

a branded world

PODCAST

with
Luiza Campos



037 | DOING WELL BY DOING GOOD –
NATURA'S STORY WITH ALEX PEARL

EPISODE TRANSCRIPT

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A BRANDED WORLD PODCAST – 037 | DOING WELL BY DOING GOOD – NATURA’S STORY WITH ALEX PEARL

- Luiza Campos: [00:00](#) You're listening to a branded world podcast, episode number 37.
- Announcer: [00:08](#) Welcome to a branded world podcast where we explored great brands and give you tips, tools, hacks, and guides to create brands that captivate clients and drive growth in revenue. And now your host, Luiza Campos.
- Luiza Campos: [00:27](#) Hello everyone, and welcome to another episode of a branded world. A branded world is a member of the Alberta podcast network, powered by ATB, ATB has an initiative called ATBX. ATBX is for people that have an idea and they're ready to turn it into a business. It's like an incubator and an accelerator. It's a cohort of people disrupting their industries, so if you have a really strong idea and you're ready to turn it into a business, go to atb dotcom slash forward atb acts. For more information. The Rotary Club of Edmonton West on behalf of its entire district invites you to dream, connect, and inspire at the district five, three, seven zero conference in October. A number of stellar speakers, both local and international, are sharing their stories at this conference. Among them is Dr. Maryland Fitzgerald, founder of common ground solutions. A consulting firm that helps make sure humanitarian projects are effective and sustainable.
- Luiza Campos: [01:37](#) This conference is open to the general public. It would also attract rotarians from all over western Canada and the world, which means you'll be in a room with some of the kindest and most community minded people around. So come to the conference center in Edmonton from October Eighteenth to the 20th. You can learn more at conference five, three, seven, zero hyphen two zero, one eight.ca. And I'll make sure to add the link of this conference in the show notes as well, which you can find@abrandedworldpodcast.com. In today's episode, I am talking with Alex Pearl. Alex is the general manager for Natura Brasil for the US operations. If you're not familiar with Natura's brand, you have likely heard of some of their sub brands. Natura is comprised of, the Natuna brand, the body shop, and aesop. If you are from Brazil or South America, you are likely very familiar with the Natura brand. Natura is the largest Brazilian

multinational manufacturer and distributor in the cosmetics industry.

Luiza Campos: [02:47](#) And the company is committed to generating a positive social and economic impact through its businesses and all its brands. Their commitment is really remarkable. Natura started in 1969 and since then it has grown to be a company that has over 18,000 employees, has presence in 72 different countries and five continents and last year had revenues upwards of \$3 Billion. That's with a B. In 2014 Natura became the first publicly traded company in the world to receive a B Corp certification. And has continued to renew that. In 2017 for the fifth year running Natura, received the world's most ethical companies award and it's commitment to generating positive environmental economic and social impact has led the company to contribute to the conservation of 261,000 hectares of forest a, both the Amazon region and the Bio bridges project in Asia. So Natura is a very large company with a very wide global reach, a very successful company by all measures, but also a company with a higher purpose, a company with a true commitment to their people, to the environment and the communities that they are in.

Luiza Campos: [04:18](#) In this interview, Alex talks to us about the values that are the foundation for the company, their focus and reason for being, the importance that they give to the people, their processes, the spaces that they are in, the communities that they work with and how they always make sure that those values is their true north and that every decision they're making is based on those values. This is a really interesting interview where we find out how such a large company can be so successful economically as well as on their purpose, on their higher purpose and in achieving the values and the reason for existing. It can't be easy to have over 18,000 employees spread over 72 countries believing and knowing how to live by a set of values and pushing the company forward to achieve its higher purpose, but in a tudor seems like they have cracked the code and know how to achieve that. I hope you enjoyed this interview with Alex Pearl.

Luiza Campos: [05:20](#) Hi Alex. how are you?

Alex Pearl: [05:23](#) How are you?

