

How Door-to-Door Sales Made Cosmetics Firm Natura into a Giant in Brazil

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Countries all over the world are interested in taking the Brazilian brand Natura, leader in cosmetics, fragrances and personal hygiene in Brazil, to their market.

Since they opened a store in Paris, in April last year, the company has received orders from many parts of the world to do the same in their countries, according to the director of Internationalization at the company, Renata Ribeiro.

Natura, however, according to Ribeiro, plans first on reinforcing their presence in the countries they are in already before moving on to other regions.

Natura started recently a more aggressive process for entering the foreign market, going to France and Mexico last year. Before this the company sold to Chile, Peru, Bolivia and Argentina.

Chile, in fact, was the first country to receive the company's products, 24 years ago. The company's revenue with exports is still small: about 3% of sales, which last year was of R\$ 4.5 billion, the equivalent to about US\$ 2.08 billion, according to figures disclosed by the cosmetics firm.

According to Ribeiro, the company started planning opening a store in France in 2002, which happened in April last year. The store, called Maison Natura, works as a retail and also a distribution and meeting point for the consultants, who are the people who sell the products of the brand to the final consumer.

Natura follows the door-to-door sales system. In Mexico, in turn, they opened the Casa Natura in August last year. The point doesn't make sales, however, but works as a space for the consultants and for transmitting the concept of the brand.

Biodiversity

Natura works with a concept socio-environmental concept of business. The company, for example, uses elements of Brazilian biodiversity to develop their products in a sustainable way.

Due to their direct or door-to-door sales model, the company also generates income and work to many saleswomen in Brazil, which is one of the pillars of their social responsibility. The company has 519,000 consultants in Brazil and abroad.

Natura invests 3% of their income, according to Renata, in innovation. They create 180 new products per year, she said at a seminar at the American Chamber of Commerce (AmCham), in São Paulo.

The company was founded in 1969, but it was with the direct sales system, adopted in 1974, that the company took off. With the direct sales, the consultants, women of different social classes, who sell the Natura products in their work and home environments.

In the 1980s, the company grew more than 30 times in revenues. Entering new countries in South America, apart from Chile, happened in the 1990s.

Last year, the company's income increased by 27.7% over the previous year. Natura produced 200 million units of the products. Currently, the company has an integrated center for research, production and logistics in São Paulo.

The company also has commercial and distribution units in Itapeverica da Serra, in the state of São Paulo, and Uberlândia and Matias Barbosa, in Minas Gerais. In 2004, the company opened their capital and has shares negotiated in the São Paulo New Stock Exchange Market (Bovespa).

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