

CASE STUDIES & TEACHING CASES

The Melissa case: sustainability challenges for the international expansion of a Brazilian brand of plastic sandals

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INTRODUCTION

After taking over the management of Melissa Sandals in January 2019, Melinda Vogel, a senior executive in the footwear sector with over 20 years of experience in the industry, has now faced one of the greatest challenges of her career. After successfully leading for more than 5 years the international expansion division of a competitor, Havaianas Alpargatas, Melinda was brought in by Alexandre Bartelle, CEO of Grendene — a Brazilian company that owns Melissa and footwear brands such as Grendha, Zaxy, Rider, Cartago, and Ipanema — with the mission of increasing the brand's international presence especially as a strategy to diversify revenue sources and customers in view of the already saturated domestic market.

Despite the fact that through its more than 40 years of history, Melissa Sandals has always had a good connection with the international public, more recently it started to suffer a lot of criticism mainly due to the sustainability characteristics of its product. Bartelle highlights that in the past few years, the consumer of the fashion industry had become more educated, behaving differently about the environmental and social implications of their choices, and each time more demanding for sustainable products. This new moment represents a cultural shift of the societal norms and attitudes toward clothing ownership and the trends are already impacting the whole industry's sustainability strategy. As Melissa is a long-lasting plastic sandal made 100% of PVC, the brand couldn't be aside of the center of these discussions once both its manufacturing process and improper disposal end up generating harmful impacts to the environment and societies.

Bartelle also recognizes that the fast fashion model reinforced over the last few decades is one of the most responsible of generating a quick turnover of clothing and shoes collections, leading to overconsumption and excessive waste in an industry that is market by being resource-intensive, and consuming large amounts of water, energy, and raw materials over its production phase. That being said, developing strategies to encourage more conscious consumer behavior and reduce the demand for disposable fashion is a key concern not only for Melissa, but for the entire industry. As a way of showing greater alignment with the Sustainable Development Goals (SDGs) of the United Nations (UN) Agenda 2030 (Annex 1), since its launch in 2015 Bartelle and his team began to invest thousands of dollars to reinforce the sustainability image of their sandals.

As a result, in the past few years Melissa continued to grow. In addition to the sustainability issue, the brand invested in increasing its physical and digital presence by opening new points of sale in Brazil and by adopting an omnichannel distribution model that optimized its e-commerce operations through greater proximity and a consequent better customer experience. In 2022, Melissa Sandals already exported its products to around 80 countries of the world, and the international sales were responsible for 30% of the brand's annual revenue of US\$ 160 million. However, to be truly successful in more mature markets such as the United States and Europe, the brand's international focus in recent years, Melinda Vogel and Bartelle knew that much more still needed to be done.

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BRAND BACKGROUND

Created in 1979 by Grendene, a Brazilian footwear manufacturer founded about 8 years earlier in the city of Farroupilha in the south of the country, Melissa Sandals had their first model nicknamed the spider (Annex 2), inspired by the sandals used by fishermen in the south of France. Made entirely of plastic, the brand escaped the ordinary with a mix of versatility and style. This recipe made the first Melissa an immediate sales success, reaching the mark of 5 million pairs sold in its first year, becoming a symbol of a whole generation of young women. Due to its surprising success, Melissa began to offer a greater option of numbers beginning in 1980 catering to both adults and children.

The moment for the brand to bet on the launch of new models was 1982. Melissa Rock which allowed size adjustments using an adjustable cord around the ankle, was a new success among Brazilian women. Following international fashion trends such as the salons in Paris and New York, the brand started to invest in marketing strategies as a way of adding value to its sandals and accessories. As the first footwear brand to link an advertisement to Brazilian television, from 1983 on Melissa could already be seen on the feet of Brazilian actresses with collections signed by international designers such as Jean Paul Gaultier and Thierry Mugler. With the launch of new collections every fashion season, the first Melissas also began to appear in windows abroad.

In 1984, the brand started to focus on children with the launch of the “Little Melissa”. Two years later, in 1986, a partnership with the Brazilian actress and presenter Xuxa made the brand sell the historic mark of 13 million pairs among Brazilian girls. From that moment, its kids’ line (Annex 3) did not stop growing, making Melissa continuing to bet on new collabs with big brands such as Barbie and Disney. Not even babies were left out with the launch of the Melissa segment for babies. Gradually, however, the strong association with the children’s public distanced Melissa from its origins. As a result, the brand underwent a repositioning beginning in 1994 in order to try to reconnect with the adult women. In 1998, Grendene, which owns the brand, created a specific division for Melissa so that it could think more strategically and independent from its own marketing campaigns.

As a result, from the 2000s, Melissa began growing again among the adult public with a presence on important catwalks in the fashion world such as Paris, Milan, and New York. The growth in sales resulted in new investments in the brand as in 2002 when Grendene was the official sponsor of the biggest fashion event in Latin America, São Paulo Fashion Week. In 2005, it was Melissa’s turn to open a concept store called Galeria Melissa on Oscar Freire Street in one of the most fashionable neighborhoods in the city of São Paulo, the largest Brazilian metropolis.