- Luiza Campos: [05:24](#) I am well and I am a big fan, of course of Natura, and I am quite excited to share a bit of Natura's story and hear you talk about the Natura brand, but before I ask you to do that, can you just share with us a little bit about your background and when you started working for Natura and what attracted you to work for Natura?
- Alex Pearl: [05:49](#) First off, thank you very much for having me on a pleasure to be here with you and pleasure to share a little bit about. Natura. My story. I'll try and be quick. Um, I graduated from Emory University with a degree in mathematics and economics and they went back home to Chicago and was trying to figure out what I wanted to do, um, and really had always wanted to live in a place where I could fly fish and backpack. And so I kind of packed up my things and left the Denver and lived in my aunt's basement and look for work in Denver. Was there. I found a job at an electric company, the utility Xcel Energy. And after about a year of just kind of doing some contract work, they kind of promoted me and I ended up in the trading department, so I traded natural gas and electricity for a little while, about three years.
- Alex Pearl: [06:38](#) And I kind of decided that I wanted to do something a little more tangible where I kind of see instead of just financial results I think kind of touch and feel. And so I think like a lot of people who want to make a career change like that, you know, one of the best ways is because I can get your MBA. I was fortunate enough to be accepted to the University of Chicago. Um, and I went back to Chicago for my MBA and the big question was what are we going to do with this MBA? And then my wife and I kind of said, hey, why don't we try and use the MBA as opposed to maybe going to work in consulting or banking, which is the road frequently traveled to dry and do something very different. We really want to live outside of the United States. I'd always dreamed of learning a second language and so I did an internship in private equity in Montevideo, Uruguay.
- Alex Pearl: [07:27](#) Um, and while we were talking and we kind of traveled around, uh, obviously, uh, but also Argentina and Brazil, and at that point in time, this was 2009. Um, Brazil's economy is absolutely booming. I think you'll probably remember the front page of the Economist had, has taken off in the mountains. So the experience in that we had in Sao Paulo particularly was, was incredible. And we said, look, let's really try and find a job in, in Sao Paulo

Um, so it came back and started taking Portuguese lessons. We listened to Brazilian radio every night. I just need to try and kind of learn a little bit. I had to convince people that they should hire this gringo right from, from Chicago.

Alex Pearl: [08:13](#) I kind of, I made a list of companies in self. All of those shouldn't talking to in every kind of three day weekend I had or every vacation, Christmas, thanksgiving. I fly down to Brazil and try and meet people within the university Chicago booth school network. Um, in my family was involved in sustainability and as you know well Luiza, Natura that's a little bit their bread and butter, right. So they're looking for companies to think about sustainability in practice, sustainability Natura rises to the top. And so I was fortunate enough to get an interview with Natura and they kind of took a chance in hiring me. I think I was the first American company has hired. I'm still wanting to be on the American Brazilian experience and they hired me without, I don't even think they had a for me at that point, but I started in finance doing special projects.

Alex Pearl: [08:58](#) Then I moved into operations and logistics. Um, and then after that I moved into the new business group, um, and I was involved in the aesop transaction, so the Natura group now owns the body shop, which we purchased last September and then five years ago, more or less we purchased, aesop, so it was involved in that transaction. And then the company said, hey, we really liked to go international and meeting kind of the United States. We have a small presence in France. And they're like, look, you're kind of only American, um, why don't you go up and support that initiative. So for the past three and a half years I've been here, I'm building the Natura Brasil business from scratch with, with our team. It's been an incredible ride. And now in the US we have two stores and we have an ecommerce site and it's been, it's been fantastic. And building this operation kind of learning how Natura fits into the US market.

Luiza Campos: [09:51](#) That's a great story. Alex, can you tell us a little bit about Natura Brasil? It was founded in 1969, correct?

