliability. The more transparent the company is, the more reliable it becomes. Assuming mistakes make companies stronger – brands must therefore learn to humanize themselves.*

*After all, it is clear that transparency is the future. There are several websites specializing in sharing positive and negative consumer experiences. When consumers resort to such tools, they are able to compare different brands and purchase those that are closer to their values.*

*As consumers increase awareness on their purchases, it is likely for the expected pressure on company behavior to actually become reality.*

## Increasingly Demanding Consumer

In a time marked by social ascension and increased family income, Brazilian consumers are looking for more quality in the products and services companies provide. Additionally, thanks to greater access to information, consumers have become increasingly demanding and call for greater brand transparency.

Nowadays, in a scenario in which over 50% of the Brazilians have internet access – with greater involvement of 3.0 consumers, in other words, of more interactive, communicative, demanding and opinionated – it is as hard as ever to tolerate companies' lack of transparency and the use of fake claims in the media.

When the purchasing power suffers, the issue of price/quality ratio is crucial. People ask questions, share their doubts: value, origin, composition, benefits, reason why, everything is suspected.

Internet is a booster for comparison, helping to find cheaper and better options. Internet creates a new duty: to be transparent and, if possible, sincere.

Brands are no longer aloud to say whatever they feel like. People want truth.

## Calls for Transparency

### 〈 Yara Liberato Clementino, Ipsos Connect 〉

*If one stops to think about recent examples of Brazilian advertising, it is clear that many companies – top players – still fail considerably in their communication with consumers. Doubtful claims, products sold as miracles, use of celebrities who do not fit in the campaigns and who do not generate credibility for the brand are among some of the issues featured in such ads.*

*Many companies still talk to consumers as if they were back in the 1950s – when advertising first began in Brazilian television – as if the audience were still alienated.*

*Proof thereof lies in the many ads and campaigns that are still subject to CONAR veto (the National Council for the Self-Regulation of Advertising), agency that protects consumers against bad or misleading advertising.*

*Below are recent examples of claims that resulted in online reactions:*

- **Sadia sausage:** Launched in April 2015, the campaign caused consumers to react because the sausage was connected to beauty: product with less than 30% of sodium. Competitor Seara filed a complaint against Sadia with CONAR.
- **Activia:** In March 2015, the brand launched a campaign associating the benefit of intestinal health care with improved sexual life. Social media were taken not only by posts against the claim, but also by consumer complaints on the time the ad was broadcast – during daytime, when children are watching TV.

*In addition to the lack of transparency, it is clear that many brands still are not ready to deal with consumers in social media, when challenged. In a very recent past, a job ended as soon as a campaign was aired.*

*Nowadays, the job starts when the campaign is aired, for it is precisely then that the company has consumer feedback on the message sent. This is exactly when the company must be ready to answer consumers' questions. There is, however, a lack of experience in one-on-one interaction with clients.*

*Even despite such reality, consumers are more open to receive information from the brands, provided such information is clear and detailed, included in the products, and helps consumers make better choices. In other words: relevant content.*

### **How is it possible to create relevant content for consumers?**

*More than speaking about functional and emotional benefits, it is necessary to understand the consumer's essence.*

*It takes knowing consumers deeply and trying to foresee their needs. It is about understanding consumers as people – including their wishes, desires. It calls for putting oneself into someone else's shoes.*

*It is also necessary to identify a unique, engaging and truthful way to speak to such consumers.*

*It takes acting in their consumption experience with the brand, understanding and being a part of the consumer's lifestyle.*

*It calls for being a partner and bringing meaning that goes beyond consumption.*

*In addition to receiving relevant content, consumers look for companies that are closer to their personal values.*

*In his latest book, "Marketing 3.0: From Products to Customers to the Human Spirit", Philip Kotler points towards a combination of marketing with practices connected to social responsibility. According to Kotler, companies that wish to be successful must address social causes, in addition to increasing engagement not only with consumers, but also with employees, suppliers and shareholders. The issue Kotler referred to in 2010 is still pressing.*

*As example of a company that seeks to meet current consumer demand is Nestlé – brand classified as the second most influential brand for Brazilians, according to the "The Most Influential Brands" study Ipsos conducted in 2014. Nestlé shared the leadership in the Top of Mind study conducted by newspaper Folha de São Paulo, also in 2014, with other top brands, such as Omo and Coca-Cola.*

*In the article published in Folha de São Paulo on October 27, 2014, Juan Carlos Marroquín, Nestlé Brazil's CEO,*



*discusses the process behind building the Nestlé brands, whose purpose is to thoroughly get to know consumers – and to ensure transparency in the disclosure of clear product information.*

*'In order to connect to consumers, it is necessary, first and foremost, to know such consumers thoroughly, and, if possible, foresee their needs. At Nestlé, we use processes that enable the companies involved in building the brands to watch essential issues, which range from the deep knowledge of the target audience to the needs and points to be assessed during product development, to the development of advertising companies and sales strategies that are more in line with the different consumer profiles. And always with the concern that the essence of the brands must clearly be shared, integrating Nutrition, Health and Well-Being. This is what we call **BBNW** (Brand Building the Nestlé Way (BBNW)), or the Nestlé way of building and managing brands. We also work closely with our clients and partners to strengthen such knowledge and bring it back to consumers.'*

*'After having understood consumers' desire for more information, Nestlé took a step ahead and also adopted the Nutritional Compass in its labels, a platform the company developed with the purpose of helping consumers develop healthy habits in their everyday life, including tips and useful information on nutrition and quality of life. The tool was successfully implemented worldwide and has become a Nestlé registered trademark in its communication.*

*As consumers become increasingly demanding, companies migrate from being mere producers to becoming engaging partners, ready to listen to what consumers have to say and to interact with them.*

*As is known, communication is not an exact science, and, as such, there are no accurate predictions. Brand interaction with consumers in social media is still being furthered, and there is still a lot to be learned.*

*Nevertheless, by defining certain processes, as getting to know consumers deeply and making sure the transmitted message is relevant – which may be measured by pre-tests, for instance – companies are capable of minimizing mistakes and maximizing hits, towards a future of greater transparency and emotional proximity (emotional connection) between brands and consumers.*



# [ New Cultures and New Generations ]

## A Moving Demography

If there is one topic in the world in relation to which there is no consensus, it is the definition of a Generation and the characteristics thereof: a quick Google search on the issue results in at least ten different classifications. It is even more difficult to understand the reasons behind each definition, always influenced by the point-of-view and location of the respective author.

If one takes a literal definition into account, someone born a few hours before the turn of the millennium will have lost the opportunity of being a dignified member of Generation Z, thereby being “doomed” to live as a Generation Y to the end of his/her days.

These limits will be considered because it is necessary to have some sort of time reference, without nevertheless having in mind that it is possible to accept a “margin of error” in the definition. After all, everyone knows a forty-year-old who behaves as a teenager, and vice-versa.

As a matter of fact, what is important to bear in mind is that most people born in a same period tend to assume values and behaviors that are similar in nature or receive the same influence.

To make things clearer, take the internet, for instance.

The first internet access providers became available in the 1990s in Brazil; it is thus a fact that teenagers nowadays have lived with internet access since they were born.

For such teenagers, a world without full access to communication is unthinkable.

Each one uses the internet according to his/her interest and need, but the fact of the matter is that everyone is intensely living with this technology – it is a part of their lives. They may therefore be referred to as an “*internet generation*”, or, considering a more

technical wording, the “*generation of digital natives*”, as will be further explained below.

From a technical standpoint, a Generation is considered a period ranging from fifteen to twenty years. A pragmatic reason for such definition lies on the fact that this is the time it takes for those born in the beginning of a generation to “generate” the next one – in other words, to start having children.

However, there is another important factor to take into account when defining the period of each generation, related to the theory of Economic Cycles.

From a historical perspective, it is not hard to see that the significant events that changed the pathways of Western society as from the twentieth century took place within 15-year periods.

This was the case of both World Wars, the Oil Crisis, the Cold War, the advent of computer science and the revolution of communications, among others: events which permeated the life of the generations, oftentimes both influencing and even determining their consumption habits.

And what is there to say about the attempt to determine clearly defined limits between generations?

