


## GAZETA MERCANTIL: INSERTION IN THE LEVY FAMILY BUSINESS, TRAJECTORY, AND LEGACY

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### ABSTRACT

The newspaper Gazeta Mercantil is in the history of Brazilian journalism as the most expressive daily newspaper on economics and business. This article aims to recover significant historical aspects of the decades in which the newspaper was in circulation, placing it in the business of the Levy Family, owner of the vehicle. To achieve this objective, the article is based on bibliographic research anchored especially in three important productions: a) doctoral thesis entitled "Internationalization of the Brazilian media: the trajectory of the Gazeta Mercantil", authored by Samantha Castelo Branco (2001); the book "Anábase: história da Gazeta Mercantil", by Cláudio Lachini (2000) and the recently released work "Gazeta Mercantil – the trajectory of the largest economics newspaper in the country", by Célia de Gouvêa Franco (2024).

**Keywords:** Brazilian journalism. Media groups. Gazeta Mercantil. Levy family.

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## **INTRODUCTION**

Gazeta Mercantil figures in the history of Brazilian journalism as the most expressive daily newspaper on economics and business. For decades, it was the greatest reference in this segment and school for the training or improvement of hundreds of professionals who passed through its newsroom. However, in 2000, when the newspaper celebrated 80 years of history, there was the launch of a direct competitor to the outlet – the daily Valor Econômico, created through a partnership between the companies Folha da Manhã and Organizações Globo. Nine years later, in 2009, the Gazeta ended its activities with a melancholic end, leaving reflections on the reasons that led to this outcome.

This article aims to recover significant historical aspects of the trajectory of this vehicle, placing it in the Levy Family business and pointing out innovations, contributions, and challenges along the way.

To achieve this objective, the article is based on a qualitative, exploratory and descriptive study, with bibliographic research anchored especially in three important productions: a) doctoral thesis entitled "Internationalization of the Brazilian media: the trajectory of the Gazeta Mercantil", defended by me in 2001 in the Graduate Program in Social Communication of the Methodist University of São Paulo (UMESP), under the guidance of Profa. Dr. Anamaria Fadul; the book "Anábase: história da Gazeta Mercantil", by Cláudio Lachini (2000) and the work "Gazeta Mercantil – the trajectory of the largest economics newspaper in the country", by Célia de Gouvêa Franco, who worked for 20 years at the newspaper, recently released by Editora Contexto (2024).

This article intends to contribute to the literature on Brazilian media groups, and in the specific case of Gazeta Mercantil it is a need felt due to the lack of bibliography in its surroundings, which often hinders the insertion of emblematic moments of the trajectory of this newspaper in the teaching of disciplines that address the history of journalism in Brazil. On the one hand, this challenge is an obstacle to be overcome, and on the other hand, it is an opportunity to highlight the prominent place that Gazeta Mercantil occupies in specialized journalism at the national and Latin American levels.

## **THE LEVY FAMILY AND THE BEGINNING OF THE BUSINESS**

Venício Lima (1998) points out that Brazilian media groups are usually family businesses – owned by a family and directed by it, a trait present in the creation and

evolution of Gazeta Mercantil, and it is practically impossible to narrate its trajectory without situating it with the Levy family.

This journey begins with Albert Levy. Cláudio Lachini (2000) says that at the age of 14, he undertook to serve as an interpreter for the caravans that crossed the Sahara desert since he had mastered Arabic, English, and Phoenician-Maltese, his native language. He worked for four years, and then he traveled through the region of North Africa and Asia Minor. Thus, he also learned to speak French, Italian, and, with less fluency, German and Spanish.

Some time later, he decided to come to Brazil to meet a brother, the owner of one of the largest sugar mills in Pernambuco. In São Paulo, in 1896, at the age of 31, he married Ana De Martino, an Italian from the city of Salerno, who was 15 years old at the time. He became a naturalized Brazilian and became a full professor of English at the Normal School – now Caetano de Campos, in Praça da República. Without abandoning the chair, he became an exchange broker as a representative of the official broker and died on November 3, 1926, at the age of 60, leaving ten children. "His memory was immortalized at the Institute of Education and Colégio Professor Alberto Levy<sup>2</sup>. The idea was from a former student, Professor Olavo de Carvalho, when he was director of Secondary Education, and sanctioned by Governor Lucas Nogueira Garcez." (Levy, 1990, p. 2-3).

The eldest son, Percy D. Levy, took over the activities of the broker started by his father, with the help of brothers Roberto and Haroldo, originating the firm "Percy D. Levy & Irmãos, Corretora de Câmbio e Títulos". Herbert Victor Levy, who was born on November 2, 1911, was only 15 years old, but joined his brothers later in the family activities, a process detailed in the autobiographical book *Living is Fighting* (1990).

In addition to the Levy family's businesses, other enterprises heated the capital of São Paulo at that time, which justified the publication of the *Gazeta Mercantil Comercial e Industrial*, founded by José Francesconi, on April 3, 1920. This Italian, a former employee of the French and Italian Bank, took advantage of his insertion in the financial market and initially created the Commercial and Financial Agency, selling news about the movement of goods in São Paulo, which, according to Lachini (2000), had 580 thousand inhabitants, 1207 factories and 6 thousand "businesses". The state was responsible for 31.5% of Brazilian industrial production, against 21% of Rio de Janeiro. Not to mention the Commodities Exchange, inaugurated two years earlier and encouraging the sector.

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<sup>2</sup> The Institute is located on Avenida Indianópolis, in São Paulo.