Alex Pearl: [10:00](#) Yeah. Started by Luiz Seabra And then, you know, I think they' grew tremendously through the nineties and early two thousands. The company went public on the Bovespa, which is a Brazilian stock exchange in 2005 and

it's kind of just continued to grow as the company goes about \$3B in revenue. So I think last I read was the 17th largest cosmetics company in the world. And that's amazing given that most of its revenue comes out of Brazil, Brazil, a lot of people don't realize is the third largest cosmetics, fragrancy and toiletry market in the world. So if you're kind of the biggest player in the third biggest market in the world, you're substantial in size. And we have a tremendous amount of market share. Yeah, there's very few companies that have as much market share in a market of this size, as Natura has. I think Shiseido in Japan has significant market share as well, which would be the closest.

Luiza Campos: [10:54](#)

Right. And it's incredible because of course, uh, in Brazil Natura is very well known in the United States where you are now trying to penetrate that market. And in Canada where we are almost no one has ever heard of Natura. So it's really interesting to see how such a big company that owns such a big market share in the cosmetics industry, which is one of the most, it's a tough industry, right? There's a lot of competition in that industry. So to be number 17 in such a competitive industry is no small feat that yet not, you know, the United States who is a huge market. It's not very well known.

Alex Pearl: [11:32](#)

No, absolutely. I think for, for all kinds of little operation here is one of the biggest challenges I think sometimes people take for granted. You know, who, who made the brand from South America, oh it's huge. Everybody knows Natura. But in the US, because it's such a competitive market, we frankly have never existed in the US. People don't know the brand. There's some industry people given our work in sustainability and given our size that. No, Natura just because again, they're in the industry, but for your average consumer or the person that we're. One of the people, I guess I should say that we're trying to attract. Um, yeah. Well we have zero brand awareness really in the US

Luiza Campos: [12:13](#)

And one of the reasons I wanted really to interview you is I am so drawn Natura obviously that you have amazing products that what I love about it is what the brand stands for. The brand has always, since it was founded in 1969 by Luiz Seabra, it was always about sustainability. It was always about the, about this commitment to with nature and with the communities in the Amazon and having that, working with them in a very sustainable way,

but it was also, I think about the way they see and promote beauty as being something that anyone is beautiful. Everyone is beautiful, you know, it was really trying to shape the image that they have of beauty, which is what we see now trending more. We see now a lot of cosmetic organizations just getting into that bandwagon. But it's always been part of an attitude, I believe. So can you speak to us a little bit about, Natura's brand and values.

Alex Pearl: [13:13](#)

You're absolutely right. So Natura's one of our mission statements is 'Bem estar bem' translated to English, wellbeing well a really the way you look at that as a separate one, is "ben estar" which is this, you know, um, which is really thinking about yourself and how you treat yourself and making sure you feel good about yourself and this internal confidence that they're working. Brazilians have quite a bit but Natura cultivates and the other one is the estar bem, which is that being well and that's how you are to other people and Natura doesn't stop it. Other people, you know, as you mentioned, the result really thinks about other things. It's not this interconnectedness, how you relate what you do relates to the world and how the world is all interconnected and release to itself. So most of the things that Natura does is always thinking about, you know, what the impact is on, you know, whether it's society or the environment, people, animals, the Amazon particularly. We have a project called projeto Amazon and the Amazon project that really has changed people's lives in that region. And it kind of happened in 2000 when we launched a the line Ekoz the lifeline of course, um, this idea of really giving back to the Amazonian region in a given to do. We've saved 237,000 hect acres of the Amazonian forest, which really is global importance given the global warming and what we're seeing. So, so in, in to get an idea, I didn't even know what I had to occur. One, yeah.

Luiza Campos: [13:13](#)

Biodiversity

Alex Pearl: [14:55](#)

Biodiversity which is used in most of our products. So you know, in a hectare acres is an international rugby field, so 230, 7,000 international rugby fields. Natura has managed to protect in the Amazonian region. It's just so important with the company is doing there and in the leadership position it's taken.

