Formalizing Marketing in a Developing Economy

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Abstract

The relevance of the theme is related to the fact of existing a discrepancy between what happened in the USA, worldwide reference in the study of marketing, and in Brazil, a developing economy. The narrative was developed as an essay and discusses the evolution of market practices and the formalization of marketing in Brazil. The contribution this paper provides is the evidence that, from a certain stage of development, formal qualification of marketing professionals is indispensable. It may also serve as a guide for both market professionals and government entities in the sense of improving commercial practices of their countries.

Introduction

Knowing the history of a subject is very important to understand its evolution and current state. The relevance of the theme in the Brazilian context is related to the fact of existing a discrepancy between what has happened in the United States of America, a worldwide reference in the study of marketing, and in Brazil, a country that has recently gained worldwide prominence, but that still represents an economy under development.

The quantity of materials about the subject is still considerably reduced. Very few authors have tried to reconstruct the historical evolution of marketing, especially when it refers to countries outside North America and Europe.

In this sense, the overview of institutions and of the context in which marketing was introduced in Brazil facilitates the understanding of the development of corporate practices and of the study of the subject in the academy.

The utility of this study also lies in its capability of providing a closer overview of what occurs in minor economies, in countries where market and commercial practices are still in consolidation and development phases.

The narrative set forth in this study may serve as a guide for both market professionals and government entities in the sense of strengthening and improving the commercial practices of their countries, whether with respect to exchanges or with respect to distribution, credit, advertising and other activities covered by marketing.

The reflection of Hotchkiss (1938, p. ix) on the study of history is worthy of attention, and it may be the principal justification for a research similar to the research conducted herein:
the vexatious problems of business today are not new or peculiar to our generation. The problems of price, quality, and competition; the problem of the control of monopolies; the problems of tariffs and economic nationalism; the problems of fraud in advertising and selling; above all, the problem of balancing supply and demand - these and many other current problems also confronted our ancestors. They were solved in various ways with varying degrees of success. It would be absurd to rely too much upon their experience as a guide; it is even more absurd to ignore it.

The reasoning of Scriven (1966, p. 363) also indicates the importance of recovering the history. According to the author, the “history teaches us about human nature and our best future choices, as well as about possibilities more than regularities [standards].”

Lastly, it is pertinent to transcribe the affirmation of Shafer (1974, p. 16), who corroborates this theme: “It is clear that men who are ignorant of history are apt to make superficial judgments […].”

According to the aforementioned, it can be affirmed that the justification for a historical research – and for this study – is its capability of providing material to understand a given past phenomenon and/or context, supporting future analyses.

In terms of knowledge, the study of the history of a theme, whatever it may be, can be justified by the fact that man [...] learns to know himself only by the round-about way of understanding. What we once were, how we developed and became what we are, we learn from the way in which we acted [...]. We understand ourselves and others only when we transfer our own lived experience into every kind of expression of our own and other people’s lives. (Stake, 1995, p. 36)

As aforesaid, the study developed aims to present the market context in Brazil before the incorporation and formalization of the concepts of marketing in the academy.

Research Methodology

First of all, it is important to point out that this paper does not propose to be a conclusive research.

A qualitative, exploratory and descriptive approach was chosen to develop this study. The qualitative approach is due to the fact that its proposal and purposes cannot be achieved on the basis of statistical analyses, it being required, however, to employ a vast survey of secondary data. Based on Richardson (1989), it is also possible to argue that the option for the qualitative approach occurred by virtue of the search for subjective meanings and data.
According to Shafer (1974, p. 4): “The evidence available to the historian usually is not ‘fact’ but testimony on the facts.” Seignobos (1923) also approaches this matter, affirming that documents do not provide the historian with more than the thought of who has written it, but they may enable indirect means to achieve these external events. It is noticed, therefore, that the historical method is also composed of a hermeneutic approach, in the sense that the researcher is constantly analyzing and interpreting the content and form of documents and evidence about the fact studied.

With respect to interpretation – the purpose of which is to give data and social situations a meaning from the generation of explanations, situating the researcher as an active participant of the research process (Hatch, 2002, p. 180) –, it is interesting to transcribe the words of Seignobos (1923, p. 103-105).

‘Analysis’ itself in Social Sciences is a dangerous reason for a mistake. Analysis in objective sciences is an objective, material operation [...] means to solve, break. In Biology and Zoology, the analysis is conducted in a real animal, dissecting it. [...] But the historical or social analysis is conducted by metaphor. These subjects have no real object to be analyzed, none that can be destructed and, afterward, reconstructed. There is not, therefore, any real operation. [...] Social analysis, as well as historical analysis, is an abstract and purely intellectual procedure. It consists of [...] paying the attention successively to several parts of an object or action, examining, one after another, all its several aspects [...] and asking what are its different characteristics.