In the following years, Melissa improved its vocation for the fashion world by investing in new important national and international partnerships such as the renowned stylists Alexandre Herchcovitch, Judy Blame, and Boy George. Such collections (Annex 4) gave the brand significant exposure in international editorials of newspapers such as *The Washington Post* and *Herald Tribune* and in 2007, due to this visibility, the brand launched marketing campaigns directed to the international segment.

In 2009, on the brand’s 30th anniversary, Melissa launched a commemorative edition of its own perfume. The fragrance with a characteristic scent of its plastic sandals was developed by the house Givaudan, the same group responsible for perfumes from famous brands such as Giorgio Armani. All this success led Melissa to invest heavily in its retail segment in 2012 after years of selling practically only through e-commerce or wholesale. Based on an agreement with Jelly Stores, a Brazilian retail chain with local operations, Melissa Club was inaugurated (Annex 5) and it became the name by which the franchise’s brand stores became known.

The years that followed were of great expansion for Melissa’s retail. In 2017, based on the success of Melissa Club, the group diversified its store segment by opening around 20 points of sale of Melissa Club Mini, the name used by the franchise for stores dedicated to children. With this new channel, the brand aimed to be even more connected with its consumers by improving the overall shopping experience. After reaching the mark of more than 340 Melissa Club franchise stores throughout Brazil in 2019, during the past few years the brand did not stop growing and by 2022 had more than 380 franchise stores that together were responsible for about 60% of its revenue.

MELISSA'S INTERNATIONAL STRATEGY

Like another well-known Brazilian flip-flop brand, Havaianas, Melissa ended up building, maybe intentionally over its years of existence, different positioning for its products in the national and international markets. In Brazil, due to the ease of access to its products that can currently be purchased through various channels such as its own e-commerce, third-party stores, the brand's stores, or at around 4,500,000 multi-brand resellers around the country combined with the strong association that Melissa has created with children and an average ticket that ranges between 20 and 40 dollars, Melissa's sandals are easily identified by the general public as a mainstream product for everyday use.

At the same time, the brand's strategy of getting closer to the fashion world since its first years of existence by proposing co-creations with international stylists and brands of excellence vanguard, recognized in the art of design made it possible for Melissa sandals to position themselves in many countries as more than just something to put on your feet. Allied to this, Melissa made a point of being present in countless films, series, and catwalks, dressing the feet of actresses, models, and personalities of their times. The repercussion of these successful associations in international fashion magazines such as Vogue (Italy), Pen (Japan), Zoo (Germany), and You (United Kingdom) made Melissa sandals an object of desire among many women in the world.

This strategy allowed Melissa since the 2000s to be able to maintain regular exports with the main international markets being the Mercosur countries (35% of exports), North America (26%), and Europe (13%). As a result, the sandals of the brand became more easily found in department stores in several countries around the world such as Bloomingdale's (United States), Galeries Lafayette (France), and Dover Street Market (United Kingdom) at average prices that varied between US\$ 80 and 90, but could reach up to US\$ 300 depending on the model, thus representing a pricing strategy far superior to the main models found in Brazil.

As a way of reaffirming this international positioning to a niche and more segmented audience, Melissa soon started to launch campaigns and slogans (Annex 6) responsible for making the brand even more internationalized. Already by 2004 its exports were responsible for around 20% of the division's total revenue. With that, soon the emblematic "Melissa Made in Brazil" campaign, presented at the Museum of Modern Art (MAM) in Rio de Janeiro in 2005 gave way to international stages such as an exhibition at the London Museum of Design signed by the British designer Vivienne Westwood in 2007, or with the collaboration signed with Jason Wu known for being the stylist of the former First Lady of the United States, Michele Obama, in 2009.

Until 2010, the advertisements developed exclusively for foreign audiences by Melissa's marketing department were already a reality and became each time more frequent. A big new step was taken in 2012 when the brand opened a new 270 m² concept store in the trendy neighborhood of Soho in the beating heart of Manhattan, New York City, in the line of Melissa Gallery of Oscar Freire in São Paulo. Soon after, in 2013, it launched its own international e-commerce model for the European and American markets. By 2014 it was time to open a new two-floor, 400 m² Melissa Gallery, this time in the charming neighborhood of Covent Garden in the city of London, United Kingdom.