- Luiza Campos: [15:15](#) Wow, that's remarkable. Natura as you mentioned, has been in association with traditional communities in the Amazon since 2000 and you've also, I believe have been huge advocates and have been supporting a lot of Brazilian art through musical programs and other cultural programs and I believe you have other things that, uh, that you are doing in terms of what you do within those communities through education. You support a lot of, of education in school. So can you tell us a little bit about some of those things?
- Alex Pearl: [15:49](#) Sure. So just going back to the impact of the programa Amazon or the Amazon project. So I mentioned the amount of Amazon that we have basically protected. We 30 different communities, we work with over 5,000 families and it basically moved about \$300,000,000 of economic power money transactions through the region, which we talked about. for Natura always focused on sustainability. So involving people in the Amazon region, Para, Amzonia and other states it just, impacts a tremendous number of people in a very powerful way. Um, so we go in and work with the communities and the rea way to collect our seeds and fruits. We make sure that they leave a certain amount of seeds and fruits, something ground when they fall from the tree was to make sure that the ground has nourishment of the animals, have sustenance. Um, we also work with them and they're harvesting because it's very easy for Acai, for example, to just basically knocked on forest and then plant one particular crop that everyone seems to really like.
- Alex Pearl: [16:58](#) But the problem is it only gets harvested once a year. So you basically deforest large plots of land for one particular harvest and then it's completely unsustainable because the rest of the year it's, it's not, not really been used. So now is trying to expand the number of kind of raw materials that uses from the Amazon and in working with this community and made sure that there is a sustainable renewable environment. So that's one of the key things. Obviously we're doing in the Amazon, another project we have, you're probably familiar is "creer para ver" which is Believing is Seeing and that's actually a part in the back of our catalog, which is Brazil and Latin America have a different model than in the US to direct selling. But when you get the catalogue, the last few pages are products that are not cosmetics. So uh, their notebooks, there t-shirts, there pencils and 100

percent of all proceeds or all sales in the "creer para ver" line from Natura go to helping education in Brazil.

- Alex Pearl: [18:02](#) So we've helped thousands of teachers and many more thousands of students and given up to \$70,000,000 of basically educational support, um, since 2007. So that's the "Creer para ver" project. And we have a carbon neutral project. So we've reduced our carbon footprint by 33 percent since 2017. Sorry, 2007. And moving forward from basically last year through 2020, we're hoping to reduce our carbon footprint, another 33 percent, um, and you've mentioned Natura musical, Natura is extremely involved in the arts. It's very important for us. We sponsor a lot of local artists. In fact, there's the Brazil summerfest, um, happening here in New York, uh, in I think next month, um, and a lot of the artists that are coming up to perform in the Brazil summerfest in Central Park or part of the Natura musical project that Natura sponsors. So we really try and give back to the community. The social aspect is incredibly important for us and we try, we really try and support, you know, kind of those community initiatives as well.
- Luiza Campos: [19:18](#) It's so nice to hear the different social impacts and the huge difference that you are making for the local communities as well as investment in education and culture. It's amazing to hear that. And in fact, I believe you were the first publicly traded company to obtain the B Corp Sustainability Certification. Were you not?
- Alex Pearl: [19:37](#) Yeah, that's right. We are the largest B Corporation. For the listeners who are not familiar B Corp is a group of companies that have to go through an extremely rigorous qualifications to be admitted to this group and at this point the group, so we will re certified the last year or two years ago. So aesop is actually part of the group at that point that was uh, involved in a certification The Body Shop, because that was just a recent transaction is not yet, but the goal is to also include the body shop. So it's a tremendous honor for us. Um, you know, other companies that you may know that are B Corps are Patagonia, Ben and Jerry's, Eileen Fisher, I'm Danone, some really remarkable companies or B Corps and we're very proud to be part of that group.
- Luiza Campos: [20:30](#) It seems to me that this interest in, in, you know, the values of really making sure that you're taking care of people, taking care of nature and the fauna name flora

was always part of the DNA of the organization, of the company. Do you feel that way or was this something that evolved with time or was it there from the beginning? Was it part of the vision of Luiz Seabra?

