The Story of Havaianas Brand

Mariane McGrath
Student Number: C00162294
Business in Marketing – CW838

Tuesday, 05 November 2013.
A brand is a distinctive name, sign, symbol or design that is visually noticeable, which distinguishes and identifies goods or services to consumers and differentiates from its competitors (Patent.net, 2013). It is through the use of a brand that a company creates their own personality, develops a relationship with its customers and builds a reputation in the industry.

The story of a brand is what many times can differentiate an organisation from its competition. A good brand story allows a company to connect with consumers in a meaningful and memorable way, creating, then, an emotional bond that leaves long lasting impressions in its customers’ minds (Walter, 2012). This essay will discuss the ascending history of the Havaianas brand and evaluate how it became such a popular, internationally known brand through its company’s strategic communications methods, which created a product that is now recognizable around the world.

The company Alpargatas S.A. launched Havaianas - claimed to be inspired by Japanese sandals, made of straw named Zori - in 1962 with a single model in four colours: blue, black, brown and pink (Havaianas, 2013). Although the sandals were produced in Brazil, the name ‘Havaianas’ (translated Hawaiians) was given because Hawaii, a paradise of sun and sea, was the holiday destination to the rich and famous at the time. The product was made of rubber and had a low price market targeting a lower working class, amongst whom they were very popular, selling approximately 1,000 pairs a day (Dias, 2011).
By the ends of 1960’s, Alpargatas S.A. had invested in a celebrity endorsement for an ad. The character was played by one of the most prestigious comedian in the country, Chico Anisio, and expressed the tagline ‘Havaianas, the original’. The tagline was created by the advertising company JW Thompson, and had the objective of stopping consumers from buying the numerous imitations that were being developed and sold at the time, only Havaianas were original and good (Havaianas, 2013). Due to its durability, comfort and price, Havaianas soon became a success and in a short period of time it became an essential item and, such was the case, the Government started to control its price, policy used normally for life essential goods like bread and milk. By the late 1980’s, Havaianas was selling 80 million pairs a year and measured 90% of the domestic market (Haymarket Media Group, 2013).

In the beginning of the 90s, Alpargatas S.A. went through a severe crisis, since it was a sales led company stagnation took its toll, the product was still the same, the same design and same target costumer for the last 23 years (Dias, 2011). The company desperately needed to attain higher profits to stay in business; however, to set higher prices was impossible for the reason that the majority of its customer base was the lower working class. Wealthiest members of the society tended to look down on the brand and for the lower income earners there was a big variety of cheap products, the competition was strong with the lower class and the brand was not as popular with the upper class. To recover from this crisis a change was needed fast, so, in 1994 the company opened an account with Almap BBDO, an awarded Brazilian publicity and advertising agency (Marketing
The agency prepared a marketing strategy that combined necessity and style, transforming Havaianas in a fashion accessory. Alpargatas, in association with Almap BBDO, launched, then, the monochrome Havaianas called TOP, a style initially with 8 colours, which was inspired by the common act of turning the sandals’ sole downside-up and making it all into one colour. The agency also developed new display and packaging ideas. When first being sold, Havaianas were held in a big basket with mixed colours and sizes or sometimes, with pairs attached by a rubber band (Dias, 2011). After the marketing campaign launched the remodelled brand, the sandals were sold in fabric bags or colourful boxes and displayed by separate colour and design in hangers so consumers could see all their options.

In 1996, a new campaign was added, starring Malu Mader, a very popular Brazilian actress, which transformed the sandals from shabby and simple into elegant and unique items, desired by all Brazilians. In the following year, the brand started targeting different segments of costumers, new colours and styles were created, including Havaianas Baby and Havaianas Surf, which saw different prints and designs that reflected the surfers’ lifestyle (Havaianas, 2013). In 1998, inspired by the World Cup in France, the Havaianas Brazil, with the flag on the straps,
was created and it became a national success again, and by the end of the 90’s Havaianas had a new record of 100 million sandals sold in a year (Marketing Havaianas, 2011).

A great part of Havaianas repositioning campaign was to export the brand, positioned in the high fashion, designer market. The company started exporting in 1994 to only a few South American countries. In 2000, the exporting strategy was Alpargatas S.A.’s main priority, it exported Havaianas to a few European countries such as France, England, Switzerland and Greece, having Australia and United States of America as their biggest exporting countries (Marketing Havaianas, 2011). International research was made to segment foreign markets and consolidated the brand within different consumer groups (Bloomberg, 2013). One of the strategies adopted by the brand was the use franchises to entry foreign markets, where consumers would find all the products stocked in a Havaianas shop, brightly coloured and in a modern theme, to reflect the essence of the brand. The international advertisement had ‘Your feet can dream’ as a slogan and YouTube was used to launch their campaign (Dias, 2011).

The expansion of Havaianas was made through the introduction of a line of hand bags and purses launched in November 2008. All of which contained rubber details as the sandals. It was sold in several shops in Brazil and in the Galleries Lafayette, a world renowned upmarket gallery in Paris (Marketing Havaianas, 2011). For the brand to maintain its position in the market, Havaianas launched the Soul Collection. This is a line of closed shoes, runners and Wellington boots all containing the trademark rubber soles, as found in the original
product. The idea was to be able to attract the European market, where it was harder to sell flip flops due to the cold weather (Dias, 2011).