## Brazilian Rotation

### 〈 **Fernando Deotti, Ipsos Loyalty** 〉

*The year of 2016 will bring a mark that most companies will likely ignore, but which will significantly affect business: people born in 2006 will turn 10 years old!*

*This is a very important fact, right? Wrong?! If you are not touched by this fact, we have to talk about Consumer Generations and how this concept affects business.*

*Below is the brief description of the current generations.*

#### **Veterans (V)**

*Comprised of those born from 1930 to 1945, this generation practically covers the entire World War II period, which began in 1939. Aside from the effects caused by the war itself on the global population's habits, this generation was marked by the consolidation of urban life, in lieu of the rural-agrarian society, which then predominated in Brazil. Additionally, the period solidified the bases of industrial and commercial development – whether in the development of the national business community or in the growth in the number of urban workers. This generation saw work as a necessary sacrifice to build wealth and ensure the family's wellbeing, which was the determining factor in the consumption behavior.*

#### **Boomers (B)**

*People born in the post-war period, from 1949 to 1960. This generation learned that the world needed more complex rules to guarantee peace, and especially economic growth – whether individual or of society as a whole. This generation lived through the development phase of large-sized corporations, created new professions and led the advances of technological development, with special highlights on the fundamentals of electronics. As the background in this scenario, the Cold War interfered in the population's economic life, whether in Soviet communism or Western consumerism.*

## **Generation X**

*Predominantly marked by those born from 1960 to 1975, this is the main generation of consumption society in the late twentieth century. The period coincides with the creation of OPEC (1960) and the zenith thereof being the first Oil Crisis (1975), events which showed the world that any economic stability is relative.*

*In other words, employment, income and consumption are also relative. Purchase decisions started being made based on a strong sense of rationality.*

*Between alternate periods of recession and growth, this generation witnessed the rise and development of information technology and communications.*

## **Generation Y (Millennials)**

*Born from 1975 to 1990, the millennials constitute the majority of the Economically Active Population from 2000 and up to 2007. They grew up whilst watching the revolution in information technology, especially in what concerns personal computers and the new communications means. The world became small with globalization and the breach of frontiers.*

*Information from several cultures anywhere in the world became available and turned into references that influence the behavior, fashion and values of this generation.*

*Interactivity is the mot-du-jour, having revolutionized consumer relations and inverted roles: consumers determine the product, and not the other way around.*

## **Generation Z**

*Digital natives, this generation came to the world from the last decade of the twentieth century to 2005 and is currently taking its first steps into careers and building families.*

*The digital natives definitively broke with traditional media, naturally exercising convergence between the difference communications means.*

*The virtualization of the world establishes new consumption relations, without geographical barriers and with detailed information on products. Social media bring individuals together into different tribes, and substantially affect consumers – information sharing is intense.*

### **Alpha Generation**

*As from 2006, the offspring of the first generation of digital natives were born into the world.*

*Understanding how will the alphas be integrated in the labor market and how will they consume is a great challenge for market analysts.*

### **Differences and Mutations**

*It is not unlikely for generation concepts and age groups to be mixed together in studies whose purpose is to analyze and understand consumers. By fact, an age group describes consumers according to their current moment in life (young, single, married without children, etc.), which is a significant dimension to be taken into account in the decision-making process on the production and marketing of products and services.*

*Such assessment, however, will not take into consideration the substantial differences between generations, which go beyond age groups.*

*In 2015, all teenagers will be included in Generation Z (Digital Natives). However, any survey results focused on young consumers aged 18 to 30 years will mix different generations (Y/Z), which, as has been previously mentioned, received different influences throughout their development. Such influences will last their entire lifetime.*

*The context in which a person was born and raised defines the values that will be crystalized in his/her personality, and will mark every consumption decision to be made at different times.*

*For instance, consider a buyer of new cars in Brazil who is a typical representative of Generation X. One of the factors that weigh the most in such person's purchase decision is prior*

*experience with the brand or a given model – which may be the person's own experience or that of another person.*

*For such consumer, it is essential to have some sort of safety in the purchase, for the product to correspond to his/her expectations and for the person not to lose so much money when reselling the car. Irrespective if the consumer is 25, 30 or 40 years old, his/her decision will be based on the same principles.*

*In turn, a typical Generation Y consumer aged 26 to 40 years in 2015 – it is important to notice the difference between the ages – will likely leave such rational component behind for the sake of attractive design, related to the external appearance of the car and that better represents his/her personality.*

*Such consumer's background is marked by multicultural references and will influence his/her aesthetical perception, essential to determine the choice of car.*

*It is therefore a fact that consumers of a same generation have common traits, irrespective of age. Additionally, each generation has a specific bias that influences its purchase decisions. Considering that both birth and death rates vary in time, the prevalence of different generations will also undergo changes.*

*Throughout a decade, one prevailing generation gives room to another, and such rotation continues. This dynamic always affects the consumer market in all product categories.*

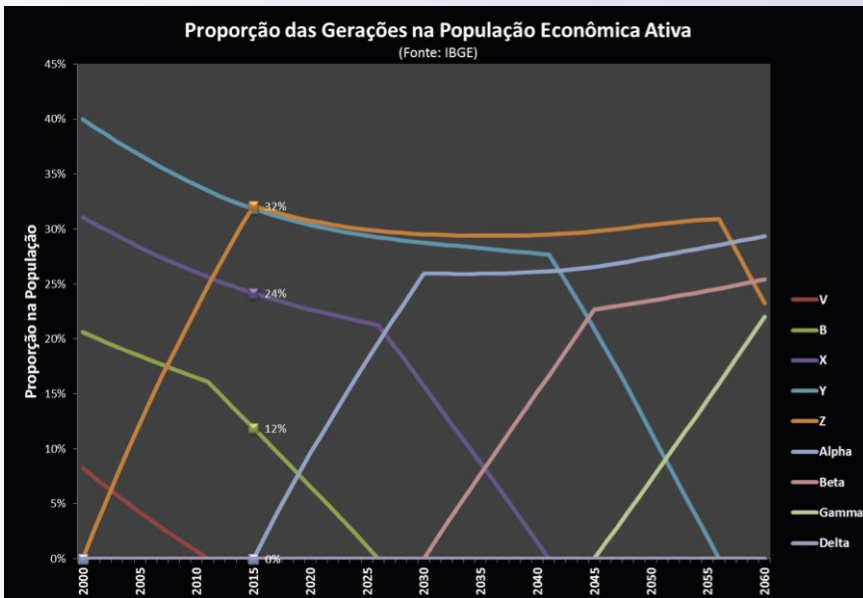
## **The Upcoming Years: Rotation**

*Brazil is undergoing a demographic transition period, with significant changes to its birth and death rates, which will translate into a reduced growth rhythm of the population. Moreover, the country will move from being a predominantly young country into becoming progressively older.*

*Though the impact will be far more perceivable in the long term, there are immediate changes already in progress, which substantially influence consumption decisions and deserve further attention.*

The following graph shows the rotation between generations in time, considering the share each generation has in the Economically Active Population (EAP – people ranging from 10 to 65 years old), built based on official projections of the Brazilian Institute of Geography and Statistics (IBGE).

**Proportion of the Generations in the Economically Active Population**  
(Source: IBGE)



Ten years ago, 60% of the EAP was classified under Generations V, B or X. Consumption was therefore determined by their strongly rational motivations and aspirations. In 2015, such percentage has dropped to 36%. The current market is governed by the sum of Generations Y and Z, accounting for 64% of the population. The transition has been established, and it is necessary to adapt to survive in this new scenario.

This is the reason why the year of 2016 will bring certain specificities with it:

1. Based on the projections of the population, which take the new demographic dynamics into account, Generation Z will prevail in the market for the next 42 years. During such period, at least 30% of the EAP will be comprised of the digital natives, by the generation that broke through



*geographic frontiers and lives in a parallel virtual world, which is as or almost as relevant as the real world.*

- 2. In 2016, Generation Alpha will be part of the EAP – they will turn 10. This means that they will now influence their family’s purchase decisions, with sufficient power to be taken into account in the business plans of most companies. Approximately 3 million new Alpha consumers will become part of the market every year. It is about time to understand these people.*
- 3. For the first time ever, two generations will coexist in the market practically at the same proportion, for 25 years. In 2016, Generations Y and Z will account for 32% of the population each. For 30 years, together, these generations will account for 50% of the consumer market.*

### **Grandpa Plays Super Mario**

*As a result, considering the foregoing projections, those born as from 1975 deserve all the attention in market surveys. The Millennials, pioneers in the use of microcomputers (and of videogames, VHS and CDs), have turned 40, and know enough to discuss technology with their Alpha grandkids. The dialogue between generations becomes easier – at least in terms of content, for live conversations between people are becoming increasingly rare.*

*Looking back at the past generations, it is possible to claim that Generation X created the virtual world, or cyberspace. In turn, Generation Y learned how to interact in cyberspace, having literally maintained its feet on the ground – the real world is still the main environment. Cyberspace is almost a place for fun and to escape, whereas “real life”, hard work, goes on in the real world.*

*The tables have turned for Generation Z. Life is equally intense in both real and virtual environments. Generation Z has learned how to go back and forth between both dimensions, extracting the best from each one. For the Alphas, it is likely for the real world to be merely an operating support for everything that happens virtually – from relationships to business interaction. For Generation Alpha, the notion of society and*



*personal or professional relationships takes place within the scope of communication networks, clouds and social networks.*

*Another possibility seems to be increasing its strength. The real world may perhaps gain a new dimension – real fun will in fact be in the real world. Above all, it is likely for the understanding that it is necessary to take care of the planet that supports the virtual world to prevail.*

*It is necessary to further understand and study Generation Alpha – to figure out exactly how to communicate and interact with the so-called “Google Kids”, expression coined by demographer McCrindle. He may have accurately summarized the main characteristic of this new generation: the Alphas do not see technology as a tool. Technology is simply part of their lives.*

## **Relationship of the Different Generations with Technology: a Difficult Puzzle to Work Out**

The flow of information, social movements and mindsets happens so fast that date ranges are merely a reference to determine when a generation begins and ends. Plus there are also the “microgenerations”, comprised by means of a set of behaviors that are catalyzed in a given culture/group, to a lesser or greater extent.

The future has already started and the new generations are already completely integrated to technology. Things that cannot be touched and that do not interact with touch are not engaging.