Alex Pearl: [20:59](#)

I think it was part of the vision of Luiz Seabra, it's a great question, but I think it's kind of changed over time. So Luiz Seabra when he started the first started, which is one of the most famous streets in Sao Paulo. They had a small store there and do attract people who will stand outside the store with a white whale was a white roses and everyone who walked by, he would talk to them and given them a white rose and invite them into his face. And I think this idea of relationships, which was kind of started with the white rose and Luiza Seabra standing out front and talking to people that was there from the beginning. Um, and I think it has just morphed into something much bigger than Luiz and all three of our founders, uh, now have always kind of had in their hearts.

Alex Pearl: [21:44](#)

So I think, you know, first there was this focus on relationships with started with Luiz and the roses. Then it kind of changed into, okay, we're going to be a direct selling company. Um, so obviously the relationship with our consultants who are our most important voice, you know, that was extremely important, the relationships with them and the relationships, not just with them but then back to Natura getting feedback, what's working, what's not, how can we help you, how can we support you better? And then I think, you know, the Ekoz launch in 2000, um, and actually I should mention that I think I mentioned in 1983, we started doing refills. We replying every offering refills. So that already started. This is kind of environmental thought process and I think it was there and then that just got exacerbated with the launch of Ekoz in the Amazonian Project. So I think it's been changing over time and just getting bigger and bigger with Natura touching more and more things. But this idea of relationship and interconnectedness has always been there has always been part of the company. And I think it's one of the things that makes the company really, really special.

Luiza Campos: [22:49](#)

And I think more and more people want to be part of companies, either work for companies that have that focus or that value or purchase from companies who have that, that focus and value. How do you make sure that throughout the entire organization this focus on

these values and the decision making process that you have to take as, as an organization. There's always that understanding or that touchpoint of the values that you hold true of this importance of people and nature. In other words, how do you instill your brand values throughout the entire organization, particularly given the size of the company and the fact that you are in different geographic locations. How do you ensure that consistency? How do we ensure everyone that not only understands the values but live by those values?

Alex Pearl: [23:43](#)

Yeah, I think there are two parts. This one is, is the people, and then the other one is maybe the processes. Um, so on the people side, I think Natura being Natura already attracts a certain type of person, almost kind of self selection people. I think they try and work for Natura people that really value the things that Natura values. I think in the interview process they asked, you know, a lot of those types of question, behavioral kind of questioning, how are you involved in the environmental, what know, how are you supporting the environment and society at large, et cetera, et cetera. And it, and again, the people who I think tend to want to work for Natura kind of already in that mindset. I also think just the spaces, the physical spaces that has created are extremely unique and so kind of without knowing it, you're kind of drinking in this idea of sustainability.

Alex Pearl: [24:37](#)

So casa mada or headquarters, which is just a set of stuff. Barlow is built in an amazingly sustainable way as concrete. But there solar panels everywhere and glass, um, all of the water, like the toilets for exactly where vacuum flush uses the minimum amount of water with minimal, like runoff. Actually when we, we actually return water to. There's a, there's a river that kind of runs in the back of it, Natura space Natura campus and we return water there and it's clear and going back in then it was, you know, if it was ever coming out naturally. So I, I think, I think there's that part, the architectural, the space part, um, and then the last part, so people architecture and then processes. So Natura developed really robust processes for evaluating projects that this is actually one of the first things I was involved in that through is the triple bottom line to think about what are the social, environmental and economic impacts of this project.

Alex Pearl: [25:35](#)

And when I say this project, you can be any project within Natura, whether you're using a third party freight

operator or you're looking to build a new building or you're looking to launch a new product. When we look at those projects, we are looking at those three things, um, in, in this evaluation. And it's not like that the financial part is weighted more heavily than the other two. Then the social or the environmental, they're all given equal weight. So we really try and take all of that into consideration and a measure those things like so, hey, how much CO2 is going to be kind of, what's the impact of creativeness, new packaging, you know, what's the social impact of the companies we're going to work with? Do they have, you know, a paternity leave, do they have for healthcare, do they have training for their employees? So we're looking at the third partner operators as well when we're evaluating these projects. So the rigor in which the company goes through those, the project evaluation, looking at all three of those things is, is tremendous.