As it was expanding and becoming more internationally known, Melissa sandals also began to suffer from the issue of imitations, especially from the Asian market. In this regard, Melinda Vogel in an interview to Economic Value Magazine in 2021, said: *Every brand that manages to position itself, whether national or internationally, as an item of desire will inevitably have to face the issue of imitations at some point. I believe that reaffirming our presence even more strongly in the international market will be the best way to combat imitations coming from China and its neighbors. In this way, taking our Melissa Club model, whether through franchises or own stores to other markets, including Asia, becomes a medium-term objective for the company.*

Supported by a strategy of direct exports through the use of distributors based abroad responsible for supplying about 140 exclusive sales points in addition to another thousand multi-brand stores, Melissa sandals by the end of 2022 already gave concrete indications about its strategy of building an even stronger presence internationally (Annex 7). A clear sign of this was the opening for the first time that year of 5 Melissa Club-style stores in the United States. However, unlike the franchise model disseminated in Brazil and as a way of maintaining greater control over its operations, the stores in the North American market were the brand's own investments. By 2023, at least two other own stores may be opened in China, a move that would physically take Melissa to the competitive Asian market.

SUSTAINABILITY CHALLENGES FOR MELISSA'S INTERNATIONAL EXPANSION

At that moment, Melinda Vogel and her team knew that due to the different positioning that Melissa Sandals had built over the years between the national and international markets, much more still needed to be done by the brand if they really wanted to increase their presence and win over the taste of consumers from mature markets such as Europe and North America, which usually present significantly different behaviors than the Brazilian public. Melinda observed through her years of career working in the competition that in general, customers of mature markets demanded for more attributes of quality, social responsibility, or sustainability from the brands they consumed. At the same time, the work of Brazilian brands became even more complex due to a high range of competitors who tried to differentiate themselves by those attributes in these markets, making competition even more fierce. Other important point to be considered were the different supportive sustainability policies and regulations found in emerging and mature markets, in many times responsible for incentivizing and enforce sustainable practices across the fashion industry.

Because of this, over the last few years it was possible to observe a kind of “awakening” of Melissa to the theme of sustainability. Recognizing the impact that the main input of its products, plastic, generated on the world, Melissa started to heavily invest campaigns in order to make its brand image more sustainable. But this was not an independent move of Melissa, once sustainability and things related to waste and recycling was an object already being reflected and practiced by other players of an industry that every year is responsible for generating a significant amount of waste in the environment. So, developing strategies for recycling, upcycling, and circular design could help reduce the environmental impact of discarded products and improve the brands sustainability image among consumers. The emergence of reflecting over this subject were even more present in the industry segment which Melissa is part of, once every day harmful chemicals are used in dyeing, finishing, and processing textiles and plastics, with direct effects on the environment and human health. Also, synthetic fabrics release microplastics into the environment during washing, and addressing the impact of microplastics by promoting the use of natural and biodegradable fibers are important steps toward sustainability. This was crucial to companies like Melissa and Grendene being able to implement strategies to reduce the use of hazardous chemicals and transition to safer alternatives. This process has triggered successful initiatives such as 2021 with the South Plastic Award for Innovation and Sustainability in the Recycled and Transforming Containment category.

Following this path, recently Melissa even included a space on their website dedicated exclusively to the sustainability agenda (Annex 8). In this space, it was possible to observe mature discussions on sustainability based on identifying concepts such as the Triple Bottom Line and the need for companies to be sustainable from a social, environmental, and economic point of view in addition to the Sustainable Development Goals of the United Nations 2030 Agenda. Beyond that, some achievements of the brand in recent years can be seen highlighted there such as adopting vegetable plastic in the composition of its sandals in order to generate less environmental impact. Melinda knew, however, that Melissa's carbon footprint was still significant due to transportation, energy consumption, and manufacturing processes. Beyond the speech, more concrete strategies capable of reducing emissions through the adoption of renewable energy sources was essential to advance in the company's sustainability strategy. To that end, more investments in innovation and technology through the incorporation of sustainable technologies like 3D printing, digital design, and innovative materials was still necessary.

Beyond this clearly marketing segmentation with the objective to create different communication standards with the Melissa customers, still nowadays, Grendene has only one sustainability manager to take care of all its 9 main brands. This is also reflected in the company sustainability report that is published annually. The document, besides giving a clear indication about projects and initiatives in a way to achieve more sustainable practices, they comprehend only Grendene general numbers, making it impossible to extract deeper analysis in terms of real actions that are being made for each one of their segments, including Melissa (Annex 9). Melinda was aware that her alone wouldn't be able to perform all the necessary changes, once was quite a consensus in the company that these concerns would requires a holistic approach involving the collaboration between different stakeholders, from designers and manufacturers to the company's policymakers and consumers.

Beyond that, with the objective to bring gains in scale and cost savings, all of the group's production is concentrated through its 11 factories and 2 distribution centers located in Brazil. With operations in the provinces of Ceará and Bahia, in the northeast of the country, the region is still recognized nowadays for having one of the lowest labor costs and highest poverty rates in the country. Even so, Grendene can be considered one of the biggest players of the shoes sector in the region, when in 2021 employed more than 17,000 people responsible for producing 154 million pairs of shoes that generated revenues of 580 million

dollars to the group. Melinda knew that this has to be faced as a point of attention for the brand, once many fashion supply chains are marred by poor labor conditions, low wages, and lack of worker rights. Knowing that, ensuring fair treatment, safe working conditions, and living wages not only for their direct workers, but throughout all the supply chain partners would be a vital aspect for Melissa's sustainability image.