This creates a flow of information, a volatile, versatile, fleeting, exchange system, which is exactly the opposite of what brands and strategists like: stability, persistence, loyalty.

The new generations are inconstant and unfaithful, without feel guilty.

How is it possible to (re)establish a connection?

## Customers Are Your Best Gurus

〈 **Helena Soares, Ipsos Loyalty** 〉

### **How to explain the different attitudes of the generations in terms of media channels?**

*I remember my first class at graduate school, when I heard a professor explaining the difference between the generations and the use of media channels.*

*In what concerns technologies, the comparisons were limited to letters sent by mail to faxes and e-mails.*

*The professor's words were apparently marked by a gap of time between generations, and that there had been breaks in people's habits that determined the rise of a new era... the computer and internet era.*

*Though this happened only ten years ago, this explanation is certainly outdated.*

*If analyzed based on Piaget's works, human cognitive development is intimately connected to how events are interpreted. In addition, there is socioeconomic, racial, cultural and educational and school background, historical period, among others. For this reason, it is largely believed that individuals who are part of a same generation develop similar conceptual maps or similar perspectives on the world.*

*As such, it is understandable that each generation creates its own impressions and set of "rules" with respect to a given issue.*

*Considering the same example my professor used: from letters we switched to e-mails and then to apps without even realizing it, which apps are increasingly efficient in tracking messages sent, delivered and read. Not only the media has changed, but also the vocabulary, traceability and perception of time – the urgency of answers has also substantially increased.*

*Whilst many were trying to overcome the usability break of the bulky 1990s mobile phones to multifunctional smartphones, tablets came about and furthered the "man x machine"*

*interaction with their touchscreens, having also brought forth a world of apps that have changed how things were traditionally done. After changing between one screen and the next, we witnessed the release of smart watches.*

*Anyone who watched **Power Rangers** growing up remembers the communicators – therefore causing any novelty of smart watches to immediately disappear.*

*The aforementioned “toys” have been able to change how we acquire knowledge, entertainment, and why not, even people’s personalities and how they interact with the (real?) world.*

*If you believe you are “connected” because you replaced your newspaper for its online version, sent audio messages to your friends on **WhatsApp** or had more than 50 likes on your **Facebook** post, then you must practically be a digital hermit!*

*The idea of connection has been left behind – nowadays, if you are not interconnected, your interaction with the world will be compromised. Introduction to the virtual world is taking place earlier than ever, even before people even know the real world.*

*If you think I am referring to Generation Y, you are quite wrong. It is very common to see babies who cannot even speak yet sliding their tiny fingers on their parents’ smartphones in the pursuit of entertainment. Five or six year olds interact with different media simultaneously and some of them even create content for the entertainment of other users.*

*Name them at your will: globalists, millennials, Generation Z, Y... this does not matter. What matters is that if you are reading this paper, you may go ahead and consider yourself an “oldie”, as the 1990s teens would say. The term balzaquian, in reference to French author **Honoré de Balzac**, has never made so much sense, for at thirty we are already too old to understand how naturally and intimately these kids handle, interact and quickly understand technology.*

### **But where or how will this end?**

*Try to hold a kid’s attention for more than 30 minutes with a memory game or a puzzle and you will realize how outdated the ideas of “**mental stimuli**” are. Tell a teenager he will have*

to wait until Saturday at 10 p.m. to watch his favorite TV show.

Maybe you will say that everyone has touchscreen phones, access to the internet and is exposed to the same content. And that I am stuck to this long-gone and inhospitable past.

However, does the “man x machine” interaction happen the same way for everyone?

### **Are different types of content consumed the same way?**

The answer to all these questions may come from a simple observation: compare how a five-year-old, a teenager and a 40-year-old handle a tablet. You will realize that even their posture to hold the device is different, without even mentioning the use they give to it. In fact, the same media is explored in different ways and used for different purposes.

When these toddlers want to speak to their uncles, they simply ignore the phones and click directly on their pictures on the tablets to talk to them via **Facetime** or **Skype**. Teenagers play games with people all over the world; there are professional communities supporting networking that was impossible just a short while ago.

### **If one chooses to follow the motto the technology segment ubiquitously uses, or “the future is now” or “the world at the touch of your fingers”, what can be done about all this?**

**Adaptation.** Though the answer seems simple, it is marked by several factors and diligences. Especially considering all this speed and interaction has given voice to individuals who once passively consumed content. And if content interacts with its consumer, then such consumer sees himself/herself entitled to the right and duty to exercise reciprocity.

If this freedom is coupled with the individualistic feeling that permeates modern society, it is possible to claim that only the strongest, most fearless, conscientious and humble brands capable of “**starting from scratch**”, when necessary, will be

*able to create content that interacts with such different audiences by means of the same channels.*

*It is very unlikely for us to know in which context a given content is being used, how it is being perceived and what kind of effects it is capable of creating. After all, aside from the complexity of having five generations consuming the same content/media simultaneously, there are also the social currents of gender equality, socio-environmental responsibility, animal rights protection, protection of the minorities and minorities, of the Sagittarian astronauts...*

*In short, all sorts of things that are completely out of one's control.*

**It is nevertheless possible to ask: how can I surf this wave without compromising my brand's reputation?**

*There is no recipe. Take risks, ponder, dare but do not lose sight of the essence of what your brand has represented in time. Ask your customer, irrespective of his/her generation: "how do you feel in relation to our communication/advertising, interaction and positioning?" ...*

*Your customers are your best gurus.*

# [ Movement and Insights ]

# Aesthetic Trends and Social Mutations

To understand a country and its society we must watch... television!

In 2015, broadcast television is still the vehicle with greatest penetration, accounting for 68.5% of media consumption.

Ratings have been consistently measured for many years, and have in fact been dropping.

In 2000, Brazilian soap opera (or novela) "Senhora do Destino" was the last to hit 50 television rating points, whereas the latest success with viewers, soap opera "Avenida Brasil", barely had 40 rating points.

Such popular programs succeed thanks to two dimensions.

Explicit: the content, the action, the characters, the twists, everything that captivates viewers.

Implicit: the matching with the facets of Brazil society - the traditional and the new values, the pillars and the emerging signals.

These programs reflect society' changes and movements. Sometimes they anticipate, showing unknown and suffering realities. They popularize values and issues.

For instance, to show very modern or retro-design objects or dresses help to feel the vision about the future. Often, nostalgia is the antidote against fear of the future: the past is a cocoon.

Soap opera is a good mirror for advertising strategists, inspiring their aesthetic choices and the storytelling for the brands.

## Brazilian Soap Operas: a Mirror?

〈 **Carla Mahfuz, Ipsos Marketing** 〉

*All of a sudden, female desire was taken over by blue nail polish, which became the central item of group discussions, salons, meetings and coffee breaks. It is anything anyone speaks of. Messages flooding in the inboxes of specialized blogs and sites. Facebook and Instagram posts focused on one question and one question only: “What is the blue nail polish actress Giovanna Antonelli is wearing on soap opera “Em Família”?!”*

*The half royal, half indigo blue, very vibrant and different-from-all-other-colors-available nail polish became the “it” color, literally out of the blue – pun intended!*

*Made available at an average price of BRL 3.75, once it sold out, the nail polish was actually marketed for up to BRL 30,00 (HELLO?!). Based on the estimates, over 2 million flasks were sold in April 2014 alone.*

*The blue nail polish was also not the first time actress Giovanna Antonelli was behind new fashion trends. She is known for turning anything she touches into gold; from Arab character Jade and her eyeliner and belly dance in soap opera “O Clone” to police chief Helô and her clothes and accessories in soap opera “Salve Jorge”.*

*Brand “Michael Kors” also had to quickly find Brazilian salespeople in New York to understand which was the highly sought after “Carminha’s purse” – the accessory used by the villain in soap opera “Avenida Brasil” immediately became an object of desire.*

*Reality itself is oftentimes reflected on television – one instantly relates to it and feels part of the mirrored universe.*

*Brazil has witnessed a drop in the number of children per family since the 1980s and to date. According to the Brazilian Institute of Geography and Statistics (IBGE), in the early 1980s, the number of children per family was above three.*



Nowadays, it ranges from one to two. Interestingly enough, big families are not seen in television. Families have one or two children, at most – even low-income families.

Changes are also seen in how families are built. The ever-desired perfect family of many ads has been replaced by several different family configurations. Homosexuality has long looked for a way to join prime time, when the 9 p.m. soap opera is broadcast. However, the Brazilian family only accepted it when homosexuality was translated into a sugarcoated true love story – villain redemption in the end included. The relevant villain, Félix, officially led the way of the movement that had started several years ago.

This trend has nevertheless faced resistance and those bothered by such “novelty” find coverage under a very pertinent, recurrent and current issue: faith. TV network Record has re-filmed Biblical classic *“The Ten Commandments”*. Those who do not accept the “violent” plot that goes against “morality and good customs” of TV network Globo’s current 9 p.m. soap opera, *“Babilônia”*, find shelter in the religious production.

Increasingly recurrent issues such as homosexuality, prostitution and corruption, when unveiled at such a delicate moment of Brazil’s history, in which Brazilians are extremely sensitive because of the country’s economic (and corrupt) situation, are inevitably rejected. Politically speaking, it is almost an attempt to redeem a time when everything was better.