- Luiza Campos: [26:37](#) One of the things that I think really makes a strong brand are brands that have their strong of values and that uses those values as on their decision making process as a, as a filter to make sure are we living by these values if we go this way, is this true to our, to our brand values? And also uses that as a form of evaluation. Can you tell us a little bit, you've mentioned on your work with the families in the communities in the Amazon about the raw materials. So can you tell us a little bit about these raw materials that you use to produce the Natura products?
- Alex Pearl: [27:19](#) Quite a few typical for Americans to pronounce, Castanha which is Brazil nut, Angiraba which is another kind of nut, Pitanga which is Braziiian cherry those are, you can go online and see some of our products using these different ingredients. Maracuja, Passion fruit. Um, but I think we're good.
- Luiza Campos: [27:19](#) Acai,
- Alex Pearl: [27:42](#) Acai of course, which I think a lot of listeners probably know and love, but I think what's interesting as you think about a \$3,000,000,000 company, you're like, okay, you know how natural or how kind of law is the extraction process? I had the same question until I went to the Amazon and visit other communities in and you go to these communities and you're out in the Amazon and then to go get the fruits or the nuts you are getting in canoes with the people whose families who blood in and

pull the nuts and extract the nuts. And you're in these canoes in literally the canoe edge is about an inch and a half above the water and you're going out with a rucksack into the middle of the jungle and then you're getting off the canoe and you're going in and you're looking at all the trees and the birds are singing and it's just this amazing experience that, that these communities people in these communities do every day.

Alex Pearl: [28:34](#)

And basically they looked for things that have fallen to the ground in many cases or that have kind of fallen into the water. And then they wash up places and then they basically taught how to extract. It almost sounds like a bit of a harsh word, but to collect these seeds in these fruits in a very sustainable way. So as I mentioned, the only take about 70 percent of the seeds and nuts to make sure that there's is nourishment left for both the ground and the animals and they bring the, these nuts are the fruits back. Um, and then they work with local processing plants so that they're going to press the fruits and press the nuts to generate the essential oils that we use in our products. So the Angiraba oil, the Castanha milk, um, Castanha oil, the Maracuja fragrance and pulp. And then basically once the oil or is extracted and we put them into a the tank and then

Luiza Campos: [29:40](#)

tanks,

Alex Pearl: [29:42](#)

drums, drums is a more technical term and a lot of those drums are then saying to Sao Paulo for final production, we do finish all of our bar soaps in the Amazon. Um, so those are actually the raw material and essential oils plus all of the bulk or the other parts of the noodle, I think this is called in the process. And then added the essential and the noodle is added together. That is 100 percent finished in the Amazon in the US, again, for sustainability reasons, we don't ship finished goods from Brazil because you're shipping a lot of water, um, and a lot of things that you can actually get this in the United States. So to make sure we're thinking sustainably in terms of CO2 emissions, boating, airfreight, etc. We only ship kind of the heart or Curacao, as we call it, a of the product which are these essential oils. We shipped them here to the United States. And then we, the other kind of more a normal raw materials, glycerin, things like that. We basically get locally, um, to, to get it in a sustainable way. And then our finished goods are done here in the United States,

