



# Creating beauty at the base of the pyramid

## Brazilian hair care firm Beleza Natural thrives by keeping close to its roots

**D**uque de Caxias is a Brazilian city of over 800,000 just north of Rio de Janeiro city limits, right on the flight path into Antonio Carlos Jobim International Airport. Better known for its smoky petrochemical plants than for fashionable beaches, Caxias, as most people call it, is an orderly though gritty town whose working class and service economy are benefiting from Brazil's sudden surge of prosperity. Nevertheless, it is a place that Cariocas - as Rio's denizens call themselves - are likely to avoid as they speed through the city over its highways on their way to mountainside country homes. For even the most intrepid tourists, Caxias is invisible despite its Oscar Niemeyer-designed public library, which is justifiably a source of local pride.

The commercial center of Caxias features one of the most successful outlets run by Beleza Natural, a chain of beauty salons and related hair care products targeted to Brazil's women of color. More than 65 percent of Brazil's population has the wavy-to-kinky hair that reveals roots in Africa and this had always been an issue for black and mixed-race Brazilians.

That is, until Beleza Natural - which translates as "natural beauty" - began to promote products and services that gave its generally low-income consumer segments an alternative.

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### snapshot

On-site visits help researchers understand the icons and ideals used by a Brazilian hair care firm to both inspire and form a bond with its working-class customers.

“When a black woman enters a traditional salon, she feels discriminated against,” says Leila, the business school-educated sister-in-law of the company’s founder, who today heads Beleza Natural’s marketing and public relations efforts. (Note: We adhere to the Brazilian custom of using only the first name or nickname to show familiarity and admiration. For example, the country’s president, Luiz Inácio Lula da Silva, is universally known simply as Lula.) “It’s not just a social thing but also a hair care issue.” This is the basis of Beleza Natural’s brand equity - delivering the most effective products in an environment perfectly suited to its customers’ otherwise unmet hair and beauty needs.

### **Bold challenge**

Numerous case studies have pro-

liferated in the academic literature following C.K. Prahalad’s bold challenge in his book *The Fortune at the Bottom of the Pyramid*:

“If we stop thinking of the poor as victims or as a burden and start thinking of them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity will open up.”

A good deal of this scholarship has described how useful and effective marketing principles can be as a tool for economic advancement among the poor. Whether on behalf of multinational corporations seeking to expand sales among what has become known as the “base of the pyramid” (BOP) or in support of indigenous entrepreneurs originating in developing segments, advocates of this approach have demonstrated that bottom-up

models of economic growth can augment or even substitute for top-down, government-driven programs.

These studies concur that citizens of modest means indeed represent a poorly-served but eager market for goods and services and they stress the importance of appropriately scaled financial, production and distribution units in product development and sales. Many also point to the advantages of engaging BOP consumers in co-creation and co-marketing of products targeted to their segment.

### **Latent power**

Beleza Natural certainly represents a model for how low-income entrepreneurs all over the world can use the latent power of the underclass to achieve marketing success. It aims to be more than a



hair care company because it strives to deliver personal empowerment and economic development alongside its beauty products.

In order to better understand the basis of the Beleza Natural brand value proposition and to gain insights into how its equity could be extended, our team visited two salons in January 2009 to make observations and conduct informal interviews with staff and customers. Participant observation is the traditional ethnographic technique for gaining consumer insights and we must confess that our principal author immersed himself in the experience beyond the call of duty and was given a full hair treatment.

The Beleza Natural brand is completely entwined in the personality and story of its founder, Zica. Starting as a maid, nanny and street vendor, Zica eventually undertook training as a hair stylist. In this role, she became passionate about the absence of appropriate products to care for Afro-Brazilian women's hair. Working with local suppliers and using her own family and loyal customers for experimentation, she finally came up with a formula to meet their needs.

She sought to go into business with her husband, Jair Conde. However, her determination was not enough when she appealed to bankers for financing. Unable to raise capital for the venture, her brother Rogerio and his fiancée Leila offered a solution. Joining forces, the young couple on the eve of their wedding took the money they had intended to use for buying furniture and, instead, invested in the business.

Leila had risen through the ranks at McDonald's from server to manager, before undertaking an executive MBA at the COPPEAD Graduate Program of the Federal University of Rio de Janeiro and was able to bring her business knowledge and management understanding to bear on the growing hair care operation.

Anthropologists often talk about the importance of creation myths in substantiating belief systems that generate meaning to social groups.

The story of the chain's founding provides Beleza Natural with a symbol for the yearnings of its customer base. Similarly, Zica's character and qualities offer a role model while being emblematic of the brand personality: pretty, of humble origin, accustomed to hard work, talented and eager to advance economically.

Zica's initials conveniently express the brand's core values and are emblazoned on placards throughout the store: "Zeal - Innovation - Competence - Atmosphere." These are values that customers almost never hear from other brands that target them.

Prahalad has argued, in a similar vein, that marketing success with BOP consumers is based on ensuring that brands embody such values as dignity, choice, attention, respect and trust. Beleza Natural certainly communicates these ideals in the salon's physical space, its brand image, product array, consumer understanding, customer service model and personnel policies.

### **Bustling array**

Our team, together with Leila, enters Beleza Natural from the noisy, crowded shopping street. The outside world of downtown Caxias is a bustling array of small shops featuring stacks of clothes, school supplies, snacks and drinks, consumer electronics, hardware and repair shops and other personal care establishments. A string of waiting buses belch smoke. The shop is located two blocks from a large *favela*, an informal squatter settlement, rife with crime and gang warfare, not far from Rio's main garbage dump.

The contrast is dramatic. The salon is an open, airy and grandly scaled, two-story retail space, staffed with dozens of young and attractive women drawn from the same neighborhoods as their customers.