It was not difficult to transform a news agency into the Gazeta Mercantil Comercial e Industrial. The publication was mimeographed in legal size and followed the profile of the São Paulo market, already considered one of the engines of the national market. The coverage of the financial market, however, left something to be desired. According to Lachini, the few lines tried to express the steps of the economy. About grains, for example, it was reported that "[was] optimally firm the market for assucar crystal. At the beginning of the work, there were trades for May, at 67\$600 and 66\$500. The 'mulatinho' beans, only the ones from the waters, were a business element, in the morning trading session, for the present month, at 15\$600" (Lachini, 2000, p. 63).

Produced by three employees, the Gazeta operated in an office at Rua da Quitanda, 17 – 1st floor. The first issue of the publication printed on the first page "confidential and without responsibilities", an allusion to the fact that the responsibility was of whoever carried out the business informed therein. In the 1920s, Brazil was still stuck in an economy sustained by the export of primary products, especially coffee, with industrialization taking its first steps. Thus, it is not difficult to imagine that a bulletin with financial matters already had an audience and a market, not least because only a few members of the elite had a direct line with the outside world in the acquisition of information about the economy.

But it was on August 4, 1926, that the Gazeta Mercantil Comercial e Industrial announced, on its front page, the expansion of the vehicle's services not only in the capital of São Paulo but also in the countryside, in Santos and Rio de Janeiro. Even though it was still mimeographed, its logo is printed in typography, in red, stamping on the right side a factory with chimneys in operation; in the center, in the background, mountains and, on the left side, a ship, also with smoking chimneys. Still under the direction of José Francesconi, the vehicle, with a 20-page edition, registered other names just below the logo: Moacyr de Barros Mello (Manager) and Dr. Bertho Condé (Legal Consultant).

## HERBERT LEVY AT THE HEAD OF GAZETA MERCANTIL

In 1927, a year after the beginning of the Gazeta's circulation beyond the capital of São Paulo, the young Herbert Levy began to work as an attendant at an electrical material warehouse, where he became a clerk. Later, he began to work as a translator of American films and became a journalist for the *Diário Nacional*, an organ of the Democratic Party of São Paulo, whose editor-in-chief was Paulo Duarte. As he had a close connection with

swimming (he practiced and won Brazilian titles), Herbert was responsible for the sports section and even promoted, together with the newspaper O Globo, a Bugatti car race, which aimed to encourage new speed records on the road between Rio de Janeiro and São Paulo.

His experience as a reporter was not limited to the sports area. He covered the police, patrolled the secretaries of state, and was an opera critic for the newspapers Diário da Noite and São Paulo Jornal. As he highlights in *Viver é Luta* (1990), journalistic activity made him more communicative, being a beginning of political activity, which he would later actually exercise.

It was in 1929 that Herbert began to have a decisive participation in the Levy family business. With the crisis caused by the bankruptcy of the New York Stock Exchange, which had repercussions in several sectors of the world economy, the brokerage firm Percy D. Levy & Irmãos experienced a delicate moment. "I was summoned with other brothers to take stock of the serious situation created for the firm. I had not participated in this until then" (Levy, 1990, p. 35). Percy was forced to head the Rio de Janeiro office as a representative of the company, and Herbert was at the head of the firm in São Paulo.

At the time of this reorganization of the company, the Levy Commercial Bulletin (1929) was created, which had as its initial objective to increase the range of services that the firm provided to its customers. When they realized the potential of the publication, they founded, in 1931, the Revista Financeira Levy, designed to explore in more depth the market for information on foreign exchange, securities, banking movements, and stocks.

The following year, together with the brothers Roberto and Haroldo, Herbert was called to fight in the Constitutionalist Revolution of 1932, when the firm was in a phase of great indebtedness:

When we were called to fight in 1932, in the Constitutionalist Revolution, Roberto, Haroldo and I, since Eduardo was convalescing from tuberculosis, our position of indebtedness was still heavy and the trench did not cease to constitute for us a relief that allowed us to accumulate forces and return with redoubled courage to the fight to save the company. (Levy, 1990, p. 35).

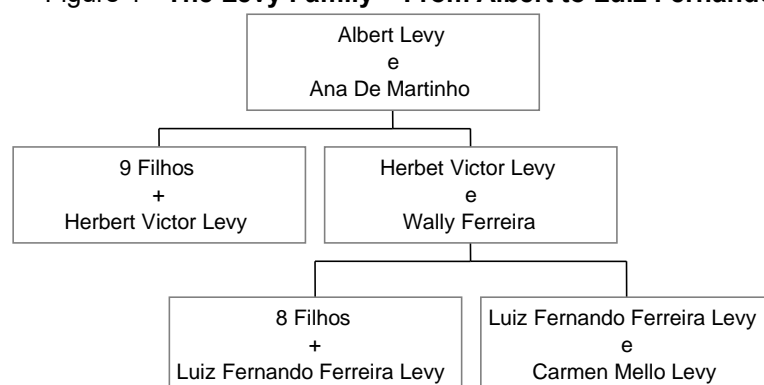
Despite the setbacks, in 1934, the firm was saved from bankruptcy, with the debt and interest paid, as well as surpluses in the cash for new business. Given the financial balance of the Levy brothers' firm and with experience in publishing in the area, it was possible, in 1934, to make an offer to buy the Gazeta Mercantil Comercial e Industrial, which, at that time, was already owned by Francesconi's successor, another Italian, named

Pietro Pardini. For 60 contos de réis, the vehicle joined the Levy's bulletin and magazine, giving rise to the *Gazeta Mercantil Industrial e Financeira*. Thus, the embryo of *Gazeta Mercantil* was born, which would establish itself as the most important publication in the country in the economy and business sector, despite appearing almost a hundred years after the first publication in the economic area in the country, the *Jornal do Comércio*<sup>3</sup> (Quintão, 1987).