- Luiza Campos: [30:58](#) Because Natura is so attached, the Natura brand is attached to the Brazil and some other products that you use. Our natural of the amazon and the Brazil biodiversity and some of them like the Acai and maybe even Maracuja. Not sure people may have heard about it, uh, you know, the passion fruit and Acai, but how do you adapt this brand and you've already done so because of course you are in France, but how do you bring a brand that has such a close affinity with one particular country and have it embraced by a different culture?
- Alex Pearl: [31:33](#) That's a really good question. And I think we're still in the learning phases of of what, what resonates with the american consumer and what doesn't. So in Brazil, Natura brand is made up of many, many sub brands like 15 to 20 different sub brands. Um, and so I think when we started this project that was kind of reinvisioning Natura for the United States, so that was something we had to consider. We need something simple to communicate to the consumer that people could come in and say, okay, hey, you know, this company is beauty, it's Brazilian and they use really great ingredients. Um, and so we decided to do here and we did a number of focus groups to really try and understand, does Brazil resonated with the consumer? Is Brazil associated with beauty? And the answer was yes, I'm uh, I think results associated with a certain Joi de Vive, beautiful women, uh, was some of the feedback we got.
- Alex Pearl: [32:36](#) So that was really positive. So that's actually part of the impetus behind calling it Natura Brasil because Natura in itself while I think is the connotation of natural, um, have respect for nature. It doesn't necessarily say brazilian. And we thought that that Brazil was actually a really important part of this story. So Natura takes kind of the natural responsible "ebm estar bem" part of the story. And then the, Brazil takes another key pillar for us in the brazilian part, which I think if you look around probably the us and canadian markets, they're not a lot of brazilian consumer good companies, right? So this was a little bit of a white space for us. We thought we could own. so that was part of the branding, the changing. If you look at our packaging, you know, it really is the Natura Brazil brand.
- Alex Pearl: [33:24](#) But to your point, we do have to connect with the people that know the brand. The United States has about a million brazilians and quite a few other people you

know, latino or of hispanic backgrounds who knows the brand because we are almost ubiquitous in latin America. Um, so we want to make sure we address those people as well. So if you look at our packaging, you know, the master brand for us is Natura Brasil But if you look Again, if you look carefully like Ekoz, which is one of our two sub brands is ghosted on the packaging. So people don't get confused when they come, oh, this isn't the Natura that I know. So we tried to find a way to address these, these two key markets for us, which one is the american consumer that doesn't really know the brand and the other is when people from from latin America who, who may know the brand, and love the brand and they want to purchase products that they know and are familiar with.

Alex Pearl:

[34:17](#)

We did some just a regulatory perspective have to make certain changes, particularly in because of the California legislation. So items 55 and demands suddenly more stringent kind of formulation. Um, so we had to make some changes to your preservative system. Um, we made a small change in the Maracuja fragrance, which in Brazil is, is a very kind of an older fragrance that everyone loves in Brazil but here we wanted to give more of a desperate omic fragrance to it. Then more people would associate, maybe with passion fruit, but they're more familiar with. So most of the products are very similar, but there were some adaptations for the us market, you know, from, from a formulation perspective as well. So that's the brand than the formulation side. And then distribution. We're completely different than Brazil in the sense that their retail and commerce and was primarily to exelon.

Luiza Campos:

[35:13](#)

Yeah. So it's fascinating. For me, it's always really interesting how brands can maintain their brand integrity and make sure they're, they're being consistent with those values and the brand purpose while at the same time really being compelling and relevant to the different audiences, particularly if they're from different cultures. I find that it can be a little tricky, but you have make sure that you are compelling to that audience. And you know, I, I love the fact that you obviously doing some research, it was fascinating for me. I worked for GE major appliances as the brand manager and when we were penetrating different markets, even within latin America, there was small changes that we had to make depending on how people utilize those appliances to make sure that

they saw themselves reflected in that, that this was something that they felt it was a product for them, right? That it made sense for them, but it was familiar, so I'm. I'm always really interested to see how brands are able to manage that. That fine line.

Alex Pearl: [36:16](#) I think in some ways brands now a days they have it easier because of social media and some of these platforms, facebook, instagram, pinterest, and wherever people are marketing, youtube, you can really segment your groups and in the possible potential consumers so you can deliver different messages to different people. The message is obviously have to roll up to your brand platform. The key pillars that because people do react to two words and photos in different ways. I actually think social media has allowed us to reach more people in more unique ways than ever before and I think that you know, for, for a marketer is dream attractive and appealing. It's done in the right way.