Still on the matter of “faith”, Globo not only airs *“Babilônia”*, but spirituality and paranormal experiences are central to soap opera *“Alto Astral”*, though with a very light approach, antagonistically addressing the good side of faith represented by the lead character, who uses his paranormal powers for good. It also portrays the bad side, in the figure of a charlatan who uses her powers to make money at the expense of innocent people.

The trend or strength a given movement has may last for years, thereby inspiring certain behavioral patterns, expressing itself in several ways.

The Internet was still taking baby steps in Brazil in 1995, and viewers of soap opera *“Explode Coração”* were shocked by the possibility of contact between two people via the web.

In fact, author **Glória Perez** was ridiculed when she suggested approaching the topic in the soap opera, having been called “**crazy and delusional**”. How can a computer communicate with another computer?

Almost twenty years later, in 2012, soap opera “**Cheias de Charme**” was the first to have a maid as the leading character. In the plot, three maids became rich and famous after recording a video that went viral online – the same Internet that caused such perplexity back in 1995. The Internet is an indispensable mean of interaction with the audience in current soap operas.

“**Cheias de Charme**” was a huge hit precisely when the middle class (Class C) reached the peak of its social ascension, having conquered consumer rights and power similar to that of the other classes. The soap opera’s modern-day fairytale played well with all audiences – and not only with the “new middle class” that sees its own story being portrayed by the three maids who reach stardom.

Social ascension has actually been the central theme to several Brazilian soap operas. In the mid-1990s, TV network SBT imported a set of telenovelas from Mexico, the so-called “**Trilogy of the Marias**” (Maria Mercedes, Marimar and Maria do Bairro), which took the issue of social ascension to another level, represented by the leading character. “**Maria**” was always a humble woman who becomes rich as the story progresses, not necessarily thanks to her hard work.

These stories portrayed the imminent desire for social ascension of the have-nots in a highly fantasized and almost unreal way.

Nowadays, represented by the new middle class, which has spent a considerable part of its life at the margin of the consumption market, this new Brazilian is empowered and starts purchasing products and services that were unimaginable only a few years before. Thanks to government program such as the Brazilian affirmative action and programs to support and encourage university and technical level training (such as SISU and Prouni. Brazil has witnessed the growing presence of this new middle class at secondary education institutions. This youth is oftentimes the first generation in the family to

actually hold a university diploma, and, consequently, to see economic improvement in their lives.

Changes have been brought forth after ten years of affirmative action at public universities, which has guaranteed inclusion-related advances. This process has also been portrayed in the soap operas. In Globo's current 9 p.m. novela, there is a young African-American woman living at a favela in Rio de Janeiro who has been able to go to university and has landed a great job in one of Rio de Janeiro's most prestigious law firms, thanks to the affirmative action and to her hard work – which finally culminated with her leaving the favela and moving into a 'real' neighborhood. All of this seems very real, likely and not sugarcoated – this girl could be your next-door neighbor.

And what exactly is trendy nowadays? Trends that define behavioral patterns manifest themselves in several ways – the reflexes of such behavior are the current trends.

Recent design and fashion movements reveal an invasion of retro objects, translated into the ubiquitous presence of appliances, furniture and clothing with a 1970s flare. Likewise, the late 1970s and the Disco era were used as background to tell the story of ordinary characters with very current dramas in the latest 6 p.m. soap opera, "Boogie Oogie". Though Brazil was under the military regime in the period, the political environment was not even approached in the plot.

Back to Giovanna Antonelli's blue nail polish, 2015 is yet to see such a wide-scope phenomenon. Despite having suffered initial rejection to its plot, current soap opera "Babilônia" leads the way of most desired products by the viewers. Leading character played by actress Glória Pires is an evil, cold and calculating person. Though viewers reject her actions, they seem to love her chic and modern attires. The actresses' clothes, accessories and nail polishes are among the top inquiries placed with Globo's Customer Service.

Well... Is television still a trendsetter?

# Nevertheless, How to Entice Consumers?

## Reinventing Consumption amidst Crises

So, Brazil is officially and undeniably amidst a crisis.

It is no longer a “*marolinha*” (small wave). Though it is still not possible to say whether it will be a tsunami, it is most certainly a crisis this time.

General consensus in a country of divided opinions.

As previously written, the signs of deceleration are clear. The phantom menace of inflation – which is likely to reach levels unseen by a twelve-year-old – and increased unemployment (highest index recorded by the Brazilian Institute of Geography and Statistics (IBGE) in the past two years) serve as the backdrop.

Consequently, Brazilians are having trouble to pay debts in time, whereby delinquency increases and consumption drops. Retail has already closed 1Q15 with the lowest growth of the past 12 years.

To close the drawing of the negative, though realistic, scenario, according to the survey disclosed by the Central Bank of Brazil (BACEN), conducted with over 100 financial institutions in May 2015, the general consensus of the financial market is that the year will end with the highest GDP retraction seen in the past 25 years.

Brazilians are nevertheless Brazilians, and here is yet another consensus: Brazilians always find a way out.

After all, the country and its people survived colonization, slavery, the Paraguay War, hyperinflation, the mensalão corruption crisis, the “*7x1*” defeat to Germany in the World Cup and even the water crisis in São Paulo and its use of the ‘dead volume’ of the Cantareira system.

Does anyone doubt Brazilians will find a way out?

## Reinventing Oneself Is the Brazilian's Forte

⟨ **Janaína Costa**, Ipsos Connect & **Paula Soria**,  
Ipsos Marketing ⟩

### Do you think that Brazilians will reinvent themselves?

*Of course! Brazilians are creative, entrepreneurial, flexible, have a good sense of humor, are positive and optimistic. Yes, Brazilians will reinvent themselves.*

*Brazilians will make choices, fasten seatbelts, give up on anything superfluous – maybe not that special superfluous item, but certainly the other.*

*Brazilians will buy generics and travel to the Northeast instead of heading to Europe. They will also stock up to profit from sales<sup>1</sup> and cancel French lessons. Bargain more, pay in cash, pay one bill instead of another, or one installment in lieu of the other<sup>2</sup>. In the end, Brazilians will figure things out – and without losing their sense of humor.*

*However, Brazilians will be as critical as critical can be. In fact, they already are. Based on the experience of having lived the mensalão corruption scandal in 2005 and the 2009 global financial crisis, no one trusts Brazil's economy as much anymore. The **National Trust Index (INC)** hit its historical low in April 2015 – 104 points<sup>3</sup>.*

*Though Brazilians are known worldwide for their optimism, even such optimism has been affected: only 11% evaluated Brazil's economic moment as good in April, also the lowest level seen in the survey conducted since 2010<sup>4</sup>.*

*Brazilians have left couches behind to hit the streets. Irrespective of the leadership or purpose of the protests, the fact of the matter is that attitude has changed. Maybe this time there will not be reasons to believe that everything will “end up in pizza”, as a common saying goes to express that nothing will change in the*

<sup>1</sup> Atacarejo é o formato que mais cresce no Brasil  
Source: supermercado moderno - 04/22/2015

<sup>2</sup> Despenca o otimismo do consumidor  
Source: DIÁRIO DO COMÉRCIO SP ONLINE - 05/07/2015

<sup>3</sup> Apenas 11% dos brasileiros estão satisfeitos com a economia  
Source: ELETROLAR.COM - 05/05/2015

<sup>4</sup> Despenca o otimismo do consumidor.  
Source: DIÁRIO DO COMÉRCIO SP ONLINE - 05/07/2015

*end. The scenario has changed – and for the worse. Brazilians are also changing, though for the best.*

*Brazilians will not be led into believing things as easily. They will believe less in politicians, churches, the postal service, building supervisors, surveys, the media, teachers, firefighters, in manufacturers and brands... Wait, how come will this happen to brands, too? Simple – Brazilians will also believe less in brands, especially in those that are waiting to see how they will reinvent themselves.*

### **What have the brands that follow Brazilians, which Brazilians choose, know and prefer actually been doing?**

*The challenge no longer lies in simply understanding and catering to a new need arising out of the crisis context. It is all about being side-by-side with consumers. It is about being present for and on behalf of consumers. Forget alluring and delighting: the time has come to prove that 2015 will not be the year in which brands will take advantage from consumer's frail position, passively watching present-day movements. It is time to prove that consumers have made the right choice.*

*Chosen brands will not force their consumers to reinvent themselves, as every other institution is doing. There is a huge space, an enormous window of opportunity for taking the lead. There is a possibility of being part of the change, thus facilitating and leading consumption reinvention.*

*Cost control or reduction, investment optimization, rendering products more accessible, reviewing price positioning, launching sales... The actions and tactics companies generally use at times of need will continue to be part of the game.*

*By the end of the year, everyone will have a target to reach and a budget that causes sleep deprivation. However, it is precisely when both the scenario and the players change that it is the best time to review one's game strategy; even though this too will not suffice to build a long-lasting relationship with consumers once the storm is gone.*

*In this crisis scenario, the brands that will remain are those that will enable Brazilians to still be themselves. Not a shy*



*version of themselves, but their true selves – authentic and genuine and not reinvented.*

### **Which brands will represent Brazilians in 2015?**

*According to Charles Peirce, representation is “...to stand for, that is, to be in such a relation to another that for certain purposes it is treated by some mind as if it were that other.”<sup>5</sup>. Which brands will have the power to connect so deeply to Brazilians, to the point of representing them?*

