

Article Modelase by Fajate – Direct Sale and manufacture products directly from industry to consumer

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Keyword— *Fajate, business model, catalogs, direct sales.*

Abstract— *This article works the direct sales market focusing on the Modelase by Fajate project, a form of marketing promoted by companies such as Jequiti, Natura and Avon, which sell and manufacture products directly from industry to consumer. In the current phase of the economy and with the productive reformulation of capital and labor relations, in which the expanded reproduction of capital is sought, the configuration of the globalized economy has led to a new order between the upper and lower circuit. The recent dynamics of the Brazilian economy have influenced the expansion of the two circuits of the urban economy in large Brazilian cities. This business strategy allows the insertion of a wide range of workers, usually urban, integrating into the dominant production model, from a commercial contract. In the understanding of this process, the analysis was imposed in which the accumulation of capital is enhanced in the form of exploitation of the labor force. This articulation, which explains the combined and concomitant existence of different technological stages within the same set of productive processes, makes it indisputable that the criterion of "modern" and "backward" are faces in the same way of capitalist social reproduction. If in the past the direct selling business model was adopted by a few companies, today it is adopted by large and small. In this sense, being extremely important the understanding of the transformations of large companies, which are part of the superior circuit of the economy, with the lower circuit, in their search for expanded reproduction of capital through primitive accumulation, present in many forms of contemporary work. The companies with the direct sales business model that distribute their products through catalogs (Avon and Natura) were presented, demonstrating the peculiarity of each activity in its differentiations within the direct sales system. Adopting the Fajate project to this world of renewing and expanding, in the period of globalization.*

I. INTRODUCTION

To think and approach the direct sales business model and its implications in contemporary society, we take up Milton Santos' theoretical conception, the Theory of Economic Circuits, formulated in the 1970s, which analyzes the urban economy of underdeveloped countries. The theme of the circuits of the urban economy is of special importance at this moment when the consequences of the neoliberal project of the 1990s in the relations of urban production become visible, with the increase of the vulnerability of the population, the precariousness of work

and the production of new forms of impoverishment. For Maria Laura Silveira (2004a), poverty has been, in some way, an obstacle to the full expansion of the economy, and at the same time has allowed the development and implementation for some companies that bet on their product distribution network in the lower circuit. It is a correlation of forces, in which the great industry enters with capital and the inferior circuit with precarious work (SANTOS, 2008, p.131-2).

As Silveira (2007b) analyzes, due to the power of large corporations and the increase in the contemporary

economy, a solidity of the upper circuit and a weakness of the lower circuit, whose dependence increased considerably. The increasing internationalization of the Brazilian economy and the consequent increase in the presence of hegemonic agents, characteristic of the current period, have been producing a rearrangement in the dynamics of the circuits of the urban economy.

The arrival of hierarchical happening (Santos, 1996, p.166), implies the change in the interactions and intentions of the two circuits. In this context, we believe that direct selling can be related as a mercantile modality that presupposes a logic involving new socioeconomic and spatial rationalities, which has been delineated since the twentieth century in Brazil.

II. DESIGN DESIGN BY FAJATE

Modelase by Fajate is a company that will represent Fajate in Brazil, with compression straps for post-surgical treatments and to improve posture, and can be used after plastic surgery, bariatric or simply aesthetic.

The Fajate project started in Colombia in 2001, being a family business. The following year being chosen by the experts as a reference, in 2006 the brand began to be marketed in the United States becoming recognized by customers and forming the new and succinct slogan that remained to this day: "Fajate, tu segunda piel".

In 2009 the brand received iso 9001 2008 certification following the franchises in Ecuador.

Over the years the brand has grown and opened new fans within the sports and swimwear business. With social networks the visualization increased generating many profits and opportunities for new partnerships, operating today in more than 30 countries. Contando with invima and OAS (Authorized Economic Operators) certification.