Although for some those numbers can impress, of this amount of 154 million pairs produced every year, only US\$ 2.6 million came from the sale of what they call lower impact products – a new segment created by the Grendene in 2020 responsible for investing in prototypes co-created with startups like the Change Factory, who develops consulting services to companies who wants to adopt more eco-efficient materials in its products. Still, despite the importance of initiatives like that, there is a big difficult in giving scale to it, overall due to cost issues. The cost leadership strategy implemented over the years by the Grendene were another difficulty to be overcome once they were in many times incompatible to other practices that encompass sustainable design, responsible sourcing, ethical labor practices, efficient production processes, and circular economy principles, at least in a first moment. Melinda was adopted to the idea that to achieve those positive changes in a way of sustainability, Melissa's approach had to change.

Due to its limitations, many criticisms reached Melissa. One of the biggest difficulties that Melinda noticed was that much of the brand's discourse ended up being abstract due to the lack of more concrete actions by Melissa, especially with regard to creating a post-consumer reverse logistics channel so that customers could make a sustainable and conscious disposal of the brand's sandals and products after the end of their useful life. Despite Melissa having tried to implement some collection points in its franchises in Brazil (Annex 10), internationally this action was non-existent. This difficulty is represented by the fact that during the entire year of 2021, only 234 pairs of shoes were collected in Grendene's reverse logistics channels, and here we are not only talking about Melissa sandals, but the entire group's brands. A number far distant from the 154 million pairs produced in the same period. Melinda also knew that this lack of transparency and visibility makes it difficult to trace the origins of materials and the conditions under which products are made. Even so, establishing a fully transparent supply chains, besides preventing unethical practices and allows consumers to make informed choices, was still far from the brands reality.

Furthermore, despite selling themselves as a product capable of being entirely recycled, only 15% of the composition of their sandals was in fact made with already recycled inputs. A major obstacle in increasing this percentage was once more the higher cost of recycled raw material in addition to the lack of qualified partners capable of helping the company in the collection and reuse processes. Melinda and her team knew that the company would hardly be able to win over new audiences in mature markets without a greater alignment between marketing and operations based on the development of tangible sustainability actions, especially regarding implementing reverse logistics channels including international ones. The concentration of the sustainability policies in Grendene's central management was another challenge to be overcome. Without this changes, even the expansion into the Asian market and the fight against imitations would be threatened. The year of 2022 began once again challenging caused by a 5% decrease in its net profit. In middle of the challenges she was facing, Melinda knew what needed to be done and who needed to be convinced. Without knowing even if she would receive the necessary internal support to implement such changes, the big question that remained over her was where to start all of this transformation?

ANNEXES

Annex 1
Grendene adopts eight SDGs as guidelines



Source: Grendene (2022).

Annex 2
Melissa Spider



Source: Mundo das Marcas (2021).

Annex 3 Melissa Kids



Source: Mundo das Marcas (2021).

Annex 4 Melissa in high fashion



Source: Mundo das Marcas (2021).

Annex 5 Melissa Club



Source: Mundo das Marcas (2021).

Annex 6 Melissa Slogans

- Be Extra & Ordinary (2020)
- Plastic Dreams (2016)
- New order all the way! (2013)
- Melissa há 30 anos criando sonhos de plástico (2009) [Melissa, creating dreams from plastic for 30 years]
- Melissa, o plástico na sua forma mais sedutora (2003) [Melissa, plastic in its most seductive form]
- Sempre Igual. Sempre Diferente. (1997) [Always the Same. Always Different.]

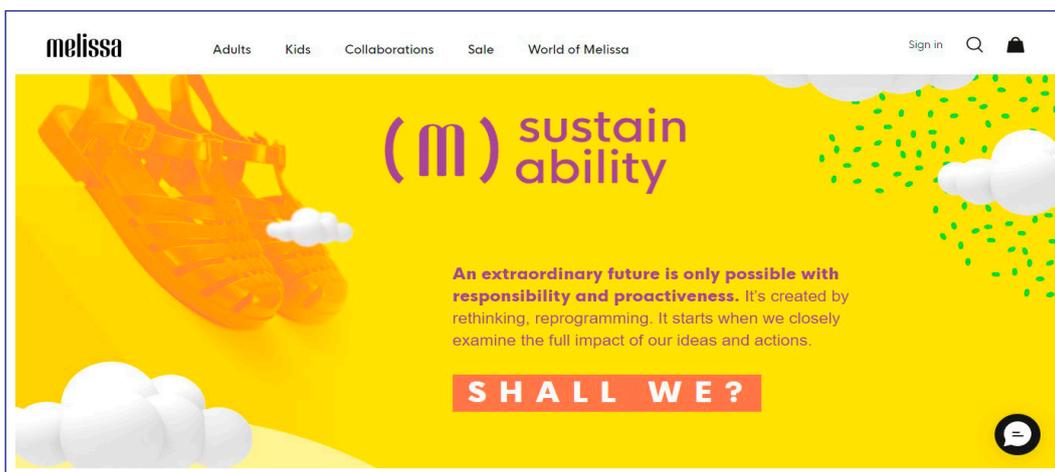
Source: Mundo das Marcas (2021).