*It is clear that choosing a brand goes beyond use, frequency and preference. It is a bilateral commitment of representation, a mix of identities. Honoring such ethical commitment is the proof of a right choice.*

*Brazilian society will face losses in 2016 that substantially exceed the losses experienced thus far.*

*The preservation of individual identity must nevertheless be a reality at times of crisis – maintaining a solid nucleus to which one is committed as an individual, in which there is no room for negotiation. Brands may help individuals to maintain their identity commitment during the battle to preserve such nucleus.*

*2015 is a year for brands to proclaim themselves guardians of their consumers’ identity.*

*And 2016 will offer room for brands that have invested in relevant and diversified stories to lead the way in the consumption scenario: together with their consumers, for and on their behalf.*

*2016 must be the year in which brands will bring consumers to the center of their attention, helping them not to have to reinvent their lives.*

*Brands will have to bring back the lightness that the burden of reality has compromised.*

*In the words of Gilles Lipovetsky, brands must help consumers “breathe”, live better and “lighter”<sup>6</sup>.*

*The way in which brands will represent consumers in 2016 must be the translation of a sweet, authentic and agile rhythm,*

<sup>5</sup> Peirce, C. S. *Semiótica*, 1999

<sup>6</sup> Gilles Lipovetsky, *De la Légèreté* (2015)

aesthetics and mobility. They must also guarantee fun and sense of humor – which should also be much more acid than in the past.

Good winds also seem to blow in the domestic scenario. For instance, the Anhanguera University ad campaign appears to be a current expression of engagement by supporting students with loans equivalent to 50% of the tuition, free of interest, to be paid back after graduation. “Forget the crisis. My future is in my hands. Come talk to us – we will work things out”<sup>7</sup>. Time will find a way to show the return of this investment.

<sup>7</sup> [www.anhanguera.com](http://www.anhanguera.com)

People who have survived a crisis guarantee otherwise: “We are increasing investments in America to profit from what seems to be the opportunity of a lifetime for us” – words of David Zuchowski, nowadays CEO of Hyundai America, on the 2009 US crisis.

What may have seemed crazy at the time is now a widely known success case on how to lead consumption reinvention in uncertain times.

When the fear of unemployment haunted Americans, Hyundai decided to make the difference in its relationship with its consumers and offered to buy cars back if their owners lost their jobs one year after the purchase. This is an example of a brand that took the lead, and by helping consumers deal with a given situation, managed to build a long-lasting connection of empathy. What about the results? Sales increase despite a market in retraction<sup>8</sup>.

<sup>8</sup> [www.terra.com.br/istoedinheiro-temp/edicoes/612/imprime142588.htm](http://www.terra.com.br/istoedinheiro-temp/edicoes/612/imprime142588.htm)

Brazil’s current moment is also unique. Between the ‘small wave’ and the tsunami, it is now Brazil’s turn. And Brazilians will do their part, as they always have.

This time with the maturity of those that have some expertise in reinventing themselves and willingness to leave their comfort zone.

How about the brands? Will they sit outside and watch?



## Reinventing Product Placement

In Brazil, « **merchandising** » is the term used to define actions to promote a brand, logo or product in TV shows and movies – brands are subtly inserted in the context, either with a presentation or as part of a dialogue, by using or referring to the product, or by resorting to any other means that provides for the relevant insertion in a movie, soap opera or show.

This type of advertising not only decreases production costs, but also is intended to reach a more specific target, with greater identification and entertainment.

The freedom of choosing whether to see the action does not seem to exist, in this case.

The point is: how to manage the message and its relevance?

## Consumers do not hate advertising – they hate irrelevant interruptions

〈 **Cíntia Lin, Ipsos Connect** 〉

*Changing channels in the attempt to run away from TV commercials no longer suffices. It has become increasingly common to run into disguised ads in soap operas or in “messages” sent by TV show hosts – generally in variety shows such as those lead by hosts **Faustão, Rodrigo Faro, Celso Portioli** and **Ana Maria Braga**.*

*Hygiene and beauty brands account for the top investments in product placement, almost as a tradition – since the launch of soap operas in Brazil, when **Gessy-Lever** and **Colgate** actually took part in promoting many of the shows in the 1960s. That is exactly the reason behind the term coined to define such shows – the soap operas.*

*Soap operas in Brazil feature **Natura** products being given as presents, or characters driving a **Kia** car. TV network **Globo** often has characters at bank **Itaú** ATMs or branches in its 9 p.m. (prime time) soap operas.*

***Dove** made its debut in ‘merchandising’ in 2014, and **Nestlé** – com **Nescafé Dolce Gusto** –, which used product placement in different shows, are also among the top advertisers of the past year.*

*Though the perception of growth may not be evident at first sight, it is there. Investments in product placement have been on the rise, not only by large-sized companies, but also by brands that did not have the habit of resorting to advertising. An example thereof is vinegar brand **Minhoto**, whose product is placed in **Globo**’s show “**Mais Você**”. Prime time product placement can cost up to twice the price of any ad in the breaks of the **Mais Você** show, for instance.*

*Having consumers recall a brand thanks to their favorite TV show seems to be a very efficient and “no-escape” way to affect consumers, right? Considering the period Brazil is currently*

facing, ensuring target receptivity becomes essential for the brands.

However, what is essential for consumers? This is precisely where danger lies both for the brands and the TV shows, in the event of misplaced or excessive product placement. In certain TV shows, product placement accounts for over 25% of the content thereof. According to the Consumer Protection Authority of the State of São Paulo (Procon-SP), consumers have not filed complaints, thus far, against the excessive use of advertising on TV. Claims have focused exclusively on the inefficiency of certain advertised products. Nonetheless, some shows have already set a cap on product placement to avoid any negative impact on ratings, arising out of the excessive number of actions.

The importance of this type of advertising is increasing as other media platforms adapt to new consumer behavior. Viewers are increasingly connected and multiscreeners who resort to new gadgets to escape product placements. After all, advertising is already based on the premise that: **“Consumers do not hate advertising – they hate irrelevant interruptions.”**

This maxim may also be used to plan product placement in variety shows, films and soap operas. Inefficient exposure devalues the brand for its intrusion, but also the credibility of and engagement with the show.

Among all media attractions, it is not secret that soap operas gross most viewers and are practically part of Brazilian families. Soap opera viewers vary in terms of class, age and gender. Additionally, soap operas are communication channels reflecting Brazilian culture, education and society.

As such, it is increasingly essential for companies to understand the power of influence of each show in which they aim to place their products. It is necessary to **“adapt to the environment”**. Such learning process is not limited to new media or to multimedia, but also covers traditional media such as TV, and such an “ancient” approach as is product placement.

Taking into consideration the companies that have invested in product placement in soap operas, is there any coherence between the actions, brand targets and values and the context of

*the show? Does the insertion make sense and have something to do with the relevant character?*

*In late 2014, Dove bet its chips on a product placement in Globo's soap opera **Boogie Oogie**, set in the 1970s. Dove managed to promote the brand in a relevant manner within the context of the story, as a very desired product brought in from the US.*

*As a result, Dove was able to nail the contextualization that maintains the consistency and superiority of its placement for decades, with "**1/4 moisturizing cream soap**", also reinforcing the identification of female consumers with the brand.*

*Natura recently placed one of its products in Globo's 9 p.m. (prime time) soap opera "**Babilônia**", having showcased its product via the homosexual couple represented by actresses **Fernanda Montenegro** and **Nathalia Timberg**. The polemic involving homosexuality for Brazilian viewers resulted in several comments in the social networks and on the values the brand supports. Minister and congressman **Marco Feliciano**, a well-known right-wing personality, also raised a flag against Natura, for the company to cancel its ads and assume a stand against the soap opera. Natura issued a press release on the case, having explained, in its own words, that it supports Brazilian soap opera production, accepts diverse standpoints and values tolerance.*

*The examples of Dove and Natura lead to yet another reflection on product placement: as a tool that stands out mainly for reaching a specific target, does product placement suffice? Going back to the main notions developed for advertising: "**great communication is able to be received and to generate response in the brand by means of a powerful, meaningful message that resonates with the audience**". How is it possible to further develop product placement by adding consumer engagement?*

*Answers on the future and the use of this too lie firstly in knowing that television will not disappear; however, how we deal with content – including shows, soap operas and films – will be completely different.*

*Product placement will have to include cross-media interactions in its scope in order to increase the product's integration with the story – whether it is the soap opera or show –, so as to avoid consumers' attempts to “escape”. Google is the latest and most advanced example on this matter.*

*In 2014, Google placed its Google Glass product in a TV series produced by TV network SBT.*

*Though the product was only showcased in one episode, images recorded with the ad were made available on the network's website on the next day: from the former concept of “subtle influence” to clear, engaging and relevant influence.*

## Rethinking Everything

Adaptation, we have seen, is the key word of the year.

In most cases, adaptation is not really voluntary: it is imposed by constraints.

Economic crisis, technological changes, new attitudes... impact each sector. The TV programs' and content's organization is one of the most complex. It is immediately seen, loved or otherwise, by tens of millions of people.

