

Brazil: The Social Media Capital of the Universe

By LORETTA CHAO

Updated Feb. 4, 2013 7:47 p.m. ET

SÃO PAULO—When Barbosa family members botched their cover of an old Brazilian gospel song last year on a family video, they thought it was pretty funny—funny enough to upload to YouTube.

But they didn't expect the rest of Brazil to laugh along with them. Within weeks, though, the video was viewed and shared millions of times on YouTube and [Facebook](#). Parodies, including an animated version in which the Simpsons lip-sync the family's mangled version, spread across the Internet.

ON YOUTUBE

- [Original Barbosa family video](#)

The popularity of the Barbosas' performance reflects the growth of social media in Latin

- [Simpson's lip-sync version](#)
- [Michel Teló: Ai Se Eu Te Pego](#)
- [English version of Ai Se Eu Te Pego](#)
- [Denver Nuggets dancing](#)

America's biggest country. Brazil's expanding middle class is increasingly going online, and social media are particularly popular because of Brazil's hyper-social culture, social-media executives say.

That makes Brazil a bright spot for social-media companies as they seek more growth outside the U.S. and Europe. Brazil is particularly appealing because China, the world's biggest emerging market, currently blocks sites like YouTube, Facebook and Twitter, preventing the companies from cashing in on the nation's fast-growing economy.

Facebook Inc. has some 65 million users in Brazil, which makes it the company's second largest market after the U.S. by number of users, according to social-analytics company Socialbakers.

By the end of 2012, Brazil was also the biggest market outside the U.S. by number of unique visitors for [Google](#) Inc.'s YouTube, and one of YouTube's top five markets by revenue.



Facebook has about 65 million users in Brazil. Above, a man dressed as a Facebook profile during a parade in Rio de Janeiro. *AGENCE FRANCE-PRESSE/GETTY IMAGES*

Meanwhile, Twitter Inc. says Brazil has become one of the microblogging company's top-five active user groups.

People in Brazil are spending increasing amounts of time connected to social-media sites. Globally, the average time spent on Facebook dropped 2% to 361 average minutes per user per month by September 2012, compared with a year earlier, according to comScore research.

But in Brazil, Facebook time grew 208% to 535 minutes over the same period. Meanwhile, the average time spent per YouTube visitor in Brazil grew 5% to 140 minutes, even as it dropped 3% to 161 minutes world-wide.

In Brazil "it's common for someone to start talking to you in the elevator or in a restaurant just to start a conversation," says Alexandre Hohagen, vice president of Facebook's Latin America division.

Brazilian users especially like to chat, almost constantly, about TV shows, sports and news, he says. "I think our culture...really makes people much more open to include and connect to friends."

The rise of social media in Brazil has even helped propel some local Internet phenomena to international stardom, including country singer Michel Teló. His song "*Ai Se Eu Te Pego*," or "Oh, If I Catch You," about meeting a pretty girl at a party, has become No. 1 on iTunes in countries throughout Europe and Latin America.

In addition, the song has become one of the most popular YouTube videos of all time globally, and it has nearly six million fans on Facebook.

Famous athletes world-wide, including the Denver Nuggets basketball team (along with former Brazilian teammate Nenê Hilário) and Portuguese soccer star [Cristiano Ronaldo](#) have been captured on videos dancing to the song.

"Brazilians have this passion to share information, to share pictures," says Álvaro Paes de Barros, director of YouTube content partnerships in Latin America. Meanwhile, with the World Cup and Olympics coming to Brazil soon, he says, Brazilian content is spreading farther because "there's a lot of curiosity about Brazil."

Twitter has recently launched operations in São Paulo and is hiring its own sales, marketing and business-development teams here, according to Shailesh Rao, Twitter's vice president of international revenue growth.

"The size of the market made it important to have our own presence," he says. While the company is also growing quickly in Mexico, Argentina, Colombia and Chile, he adds, in those countries it works through a local sales representative.

ComScore numbers show that Brazilian users spent 41% more time on Twitter in September 2012 than in September 2011. Mr. Rao notes that Brazilians like to use social media while watching TV, in particular soccer matches and soap operas.

Technology companies say Brazil represents a huge opportunity in terms of both users and revenue. The bulk of new advertising spending over the next three years is expected to be in emerging markets, particularly China and Brazil, according to Zenith Optimedia, a research firm. Zenith estimates Brazil will add \$5.6 billion of the \$76 billion in additional ad spending, a bigger share than India, Russia and Indonesia.

China is expected to add \$12.5 billion, but sites like YouTube and Facebook won't benefit because they are blocked by government Web filters.

The research firm eMarketer Inc. says that spending on online ads in Brazil will double to \$4 billion over the next four years. So far, Brazilian consumers have shown an unusual willingness to make purchases online using credit cards.

People are buying everything "from a book to a car online, which is not very common in other countries," Mr. Hohagen of Facebook says. In markets like India, e-commerce, a key online advertising driver, is at an earlier stage of development.

Meanwhile, Seaborn Networks LLC, a telecom-network developer based in Beverly, Mass., and [Alcatel-Lucent](#) plan a \$400 million project to build the first direct submarine cable between New York and São Paulo by 2015.

It would provide a 100-gigabyte-per-second connection to serve the growing demand for Internet, data and voice capacity between South America and the rest of the world.

But Brazil has challenges as well. The country's digital advertising market is growing from a small base, and Brazilian marketers spend only 10.6% of their ad budgets on digital ads, compared with 19.8% world-wide, according to eMarketer.

Brazil's economic growth has also slowed to about 1% in 2012 from 2.7% in 2011 and 7.5% in 2010. High taxation on payrolls and a prohibitive amount of bureaucracy are just some of the hurdles that face any foreign company trying to break into the market.

Still, officials predict an economic recovery this year, consumers in Brazil have been eager to spend, and with a growing number of people buying smartphones and computers, signs point to continuing growth in connectivity.

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