Annex 7 Grendene - Global Numbers



Source: Grendene (2022).

Annex 8 Melissa Sustainability Website¹



Source: Melissa (2023).

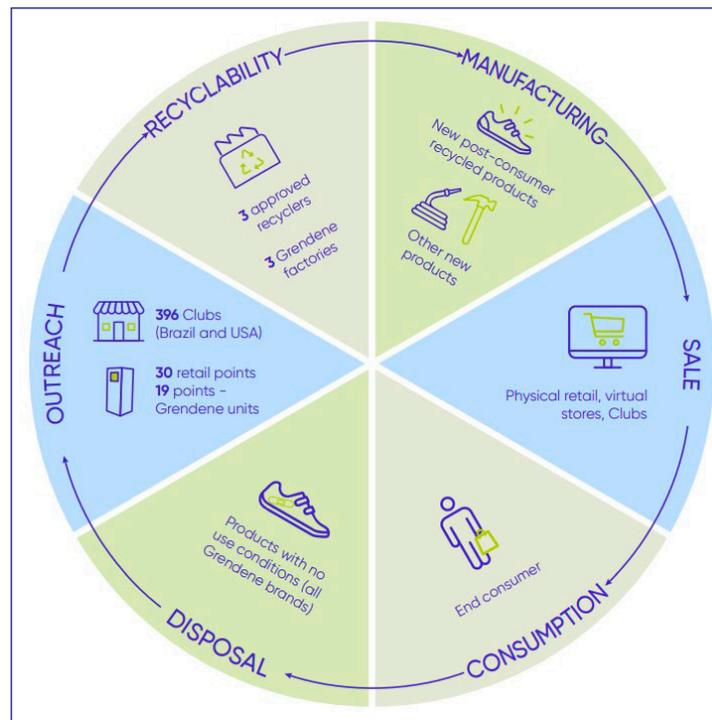
¹ Surf through Melissa sustainability page to check the brand full speech and numbers on the subject <https://www.shopmelissa.com/pages/sustainability>

Annex 9
Grendene Sustainable Practices



Source: Grendene (2022).

Annex 10
Grendene Reverse Logistics²



Source: Grendene (2022).

²Surf through Grendene’s complete sustainability report to find out more: Sustainability Report Grendene 2022 (<https://grendene.com.br/sustentabilidade/wp-content/uploads/2023/11/Sustainability-Report-Grendene-2022.pdf>), 2021 Report of Management (https://s3.sa-east-1.amazonaws.com/static.grendene.aatb.com.br/relatorio/1906_GRND_RA_2021_Eng_US.pdf), and Management Report (<https://ri.grendene.com.br/EN/Financial-Information/Management-report>).

TEACHING NOTES

The Melissa case: sustainability challenges for the international expansion of a Brazilian brand of plastic sandals

Abstract

The Melissa sandals division is a subsidiary of Grendene, a Brazilian footwear manufacturer with over 40 years experience in the market. It is internationally recognized for its plastic footwear and accessories. In the last few years, the brand has been facing new challenges regarding the building of a more sustainable identity for its products and trying to implement reverse logistics initiatives in foreign markets. In this context, the case puts the reader in the role of Melinda Voguel, the executive director of Melissa Sandals, to reflect on a sustainability plan that will allow the brand a greater presence in international markets. The case was designed for undergraduate and graduate students of Business Administration, Economics, and Logistics who want to discuss topics such as brand sustainability, international marketing and branding, reverse logistics, and circular economy.

Keywords: Reverse logistics. Sustainability. International business. Circular economy. Shoe industry.

O caso Melissa: desafios de sustentabilidade para a expansão internacional de uma marca brasileira de sandálias plásticas

Resumo

A divisão de sandálias Melissa é subsidiária da Grendene, fabricante brasileira de calçados com mais de 40 anos de mercado e reconhecida internacionalmente por seus calçados e acessórios de plástico. Nos últimos anos a marca tem enfrentado novos desafios na construção de uma identidade mais sustentável para seus produtos, buscando implementar iniciativas de logística reversa no mercado internacional. Neste contexto, o caso coloca o leitor no papel de Melinda Voguel, Diretora Executiva das Sandálias Melissa, de forma a refletir sobre um plano de sustentabilidade que permitirá uma maior presença da marca nos mercados internacionais. O case foi pensado para estudantes de graduação e pós-graduação em Administração, Economia e Logística que desejam discutir temas como sustentabilidade de marca, marketing e branding internacional, logística reversa e economia circular.