The result of this work is to change confusing knowledge into precise knowledge, and not to give us new knowledge.

As a research methodology, the historical method requires several measures that, for the fact of them being frequently neglected by the historian, increase the criticisms directed toward him/her. The most important measures are: i. not to develop value judgments about the past; ii. to avoid interpretations based on manicheism; iii. not to develop anachronistic analyses, which, according to Hotchkiss (1938, p. xv) is a human trend. The author also points out the two most common traps to the history student:

[... : i.] the assumption that the existence of laws and regulations prohibiting certain practices is evidence that such practices did not exist. Too often they indicate the contrary, as is proved by evidence of other kinds [... ; ii.] the tendency to lose the time sense, and regard distant events as close together, when in reality they were separated by decades instead of months. Even
experienced historians sometimes link together in a causal sequence events that were ten or fifteen years apart, without regarding the intervening occurrences.

Even so, despite several criticisms, the comments of Postan (2005) sustain the scientific relevance of the historical method. In his article, the author comments that knowing the history has a virtue that, as is any knowledge, is independent of its value as a science. The value of historical contribution for human science is essentially the same as that of the other contributions: minor and uncertain.

According to the author, the criticism of sources (Quellenkritik) is the procedure used during the ‘mining’ of sources and may be employed in the internal and external criticism – or the criticism of content. Seignobos (1923) understands that the adoption of precautions before using a document constitutes half of the historical method. Its importance lies in its capability of distinguishing between credible and plausible inferences and improbable and baseless speculations (Bryant, 2000).

“The external criticism examines the value of what the source says” (Bryant, 2000, p. 38). According to Shafer (1974), its purpose is to obtain ready evidence to study human relations. This type of criticism, which precedes the internal criticism, is significantly relevant to achieve the purposes of this study, in particular, for the step of collection of secondary date, once the existing volume of material is huge and needs to be limited to adjust itself to the restrictions of time.

The internal criticism, in turn, is related to the quality of information of the material collected. As commented by Jones and Monieson (1990, p. 102) “[…] ideas do not develop in a vacuum. We therefore look beyond this patchwork of surface facts and identify some common threads”.

In other words, the external criticism deals with documents, whereas the internal criticism deals with the declarations and meaning of the document.

In a more practical way, when referring to numerous research methods in management, Vergara (2008) presents the two approaches to the historical method: the Oral History methodology and the Historiography methodology. This study used the historiography method, according to which “history is made of documents. […] Because nothing substitutes documents: where there are no documents, there is no history” (Cardoso, 1981, p. 46). This approach “Proceeds with the collection of data by means of a documental research, resorting to documents such as reports, regulations, interim balance sheet, business letters, personal letters, diaries, photos, movies, among others, maintained by government or private bodies or by people” (Vergara, 2008. p. 132).

This study also used bibliographical research or secondary source research, which is essential to conduct studies of history, which corresponds to the collection of all the material already published, whether printed or digital format, according Eco (2008), providing the researcher with slightly more knowledge of a certain theme.
Evolution of marketing practices in Brazil

In his book, *Marketing Básico (Basic Marketing)*, Simões (1976) presents the development of commerce in Brazil, the responsibility of which was initially under street vendors that, according to Santos *et al.* (2009), were also *barateiros, bombeiros, bufarinheiros, italianos and mascates* (all these terms also meaning street vendors).

Until the historical period of Brazil known as the Second Empire (1840 to 1889), the national commerce was basically constituted of this market activity profile, which ran through roads selling ‘manufactured objects, sheets, jewelry, small objects, hardware, beads and species’ (Santos *et al.*, 2009, p. 98).

From the beginning of this period in the Brazilian history, with the declaration of the legal age of D. Pedro II, Emperor of Brazil, the fixed commerce starts to consolidate, creating the small retail of pharmaceuticals and some communication efforts, in terms of advertising in classified ads in newspapers and magazines, with special attention to Rio de Janeiro and Sao Paulo.

Over the years, the Brazilian commerce developed and enabled to create larger retail stores. In their paper, Santos *et al.* (2009) describe some examples.

In 1906, the Lundgren family opened, in Recife, the first unit of Lojas Paulista. In 1913, the group opened the first branch, in Rio de Janeiro, with the name of Casas Pernambucanas, for the initial purpose of selling fabrics.

In 1912, in Rio de Janeiro, the French company, Etablissements Mestre et Blatgé, was opened, which, afterward, would become Mesbla. In the years 1913-1914, the first advertising agency was opened in São Paulo: A Eclética. (Santos *et al.*, 2009, p. 98).