In the sphere of private life, Herbert Levy married Wally Ferreira, daughter of Professor Waldemar Martins Ferreira, professor of Commercial Law at the Faculty of Largo de São Francisco, federal deputy, president of the Democratic Party in São Paulo, and Secretary of Justice at the time of the Constitutionalist Revolution of 1932.

As shown in the following figure, from Wally's marriage to Herbert Levy, nine children were born: Maria Stella, Luiz Carlos, Herbert Victor Filho, Luiz Fernando, Paulo Roberto, Nelson Luiz, Maria Christina, Maria Lúcia, and Maria Cecília.

Figure 1 - The Levy Family – From Albert to Luiz Fernando



Source: Prepared by the author (2024)

Strengthening himself as a businessman, Herbert became responsible for the Levy Office, replacing Percy D. Levy & Brothers, and ended up creating, in 1943, the Bank of America. In his autobiographical book, he says:

It was this performance at the head of the Levy Office, the name of the firm that succeeded Percy D. Levy & Brothers, that allowed me, in the organization of a new bank, the Bank of America, to obtain broad support from friends and the financial environment, so much so that the initial capital of 20 thousand contos de réis was oversubscribed, making a refund of 20% of the subscription. That was in 1943. (Levy, 1990, p. 35-36).

<sup>3</sup> The *Jornal do Comércio*, founded in 1827, has as its initial characteristic the publication of notary notices, protests, minutes of meetings, company balance sheets and company notices to the public.

At that time, Luiz Fernando, the son who would occupy the position of Director-Responsible for Gazeta Mercantil, was only three years old. However, the eldest of the sons, Luiz Carlos, started working at the bank and developed a career that had as a high point, in 1969, the merger with Banco Itaú, where he was Executive Director.

Since the days of the Democratic Party, Herbert Levy has shown a passion for politics<sup>4</sup>. Parallel to his business activities, he pursued a political career. In the 1940s, on the front line of the National Democratic Union (UDN), he took a stand against the Vargas dictatorship, integrating a group formed by Adauto Lúcio Cardoso, Affonso Arinos de Mello Franco, Aliomar Baleeiro, Bilac Pinto, Carlos Lacerda, Juracy Magalhães, and Milton Campos. Although the UDN came to power in the 1960 presidential elections with Jânio da Silva Quadros, of this group, only Affonso Arinos held a high position, becoming Minister of Foreign Affairs.

Herbert Levy was elected as an alternate federal deputy in 1946, taking the seat soon after. He remained in the Chamber of Deputies until 1988, being reelected successively every four years, adding up to a total of 42 years in office. He became national president of the UDN, leader of the opposition, and one of the leaders of the pro-military regime movement that took power in 1964.

As the Gazeta Mercantil was owned by the family, Herbert Levy, in parallel with his political activities, played a fundamental role at the head of the vehicle, occupying the position of Director-Responsible for several decades.

In 1950, the Gazeta Mercantil Industrial e Financeira continued to be mimeographed, but it was distributed daily. On April 17, however, the first edition of the Gazeta Mercantil – now enlarged and with the word "Economic", as well as Industrial and Financial – began to be printed on flat machines, in the size 27 x 36 centimeters, diagrammed in six columns. The circulation was around six thousand copies, with sales in the capital of São Paulo and some more dynamic centers in the interior of the state.

In 1954, the year marked by the IV Centenary of São Paulo and the suicide of Getúlio Vargas, for the first time the newspaper's print was increased. This happened due to the purchase of a rotoplana press and new linotypes. Six years later, Gazeta Mercantil acquired its headquarters on Rua do Gasômetro and began to be printed on a rotary press. It was 1960, and the newspaper celebrated 40 years with a stable revenue coming from

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<sup>4</sup> In the period between 1937 and 1945, during the Estado Novo, Herbert Levy was arrested six times.



clients of legal publications required by government standards, such as balance sheets, notices, minutes, and calls.

The first half of the 1960s was marked by a decisive fact in the history of the newspaper. Albert Levy's family chose to distribute the business activities (bank/brokerage and newspaper) among its members, leaving the *Gazeta Mercantil* with Herbert and his children. Among Herbert Levy's descendants, Luiz Fernando and Paulo Roberto became majority shareholders and, in December 1980, the two became the owners of the newspaper since three holding companies were created in the group, as shown in Table 3. These two brothers joined *Poli Participações S.A.*, which had, among its activities, in addition to the production of newspapers and magazines, agriculture and horse breeding. In *Resa Participações S.A.* were the brothers Nelson Luiz and Herbert Filho, with reforestation, logging, and advertising agency businesses. The third *holding company*, called *Herbert Levy Participações S.A.*, was an asset manager belonging to the family.

Table 1 - Holdings of the Levy Family, December 1980

Companies	Owners	Activities
Poli Participações S.A.	Luiz Fernando Paulo Roberto	- Production of newspapers and magazines - Agricultural - Horse breeding
Resa Participações S.A.	Nelson Luiz Herbert Filho	- Reforestation - Lumberyard - Advertising Agency
Herbert Levy Participações S.A.	Herbert Levy family	- Asset manager

Source: Prepared with information from LACHINI, Claudio. *Anabase: history of the Gazeta Mercantil*. São Paulo: Gazeta Mercantil, 2000.