Palavras-chave: Logística reversa. Sustentabilidade. Negócios internacionais. Economia circular. Indústria calçadista.

El caso Melissa: desafíos de sostenibilidad para la expansión internacional de una marca brasileña de sandalias de plástico

Resumen

La división de sandalias Melissa es subsidiaria de Grendene, un fabricante de calzado brasileño con más de 40 años de experiencia en el mercado y reconocido internacionalmente por sus calçados y accesorios de plástico. En los últimos años, la marca ha enfrentado nuevos desafíos en cuanto a la construcción de una identidad más sostenible para sus productos y trata de implementar iniciativas de logística inversa en los mercados extranjeros. En este contexto, el caso pone al lector en el papel de Melinda Voguel, Directora Ejecutiva de Sandalias Melissa, para reflexionar sobre un plan de sustentabilidad que permitirá una mayor presencia de la marca en los mercados internacionales. El caso fue diseñado para estudiantes de pregrado y posgrado de Administración de Empresas, Economía y Logística que quieran discutir temas como sostenibilidad de marca, marketing y branding internacional, logística inversa y economía circular.

Palabras clave: Logística inversa. Sostenibilidad. Negocios internacionales. Economía circular. Industria del calzado.

TEACHING OBJECTIVES

This case aims to put students in the place of the protagonist Melinda Vogel, Executive Director of Melissa Sandals, so that they can assess the impacts of sustainability on the brand's image with international customers. By discussing the case, it seeks to invite participants to reflect on the importance of the concepts of reverse logistics and circular economy for internationalized companies that want to expand their presence in mature markets. At the end students are expected to be able to: (1) map the different aspects that contribute to creating a sustainable brand; (2) understand the importance of reverse logistics channels for companies that want to operate internationally; and (3) assess how the circular economy has increasingly ceased to be a winning to becoming a qualifier criteria for international orders.

TARGET AUDIENCE

The case was designed for undergraduate and graduate students in the areas of Administration, Economics, and Logistics who want to discuss topics such as brand sustainability, international marketing and branding, reverse logistics, and circular economy.

SOURCES OF INFORMATION

Based on the work of Moraes et al. (2012), the case proposes to bring an update on the discussion of the Melissa Sandals Case especially regarding the inclusion of the sustainability aspect in the brand's internationalization process. To this end, other secondary sources of data such as scientific and journalistic articles and information available on the company's websites were used in preparing this material.

SUGGESTED TEACHING PLAN

Assignment questions

1. How has Melissa managed to position itself in different ways in the national and international market over the years?
2. What are the current main sustainability challenges for increasing the presence of Melissa sandals in international markets?
3. In this case, do these challenges differ in any way when dealing with mature (Europe and the United States) and emerging markets (Asia and Brazil)?
4. What adjustments would Melissa need to make so that it could implement reverse logistics channels internationally?
5. What other suggestions would you give to Melinda Vogel to help advance the implementation of the brand's sustainability agenda?

Teaching plan

This teaching plan considers that there has been prior preparation by the students and a 2-hour class, as proposed below:

- Start class by dividing it into small groups of 4 to 5 students (10min).
- Small-group discussion (40min).
- Presentation of the case by the instructor (10min).
- All-class discussion (50min).
- Closing (10min).

Discussion plan and analysis

Introduction. *In order to warm up the discussion, the instructor could propose the following opening question to the class:*

How has Melissa positioned itself as a brand through its more than 40 years of existence? Was there a distinction when comparing the domestic with the international market?

With the help of a whiteboard divided into two columns (national x international positioning), during the initial 15 minutes the instructor could write down the group’s main contributions. An example – but not limited subject of characteristics that could arise from the group are presented on Box 1.

Box 1
Melissa’s national and international positioning strategies

National	International
<ul style="list-style-type: none"> • Mainstream product • Franchising model • Contractual entry modes • Standard marketing campaigns • Try-on reverse logistics collection points • Products for children • Segmented communication 	<ul style="list-style-type: none"> • Fashioned product • Multi-branded stores • Direct exportations • Signature lines with fashion designers • Lack of reverse logistics • Product for adult women • Independent communication strategy, disconnected from the domestic market

Source: Elaborated by the authors.

After the main spaces are filled, the following discussion question could be asked in order to give a start in the case analysis:

Analysis. *(Discussion Question 1) How do the brand’s sustainability attributes directly impact Melissa’s internationalization strategy?*

Due to the advances in sustainable development discussions in the world, the public’s awareness of the sustainability of the products they consume has changed a lot in the last two decades. More and more people are paying attention to the composition of products and brand actions towards the environment, thus creating a significant effort on the part of many companies from different segments to adopt more environmentally friendly positionings (Qomariah & Prabawani, 2020). Such actions, often referred as green marketing, are based on corporate actions regarding their **retail** operations in the sense of creating advertising campaigns capable of transmitting an image of more sustainable products to customers. In addition, the **social** aspect they have has the objective of generating compensation for more vulnerable communities or societies affected by the company’s business, or even the **environmental** aspect in order to make production, packaging, and distribution adjustments that generate less impact on the environment (Morel & Kwakye, 2012).