Founded by Jocelyn Bennaton and João Castaldi – both considered the oldest advertisers ever known, who operated as advertising agents – the official name of the agency was Castaldi & Bennaton.

Its creation introduces new procedures into the preparation of advertisements, based on the North American model, with some adjustments to the reality of that time. The company hires several writers and artists to prepare texts and illustrations for the advertisements. The principal vehicles used by the agency were magazines, newspapers, placards and direct mail, and its main clients were Ford Motor Company, Kolynos, Palmolive, Quaker Oatmeal, Aymoré Biscuits, among others.

Advertising in Brazil started evolving from the year 1809 through the disclosure of classified ads to purchase and sell real property and to seek fugitive or sold slaves. Still during the 19th century, the advertisements started being published
in newspapers or parks, with several two-color illustrations and with texts written by poets, with special attention to the famous Brazilian poet Olavo Bilac.

In 1900, Revista da Semana is launched, and it starts publishing advertisements with a more tenuous language. The beginning of the 20th century is marked by the great deal of advertising of remedies and by the use of politicians as the advertising faces. By the end of World War I, Sao Paulo had already five advertising agencies. At that time, the largest advertising clients were Farinha Lactea Nestlé, Colgate-Palmolive’s Extract Vision de Fleurs, Colgate Baby Talc Powder and Bayer.

In the 1920’s, the radio, a new communication vehicle capable of reaching large consumer masses, starts broadcasting advertisements in Brazil, becoming a milestone for national advertising. Its largest advertising clients were Casa Colombo (pastry), Xarope Bromil (cough medicine), Cigarros Veado (cigarettes) and Biotônico Fontoura (tonic).

Over the subsequent decade, the radio becomes the great sensation. According to A Propaganda no Brasil: das primeiras agências às grandes multinacionais (n.d.) – Advertising in Brazil: from the first agencies to the large multinational agencies –, in 1933 there were fifty thousand radio receivers in Rio de Janeiro and 3 broadcasting companies in São Paulo were registered. In 1938, ten broadcasting companies were registered only in the city of Sao Paulo and other twenty-four were registered in the countryside of the state.

At that time, jingles and the first billboards, the evolution of which will be approached hereinafter, gained importance.

With respect to the restriction of communication vehicles, the effort and creativity of Casas Pernambucanas are worthy of attention. Founded in 1908, the company adopted unconventional advertising methods. According to Volpi (2007), in the 1930’s, it still used stones and land slopes of roads, farm gates and lampposts to communicate its fabric novelties to the market.

‘And one day the protest arouse [...] On a Sunday, Pernambucanas left its complete advertisement at the principal gate of a small farm in Itu [small city in the countryside of the state of Sao Paulo]. On Monday, when the store was opened, there was the farmer with paint, brush and ladder, asking where he could paint the name of his property.’ (Volpi, 2007, p. 85-86)

In 1924, Luis La Saigne, the manager of the French venture, Mestre & Blatgé S.A., nationalizes the company with the name of Sociedade Anônima Brasileira Estabelecimentos Mestre et Blatgé. The enterprise soon overcame the legendary store, Notre Dame, at Rua do Ouvidor, and turned itself into the largest store in the city. Its rapid and steady growth made
clear the need to construct a larger head office and in 1934 the rectilinear art-deco building in which the store operated for more than 60 years was opened.

In 1939, the name changes again: this time to Mesbla S.A., and it adds another activity: representing Douglas aircrafts. Years later, under the management of the grandson of La Saigne, André de Botton, Mesbla is transformed into the largest retail network of Brazil.

In the year 1952, the company consolidates its innovative characteristic and opens its first department store. Located in the city of Rio de Janeiro, in a building at Rua do Passeio, Mesbla starts diversifying its activities. Overt the 60’s and 70’s, it becomes one of the country's largest companies, with more than 8,000 employees and 13 branches.

It is also important to transcribe the description presented by Volpi (2007, p. 54), with respect to the development of the retail market in Brazil.

The first department store in Brazil was opened in a small building at Rua 15 de Novembro, in the Historical Downtown of Sao Paulo, in 1913, by the English brothers, Walter John and Herbert Joseph Mappin. It was a historical event. Mappin Stores drew so much attention with its imported fine goods from Europe that it gained the loyalty of the local aristocracy [...]. That is what can be called 'loyalty by novelty'. Fascinated, the high purchasing power clientele had Mappin as the meeting point. The elite met in tea, reading and beauty rooms. [...] In 1919, the principal place of business of Mappin moved to Praça Patriarca and, in 1939, was transferred to Praça Ramos, in front of the Municipal Theater.