Luiza Campos: [37:05](#) Absolutely. I agree with you and I and I also think, yeah, overall, not just the social media, it seems to me that people are much more familiar with international brands because they travel, we travel a lot more, there's a lot more globalization, right. We were just become a lot smaller as, as a world in a way, so I think that has helped significantly as well. So can you tell us Alex a little bit about what are your plans for the future? Of course you're, you're three years in into this new market, but what can we expect from, from Natura what should we be looking for?

Alex Pearl: [37:39](#) when we started this project about three and a half years ago, but it was a ton of work that went into the branding product formulation, building out the infrastructure that's required for kind of a new company, logistics, ecommerce kind of platform from scratch. So out of those three And a half years, we've really only been live since march of last year. We opened our first store in march of 2017 and then we went live with their ecommerce sites in may of last year. So we are still really, really young and kind of since our launch, something incredible has happened to the group and that was the purchase of the body shop in september. So I think in that really was a transformational deal for, Natura because before, aespo is a tremendous brand but a much smaller than that tutor in terms of revenue size.

Whereas the body shop is a much bigger company on the revenue side.

- Alex Pearl: [38:36](#) And so when we brought the body shop that has amazing values and read erotic building, that company kind of creating this connection with community. So we've created this group of "Ben estar e estar bem". Um, and so now I think the question is how does this group go forward together in what is the impact on Natura? Who, as you mentioned, is pretty much in in latin America, you have a small presence in the United States in a very small presence, as you mentioned in France and the us operations are pretty small. And if the question is, okay, so now with the body shop, and Natura, How, how do we leverage the other companies you saw up in the bush up in some ways almost more international than Natura. How do we use their learnings and their expertise to kind of drive Natura forward in an international way?
- Alex Pearl: [39:29](#) I think that's work that that's going on right now as a group and they're thinking about, you know, how does that happen? How does Natura go international? So as it relates to the United States, we are continuing to improve kind of what we have. Um, there's still learning. Again, we're so new, there's not like a plan, say we're going to open up 400 stores in the United States. I think we're, we're in this period of, okay now we're a new group. What is the strategic plan for the group and within the group Natura. And then how do, how does Brazil are there live american operations France and the United States fit into that? What is, what is the bigger time? So I think that's kind of where we are right now, a as a company. I'm super excited about the possibilities. Obviously having, you know, more people to learn from, from the body shop and aespo we've had for five years now is you can only help. I think it'd be great to partner with these brands and think about how, how we can go through it together.
- Luiza Campos: [40:30](#) And I hope Canada will be in your plans for the future. This has been great and as I said, I love the Natura brand and how you seem to, as you mentioned every year as you evolve as a company use, you just seem to get stronger and stronger with those values and having a bigger and more positive impact.
- Alex Pearl: [40:54](#) I'm very proud to be part of a company in of your listeners would like to go any deeper and learn more

about the company. I think our annual report is a great summation of what the company stands for. If you look at the different sections, I would say about half of the annual report is allocated to the work we do with the environment and sustainability. CO2, water consumption, etc. Etc. Etc. So I would highly recommend that for anybody who's interested in learning more,

- Luiza Campos: [41:28](#) I'll make sure to add that to the show notes for sure. Alex, thank you so much again for sharing a little bit of natural story here with us and I'll make sure to include any details in the show notes so people can see and find out a little bit more.
- Alex Pearl: [41:28](#) Thank you very much for having me.
- Luiza Campos: [41:47](#) And there you have it. I hope you enjoyed this interview with alex pearl from Brazil and to check out the annual report, please go to the show notes@abrandeworldpodcast.com. If you want to keep up to date and informed of what we up to for the podcast as well as for our main company, which is market strategy. You can find us at market strategy. That's m, a r, c, a strategy, all one word either on twitter or instagram or faceBook. We would love to have you follow us and keep in touch. Thank you so much for listening. and until next time.
- Announcer: [42:25](#) Thank you for listening to a branded world podcast. Discover more@abrandeworldpodcast.com.