The example of prime-time is the most explicit. It contains all the issues to be successful in or miss out on adaptation: because information (including any information broadcast on news programs) is currently available online (in different quantities, thoroughness and points-of-view), media consumers – especially TV media consumers – now determine the time when such media will be consumed, tailoring it to its routine and needs.

This change has reconfigured the notion and the idea of “prime time”- once deemed the time slot between 6 p.m. and 12 a.m., when ratings were higher, according to surveys and polls taken.

The highest revenues TV networks accrued therefore came from prime time – approximately 80% of the total annual income of the TV networks.

The aforesaid reconfiguration has transformed prime time, which is no longer a ‘time of day’, but a state of mind: “Those praiseworthy moments when consumers can tune in a given media and open up to its content<sup>9</sup>.”

<sup>9</sup> (Rossi, 2002, apud CAPPO, 2003, p.55-56)

Let's read how.

## Rethinking the Idea of Prime Time

〈 **Diego Oliveira, Ipsos Connect** 〉

*On April 22, 2015, Portal Forum (<http://www.revistaforum.com.br>) published the following words with respect to the fifty years of Brazil's leading TV network, Rede Globo, in the piece entitled "50 anos da Globo: Dez razões para descomemorar" (50 Years of Globo: Ten Reasons to not Celebrate): "TV Globo's ratings (...) have never been so low. Its chief news program, Jornal Nacional, whose ratings once hit 85%, now barely overcome 20%".*

*This finding not only embodies but also offers materiality to a reality that has been present for quite a while (even before the advent of the so-called web 2.0, or the second web generation), which represents the gradual and ongoing loss of TV ratings. Such loss may be substantially attributed to the democratic rise of the internet, accessible worldwide, which has brought forth new means of media consumption.*

*Digitalization of life has in fact reorganized enjoyment processes, resulting in significant changes as to how content is consumed in the different media, starting with the reconfiguration of space, bases and even the very notion of time. This is precisely where the foundation of the arguments to reflect on TV ratings lies, as well as on the reconfiguration of the so-called "prime time".*

*The aforementioned news program Jornal Nacional, in relation to TV Globo's drop in ratings, used to be the reference in terms of Brazil's TV prime time. Consequently, it was also the most expensive slot: the time when Brazilian families sat together to watch TV. As a result, there was a clear (quantitative) concentration of viewers and broad valuation of the time slot.*

*Having further increased competition with television in terms of time – offering the longed freedom to choose consumption time and places (through the mobility of portable and connected devices) – the internet also materialized other possibilities, thereby mirroring the same type of content and rendering the choice of consumption time feasible, as well as of the shows to be*

*watched. The internet also provided for an unprecedented level of more thorough content (thanks to the variety of channels) and dialogue with diverse opinions (conflicting or otherwise), which are not possible on television.*

*In addition to the foregoing, there is the pleasant fact that online, consumers may also skip ads – exactly as is the case of recorded shows for on-demand consumption on cable TV.*

*On this matter, speaking of the time deemed “prime” means going over paradigms and traditional models, thereby accepting that such reconfiguration goes beyond the mere loss of viewers itself (or fragmentation in several supports). Such reconfiguration represents a conjuncture whose complexity covers investments in several fronts: in the mobility of the targets, in consumer autonomy, in the offering content in different supports, in the devices that enable content to be captured and saved for future consumption and in viewer empowering – viewers now call the shots, having abandoned the former ‘couch potato’ role.*

*In the end, the solution does not lie merely on the convergence of means and on migrating part of the TV schedule outside the television. After all, as has been previously mentioned, prime time is that time of the day when viewers decide to pay attention to television content, and not only on television itself. In turn, when reflected on the quantitative figures of dedicated audience, attention becomes the treasure TV networks must hunt for, not only for the sake of profitability, but also because of market survival, for TV networks are clearly competing among themselves, but especially against the myriad of information available in the different media platforms.*

*As such, the challenge lies not only on attracting consumer attention at times where advertising insertion prices may be more expensive, but especially in attempting to understand the contours of the new media consumers (which go beyond viewers). These new media consumers are empowered, deemed as mobile targets with broad access to information and are multiscreeners (consume content in multiple screens) at the times that best suit their tastes and routines.*



## **Increasing Audience Potential as Time Slot Are No Longer “Prime”**

*The new scenario referred to above is likely to trigger possibilities related to content production itself. Content must be associated for the converging dimension of the media, and structured in media strategies based on participative culture. After all, viewers (and media consumers, on general) are migrating between platforms and consuming content without any distinction as to the support (as is seen in the growing consumption of mobile television).*

*It is therefore necessary to focus on enhancing multi-platform distribution: corporations operating in different media have already implemented such a production model, as is the case of TV Globo. TV Globo’s “prime time” content is available online, at any time, on digital platforms, on its website and even in social media, such as on YouTube and Facebook.*

*In order to further broaden the scope of this change of scenario, consumers eventually contribute as “creative agents” as they interact, promote and even produce parallel content – which also expands and enhances the audience’s reach in network spread, by means of connections in different platforms.*

*Though the pathway still has unclear and inaccurate adjacencies, thereby calling for the ongoing monitoring of the ethos of the new audiences (in the different supports) that are in full consolidation process, also bearing in mind the reconfiguration of old consumption practices and methods; together, all such factors impose great challenges to all media and not to television networks alone, which are starting to witness – though wary and baffled – the fall of their “former prime times”.*

# [ From Consumer to Partner ]

## **New Generation Creating Digital Content**

In the late 1990s, thanks to their forums, blogs started developing their own form, leaving behind the connotation of being merely an online journal.

Blogs became part of everyday life for easily promoting interaction between readers and writers or even among readers, bringing information alive and opening room for discussion on the matter.

Communication became a two-way street.

Today, the blog format has been such a huge hit that companies have seen a way to establish and keep closer contact with clients thanks to the platform.

Such realization gave rise to the need for professional bloggers – and, consequently, to a new profession.

How to manage all at the same time? That's the new challenge.

## Where Will Content Production Come From? Blogs, Tutorials, Gamification...

〈 **Soraia Amaral**, *Ipsos Loyalty* 〉

**Have you ever heard of the maxim of communication process: sender – message – receiver?**

*Very well then; forget about it!*

*Until very recently, everyone was used to being the passive party to such process, in which a single and immutable sender transmitted the message, with no answer.*

*Mass media vehicles were reference to send messages and render them real. TV, radio and newspapers reigned sovereign. Each vehicle had its target and efficiently reached most of the population. Communication was unilateral.*

*It has been a few years since this process began to change – and this was precisely when Blogs first came about.*

*As a member of the Y generation, I have lived through this process.*

*From the 1980s/1990s – when TV dictating everything, from fashion to rules and acceptable behaviors for society – to the dawn of the digital era, with computers invading homes and bringing dialed internet with them. This process was truly a revolution in communication.*

**And how about this new generation – generation Z?**

*It was already born together with the www – they are practically twins – and has no idea how to be different from it. For this generation, surfing (or zapping) means far more than merely changing channels during commercial breaks: it is a way of dealing with the many stimuli received during the day.*

*In addition, there is the possibility of doing everything at once: watching TV whilst surfing the web and chatting on apps. There is a need to share.*

*This new generation believes that moments lose their meaning if not shared.*

*While watching the last episode of his/her favorite series, for which he/she had to wait seven long days to finally know what happened, a millennial will post an image on **Instagram**, a tweet and its hashtags or a comment on his/her timeline, which will soon be filled with comments on whether the episode was worth the wait or was extremely frustrating.*

*Regret comes immediately thereafter – this would not have happened if the millennial had watched the episode on ad-free **Netflix**, with no pauses, in his/her time. After all, this is exactly what generation Z expects: for things to happen at the rhythm they dictate.*

*The scenario we are currently facing reveals a plethora of blogs about everything and everyone; from personal, to corporate to gender-related blogs.*

*Each blog is built on a daily basis, according to their purposes, whether by lives shared, contacts established between companies and their clients or tips and suggestions on films, food or hair products.*

*Now, companies/brands hire people to create blogs to communicate with their clients. Companies assume human characteristics and are perceived with a more emotional tone, as a **Facebook** friend.*

*Such new professionals endorse campaigns, produce tutorials, have **YouTube** channels and are very influential, as brands have already acknowledged.*

*Brands are not the only ones that profit from this new process: the personalities of the online world do, too! Fashion bloggers, for instance, increasingly become celebrities and are seen at prestigious events, as is the case of the Fashion Weeks worldwide. They are the so-called It Girls.*

*It Girls have thousands of followers and likes on everything they post – irrespective if it relates to charity or makeup steps and tips. Aside from being celebrities, these bloggers have achieved the status of experts – though no one knows exactly in what.*

*Whether retained by companies or otherwise, this new generation is creating content sharing and liking – all at once.*

*If information once belonged to a leading media company, no one owns it nowadays; or better yet, information belongs to everyone and is subject to editing.*

*Anyone, anywhere may comment, challenge, like and share information in a split second – all it takes is a click. Anyone who has internet access may become a film reviewer and write comments on the Oscar nominations, or become a nutritionist and design a healthy diet on how to lose 5 Kg in two weeks. One may also become a personal trainer by sharing one's workout routine that makes the eyes of those looking for a new practice shine.*

*No one is interested in whether you have a degree in film, studied nutrition of physical education. You have information and you shared... from now on, it belongs to whoever reads it.*