It was also over the 1920’s, within the first commercial advertising cycle, that the first multinational companies were established in Brazil. Bringing innovative concepts, new examples to the national industry and new products to consumers, the multinational companies obliged the national industry to rethink about its processes, prices practiced and promotional actions.

In this sense, three companies are worthy of mention for their innovations presented to the national market:

- Ford Motor Company: it was established in 1921 and the first company to arrive in the country. It brought the concept of assembly line and the experience in industrial-scale production of automobile;

- Nestlé: it was established in 1921 in the city of Araras, in São Paulo. “In 1926, it pioneered in announcing a promotion of Farinha Láctea, which offered free-of-charge brochures and samples to the consumer that filled out and sent a coupon through the post office service”. (Volpi, 2007, p. 62).
Colgate & Company of Brazil Limited: it was established in 1927 in the city of Rio de Janeiro and concentrated its activities on researches directed toward the consumer market, seeking to identify hygiene habits.

Still in this development phase, the first case of image licensing for a product line in Brazil occurs. In 1925, the industrialist Claudio Fontoura, founder of Laboratórios Fontoura, hires Monteiro Lobato – a famous Brazilian writer – to write an adaptation of his popular character, Jeca Tatu, to promote laboratory products.

Shortly after, Monteiro Lobato “wrote a book teaching notions of hygiene and sanitation to children, giving, however, the three remedies of Farmacêutica Fontoura as the solution against weakness, hookworm and malaria” (Volpi, 2007, p. 60). Amid the sanitary campaign promoted by the Government over the 1920’s, Jeca Tatu became a new symbol of the Brazilian culture. This action certainly represents the first case of product placement in the Brazilian market.

In 1926, General Motors creates its own advertising department, and, in 1929, the first multinational advertising agency, JWT (JW Thompson), arrives in the country. The company innovates, introducing photo into advertisements and developing the first market survey.

Another marketing activity that was significantly developed at the time is the credit, in consumer-credit sale format, the predominant method of payment until the second half of the 1920’s. Introduced by Casas Bahia network, the consumer-credit sale increased the access of lower income classes to consumer goods, enabling the payment in numerous installments. It also proved to be a useful tool to encourage the purchase by impulse.

The payment voucher evolved into private label cards and, subsequently, into co-branded credit cards, as a result of partnerships between stores and credit card companies.

Still with respect to credit, the report of Volpi (2007, p. 80) is transcribed as follows.

In 1914, Western Union, a North American telegraph company, launched a payment system similar to that of a passbook. It was a card that offered benefits similar to those of the current credit card, but with one advantage: there was no levy of interest on turnover - in which the release of accounts is postponed. The restriction lay in accepting the card in commercial establishments, such as stores, petrol stations and hotels: one establishment did not accept the card of another establishment, which is something similar to what is called 'private label', but - again - without charges.

In 1950, Diners Club created the first credit card initially made of paper – the plastic version arrived five years later. The idea came up in a restaurant in New York, United States. The lawyers, Frank Namara and Ralph Schneider, decided to pay the dinner bill – this is where the
name originates from – using their own business cards. The credit became accepted in twenty-
seven first-class restaurants and, afterward, by several establishments. Diners arrived in Brazil

Getting back to advertising, the first company exhibiting billboards in Brazil was established in 1929 in the city of Sao Paulo and was named Publix. Founded by an Italian, Amadeo Viggiani, and by Marta Paturan de Oliveira, the company started its activities with small oval-shaped billboards attached to lampposts and glued on cast iron plates. It is also worth mentioning a competitor, Pintex, founded in 1936 by Antonio Barsanti, another Italian, who started using a different technique: painting illuminated glass and crystal signs and advertisements on the façade of stores.

The advertisements were painted by hand, which led to the appearance of a great school of letterers and illustrators of placards. These, in their majority, were half a piece, installed in train platforms and stops by means of Companhia de Cartazes de Bonde (Streetcar Billboards Company). The principal advertising clients at that first moment were: Ford, Chevrolet, Goodyear, Pirelli, Essolube, Atlas, Texaco, Frigidaire, Cinzano and Gancia (A propaganda no Brasil: das primeiras agências às grandes multinacionais, n.d.).

Shortly after, placards with two up to four sheets started to be printed in a few printing companies specialized in placards. One of the first four-sheet placards referred to Xarope São João (cough medicine) that, in a colored message, advertised: “Leave me alone! Let me shout! Xarope São João, against cough and bronchitis, gives immediate relief” (A história do outdoor, n.d.).

The implementation of eight-sheet placards, due to its larger size, leveraged the sector and started drawing attention from advertising clients as an alternative to their communication actions. Even so, the requirement for qualified and specialized workforce hindered major improvements. “As the gigantography system had not yet been developed, drawings were made by hand directly on the printing plate by specialized draftsmen, known as decorators” (A história do outdoor, n.d.).