The environment may seem somewhat antiseptic to many North Americans, with its bright lighting and tiled walls that seem more like a well-run hospital or health clinic than a beauty salon. However,

to its local customers, the bright colors of the interior, exquisite detailing in marble and granite and unexpected touches like gossip magazines and fresh flowers invite customers to linger and enhance the store's aspirational image. Above all, the space communicates feelings of safety, security and caring.

There is a queue with over a dozen women waiting at the reception desk that leaves us momentarily concerned that the long wait is inconsistent with the salon's service philosophy. Quite the contrary, we are assured by the customers, who think of being in line at Beleza Natural as a display of social status and an opportunity to watch the action and make new friends - much like the feelings of trendy young people lining up at the entryways of nightclubs on Los Angeles' Sunset Strip.

All of the staff and most customers recognize Leila when we enter and her infectious charm radiates as though she were a celebrity film star instead of the boss. Deep hugs, double cheek kisses and questions about kids, parents and boyfriends greet the staff, smartly attired in white uniforms. Leila is equally friendly toward a sampling of customers and she needs no introduction. She thanks people for coming, asks where they are coming from and compliments many on their new hairstyles. As she steps away and allows her guests to preen before her, Leila makes them feel like the stars of her show.

### **Highly personalized**

Beleza Natural's service delivery process may seem a bit bureaucratized and standardized for North American middle-class tastes. Nevertheless, it is organized for efficiency yet highly personalized at every step of the way. Moreover, the process is totally consistent with its customers' expectations.

The service experience begins with an intake interview that captures critical information about the customer's tastes and hair characteristics in a computer database. This record then tracks the customer's interactions with the brand over

time and provides continuous marketing information.

This is not the only way that Beleza Natural tracks its customers. Zica, Leila and other members of the leadership team reach out to current users and prospects by visiting them at the factories where they work and scheduling special breakfasts and lunches to gather feedback and promote new offerings. They conduct monthly customer satisfaction tracking studies. Additionally, in-store suggestion boxes labeled "Speak with Zica" and Web-based communication methods guarantee that customers know that the brand listens to their concerns.

The typical visit to the salon takes about an hour and 20 minutes, during which customers are walked through specialized work areas for shampooing, coloring, cutting, conditioning, etc. At each location, they are passed along to personnel who interact constantly, offering tips while chatting about things in general. Validation and promoting self-worth are consistent features of the entire experience. Stylists are encouraged to take a friendly and helpful approach, acting as advisors and consultants to women who customarily don't have access to professional hair care advice, teaching women about beauty and techniques of personal care.

### **Encouraged to be reborn**

The salon is a safe-zone where customers are granted freedom of personal indulgence and encouraged to be reborn into an alternative self-concept. Inside Beleza Natural, they are no longer slum-dwellers living on society's margins.

Beleza Natural's service personnel are role models drawn from the same neighborhoods as their customers and are professionalized through internal training programs that share the ethos as well as grooming techniques.

Marisa (not her real name), a

confident, well-spoken and attractive 22-year-old, is a typical staff member. Working at the salon for six months at the time we spoke, Marisa had been a Beleza Natural customer before setting her career aspirations in the direction of hair care. She reports having struggled for six months to gain a position at the salon following her breakup with a boyfriend. Asked about her feelings about working for Beleza Natural, she cheerfully says, "It has helped me regain my sense of self-worth but I have not yet replaced my boyfriend."

### **Aspirational image**

Decorative posters throughout the store and a sumptuously-printed catalog feature gorgeous models showcasing the hairstyles available at Beleza Natural. Everyone knows that these women are selected from the salon's customers and service personnel, some of whom have parlayed their in-store debut into lucrative modeling careers.

Salon surface materials and designs are higher than what is normally affordable to its customers; the brand personifies an aspirational image. Consequently, it is often associated with special occasions and critical experiences - such as weddings, birthdays, celebrations, going on a job interview, starting a new job - rather than regular usage.

Pricing is also highly aspirational. A full-service treatment costs 90 reais (about \$50), which represents approximately 20 percent of the monthly salary of the salon's targeted segments. As a convenience to its customers, Beleza Natural allows them to pay the fee over three installments. Brazil's poor are notorious for saving money for indulgences; a famous song celebrates how people save for an entire year for their fabulous Carnival costumes. Similarly, a Beleza Natural treatment is considered a treat worth saving for.

People's aspirations are commonly expressed through their

children. Not surprisingly, Beleza Natural provides an extensive program of child care so kids can enjoy the environment while their parents are receiving treatments. Additionally, it features child-scaled fixturing and stylists who specialize in children's hair care. A promotional program focused on Zicquinha (Little Zica), a juvenile cartoon version of the chain's founder, illustrates the section of the shop focused on younger customers.

Since treatments are expensive, Beleza Natural encourages customers to bring home the brand between visits with reasonably-priced hair care products. Sold exclusively at the salons, the extensive product line helps customers preserve the styles they have achieved inside the store while also keeping the brand alive in their homes on a daily basis.

### **Loyalty and devotion**

In the last 15 years Beleza Natural has grown from nothing into a significant regional brand. It has cultivated loyalty and devotion by delivering products and services that meet customers' needs in an environment based on choice, attention, respect and trust, consistent with best practices for marketing to the base of the pyramid. The brand and its leadership symbolize customers' own aspirations and achievements.

Constant communication guarantees that the brand experience continues to deliver something unique and special. Most importantly, Beleza Natural acts as an economic development program in the neighborhoods in which it operates, raising the income and status of its workers. At the same time, the operation consistently advances the self-image, empowerment and strivings of its customers. It is not a stranger within its community but organically linked to the story that it tells and the pride it promotes. | Q