2.1 Business Model

Direct selling is a business and product distribution model in which the marketing of goods is carried out through an autonomous reseller. It began in Brazil from the 1950s, being considered as a traditional form of retail held "outside the stores", also known as "home sales" or "door-to-door selling", although this system has changed in recent years. Until these decades, the direct sale practiced by Avon and Watkins Company was carried out in the old system, in which the company mapped in detail the area of operation of each dealer, house by house. Each dealer could operate in an area, which, in the case of Avon in Brazil, had something around 200 houses, and could not resell in another neighborhood, city or state that was not assigned to him. In Brazil, this door-to-door system of Avon was

adopted until the 1960s/70s, in the first two states where the company established itself - São Paulo and Rio de Janeiro.

From 1970, Avon was abandoning this system for two reasons: the entry of the other companies generated an overlap of records and information, making it impossible to control house by house. In any case, for almost 15 years the system had worked satisfactorily (ALMEIDA, 2007, p.22).

Today, the direct sale carried out door to door has resurfaced with the entry of Nestlé and other companies. A combination of material factors influenced, from the beginning, direct selling and its current contours in the urban economy. More recently, such organizations have grown because of their ability to provide the solution of two problems: it allowed capitalist entrepreneurs access to a broad base of workers without employment, maintenance and substantial costs, allowing this group an opportunity for income and work. Being a form of work performed by women, who want a financial income to meet the material needs of their daily lives.

From the case of the study of direct sales, we can consider that the relations between capital and labor adapt to the new historical and temporal circumstances, in which the competitive logic directs companies through differentiated strategies to meet the needs of capital, through the innovation of the forms of commercialization of their products, and in meeting consumption patterns. In this sense, innovation is subordinated to both the rationalization of work and commercial imperatives.

2.2 Direct Selling

For Silveira (2007a), in the ideology of globalization, the new is synonymous with modern, authorizing us to speak, in this way, in a geography of modernity. Direct selling is now considered modern from the interest of large foreign companies that are present in Brazil, in which the large industry appropriates flexible worker mobility for the accumulation of capital based on technological and financial components and carried out by a modern discursive practice. According to the leaders of direct selling companies: "In a country marked by social exclusion, direct sales create sit-in-service opportunities and complementary income for a large group of people in all regions of our immense Brazil" (ALMEIDA, 2007, p.75).

In this regard, Silveira (2007a) had already analyzed that the rescue of old forms of commerce, and here we include the case of direct selling, remodels and perfumes itself in something attractive and brings with it the aura of modern, in the current period and that is resumed by companies through the discourse of social inclusion. The discursive practices of the direct selling

leaders promote a correlation between the sector's increase in the labor market: "Through the official discourse, these companies are presented as saviors of the places and are appointed as creditors of recognition for their contributions of employment and modernity" (SANTOS, 2001, p.68).

In Rodolfo Gutilla's view: "It seems that our sector is immune to the moods of the economy" (GARRIDO, 2007, p.17). As it is not dependent on credit, direct selling has passed off the recent economic crises (MENDES, July 21, 2009, s.p.). For the leaders of direct selling companies, it is considered worldwide as a sector that provides microcredit, because the autonomous reseller can make payment to the industry with the payment of its customers.

They also assess that this sales model works both for a strong and a weak economy, in which, in markets with large fluctuations and uncertainties, such as the Brazilian, in times of crisis, tend to attract more and more women to the direct selling business, as a way to obtain income and even as a way of insertion in the labor market. Thus, "if the economy is strong and stable, direct selling grows, because consumers tend to buy more, if the economy is weak, the sale grows because direct selling has the power to attract more resellers" (KLEPACKI, 2005, p.148). One of the factors that contribute to this stability of direct selling is that it develops through personal relationships that, even in times of crisis, always exist.

Direct selling can be considered a more sophisticated form of subordination of labor to capital, in which large capital is used to reduce its costs. Today, there is a more subtle and refined subordination, which, at the same time, individualizes the work relationship, increases the worker's exposure to the risks of the market and of the social existence itself, as Castel (1995) rightly put it, dispersing and weakening workers, by interchanging difficulties and new challenges to their collective organization. In this sense, it will be necessary to qualify the worker in direct sale beyond a mere insum of the productive process, as well as its insertion as a social subject and as a participant in the logic of the reproduction of capital. Direct selling is a case of informal work, considering that there is no employment relationship, in which catalogs, carts and other means are used to carry out sales. The relationship occurs through a commercial contract for the purchase and sale of products, which is established between the industry and the autonomous reseller. This relationship, according to Tavares (2004), is an unproductive work.