The 1940’s was marked by the first attempts to discipline the ethics of advertising. Through efforts made by the National Press Council (CNI) and the Brazilian Advertising Association (ABP), in February 1949, an agreement among the principal agencies is entered into to establish standards for the regulation of advertising. The result was the creation of the Brazilian Association for Advertising Agencies (Abap).

In this context, the lack of standardization of advertisements, in particular billboards, is worthy of attention. Until the late 1950’s, there had been placards with four, eight, sixteen, thirty-two and up to sixty-four sheets. The description of A História do Outdoor (n.d.) is transcribed as follows:
Some placards of multinational advertising clients came from other countries already made. The foreign format had 24 sheets, and there was no tabulate for this standard in Brazil. For this reason, such advertisements required manual work before their fixation. Each placard had to be finished manually and thoroughly and glued on the tabulates of 16 sheets.

In the mid-1960's, the 32-sheet placard is created. As it would not be feasible to take off 16-sheet placards and substitute with 24-sheet placards (a standard adopted in several countries), the option was to place a new 16-sheet tabulate to the side of the previous tabulate, thus creating the very Brazilian 32-sheet placard.

Through the gigantography, billboard companies would finally use the same chromes of stickers of newspapers or magazines, dismissing decorators and significantly facilitating the integration of the advertisement.

According to A História do Outdoor (n.d.), despite the improvements in the printing of placards, their installation continued to lack organization. At the interest of each advertising client, a new format of tabulate or gluing was developed, causing lack of organization and visual pollution in the cities. Every land that could be rented was transformed in a place for installation of new advertisements.

Amid the events described, the year 1948 marked the first advertising of “Mothers’ Day” and the beginning of the promotional exploration of “Valentine’s Day”. According to Simões (1976), both initiatives were developed in Sao Paulo by Standard Propaganda.

The first supermarkets were opened in Brazil during this period. Presenting the concept of self-service to the Brazilian market, the pioneers in this field had some difficulties with the mass of consumers. Until then, goods were chosen by the grocery or butcher shop owner and delivered to the customer on the counter. It took time and patience to teach the consumer how to go alone to stands, choose products and direct himself/herself to registers for payment. ‘We installed a turnstile to control the entry to the supermarket. The initiative actually inhibited the approach of people, who thought they were required to buy tickets to enter the store. On the first days, I stayed at the door to instruct the customers. A receptionist walked along with the people, pushing their karts, especially for men, who felt effeminate when handling the kart. It happened in 1953, as witnessed by Mário Gomes d’Almeida, born in 1925, manager of the first supermarket opened in Brazil, the Sirva-se, in Sao Paulo, acquired by Pão de Açúcar Group in 1965 (Volpi, 2007, p. 83).
To conquer the preference and encourage the consumption, the stores needed to invest in the exhibition of products. For this purpose, the first Trade Marketing actions appear in the Brazilian scenario.

In September 1950, the Brazilian television starts to operate. At a first moment, it does not manage to convince advertising clients of its effectiveness, but, shortly after, it becomes the preferred communication vehicle by agencies and by the Brazilian population. By 1956, the three existing television broadcasting companies had already overcome in sales revenue the thirteen radios in the city of Sao Paulo.

From this moment, the first concerns in terms of integrated marketing strategies appear, that is, the connection of several marketing efforts in terms of advertising, promotion and market survey.

In this period, Editora Abril, responsible for publishing Donald Ducks’s comic magazine, and Manchete magazine of Bloch Group, both with excellent graphical quality, were established.

O Cruzeiro magazine also is worthy of attention. Its edition that covered the death of Getúlio Vargas (president of Brazil), in 1954, reaches a print run of nearly seven hundred thousand copies, which makes the insertion of advertisements into the vehicle to be disputed up to a year in advance (A propaganda no Brasil: das primeiras agências às grandes multinacionais, n.d.).