*But does this generation that shares everything it sees, filtered by its 20-or-so-year-old-eyes, actually know what it is saying?*

*The millennials barely knew how to walk when Brazil impeached its president, and nowadays claim for impeachment using pictures of themselves with their faces painted in green and yellow on Instagram and political speeches on Facebook, nailing thousands of virtual likes.*

### **Does this render the millennials less critical or skilled to speak of and share their opinion?**

*The fact of the matter is that there is no right or wrong in this case. Free production of content is an achievement of freedom of expression (whether questionable or otherwise) and of the possibility of exchanging information alike.*

*Real life is mistaken for virtual life in this scenario. People who were once friends may now be followers and gain infinite connotations as to what they mean.*

*There is no longer a fine line between the real and the online world. It is official: they blend into each other.*

*Perhaps you may not even be aware of the term, or not know exactly what it means, but you have certainly experienced “gamification”.*

*Though it has a mix of meanings, gamification may be summarized as the strategy that uses game mechanisms to increase involvement and create user engagement. Gamification is a great opportunity for brands, which may use the principles of games to engage their clients.*

*Gamification may be seen in everyday life, in several areas – including in the work environment, in which points are earned at every achievement. We experience gamification on a daily basis, and it seems increasingly common to treat daily challenges as phases in a game where the best player wins in the end.*

*However, when in doubt as to how gamification works, all it takes is conducting an online search. There are several tutorials available on how to create a blog, how to develop a gamification-based strategy, how to bake a cake, how to put on makeup or anything of the like.*

*Instruction manuals and step-by-step instructions are expressions we barely hear nowadays... we practically do not realize they still exist. No one reads manuals on how to use or do something. We look for such information online, for there may always be someone who can explain things in an easy-to-understand, non-technical fashion.*

*Brands currently face the challenge of being perceived by their targets as a “profile worth following”, which goes far beyond following their official Facebook page. It means engaging targets to participate, understand, share and become a part of something...*

*Consumers are increasingly eager to relate with what they consume. Being the most “willing” brand in this scenario*

*may be the difference between success or being forgotten in the millennial minds.*

*It also means being quick! Timing is adamant in this scenario – at the risk of remaining unseen in this world of digital stimuli.*

*The world is getting smaller for this generation, by the minute, as they increase the speed in which they surf through channels, sites and apps as they live both their lives and pages.*

*If brands are finally able to reach and motivate this audience, they might not actually refer products orally, as our generation used to do, but they will certainly share them.*

*After all, how fun could anything be if it could not be shared?*

## 「The Streets Belong to Everyone!」

《Lucymara Andrade & Teresa Barreto,  
Ipsos Connect》

*From Latin, wrinkle or groove. Public thoroughfare sided by houses or walls, in an urban context (towns, cities, etc.)<sup>10</sup>. Space between houses and built environments where one walks and goes through. Endless definitions of a place one sees and uses everyday. Dictionaries are an easy-access source of knowledge, even for those who have never explored their pages. However, it is interesting to reflect on João do Rio's<sup>11</sup> suggestion when saying grammar is obscure, for the street is far beyond that: it is a place that is becoming a factor in the life of the cities. Or simply:*

*“[...] streets have a soul!” (DO RIO, J. 1995, p.46)*

*In the 1920s, sociology and anthropology reformulated the city as an urban object. Several authors dedicated themselves to*

<sup>10</sup> Michaelis – Dictionary of Portuguese Language.

<sup>11</sup> João do Rio is the pseudonym of João Paulo Emilio Cristóvão dos Santos Coelho Barreto, Brazilian journalist, author of short stories, translator and playwright.



*the study of this particular set of social relations, in addition, of course, to the ultimate assessment of its physical spaces. American sociologist and one of the founders of the Chicago School of Sociology made an extremely interesting contribution to this analysis<sup>12</sup>. Park made a widely known proposition: using the city as a sort of laboratory to analyze human nature (PARK, 1967). According to Parker, the city is a mosaic of places, people and ways of living, in which the street – as one of its ramifications – plays the main role.*

<sup>12</sup> In general lines, the School refers to the group of professors and researchers of the University of Chicago in the 1920s, which made several contributions to sociology, social psychology and communication sciences.

### **Can the origin of the streets be traced back exclusively to geographic and population-related issues?**

*Perhaps. Is the reason for its birth the creation of specificity, individuality? Yes. Analyzing the street provides for a rich debate on several aspects: first of all, it is not possible to conceive a city without streets, and especially because it is possible to go beyond the dimension of daily life present in its forms, for the street is the locus of social relations. For some, it is merely a thoroughfare; for others, it is the stage of several events, in constant movement, and, as such, social life manifests itself on the streets.*

*The street is “multiple, with several functions and uses that go beyond architecture”<sup>13</sup>: it is a meeting point, bringing together different people, styles and ideas at a common place. From the political protests that took millions of people to the streets to express their dissatisfaction, to all sorts of different cultural manifestations, the street is the expansion of all the feelings of the city and a universal symbol that is increasingly drawing people’s attention (and hearts). Street art such as graffiti and the circus, street fairs, events and art and food-related collective movements are already part of people’s daily lives, rendering the process of reclaiming public spaces seen in the past couple of years more dynamic.*

<sup>13</sup> SANTOS, C. A cidade como um jogo de cartas. 1988, p.91

*In this scenario, the cultural event “Virada Cultural” organized by the city government of São Paulo is the perfect example to illustrate this process. Since its first edition in 2005, the event has attracted several people to different streets of the city of São Paulo. Perhaps plurality is the term that best defines the event: according to the Department of Cultural Affairs of*



*São Paulo, the Virada offers music, art, gastronomy, exhibit and interventions for “people of all age groups, social classes, tastes and tribes who simultaneously occupy the same area of the city”<sup>14</sup>.*

<sup>14</sup> Homepage of the “Virada Cultural” event: <https://www.facebook.com/events/1453618771596218/>

*There are also several initiatives to create cultural collectives (non-for-profit independent organizations) that offer spaces of all types to all sorts of people, promoting both art and culture. Such collectives take theater, music, circus and painting to the streets. Certain collectives not only use public spaces but also create them, renovating old houses to receive anyone who is willing to make a contribution and also to learn, thereby sharing one’s culture with each other. Such initiatives take people away from their routine and render art and culture accessible to everyone, thereby increasing the value and helping everyone enjoy the city. This trend is likely to continue increasing.*

*It is also worth mentioning the street carnivals. According to the study conducted by the Tourism and Events Observatory of the City of São Paulo, study and research center that is part of the Department of Cultural Affairs<sup>15</sup>, indicates that the number of ‘paulistanos’ (as those who live in São Paulo are referred to) who stayed in the city because of the street carnival was 33% above the number of people who attended the parades at the Sambódromo. 90% of such paulistanos said it was easy to circulate on the streets.*

<sup>15</sup> Study available at [http://www.observatoriodoturismo.com.br/wp-content/uploads/2015/02/CARNAVAL\\_2015\\_RUA\\_SAMBODROMO\\_MIDIAS.pdf](http://www.observatoriodoturismo.com.br/wp-content/uploads/2015/02/CARNAVAL_2015_RUA_SAMBODROMO_MIDIAS.pdf)

*Graffiti art is also another good example that reveals the evolution of street art and the increased number of artists in the city of São Paulo. Graffiti art was not even considered art a couple of years ago and is now mentioned in the São Paulo city guides as a must see/do. One of the most popular places to see street art are the alleys of the district of Vila Madalena, the Open-Air Urban Art Museum (first ever in the world) and Avenida 23 de Maio, among other places.*

*Amidst this growing (and progressive) reclaiming of public spaces, is it possible for brands to follow such trend? One believes so. As a social space, the street is a place in which connections and new interactions take place. Investing in urban spaces is a great opportunity for brands to establish a relationship with their consumers.*

*Why hit the streets? In this dynamic scenario, it is increasingly clear that ads are not the only way to reach consumers. Battles for consumer attention are growing faster and faster, especially because consumers access and interact with several media. These are the so-called multiscreeners, who already total 51 million Brazilians<sup>16</sup>. Multiscreeners are highly connected consumers who seek different experiences that provide for socialization.*

*Brands are no longer able to reach consumers if they offer more of the same: it is necessary to transform speeches into action, for actions take people to the street<sup>17</sup>. Especially after the World Cup experience, whose spontaneous events brought together people from all over the world to the cities' streets.*

*Fiat managed to profit from this moment with ad campaign "Vem Pra Rua" (literally translating into Hit the Streets), inspired by the 'Brazilian party' during the sports events. It was a massive campaign whose purpose was to generate engagement among Brazilians, having the street as the main stage of this encounter.*

*A significant part of the migration of the brands to the streets is also the identification that it is possible to have a purpose and to generate something in exchange for society at urban spaces, something to which Brazilians relate. Brands are profiting from the sensation of 'doing good'. On this matter, it is worth mentioning an interesting and pioneering initiative in Brazil, "Project Sampa", a sustainability project organized by the City Government of São Paulo together with bank Itaú and companies Serttel/Samba. With the purpose of leading an increased number of people to the streets, the initiative made bicycles available at different subway stations, spread throughout strategic places in São Paulo. The initiative is a solution for short-distance transportation and also facilitates mobility in urban contexts.*

*Consolidated brands are also riding the wave of the recent movement. The creation of urban spaces and food parks, as is the case of the Butantan Food Park<sup>18</sup>, concentrates different styles brought together for the same reason: offering good food at urban spaces.*

<sup>16</sup> Multiscreeners  
Composition: Having a computer/desktop/laptop/tablet either individually or at home, as well as a colored/digital/cable/HDTV TV at home, and an individual smartphone/iPhone or mobile access to the internet, which access was made in the past 30 days. Source: IPSOS: EGM Marplan Studies – Quarterly Bases – Jan to Dec, 2012 to 2014 – 13 markets - Filter: ABC 15-49 years.