According to Levinson and Horowitz (2010), companies that adopt successful green marketing strategies are usually able gain access to several benefits such as an easier entry into new markets, the possibility of offering more premium prices and reaching higher profit margins, in addition to saving resources and leaving a smaller carbon footprint. On the other hand, the great difficulty of operating in this way, especially in mature markets, lies in the fact that over the years an increasing range of consumers have expanded their environmental knowledge (Robelia & Murphy, 2012) about the environmental impacts generated by brands, especially famous ones. According to Ahmad et al., 2010, this knowledge has developed in these markets a kind of collective awareness of environmental concerns so that brands that are incapable of developing “green products” lose competitiveness by falling behind in the purchase intentions.

As pointed out by Chang (2011), for a brand to be considered “green”, it needs to be seen by the consumer as having attributes such as commitment, professionalism, reputation, reliability, and a history in environmental protection actions. With this, the brand’s performance over time against the mentioned attributes would be directly related to the value and quality perceived

by customers with green purchase intentions (Lee, 2017). And much more than a simple purchase, consumers who take these attributes into account in the brands they consume also commonly end up adopting attitudes of repurchase, pride, and promotion in the use of their products (Chen & Chang, 2012).

That being said, Melissa's sandals could invest in different capabilities in different ways. First of the would be the Market Appeal (White & Simpson, 2013). As sustainability is becoming increasingly important to consumers worldwide, by emphasizing their sustainability attributes, Melissa sandals could attract environmentally conscious consumers who prioritize eco-friendly products. This can help the brand differentiate itself from competitors and create a unique selling proposition in international markets. In terms of competitive Advantage (Huang et al., 2015), as markets are becoming more competitive, by incorporating sustainable practices throughout their supply chain and production processes, Melissa sandals could demonstrate their commitment to reducing environmental impact. This can enhance the brand's reputation, attract environmentally conscious retailers, and potentially lead to better distribution opportunities.

In the same direction, invest in Regulatory Compliance (Prooijen et al., 2021). attributes could create an alignment to local and international regulations related to environmental standards, labor practices, and product safety. By meeting or exceeding these requirements, Melissa sandals could ensure compliance and minimize potential market entry barriers in different countries. In terms of Brand Reputation and Trust (Martínez-Ferrero & García-Sánchez, 2018), sustainability attributes can contribute to building a positive brand reputation and fostering trust among consumers, retailers, and other stakeholders. International consumers often rely on established and reputable brands when making purchasing decisions. By positioning themselves as a sustainable brand, Melissa sandals can enhance their image and credibility in new markets, facilitating international expansion. Bu the end, create a Consumer Awareness and Education (D. Shen et al., 2013) through marketing campaigns, partnerships, and engagement with local communities, the brand could promote sustainable practices and encourage consumers to make more informed and environmentally friendly choices. This can help build a loyal customer base and drive long-term growth in international markets.

In the other hand, despite the Melissa's having had an awakening to the sustainability discussions a few years ago, it seems that most of these attributes remain very limited to the company's marketing and communication departments. Speaking in terms of operations there is still a long way to be covered, precisely because 85% of the plastic composition of its sandals still comes from non-recycled PVC. The collection points destined for products at the end of their life cycle that were tested in some Melissa's Galleries throughout Brazil, demonstrates a passive, rather than proactive, behavior of the organization in terms of increasing its levels of sustainability, once is a model that does not generate any kind of incentive for consumers to go to the collection points. Internationally speaking, such initiatives are even less present and difficult if we consider the prominence of direct exports modes of entry adopted by the company. It is worth mentioning, however, that the opening of own stores generates new opportunities to develop circular economy initiatives, as by being closer to the foreign market, it is possible to establish better partnerships and better understand the needs of its customers.

After this first round of discussion, the following question could be asked to the group:

(Discussion Question 2) How important is the development of reverse logistics channels for brands that want to operate internationally?

Because traditional logistics that the world has been used to no longer meet the sustainability requirements demanded by the public, companies need to continually more invest in green logistics operations in order to make business operations more friendly to the environment (Seroka-Stolka, 2014). As part of this green logistics, the so-called reverse logistics, which involves actions such as returning, recycling, and reusing products already consumed into new production processes, ends up directly impacting both the financial performance and the sustainable commitment of the organization's resources (Fernando et al., 2022).