The following fifteen years are full of milestones in the field of advertising:

- in 1956, Alcântara Machado agency, current Almap/BBDO, is founded;
- in 1957, the 1st Brazilian Advertising Congress is held in Rio de Janeiro by Abap. During the event, the Code of Ethics of Advertising Professionals is created and the creation of the Circulation Surveillance Institute (IVC) is suggested. The Institute is created in 1961;
- it is still at the end of the 1950’s that Ibope starts measuring the audience of the Brazilian television. According to A propaganda no Brasil: das primeiras agências às grandes multinacionais (n.d.), the first study was Marplan;
- over the next decade, the focus of advertising migrates from objective information to a concept that unifies text and image, aiming to associate the brand with the consumer's psychology;
- in 1965, the Presidency of the Republic enacts Law No. 4.680, which provides for the practice of the advertiser and advertising agent professions;
- the power of mass communication is noticed by the military dictatorship, which becomes one of the leading advertisers;
- in 1967, the Gross Rating Points – GRP arrives in Brazil. It is an index used to measure the impact of the vehicles, the purpose of which is to “measure exposures in relation to the number of people in a target audience for an advertising campaign” (FARRIS et al., 2007, p. 280);

- in 1968 there are two events worthy of attention: Editora Abril launches Veja magazine and DPZ agency is founded by Roberto Duailibi, Francesc Petit and José Zaragoza.

A milestone in the 1960’s was the initiative of Nestlé, which started building a relationship with the consumer based on the exchange of recipes and mails through its Domestic Economy Center. In a pioneering way, the company sought proximity to its consumers at a time when there was no legal provision or requirement to do so.

Lastly, with respect to advertising, it is important to highlight the creation of the National Council of Advertising Self-regulation (Conar – Conselho Nacional de Autorregulamentação Publicitária) in 1980.

It is also pertinent to approach consumer protection movements; although these movements have occurred in the United States since the end of the 19th century, in Brazil, still at the beginning of the 1920’s, there was no sufficient organization to articulate any confrontation of the rural aristocracy. The elite still dictated the rules of citizenship and consumption, limiting the voice of the consumer market. Additionally, by virtue of its low level of maturity, the demand was still being molded by the few communication actions performed by the market.

Until the beginning of the 1990’s, the Brazilian consumer, for historical issues, was still used to a passive position. As commented by Volpi (2007), the Brazilian consumer learned how to deal with his/her low bargaining power. In a market protected from imports of consumer goods and lacking offer, the consumer got used to accepting the products offered to him/her, at the price imposed on him/her, through the available channels.

The 1990’s was marked by the higher access to imported products, by the end of inflation and by the currency stability. In this context, the following is worthy of mention:

- the commercial openness by the Government of Fernando Collor de Mello that, through the gradual reduction in import tariffs, obliged the national industry to reduce its prices and increase its standard of quality;

- the creation of Plano Real by the staff of the Minister of Finance at that time, Fernando Henrique Cardoso.

According to “Marilena Lazzarini, founder of the Consumer Defense Institute (Idec – Instituto de Defesa do Consumidor) and member of the workgroup, which created the Foundation of Consumer Protection of Sao Paulo [Fundação Procon-SP – Fundação de Proteção ao Consumidor de Sao Paulo - ], [...] the major benefit of stability for consumer relations […] was the fact of it having
enabled] the consumer to realize other elements that give value to a product” (Volpi, 2007, p. 112).

With respect to the consumer protection movement, we can identify its first signs in 1891. According to Volpi (2007, p. 55), it was in this year that the New York Consumers League was created, which, led by Josephine Lowell, “gathered lawyers intending to improve the working conditions of North Americans”. The entity gained force and notoriety, leading, in 1899, the creation of the National Consumers League. Years later, in 1936, the league also participated in another important action: “it founded the nonprofit publishing company, Consumers Union, specialized in product comparative tests and responsible for launching Consumer’s Report magazine” (Volpi, 2007, p. 56).

However, the concern over the balance of forces between suppliers and consumers and over the equality of rights has existed since the beginning of the civilization. The content pointed out by Volpi (2007, p. 104) is transcribed as follows:

‘If an architect constructs a house for someone and does not do so solidly, and the house falls down and kills the owner, this architect should face death penalty.’ It may seem absurd, but this penalty once existed. It was set forth in article 229 of the Code of Hamurabi, which was in force in Babylon more than 3 thousand years ago.

The excess of the ‘an eye for an eye, a tooth for a tooth’ indicates that the concern of authorities over protecting the interests of consumers is not recent, although their motivations have not been considered the most legitimate in the course of history. The equality or rights has proven to be distant from the relations between the weak and the strong, the protector and the protected, the landlords and the slaves, the employers and the employees, the companies and the customers.

In Brazil, in turn, the first effective action with respect to consumer protection occurred on May 6, 1976. By decree, the Government of Sao Paulo created the State Consumer Protection System, which provided for the implementation of the first consumer protection body (Procon) of Brazil. Even so, the relation between suppliers and consumers was significantly distant from the balance of strengths.

Only in 1991, with the creation of the Consumer Protection Code (CDC), the relations between companies and consumers in Brazil were regulated and standardized. Having the more fragile link, the consumer, as the central focus, a committee of academicians and lawmakers prepared the text of Law No. 8.078, which provides for the responsibilities of the parties and the mechanisms to compensate damage.