## THE GROUP UNDER THE COMMAND OF LUIZ FERNANDO

At the helm of *Gazeta Mercantil*, his son Luiz Fernando Ferreira Levy succeeded Herbert Levy. Even so, Herbert did not get rid of the management of the newspaper, where he figured as Chairman of the Board of Directors until he was 90 years old<sup>5</sup>. However, for his actions at the head of the journalistic outlet, Luiz Fernando became a strong name in the third phase of the family management of the media group. It is the most important period in terms of regional, national, and international expansion, which begins in the 70s and extends until the last days of circulation of the daily, in 2009. Luiz Fernando highlights how he started this work:

<sup>5</sup> Herbert Levy died on January 15, 2002, at the age of 90, as a result of chronic kidney and lung problems.



I started in 1968. Not as a director. In 1973, we decided to transform the Gazeta into a market-oriented economics and business newspaper. I thought the country was ready for a newspaper with these characteristics. My father agreed and gave me this mission. So, I, as vice-president of the Gazeta, began to coordinate this work. It was in August 1973. (80 years: what the Gazeta Mercantil thinks, does and will do. Revista Imprensa, n. 149, June 2000, p. 12).

The "Luiz Fernando era" was marked by the decision to modernize the Gazeta Mercantil in the early 1970s. Omar Bittar, who worked for the group and held the position of managing director, showed a Fortune magazine article about *The Wall Street Journal* to Herbert Levy, the newspaper's CEO. It didn't take long for Luiz Fernando, then executive vice-president, to tell Omar that he would like to see the Gazeta with a project similar to that of the newspaper in the United States. Although timidly, it can be said that this is the first sign of the vehicle's internationalization. There was, rather, a desire to be guided by the international model of economic journalism practiced in the large markets (Lachini, 2000).

Two years later, in 1973, the Levy family sold the old printing press, from 1918, and the building on Rua do Gasômetro, in the Brás neighborhood, where the workshops and the newsroom operated. The Levys decided to invest these financial resources in human resources, to transform the vehicle into a publication similar to the one in the United States: "At that time, my son, Luiz Fernando Ferreira Levy, and I decided to transform the hitherto mimeographed bulletin into a modern and complete economic newspaper." (Levy, 1990, p. 201).

The order given to Omar was clear: look for a journalist capable of putting the project into practice. The task was arduous; after all, "machines should be replaced by talents". Omar Bittar, after a few interviews, was undecided between two names: Hideo Onaga, from the Visão group, and Roberto Müller Filho, editorial director of the magazine Expansão<sup>6</sup>. The chosen one was Hideo Onaga, who, despite staying at the Gazeta for only nine months in 1973, was responsible for the beginning of the newspaper's transformation.

In April 1974, Roberto Müller Filho, who at the time worked at Folha de S. Paulo, acting as editor of Economics, replaced Onaga. According to Müller (*apud* Lachini, 2000, p. 21), the incentive was given by former teacher and friend Claudio Abramo: "Come on, they are serious people, you can work for at least ten years".

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<sup>6</sup> The first effectively successful business publication in the country, which belonged to the American Harvey Popell and the Brazilian Francisco Crestana. The vehicle, which won the "Esso Award for Best Contribution to the Press" in 1972, was sold to Editora Abril and incorporated into Exame magazine in 1975.

## TECHNOLOGICAL ASPECTS

The history of the group under study indicates that the concern with investments in technology and human resources was fundamental within the company's growth project and the expansion of the Gazeta Mercantil newspaper, the flagship of the publications. The idea was to invest and then grow.

To carry out the company's modernization project, Luiz Fernando, after the sale of the building on Rua do Gasômetro, in 1973, took the writing, production and printing of Gazeta Mercantil to the Barão de Limeira building – attached to the headquarters of Folha de S. Paulo, where he shared the fifth floor with the daily Cidade de Santos, which belonged to the "Folha" group. At that time, the Levys had already sold the newspaper Notícias Populares, founded by Herbert Levy, to the Folha da Manhã group – owned by Octavio Frias and Caldeira Filho<sup>7</sup>. It is observed that both diversification and product segmentation were initially discarded by the Levy family. There was, however, a meeting of actions aimed at the growth of Gazeta Mercantil. For this, the centralization of capital was an option, when the investment was directed to the hiring of human resources, production and reproduction of the news, distribution, sales and administration.

Regarding the composition of the newsroom, many were former militants of student politics. Luiz Fernando even confessed that he preferred "left-wing" journalists and, particularly, those who had worked for the Brazilian Communist Party (PCB): "They were the best cadres of the press, disciplined, combative, loyal and... conservative" (Lachini, 2000, p. 24).

The staff of the newsroom was made up of professionals who had mostly worked in weekly magazines or newspapers, and some still had experience in economics editorials. One of the most important signings was that of Aloysio Biondi in June 1974. Roberto Müller proposed to Luiz Fernando to cut off one of the national news agencies and use the financial resource (12 thousand cruzeiros at the time) to hire the journalist. The proposal was not only accepted, but the money was also used to hire three other journalists.

Rigor in the verification of facts, clarity of the text, and fidelity to sources were aspects valued. As a consequence, a norm emerged that was pioneered by Gazeta Mercantil in the Brazilian press: the practice of reporters signing all articles. For the

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<sup>7</sup> The publication circulated until January 20, 2001, when the Folha da Manhã group announced the closure of the popular periodical, claiming that its extinction was due to the concentration of efforts in this segment in a single product, Agora SP (Folha Group closes "Notícias Populares". Gazeta Mercantil, January 22, 2001, p. A-4).

journalist, there was the advantage of becoming known in the job market. For the newspaper, the veracity of the information and the credibility would be guaranteed. The reporter would have redoubled concern in the investigation of the facts.