Barcelona, in Spain, was the first European city to open a Havaianas shop and soon after, Huntington Beach, in California, saw the first shop opening in the USA (Havaianas, 2013). Later in 2010 the company implemented a Make Your Own Havaianas (MYOH) shop encouraging customers to create their own sandals and personalise them into unique pairs (Dias, 2011).

In 2003, Havaianas starred in the catwalks through Jean-Paul Gautier’s collection and formed many partnerships with upmarket shops to commercialize the brand (Dias, 2011). Another important event for the brand happened later that year when the sandals started to be part of the Oscars by giving a complementary pair, adorned with Swarovski crystals, to nominated actors (Havaianas, 2013). Another method used by the brand to build a solid base with its exports was to launch limited editions in partnership with famous designers such as H. Stern and Celine, in which prices would vary from €3,000 to €25,000 (Havaianas, 2013). Celebrities such as Jennifer Anniston, Brad Pitt and Kate Hudson all swear by them.

Despite its high fashion global branding, Havaianas tries to stay close to its own roots, so in January 2009, the first Havaianas’ concept store opened in an upmarket street in São Paulo, Brazil. The store has a street market theme, to connect with the product’s origins, and contains all products from the brand, including designers’ styles and international
special editions. The store also contains sections that include the story of the brand, told through its numerous flip flop styles (Bloomberg, 2013).

The brand is also involved with the aid of environmental issues. The line Havaianas IPE, adorned with extinction threatened animals and rain forest prints, donates 7% of its profits to the Institute of Ecologic Research to invest and preserve the fauna in Brazil (Rodrigues, 2006).

Also, to celebrate the brand’s 50 years anniversary, Havaianas created a limited edition to celebrate its success, inspired in the first design of the sandals. All profit generated by this edition will be donated to help troubled kids via UNICEF (Dias, 2011).

At the present time, there are over 60 countries selling Havaianas all over the world with over 500 styles for consumers to choose from, apart from the MYOH personalised ones (Bloomberg, 2013). There are 17 ranges within the Havaianas flip flop lines including Havaianas Flash, an urban style with mismatched numerous colours, Havaianas Top, with a high platform of 3cm, and Havaianas 4 Night, which glows in the dark (Havaianas, 2013). Havaianas hold 80% of sales in the rubber sandals category in Brazil. In 2011 over 200 million pairs were sold, in which 15% was exported, making the brand the 4th most recognizable brand in Latin America (Havaianas Australia, 2012). By the end of 2012, it has sold 3 billion pairs of Havaianas since 1962. The average global mark-up lies between 250% and
600% on its cost of production, having its market price set between €15 and €35 (Rodrigues, 2006).

The triumph of Havaianas’ brand is claimed to be led by the constant segmentation and innovation which conquered more space in the market to make the brand current as well as not reverting back to the same crisis that happened at the beginning of the 90’s. This has transformed the brand into an object of desire all over the world; Havaianas is a proven success not only in Brazil but also overseas. The need for repositioning was a challenge that the advertising agency adopted to remodel the brand as an appealing item and not only functional like in the past.

Alpargatas S.A. went through ups and downs since the release of the Havaianas brand. The crisis involving their product made the company’s bosses soon realize that a marketing strategy was necessary, by investment in research and development and surveying the market, to keep the product up to date and profitable. The bright side of conquering the Brazilian lower income population first is that they created a huge consumer base and by repositioning it made the product desirable to other markets. Havaianas biggest strategy moves were to make it also a recognisable product in foreign markets. The company was able to do so by segmenting its market and varying its products to match their prospective consumers.
Strategic brand management provides the grounds for product positioning and has to be connected to the company’s marketing mix provided for their brand (Cravens & Piercy, 2006). The slogan ‘Havaianas: Everybody wears them’ matches perfectly their communication strategy, where anyone can wear the sandals, from low income population to the rich and famous. Celebrity endorsements in Brazil, starring in Havaianas advertising campaigns, where celebrities were often shown in humorous and mundane situations, gave the brand the credibility needed for the consumer to identify with the product. In addition, the international Havaianas ad campaigns are very colourful and connected to the Brazilian lifestyle with the intention to ‘sell’ the simple, carefree and happy way of life, with slogans such as ‘Your feet can dream too’ and ‘Havaianas: Always summer’.

Consumers see Havaianas as an expression of their identity, as if by wearing the sandals they are making a statement on how their lives are led. And for Brazilians it’s a brand that is close to their heart, they accompanied the ascension of this brand, which reminds the population where they came from and its simplicity connects with Brazilian roots positively promoting the country.
Bibliography


Havaianas. 2010. *Havaianas for H Stern.* [image online] Available at:
Available at: http://0-go.galegroup.com.www.library.itcarlow.ie/ps/i.do?id=GALE%7CA341308637&v=2.1&u=itc_web&it=r&p=AONE&sw=w
[Accessed 30 October 2013].

Available at: http://thestoryoftelling.com/brand-story-services/
[Accessed 30 October 2013].

Available at: http://mundodomarketingtaiany.blogspot.ie/2011/06/fabulosa-historia-de-estrategias-das.html
[Accessed 2 November 2013].


Available at: http://www.patentnet.com.br/marcas_oquee.htm
[Accessed 23 October 2013].

Available at: http://www.bocc.ubi.pt/pag/bocc-rodrigues-sandalias.pdf
[Accessed 2 November 2013].


Available at: http://mashable.com/2012/06/08/leading-brands-story/
[Accessed 30 October 2013].