

Old Criteria, New Brazil

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In Brazil, the vast majority of companies use the "Crit rio Brasil" (Criterion Brazil) to define the economic/social classes consumers who participate in research (whether government surveys or marketing research).

The criterion of class division is important because it ensures that we are researching a group of people who have a very similar behaviour of consumption and thus better understand this portion of the population.

Well, that's what a good criterion should do. But it is not exactly what happens with the Criterion Brazil. It seems that the criterion we use here is outdated and did not follow the profound the economic and social transformations Brazil faced in past four years.

The big problem is that the criterion is based on ownership of assets such as colour TV, radio, car, washing machine, refrigerator etc.. The more assets a person has, the higher their social class.

However, in Brazil of today, the ownership of assets is not a good criterion to distinguish classes. The credit boom of recent years has meant that the population had easy access to goods like never before in history. Just to give you an idea of what I mean, take a look on how expensive products had a great penetration on Brazilian household in last years:

If everybody owns assets and goods, how it can be a differentiator criterion?

In addition to this major problem, the Criterion Brazil is also a bad instrument to map consumer behaviour of groups of people in some parts of Brazil. The difficulty of mapping the upper classes is an example. The wealthier consumers, especially those who live in big cities like Sao Paulo and Rio de Janeiro, has been undergoing a change of lifestyle that is becoming more like what we see in developed countries. Many are changing the ownership of property by the use of services. Stop buying a car to go by taxi. Stop buying washing machine to use laundry services. Stop buying a DVD to watch movies in streaming or download.

These people do not want to have assets, but have much money to spend on services that replace these assets. For these reasons it is common for a person with high purchasing power ends up being framed in a lower social class.

Another problem is the criterion regarding the identification of the middle class in Brazil. The Brazilian middle class (according to the criteria used) is gigantic, has about 100 million people. And it is very difficult to say that all these 100 million people living in different regions of a country of continental dimensions like Brazil, has a similar consumption behaviour.

Who works with research in practice can realize that there are different middle classes in Brazil, which can vary their behaviour depending on the region they live, family size, age etc..

The criteria need to add details that can better differentiate this huge middle class and thus help in directing companies and even public policy.

How can we improve?

Changing the criteria of class division in Brazil is a very complicated process. Change would mean losing the comparison of some historical data. That is a big problem.

However it is possible "and necessary" that companies start to look at the criteria for selecting consumers for research differently. We need to incorporate new ways to select consumers to complement the criterion Brazil. And in some cases, forget about Criterion Brazil entirely and create other more detailed and assertive for research objectives.

Written by Caio Casseb, founder and partner at Scoop & Co

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