However, even in certain cases, in which even information on how to perform the activity is made through catalogs, phone calls or e-mails, the people involved in this activity

perform a function similar to that of the merchant, with much greater responsibilities, due to the distance that, objectively and subjectively, there is between the seller and the capitalist trader. [...] This supplementary activity, however, does not end the discussion about the sellers, who we believe are unproductive workers (TAVARES, 2004, p.162,).

2.3 Direct Selling Features

- **Personal approach:** A striking feature of direct selling is the personal approach to sales and personalized service. Weitz (1994) clarifies that different formats adapt to certain types of products and consumers. In the same way that there may be consumers interested in a kind of mass selling approach. Another aspect weitz recalls is that the direct sales system is more fit for some cultures.
- **Control of the steps involved in the distribution channel:** The control exercised by the manufacturer over all the steps developed in the channel is another characteristic of the direct sales system. The steps begin in the stock of finished products, as soon as the merchandise is produced, until the delivery of the product to the final consumer. The direct selling system therefore discards the figure of the intermediary.
- **Practicality for the consumer:** Andrade (1994) states that household sales are absolutely practical from the buyer's point of view, since he chooses when and what products he wants to have in his home. In addition, any failures or reasons for dissatisfaction are identified much more quickly, reducing the possibility of lasting heartening.
- **Direct sales system sales team:** Resellers, in direct sales, are generally people who do not maintain employment ties with the manufacturers. The sales force has some unique characteristics such as turnover. For Araújo (1995), the people involved in direct sales (resellers) have some basic motivations that drive them towards the practice of this activity.
- **Direct Sales Perspectives:** Technological development and the use of new technologies have helped to make the sales force more efficient. Satellite conferences can also be used for training and product demonstrations. One aspect worthy of mention, as a possible trend of the direct sales system, is the incorporation of new formats for sales. It is not ruled out the opening of stores in strategic locations in order to improve the demonstration of products. Many direct marketing tools can be incorporated, such as direct mail, home shopping tv,

the extent of the use of catalogs and others.

III. MARKETING CONCEPTS

"Marketing is so basic that it cannot be considered as an isolated function... It's the whole business seen from the point of view of the end result, that's the customer." (KOTLER, 2000 apud DRUCKER, 2002)

3.1 Direct Marketing

Direct Marketing is a specialization of Marketing, which involves the use of advertising and sales techniques that allow to reach the market - target in a much more targeted way and get direct and measurable answers, for this reason, even it is said that Direct Marketing is a Relationship Marketing. Exploring the database concept helps explain the dynamic strength that direct marketing makes a fairly effective way to direct sell: your goal is to collect meaningful information about prospects or customers for a long-term marketing relationship with your business.

3.2 Case Study

The analysis of direct selling is still based on the search for understanding of the recent articulations that have been established between the upper and lower circuit in the urban economy. These are differentiated forms of business management in which industrial capital expands its sphere of activity, directly involving itself in the disassignment of its production, eliminating the figure of the middleman and creating its own productive circuit. The distribution, as a strategic focus of large corporations in order to increase their space of operation, can be understood as a expansion of the industrial world: industrial capital merges as commercial capital in such a way that there must be a merger of these two capitals. The analysis of direct selling, as a form of conducting business in which eliminates the figure of the wholesaler, suggests that the two spatial circuits of the urban economy of underdeveloped countries. The direct selling system can be executed in several ways and therefore receiving other nomenclatures, such as catalog selling, door-to-door sale by carts and sale by network marketing:

- Companies that sell products through catalogs: Avon (the best known and traditional in the direct sales sector in Brazil, producing and marketing cosmetic, hygiene and perfume products); Natura, for its innovative profile and exponential growth in Brazil, also in the beauty and personal care sector.
- Companies that sell products through carts in door-to-door visits: Nestlé entered the direct sales sector in 2006, marketing food products through the

establishment of small business units called microdistributors, and Yakult, for its representativeness in the cart sales trade, operating since the 1960s.