Despite the initiatives in the newsroom, Gazeta Mercantil still needed to solve some problems, such as its printing process, which was slow and delayed the newspaper's arrival on newsstands. At the end of 1974, the first part of the project to increase the Gazeta Mercantil was almost completed. The "editorial logic" was beginning to be put into practice. It was at this moment that Bernardo Kucinski was hired for the São Paulo newsroom, the creation of the Brasília Branch, and the establishment of a correspondent in Porto Alegre, Elmar Bones.

The high point of this renewal was the structuring of the newspaper into specialized sections. Klaus Kleber was responsible for macroeconomics, under the general title of National; Paulo Esmanhoto, sociologist, was hired as editor of Internacional; Aloysio Biondi was in charge of the Agriculture and Livestock editorship; Bernardo Kucinski went on to direct the Raw Materials section, but was soon replaced by Yolanda Stein, the first woman to hold the position of editor at the outlet; Glauco Carvalho started to edit Administration and Services and Gabriel de Salles was Secretary of Finance and Markets. The most curious name was that of Dirceu Brisola, hired to implement the Industry section and who came to occupy the position of deputy secretary of editing. Dirceu had been president of the State Union of Students (UEE) of São Paulo and a political opponent of Luiz Fernando, who was president of the Academic Center of the São Luís Faculty of Economics and national secretary general of the student UDN.

The responsibility for the "consolidated agenda" in the vehicle was Aloysio Biondi, who collected information from other newspapers, television, and radio news and wrote an extensive list of suggestions for articles, passed on to the respective editors according to the subject. A kind of "middle ground" between all the sections was made by the Editorial Secretariat. It was at this time that the newspaper made a new change of its facilities, leaving Barão de Limeira to Rua Major Quedinho, 90, where the building of O Estado de S. Paulo was located, the company's administration and also operated Radio Eldorado. The printing of the Gazeta was being done in the off-set of Jornal da Tarde, an evening newspaper of the Estado group.

Romeu José de Souza was hired as industrial manager, who started a graphic innovation of the newspaper. Müller's idea was to make a simple, traditional newspaper in

eight columns since the publication was edited in six. "Hats" were used, words that indicated above each subject the subject dealt with in it. Inspired by the *Financial Times*, illustrations through graphics became part of the vehicle. The Legislation and Insolvency editorials were added.

At that time, the information provided by Gazeta Mercantil was already essential for companies and entrepreneurs from various branches:

In an economy that has been highly inflated since 1975, information on inflation rates, or savings accounts, or exchange rate adjustments, or the remuneration of investments, or even on the evolution of the 'war' in the oil-producing countries becomes as important to the Gazeta and its readers as the intrinsic value of the currencies themselves. (Quintão, 1987, p. 82).

New changes were made: the newspaper should offer a minimum of 60% of information, against 40% of advertisements. The beginning was an adaptation of *The Wall Street Journal's* model, which splits the half-and-half. From the North American vehicle also came the idea of publishing pen-and-ink instead of photos of people, with photos allowed only in the inserts and not in the fixed notebooks. Reinforcing Carlos Eduardo Lins da Silva (1991), many Brazilian print outlets, at that time, were influenced by North American journalism.

Some rules of behavior of reporters were also discussed. Alongside the principles of impartiality and suitability, there was also the recommendation of the use of a suit and tie, which was not mandatory but desirable. The intention was to put the reporter, including the costumes, on an equal footing with the interviewee. In addition, no journalist from Gazeta Mercantil should accept a second job or gifts. Their trips shouldn't be paid for by companies or governments. If the subject were of interest to the reader, the journalist would travel, but on behalf of the Gazeta itself.

By the end of 1975, the newspaper's paid circulation had been expanded to the states of Rio de Janeiro, Rio Grande do Sul, Santa Catarina, Paraná, Minas Gerais, and the Federal District. To get an idea, the number of subscribers in Brasília jumped to 2 thousand (initially there were 50). The circulation was 434% higher than in 1972, reaching close to 18 thousand copies daily. In the newsroom, there were already 96 journalists hired. The numbers, according to Lachini (2000), were as follows: 20 journalists in 1972, 49 in 1973, 64 in 1974. Another important fact is that the commercial area registered, in 1975, a turnover five times higher than that of 1972. The success was shared with the national director of Marketing, Tom Camargo.

A major hire in this period was that of Matías Molina, founder of Exame magazine and economics editor of Folha de S. Paulo. With him, José Carlos Thomé, Lilian Witte Fibe, Célia de Gouveia Franco and Celso Campos Pinto were hired. After this reinforcement, there was an improvement in the quality of the content distributed in the editorials or sections of the Gazeta Mercantil. In 1975, the newspaper was divided as follows: 1. Front Page; 2. International; 3. National; 4. Opinion (Editorial); 5. Legislation; 6. Industry; 7. Raw materials; 8. Agriculture; 9. Finance; 10. Markets; 11. Administration & Services; 12. Insolvencies. Quintão (1987) points out that these editorials were structured based on the major international newspapers in the area of Economics, such as *The Wall Street Journal*, in New York; the *Financial Times*, in London and *Handelsblatt*, in Germany.