Certainly, the CDC was a historical milestone and a great achievement for consumers, leading several companies to launch, even precariously, its Customer Support Service (SAC – Serviço de Atendimento ao Consumidor). The growth in
the sector was such that already at the beginning of the 21st century its financial operations exceeded US$ 500 million per year and its volume of hiring exceeded three hundred thousand collaborators (Volpi, 2007).

The marketing and the academy

With the increase in the complexity of the aforesaid market and amid the political project of substitution of imports, the need to qualify professionals prepared to manage organizations was noticed. It is in this context that the first school of business administration in Brazil, was created in Sao Paulo, which, in the 1940’s, was already appearing as the Brazilian economic and industrial capital of Brazil.

Founded in 1941, during the dictatorship of Getúlio Vargas (1930-1945), by the Jesuit Priest Roberto Sabóia de Medeiros, the Higher School of Business Administration – ESAN (Escola Superior de Administração de Negócios) – was, for five consecutive years, the only school to qualify managers in Brazil. According to Vale (2012, p. 23), ESAN was “the first school to offer Business Administration courses at the higher education level in Latin America”.

During World War II, Priest Sabóia went to the United States to seek a model of School of Business Administration and hit in the bull’s eye: the Graduate School of Business Administration of Harvard University, which was founded in 1908 – and nowadays is the world’s principal reference in Administrative Science (Egoshi, n.d.).

Business administration appears as an undergraduate course during the governments of Getúlio Vargas and Juscelino Kubitschek.

From this period, the social and economic overview will be ready to receive professionals with this knowledge. If, on one hand, there is the assumption that the economic development during the government of Getúlio Vargas has helped flourish and legitimate Administration courses, on the other hand, the President of Republic at that time retaliated USP [University of Sao Paulo], including dismissing professors from Largo Sao Francisco School of Law. This is one of the main hypotheses to explain the time hiatus between the foundation of the FCEA [School of Economics and Business of the University of Sao Paulo], in 1946, and the signature of Decree-Law No. 6.283, of January 25, 1934, which created USP. In fact, the Secretary of Education of the State of Sao Paulo, Cristiano Altenfelder Silva, during the government of the interventor [temporary governor], Armando de Salles Oliveira (the federal interventor in Sao Paulo, from 1933 to 1935, and the State Government from 1935 to 1936) publicly defended that the School of Economic and Administrative Sciences, together with the School of Philosophy, Sciences
and Languages (FFCL), would perform the purposes of the University of qualifying professionals in all fields and conveying knowledge through teaching (Vale, 2012, p. 27).

In 1946, the School of Economics and Business of the University of Sao Paulo – FEA/USP was created. However, the Business Administration course was not immediately instituted; it only started being given in 1964. The context in which the course was created is described on the website of the School:

In the University of Sao Paulo, the Business Administration course was not instituted right after Decree-Law No. 15.601, of January 26, 1946, which provided for the creation of the School of Economic and Administrative Sciences, the FCEA, was signed. Initially, there were only two courses: Economic and Administrative Sciences course and Accounting and Actuarial Sciences course. It was only in 1964 that the undergraduate Business Administration course started being given. From this internal structural renovation, which coincided with the beginning of the Brazilian military regime, five undergraduate courses were created: Economic Sciences, Accounting Sciences, Actuarial Sciences, Business Administration and Public Administration.

In addition to establishing new courses, the institution became School of Economics and Administration (FEA), and the departments were broken down into three: Economics, Administration and Accounting (Vale, 2012, p. 24).

Some years later, in 1952, the Brazilian School of Public Administration of Getulio Vargas Foundation – EBAP/FGV (Escola Brasileira de Administração Pública da Fundação Getúlio Vargas) was founded in Rio de Janeiro, and, two years later, the School of Business Administration of Getulio Vargas Foundation – EAESP/FGV (Escola de Administração de Empresas de São Paulo da Fundação Getúlio Vargas) was established in São Paulo, with great expectations and under the responsibility for qualifying professionals that would command the promising future of organizations at a time when demand still increased geometrically with the increase in population at that time.

Despite innovations in the market and the advanced exchange and communication activities described, there were no marketing professionals yet in the 1950’s, in Brazil. For this reason, commerce departments, in addition to being responsible for the sales function, also coordinated and planned the communication of a company and the incipient promotional actions at that time. As “goods were few and so were the stores” (Richers, 1994, p. 27), the organizations did not feel under pressure enough to qualify a new professional responsible for these specific issues.