- Forever Living Products, a company of North American origin, which imports its products through its Brazilian subsidiaries, marketing products through network marketing, a business model in direct sales differentiated by the form of remuneration.

Target audience

The target audience of Modelase by Fajate are women from 18 years of age, mainly A/B classes, who value their beauty and the health of their skin and body. The company had to follow the evolution of women, who today is an active, participating and ambitious model of women whose main opponent is the clock. They are women who prefer the ease and convenience of being able to buy the products without leaving home.

Goods

Modelase by Fajate products are developed by Matriz in Colombia. There is a constant search for innovation and improvement of products, following the latest worldwide trends in the market of belts, fabrics, raw material and continuous improvement. Modelase by Fajate's product line includes more than 20 high-quality models and state-of-the-art technology that seek to meet the varied needs of its consumers.

Distribution (Sales Force)

All marketing of Modelase by Fajate products will be focused exclusively through direct sales by resellers (Consultants), who will not have employment ties with the company. Beauty Consultants will be the basis of Modelase by Fajate's business.

IV. SWOT ANALYSIS

- Strengths: Good identification with the public, market leader in Latin America, working in more than 20 countries, better post-surgical performance, durability, loyalty of consultants.
- Weakness (Weaknesses): Little known in Brazil, communication failures in Brazil (Image), does not have clear positioning in Brazil, lower market share in direct sales.
- Opportunities: Market growth, optimism and changes in brazilian consumers' habits, post-surgical negotiations, the rise of women in the labor market, a trend towards greater appreciation of social marketing, the use of the Internet as a strategic tool.

- Threats: A fall in the purchasing power of Brazilians, increased exports, political problems with Colombia, growth of products with lower prices.

4.1 Strategies

- Consultants
 - Increase the number of active consultants when the brand is operating in Brazil.
 - Increase the individual profitability of each Consultant, ensuring a significant increase in the profitability of the company.
- Final Consumer
 - Launch the brand for greater public knowledge.
 - Focus efforts on solving brand problems.
 - Create a Mailing from the clients' portfolio of the Consultants, which guarantees future direct marketing actions and closer to the company to the target.

4.2 Shares

Consultants:

- Training on products, sales strategies, customer approach: "Marathon team sales".
- Incentive actions. The incentive actions are the events, award system and recognition

Final Consumer:

- Develop actions demonstrating the products and brand in strategic locations frequented by the target audience: Stands for Brand Presentation and Product Demonstration.
- Participate in philanthropic parades, presenting the brand in a positive scenario, and associating its image with social issues: Parades with Social Causes.
- Encourage the promotion of the brand, influencing the spread of the campaign through "word-of-mouth": Word-of-mouth Propaganda - "Start New Consultants"

V. FINAL CONSIDERATIONS

I can conclude that for the elaboration of this business model within the company as a result of modernization, we seek to understand, through the study of direct sales that the territory has increasingly assumed a corporate space, in which we need to have an increasingly organic relationship by the horizontal relationships of social networks established by the autonomous resellers. Once the

company is installed, we can build bases for its performance and market expansion for production and consumption generating a chain among the saleswomen, thus creating more contacts and increasing our field of operation. Being an activity that provides a business and income opportunity. This business strategy allows a wide range of workers having the understanding of this process in which the accumulation of capital is enhanced in the form of exploitation of the workforce. With the focus on promotional actions for Direct Marketing developed in this work, it is possible to make the Brand Modelase by Fajate better known in the Brazilian market. Thus, a certain union of some ideals of the company with direct marketing solutions and promotional actions that will bring results is made. That is, betting on "word-of-mouth propaganda". For this, actions were developed for Direct Selling, with great social appeal and focusing mainly on Consultants and Final Consumers, taking into account the entire history of the company, as well as its philosophy, so that the target audience of the actions is effectively reached.

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