The two central issues for the company, in 1976, the year in which Matías Molina became a correspondent in London, was the diversification of information and the reach of readers from all over Brazil, in tune with the schedules compatible with the rhythm of a daily newspaper. It is observed that the diversification of products begins to be a concern of the group, which edits, in the same year, the first Annual Balance Sheet, published to identify business leaders in the country. The success of the magazine was immediate: it soon occupied the second place in the market, competing with Quem é Quem na Economia Brasileira, from the publisher Visão, and Maiores & Melhores, from Editora Abril.

## THE LASER IN THE PRINTING AND DISTRIBUTION PROCESS

The distribution of the newspaper in the second half of the 1970s, was a challenge in the management of the company. The material was still "rotated" in the workshops of O Estado de S. Paulo, and the first flights in the morning were lost, jeopardizing delivery in other states. At a board meeting, the editorial secretary reported on the printing system used by *The Wall Street Journal*, which had printing presses in 14 U.S. cities, operated by a satellite owned by the newspaper. Even knowing that the satellite cost about US\$ 500 thousand, Herbert Levy agreed to implement the process.

After studying the idea, the group ended up deciding on a new system at the time, called "laser", which allowed the simultaneous transmission, by microwave, of a page of the newspaper in 90 seconds. Thus, on November 6, 1979, the first simultaneous transmission of the newspaper took place, made between São Paulo and Rio de Janeiro.

It was then necessary to take care of the advertising part, which could increase revenue and generate new investments. For the task, Henrique Alves de Araújo, Luiz

Fernando's maternal cousin and a Public Relations professional, who had been with the company since 1977, was chosen. Henrique explained that the concern with profitability only came to light after the consolidation of the newspaper as an independent and credible vehicle (Lachini, 2000, p. 53).

Other measures were taken, such as the hiring of Sérgio Rosa, who had been commercial director of Exame and advertising director of the group of publications for the male audience of Editora Abril. The advertiser reciprocated accordingly, so much so that the newspaper showed a permanent growth in its revenue: US\$ 8.3 million in 1976; US\$ 11.3 million in 1977; \$13.7 million in 1978.

In December 1980, when Gazeta Mercantil had revenues of US\$ 15.5 million, Herbert Levy divided the family companies, leaving Poli Participações S.A. com Paulo Roberto and Luiz Fernando, covering horse breeding, agriculture and the production of publications, including Gazeta Mercantil.

In that decade, the challenge of improving the newspaper's distribution process remained. Even in Rio de Janeiro and São Paulo, the places that printed the daily publication, rarely reached readers before 9:30 in the morning. It was common to reach the noon milestone. For this reason, Matías Molina, then editor-in-chief, defined that, although the newspaper was read after the other dailies, it should contain "a) relevant information; b) exclusive information; c) information that was different, in style and focus." (Lachini, 2000, p. 268).

Trying to solve the serious impasse regarding the circulation of the newspaper, in 1982, Gazeta Mercantil split into two: the publisher of the newspaper and "Gazeta Mercantil Gráfica e Comunicações", which launched debentures in the market, something around US\$ 6 million. Thus, the company gained momentum to look for alternatives, which can be confirmed with the numbers of this decade.

In 1985, when the newspaper joined the Circulation Checker Institute (IVC), Gazeta Mercantil had 63,218 subscribers, a single sale of 3,796 copies and a total circulation of 85,192 copies. At the end of the same year, there were 67,712 subscribers, the paid circulation was 71,624 copies, and the circulation totaled 97,186 copies. The record was broken in 1987, when the mark of 84,101 subscribers was reached on December 31, 3,220 for single sales and a total circulation of 107,151 copies. As a consequence, net operating revenue, stationary in the range of US\$ 15 million between 1979 and 80, jumped to US\$ 20 million in the three-year period 1981 – 1983.



Still in the 80s, the newspaper underwent important changes with regard to its printing. Taking advantage of the technological advances available at the time in some world markets, Gazeta Mercantil introduced transmission equipment with laser beams and optical fibers, capable of transmitting pages, photos and texts in full in seconds, which allowed the creation of the editions of Rio de Janeiro, Belo Horizonte and Brasília, and then Porto Alegre and Recife. In this way, it became the only newspaper in the economic area with national coverage and circulation.

## CONTRIBUTIONS OF SATELLITE AND THE INTERNET

One of the most important facts of the 1990s was the IPO of Gazeta Mercantil S/A, which took place on October 30, 1993. Even with this, Poli Participações S.A. held 95.46% of the common shares with voting rights. Cláudio Lachini explains the change:

It was the first Brazilian newspaper company to go public, and since July 1, 1994, a group of Pension Funds has been part of it, which holds 16.91% of the total capital, in preferred shares, without voting rights. They are: Life, Luxor, Sistel, Funcef, Previ, Telos, Previbanerj, Petros, B-F Pension Fund. M.I.A., FIPECQ, Feceb and CESP Foundation. (Lachini, 2000, p. 70)

But, on the other hand, the beginning of the 90s is not a quiet period for the company when it comes to the distribution of the newspaper. The radical transformation in the newspaper's delivery policy, implemented by José Noia, had not yielded good results. Until then, copies were distributed by commissioned couriers at 10% on the renewal of subscriptions. Within the new plan, delivery workers capable of delivering 120 newspapers were discarded, with a subscription renewal rate that reached 92%. In its place, it placed young people without training, resulting in the worst period for Gazeta Mercantil in terms of newspaper circulation. The problem, dubbed by employees as the "Transnoia virus", also affected the sales sector, representatives and the IT area. The number of subscribers declined, the situation became complicated and the recovery only came in 1995.