The implementation of reverse logistics channels also allows companies to be inserted within a circular economy logic, contributing to their green marketing (Morel & Kwakye, 2012) since these actions, if well implemented and practiced, are capable of positively impacting the company's image on the aspects of social and environmental responsibility, as already presented. On the other hand, K. Shen et al. (2020) highlight that although reverse logistics is largely the responsibility of companies, they end up being heavily impacted by local government regulation and market structures and their implementation challenges can vary greatly from region to region where the company does business.

Although in many places reverse logistics represents additional costs for the company operation, the reduction of waste and impact on the environment can generate long-term intangible returns to the brand image and the entire business model (Campos et al., 2017). In this sense, we observe that Melissa, in view of the Green Marketing tripod, carries out effective actions only in retail while lacking more concrete projects capable of positively affecting social and environmental biases. The implementation of reverse logistics channels, including international ones, would allow the brand to position itself in a more environmentally friendly manner, especially with a more demanding international audience of mature markets.

At this point, it is important to recognize, in addition to the different tastes and demands of consumers in the markets in which Melissa operates, the sustainability regulations in these countries also vary. Therefore, the company needs to be attentive to both ends, consumers and institutions. Despite the regulations in more mature markets tend to be more rigid, the brand needs to realize that it's positioning more focused on high fashion, at some point will demand more concrete actions towards sustainability, leaving the marketing and entering in the operations. However, it is worth mentioning that not because the company is operating farther from its production plant, it would be more difficult to implement reverse logistics actions. Thus, compensation could be made locally in the foreign market, based on the creation of positive partnerships with other companies and suppliers that are already used to carrying out recycling actions. If well implemented, these actions could generate a positive sustainability balance, to be used as a more effective marketing language by Melissa's, based on numbers and not principles.

With this, and aiming to open the final stage of the discussion, the instructor could ask the group the following closing question:

Closing. *What other suggestions would you give Melinda Vogel in order to make the Melissa sandals image more sustainable, enabling the international expansion of its activities?*

Once again, the instructor could use the whiteboard during the final 15 minutes to highlight the main contributions from the group. Some of the things that could be rise from this discussion and could be further explored by the professor are presented on Box 2.

Box 2
Actions to take Melissa's Sandals more sustainable, including internationally

Action	Plan
Material Innovation	Consider exploring alternative materials that are more sustainable, such as recycled plastics, bio-based materials, or natural fibers. This would reduce the environmental impact of production and appeal to eco-conscious consumers.
Supply Chain Optimization	Ensure transparency and sustainability throughout the supply chain by working closely with suppliers and manufacturers. Implement responsible sourcing practices, prioritize fair labor conditions, and promote ethical production methods.
Circular Economy	Embrace a circular economy model by designing sandals for durability, repairability, and recyclability. Encourage customers to return worn-out sandals for recycling or repurposing. Develop partnerships with recycling facilities or invest in in-house recycling capabilities.
Packaging	Reevaluate packaging materials and opt for sustainable alternatives. Use recycled and recyclable materials for shoeboxes and other packaging components. Minimize excess packaging and incorporate eco-friendly material.
Carbon Footprint Reduction	Implement measures to reduce the carbon footprint of production and distribution processes. Consider investing in renewable energy sources, optimizing transportation routes, and exploring local manufacturing options to minimize emissions.
International Certification	Obtain internationally recognized sustainability certifications to demonstrate your commitment to sustainability. These certifications can enhance brand credibility and attract environmentally conscious customers globally.
Consumer Education	Educate customers about the importance of sustainable fashion and the benefits of choosing eco-friendly products. Share the brand's sustainability initiatives through various channels. Engage customers in the sustainability journey and encourage them to make informed choices.

(Continue)

Action	Plan
Collaboration and Partnerships	Collaborate with sustainable fashion initiatives to amplify sustainability efforts. Partner with local artisans, designers, or influencers in target international markets to strengthen brand presence and expand customer reach.
Research and Development	Invest in research and development to continually improve sustainability practices. Explore new technologies to reduce water consumption and waste. Engage in partnerships with research institutions to stay at the forefront of sustainable innovation.
Transparent Reporting	Regularly publish sustainability reports detailing progress, goals, and initiatives. Be transparent about challenges faced and provide a roadmap for future improvements. This demonstrates accountability and builds trust with customers.

Source: Elaborated by the authors.

DISCLAIMER

Although the company in the case is real, the entire narrative was developed from secondary sources of data that are available to the general public and neither necessarily represent the opinion nor point of view of the actors mentioned. In addition, the authors do not have any conflict of interest to declare and neither received any type of assistance nor financial support for conducting this research.

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Ariane Roder Figueira: Conceptualization (Equal); Data curation (Equal); Formal Analysis (Supporting); Investigation (Supporting); Methodology (Equal); Project administration (Lead); Resources (Equal); Supervision (Lead); Validation (Equal); Visualization (Supporting); Writing - original draft (Supporting); Writing - review & editing (Lead).

DATA AVAILABILITY

The entire dataset supporting the results of this study was published in the article and in the section "Annex".

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