This fact encouraged the creation and strengthening of advertising agencies in Brazil, and not the creation of the marketing professional. This characteristic of the evolution left marks in the management of marketing in Brazil and encouraged boosting the number of advertising agencies; in accordance with A propaganda no Brasil: das primeiras
agências às grandes multinacionais (n.d.), already in 1987, Brazil registered a total of more than two thousand agencies. With respect to this fact, Campomar and Ikeda (2006) argue that, still nowadays in Brazil, only the variable promotion is effectively managed by marketing managers. According to the authors, in Brazil,

> The majority of products that integrate our daily lives are manufactured by multinational companies. Looking around ourselves, we find brands, such as Intel, IBM, Philips, Sony, GM, Colgate, etc. Thus, the products are conceived and developed abroad and, when required, slight modifications and adjustments are made for the local market. Price has always been a difficult variable to be managed in Brazil due to the legislation, high taxes and, in a recent past, high inflation rates. Regarding the distribution (Place), it is controlled by a few wholesalers and retailers. Only promotion remained for marketing managers to manage in Brazil – what have caused this variable to acquire significant importance in the process. And in promotion, which uses several tools, advertising stands out – Brazil is also well recognized worldwide for its advertisements, which have already received several prizes (Campomar & Ikeda, 2006, p. 19-20).

With the growing need of companies to include in their staffs professionals qualified for the new challenges that were appearing, from the effort of academicians from other fields, particularly economists, a movement was established to create qualification and specialized literature courses for this new professional in Brazil. The new corporate context imposed the need to qualify a human contingent with willingness, dynamics and intellectual and professional skills to occupy vacancies in multinational industries and in the largest national companies.

Despite the creation of specific courses, including in higher education, and the better qualification of marketing professionals, only in the 1970's the marketing professional reached the organization chart of companies (COBRA, 2003).

**The first marketing course in Brazil**

For the purpose of illustrating the effort necessary to insert the marketing subject in the curriculum of higher education courses, the following is the summary of the creation of EAESP/FGV, the history of which, according to Oliveira (2004), is intertwined with the birth of the discipline of marketing in Brazil.

As previously commented, by virtue of the effort of some professors, especially professor Luis Alves de Mattos, even lacking material resources and without experience enough to make the idea a reality, the plan was put forward.

A contact with the North American Government was established to support the idea that, at that time, was related to the objectives of the so-called ‘IV point’, which aimed to support
developing countries, from the brilliantly conceived and successful experience of the Marshall Plan in Europe. An agreement was then entered into with a North American University, the Michigan State University, to institute the School of Business Administration on one of the floors of a building assigned by the Regional Labor Office, at Rua Martins Fontes, in Sao Paulo. Firstly, a selection for assistants was held and, afterward, four North American professors were invited to integrate the first mission. And the FGV/SP was then created, in a very modest way, but with great expectation and enthusiasm (Richers, 1994, p. 28).

One of the members of the committee, Professor Karl Boedecker, believed that the teaching method should be participative; a system in which the professor is a learning moderator, ‘provoking’ his/her audience with themes and doubts and encouraging discussion in class. As an embryonic form of what the case study method would become, Boedecker revolutionized the standard of that time, which was impregnated by the traditional \textit{ex-cathedra} system, by which the professor speaks to his/her students, conveying knowledge as thought it were unquestionable truths and facts.

In 1954, the School of Business Administration of Sao Paulo (EAESP/FGV) introduced the concept of marketing in its curriculum under the name of “marketing”. Since then, the subject has gained space both in the academy and within companies, changing from a set of less appreciated activities, still during a phase of focus on product and on sales (product concept and selling concept), to a core role in developing corporate strategies (marketing concept).

\textbf{Final Considerations}

From the content presented, it is noticed that market practices have developed and evolved regardless of the existence of higher education courses in the field and in spite of the formalization of concepts and theories. Thanks to the entrepreneurial posture of some merchants and industrialists at the beginning of the 20\textsuperscript{th} century considerable advances in the offer and distribution of goods and services occurred.

It is also possible to apprehend that the formal study of marketing represents a wish of the market that, by virtue of the tight competition and refinement of exchange practices, noticed the need for a better qualified professional to handle emerging requirements.

As discussed, the introduction of marketing occurred by virtue of academic efforts, government partnerships and agreement entered into by schools. This process was not natural, in the sense that it did not occur smoothly and spontaneously. It is certain that a major participation of companies in the process of formalization, introduction and adaptation of concepts brought from other countries could have anticipated the acceptance of marketing by the market. However, its role proved not to be vital to the success of the process.
In this sense, the contribution that this article provides is the evidence that, from a certain stage of development of the market, the formal qualification of marketing professionals has become indispensable. Economies under development should, therefore, play an active role, developing teaching, qualification and training structure that can prepare their professionals to compete more equally in a globalized world.

References