The formula for reversing this situation was found by Luiz Fernando. He decided to create the GZM Distribuidora Company, to be directed by Darlington Bernardes, then a 26-year-old student of the Postgraduate Course in Administration at the Getúlio Vargas Foundation. The new employee bet on technology. In the IT area, it introduced the control software, developed in Windows, working in a network, with a central server and decentralized operations in the Regional Business Units (former branches) of several cities in the country. Information on circulation, subscriptions and sales was made available in



real time and access was divided into groups, with the requirement of a password. Special attention was also paid to the newsstand policy, aiming at the recovery in sales. In 1993, the year of crisis, the subscriber portfolio closed at 61,679. In the following year, the number of subscribers was already 66,568 and, in 1995, it reached 72,228.

The company, in parallel with its concern with sales, invested in the quality and content of the newspaper. According to Lachini (2000), in 1994, Luiz Fernando Levy's decision to transform *Gazeta Mercantil* into a corporation was important, opening its capital again and placing R\$ 22 million in preferred shares, without voting rights, with the main pension funds in the country. The results surpassed those of the similar attitude of 1982, when the company had first gone public.

From this operation, the company made several changes. It moved from 90 Major Quedinho Street, where it had been for about 20 years, to another headquarters, a ten-story building located at 125 Engenheiro Francisco Pitta Brito Street, in the Santo Amaro neighborhood, in the south of São Paulo.

Dirceu Brisola, who had replaced Sidnei Basile in the position of general director in 1993, was responsible for the changes to be made in the newspaper and José Rui Alvarez, coming from Editora Abril, became administrative and financial director. However, the main managers of what should be a leap for the company clashed, which culminated in Luiz Fernando's decision to remove the two in the second half of 1995.

The plans were redone. Luiz Fernando rescued Antonio M. Pimenta Neves, a former collaborator of the newspaper who was at the World Bank, in Washington, to be the editor-in-chief of the newspaper. Pepper<sup>8</sup> he was appointed director of the newspaper and started to have his name on the front page, alongside Herbert and Luiz Fernando Levy. Roberto de Souza Ayres (who had been working as a contributor to the newspaper since 1968) was also hired, making the entire sales area – marketing, advertising and subscriptions – under a single command.

The results came soon. In 1996, Luiz Fernando declared, in an interview with the newspaper itself, that "this was the best year in the history of '*Gazeta Mercantil*'." (The best year of the *Gazeta Mercantil*. *Gazeta Mercantil*, May 19, 1997, p. A-1). Internal restructuring, sales growth and consolidation of commercial advertising as a source of revenue were hallmarks of this period, with a 17% increase in the company's gross

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<sup>8</sup> The journalist left the company at the end of 1997 to be deputy editor-in-chief of *O Estado de S. Paulo*, where he became, two years later, editor-in-chief.

revenue, which reached R\$ 119.3 million, a record in the newspaper's 76 years. Net financial expenses were reduced from R\$ 16.4 million in 1995 to 12.6 million in 1996. The newspaper had 72,981 subscribers.

At the time, the newspaper was printed in eight capitals, supported once again by new communication technologies, as highlighted in the edition that published the company's balance sheet for 1996:

[...] The pages arrive fully digitized and transmitted instantly by satellite. Since September 1996, technological advances have made it possible to treat all our information as electronic files. Thus, all our computers are interconnected by the Intranet and the Internet. In all the company's offices, in nine Brazilian capitals and in Buenos Aires, journalists, advertisers and subscription sellers communicate instantly by satellite.

The printing of the newspaper in São Paulo, Rio de Janeiro, Brasília, Porto Alegre, Curitiba, Belo Horizonte, Salvador and Belém, consolidates Gazeta Mercantil as the only truly national newspaper in our country, and the satellite data transmission system, which replaced the laser that served the company for 16 years, will allow expansion according to market demand. (Management Report. Gazeta Mercantil, May 19, 1997, p. A-5).

The year 1997 had 89,844 signatures. The Gazeta Mercantil began to be printed in ten capitals of the country, and its circulation grew 22% compared to the previous year. The company had offices in twelve Brazilian capitals (São Paulo, Rio de Janeiro, Belo Horizonte, Curitiba, Florianópolis, Porto Alegre, Brasília, Salvador, Belém, Fortaleza, Recife and Vitória), three cities in the interior of São Paulo (Campinas, Ribeirão Preto and São José dos Campos) and three abroad (Buenos Aires, Miami and London).

Oronides Meireles took over, in 1998, the circulation and sales sector, celebrating, in November, the mark of 100 thousand subscribers. The total circulation in 1998 reached 120,952 copies, when 102,007 subscribers were counted. In December 1999, the newspaper reached a circulation of 136,779 copies and the universe of subscribers reached 114,895.

Gazeta Mercantil was among the top ten newspapers in Brazil in net operating revenue at the end of the 1990s. According to the ranking of media companies published by Meio & Mensagem, the vehicle appears in fifth place, in 1998, in the category "printed newspapers", with revenues of US\$ 154,505.86, second only to O Estado de S. Paulo, Folha de S. Paulo, O Globo and Jornal do Brasil, the so-called *prestige papers* of the national press. (*Meio & Mensagem*, year XXI, n. 873, August 30, 1999, p. 21).

A balance from 1996 to 1999 can be made with the following information: the circulation grew 27% and the subscriber portfolio 59%, while the complaint rate fell 69%;

the renewal rate grew 18 points, reaching 78%; Distribution costs were reduced by 32% for subscriptions and 12% considering the total print run. New measures were applied in all areas, the normal closing time of the newspaper was reduced, postponed only in special situations, making it possible to deliver the product earlier to subscribers, who could also choose to access the Gazeta through the Internet, through the electronic services of InvestNews.

