Business Model in Brazil - Natura

Making innovation and maintaining the good and healthy relationship with customers, clients, employees and business partner are the key values for Natura (the largest Brazilian cosmetic company). According to Wesley (an employee of Natura), Natura has R$ 4.3 billion gross revenue and R$ 462.3 million of net income. Natura markets 900 products with 36 brands in direct or indirect sales. Some of their unique products tend to bond mothers or fathers with their babies by using love as their strategy. They have increased sales by using these strategies. Natura has its own hospital, daycare and entertainment center to meet their employees’ needs. This business model of Natura in Brazil showed that success in business is all about innovation and connection.

Education

Typically, Brazilians only contribute a very small portion of their income to education. In my opinion, education is the most important investment for their life. Statistics indicated poverty is relatively high for young people in Brazil. This definitely appears to be linked with education.

Allocation & Investment of Household Income

There are more than 1% of Brazilians with inadequate housing and more than half of them live under the poverty line with no access to normal banking facilities. On top of that, Brazil is a very expensive country to live. Sao Paulo and Rio de Janeiro are the top 10th and 12th most expensive cities in the world. It is even higher than New York city (which was ranked as the 32nd most expensive city in the world). This led me to investigate how Brazilians allocate or invest their income. The statistic below shows that Brazilians spend the majority of their income on housing, food and transportation. Basically, most Brazilians, especially the lower classes of Brazilians, only use their income to satisfy their basic needs. They don’t have money to save or invest in luxuries or financial products. Lack of education is usually the main factor for poverty. This pie chart shows that there is only 3% of Brazilian’s income going towards education.

Housing

Sao Paulo and Rio are both high traffic areas. Most people can’t afford a car in the city. So, they have to spend a lot of their income on transportation. Food is also very expensive in Brazil. Even fast food meals cost about R$40(10 dollars). When food is very expensive in Brazil, people can’t afford a car in the city. They have to spend a lot of their income on transportation. Even fast food meals cost about R$40(10 dollars). People that make less than minimum wage have less money to save or invest in luxuries or financial products. Lack of education is usually the main factor for poverty. This pie chart shows that there is only 3% of Brazilian’s income going towards education.

Transportation & Food

Sao Paulo and Rio are both high traffic areas. Most people can’t afford a car in the city. So, they have to spend a lot of their income on transportation. Food is also very expensive in Brazil. Even fast food meals cost about R$40(10 dollars). People that make less than minimum wage have less money to save or invest in luxuries or financial products. Lack of education is usually the main factor for poverty. This pie chart shows that there is only 3% of Brazilian’s income going towards education.

Takeaways

I experienced a lot from this trip to Brazil. We built connections with each other while traveling and did activities together. We learned successful business models from a variety of industries. We experienced the Brazilian culture by visiting famous places, participating in activities or tasting foods. I grew personally and professionally through this experience. Planning, teamwork and communication are necessary for traveling as a group. I learned how to make personal connections to help with business through Natura. They showed me a way to connect to the world by considering the heart! I was inspired by Victor (the founder of Nubank). Innovations help people grow and change from old business models and bring benefits to business. Brazilian professors and students provided me with some new perspectives to view the Brazilian economy with their poverty issues. It encouraged me to find a way for households to allocate and invest their income to grow in their life. The scenic spots, fun activities, and new foods have left me with great memories and an open mind to learning with a team, because it can help to build connections with people and makes innovation succeed in the future.

How to Grow with limit resources

Learning and experience are key ways for us and Brazilian to grow. We gained different perspectives through businesses in Brazil by visiting companies and working with Brazilian students. These learning and practical experiences offered us insightful observations. I believe that Brazil can grow their economy by investing education and practice proper income allocation as well.

Experience is the key!

CONCLUSIONS

To sum up, Brazilians can live better and stay away from poverty by rearranging their income allocation to contribute to their education gradually. This way, they can have more sophisticated workers to rebuild their economy and fix the gap of income inequality.

Learning in a practical way is the key for individuals, business or a country to grow!

Resources


Social issues in Brazil Web. <https://en.wikipedia.org/wiki/Social_issues_in_Brazil#/media/File:Complexo_do_Alem%C3%A3o.jpg>

Open Mind

Team            Learning

Learning has no limitation!