<sup>17</sup> <http://economia.estadao.com.br/noticias/geral/quando-as-marcas-decidem-ir-para-a-rua,1664111>

<sup>18</sup> <http://www.hypeness.com.br/2014/05/food-park-sao-paulo-ganha-area-exclusiva-para-food-trucks/>

*Certain brands also have partnerships with the Food Trucks, as is the case of Irish whisky **Jameson** and even brands that created their own Food Trucks, such as **Vigor Grego** and **Seara**, one of the highlights of this category. Seara created the “Social Food Truck”, a connected and social food truck. With the “quality will surprise you” slogan, the brand uses its own products in the meals, which people may post and exchange for “likes” and “shares” in the social networks.*

*Other brands also make substantial investments in music events outdoors and in several parks in the city. **Nivea** was one of the top highlights last year, when it sponsored the “**Nivea Viva**” festival, which brought together several singers in honor of the most prestigious names of Brazilian Popular Music.*

*Brands must be increasingly creative and hit the streets to connect to consumers who become truly involved with the events and are active participants of several cultural manifestations. As **Bob Heussner** says, “there are business reasons to make brands come alive on the streets”<sup>19</sup>, and strategies must be aimed at this scenario, bringing people and groups together to encourage urban transformation.*

*Nowadays, it is important for brands to have a more active role than just participating in an event. Being aware of the current trends, with increasingly proactive consumers who take part of the interactions between culture and the streets, it is essential for the brands to want to be both the event and the experience, and to connect with the public at the right places and right times.*

<sup>19</sup> Bob Heussner is the global director of the Jack Morton Olympics division: <http://www.meioemensagem.com.br/home/comunicacao/noticias/2015/04/14/O-show-das-marcas-sera-na-rua.html>

# [ Song ]

## Brasis

Tem um Brasil que é lindo  
Outro que fede  
O Brasil que dá  
É igualzinho ao que pede...  
Pede paz, saúde  
Trabalho e dinheiro  
Pede pelas crianças  
Do país inteiro  
Larará!...  
Tem um Brasil que soca  
Outro que apanha  
Um Brasil que saca  
Outro que chuta  
Perde, ganha  
Sobe, desce  
Vai à luta bate bola  
Porém não vai à escola...  
Quero ver o seu povo  
De cabeça em pé...(final 2x)

Lyrics and Music: Gabriel Moura / Seu Jorge™

# Conclusion 1

Have Brazilians changed? Brazilians have been thinking more after being hit by the country's political and economic crises and uncertainties haunting everyone, irrespective of social class. *“And what now? What will be of us?”*

The Ipsos 2014 Trend Observer study monitored seven trends in thirty cities worldwide. Two of said trends have to do with the effect events in Brazilians' behavior: ID Quest – Identity Management and Know Your Rights – Self-Indulgent Consumption.

ID Quest discusses “the rise of the feeling of Nation”, which rethinks Brazilian-ness: is it limited to samba alone? World Cup clash? Pseudo-shock resulting from President Dilma's election; shock caused by the corruption scandals and imprisonment of top executives. At least 27 cities in Europe, US and Latin America were involved in the protests organized by Brazilians living abroad.

The 2014 Know Your Rights trends speak of Human Valuation and Increased Rationality. In Brazil, consumption is likely to be more objective, though present in everyday life (class C ascension – consumption maturity – goes beyond assets). Consumption should focus on knowledge, travel, services, actions and cultural activities. Ideas such as low cost, swap fair, reuse and outlets are even present, as well as the Crisis + Awareness (both economic and environmental) + Intelligence equation. Luxury, in turn, is connected to social, environmental, educational and health causes.

Brands are increasingly closer to people thanks to actions at parks, on the streets and squares.

The roots of the Know Your Rights trends lay in the claim that *“consuming is existing”*, and therefore in interpreting the moment Brazilians are currently leaving, which involves questions being asked, the pursuit of engaged consumption, reflections on ethics and even ideological consumption – Brazilians are becoming more critical and demanding.

Brands will have to be closer to consumers and have an appropriate, engaged and believable speech. It is necessary to bear in mind that there is no return to being collective. There is a perception of proximity between the meaning of “*streets and networks*”: living in community, freedom, exposure, discoveries and the new. There is a need to socialize, live together and get to know people – even those only known online – to come closer to those that have similar interests as ours.

## Conclusion 2 – Brazil 2016: Never Stop Growing Up

Adolescence is a fantastic and challenging time.

Everything seems possible and practical, but society lays down rules and boundaries. Energy versus brakes; will power against limits; these are the dramas of teenagers as they move towards the adult world.

This individual tension became collective this year with the economic and political situation that caused Brazil to face difficulties.

There was a hint of enthusiasm in last year's air. As before each election, when the country – regardless the outcome – projects itself into a desire for the future. It was not uncritical, but it was still possible to be light.

At this stage of disenchantment with the current sequence, criticism becomes radicalized as the society hardens itself. The will for change is strengthened: it is reflected in willingness to general emancipation that upsets routines and conformism.

Better informed, more and more lucid and demanding, the consumer-citizen matures confident in himself and in his own resources.

About the Puzzle Saga, Felipe Hirsch wrote: *“Brazil abandoned the magical realism to crudely and concretely face a reality that is increasingly complicated.”*

2016 will mark the opposition between hope and pragmatism, tension which moves lines and changes the game.

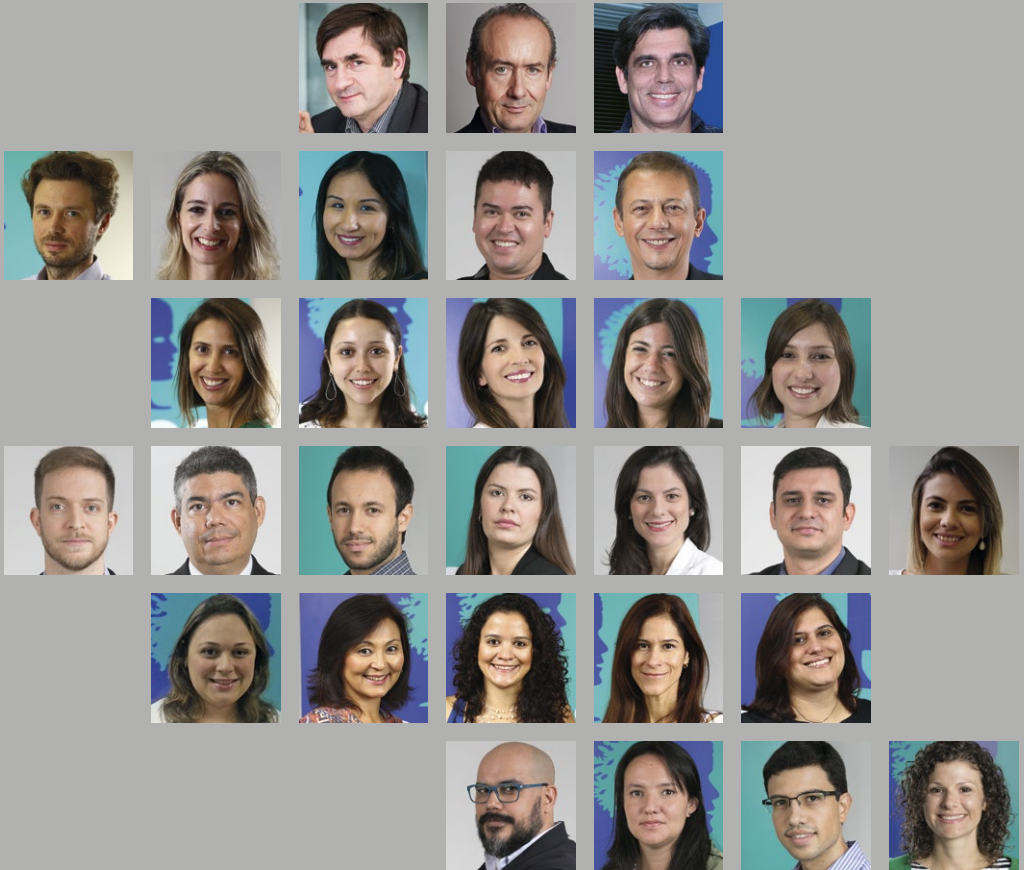
Otherwise, it will be the time of choices, the harder thing for a teenager to do but the most decisive for his future.

Sandra Zlotagora Pessini and Yves Bardon  
(June 30, 2015)





Creation/production Ethane  
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Our 29 experts are pleased to present the second edition of Ipsos Flair Brazil. Thanks to their work, you can learn how to take studies a step further in order to discover the true values and expectations of Brazilians, where assessment meets intuition.