To cover the entire national territory – reconciling the local, the regional and the national – and to provide the reader with information and all Brazilian regions, the company also maintained its national correspondents, based in several cities: Edson Álvares da Costa (Ribeirão Preto), Luciana Franco (Campinas), Luciana Moglia (Caxias do Sul), Lygia Sarlo (Vitória), Paulo Emílio (Recife), Simone Romero (Manaus) and Virginia Silveira (São José dos Campos).

The Regional Units were spread across the five regions of the country and were named after the name of the State, the capital or even a region, as can be identified in this list of URNs: Alagoas (Maceió), Amazonas (Manaus), Bahia (Salvador), Ceará (Fortaleza), Federal District (Brasília), Espírito Santo (Vitória), Goiás (Goiânia), Mato Grosso (Cuiabá), Mato Grosso do Sul (Campo Grande), Maranhão (São Luís), Minas Gerais (Belo Horizonte), Triângulo Mineiro (Uberlândia), Pará (Belém), Paraná (Curitiba), João Pessoa (João Pessoa), Pernambuco (Recife), Rio de Janeiro (Rio de Janeiro), Rio Grande do Norte (Natal), Rio Grande do Sul (Porto Alegre), Santa Catarina (Florianópolis), Sergipe (Aracaju), Tocantins (Palmas), Greater São Paulo (São Paulo), Interior Paulista (Ribeirão Preto), Planalto Paulista (Campinas) and Vale do Paraíba (São José dos Campos).

In 2000, for the newspaper to reach the hands of subscribers, around 3,100 people were mobilized. About 1,100 were employees of the GZM Distribuidora Company, the other 2,000 work for representatives or outsourced companies in 327 Brazilian cities. In São Paulo alone, in December 1999, they distributed 45,878 newspapers per day. Nationally, the daily average per delivery is R\$ 1.14. "A heroic action, since the industrial and distribution costs themselves are computed. A service of democratization of information provided to the country that is not always considered in its magnitude", evaluates Claudio Lachini (2000, p. 275).

## **FINAL CONSIDERATIONS**

The year 2000 is marked by the arrival of a direct competitor to *Gazeta Mercantil*, until then the only daily newspaper of national circulation focused on economics and business. Announced in early October 1999, the agreement between the company Folha da Manhã – which edited, among other titles, the Folha de S. Paulo – and Infoglobo Comunicações, of O Globo, allowed a new specialized newspaper to hit the market on May 2 of the following year, with the name Valor Econômico.

The partnership was reported by the Brazilian press, which reported the motivation between the two groups: "What motivated the partnership of the companies was the fact that they have the two best printing facilities in Latin America and the two best distribution systems for daily newspapers in the country." (Folha and Globo launch economic newspaper. *Folha de S. Paulo*, October 5, 1999, Caderno 1, p. 8).

To face the competition and remain competitive, Gazeta Mercantil took some measures. The Weekend Notebook was completely reformulated and doubled the number of pages. In addition, new sections were created on different days of the week, such as "Three Powers", on Monday; "Você no Trabalho", on Tuesday, and "E-commerce" on Thursdays.

In the first five months of 2000, Gazeta Mercantil recorded a growth of 44.3% in its revenue and its subscriber base grew, from January to March, 10.8% (GZM consolidates its multimedia profile. *Gazeta Mercantil*, June 23, 24 and 25, 2000, p. A-6). Results such as these allowed the company to sign, in the second half of June, an alliance with the Portuguese PT Multimedia, Portugal Telecom's Internet and cable unit, thus generating Investnews.com.

It is observed that, according to the Circulation Checker Institute, the paid circulation of the Gazeta Mercantil reached 124,351 copies at the end of that year, which reinforces the position of the vehicle even in the face of the arrival of a direct competitor. The group's managing director, Aloisio Sotero, told the newspaper that "in 2000, Gazeta Mercantil consolidated itself as a leading information company in the business world." (Gazeta Mercantil records its best result. *Gazeta Mercantil*, April 17, 2001, p. A-7).

Even with this data, the backstage was marked by rumors about the group's financial problems. In the second half of 2001, the company delayed the payment of employees' salaries. Faced with these difficulties, Gazeta Mercantil signed an agreement with Jornal do Brasil at the beginning of October. For the first time it would share the

shareholding control with another media group and the partnership was reported in a few lines by the economic daily:

*GAZETA MERCANTIL AND JORNAL DO BRASIL announce that they have entered into an operational agreement with the objective of optimizing their commercial structures.*

*With this agreement, the two outlets make available to the market a powerful media instrument for advertisers and advertising agencies.*

GAZETA MERCANTIL also announces that it is hiring an Investment Bank to promote the economic and financial restructuring of the company. (Material Fact. Gazeta Mercantil, October 11, 12, 13 and 14, 2001, p. A-1).

At the time, Folha de S. Paulo reported the possibility of the Levy family losing shareholding control of the company:

Gazeta Mercantil S.A., the company that publishes the newspaper with the same name, announced late yesterday afternoon the sale of part of the company to 'Jornal do Brasil', a Rio de Janeiro daily managed by businessman Nelson Tanure. Banco Fator will take over the financial management of 'GM'. The companies did not give detailed information about the operation. In the market, there was speculation about the possibility that 'JB' had bought more than 60% of 'GM'.

The press office of the São Paulo newspaper, however, informs that 'JB' would have entered the operation only as a minority shareholder, but there was no confirmation until the end of the night. ('JB' buys part of Gazeta Mercantil S.A. Folha de S. Paulo, October 5, 2001, p. E-5).

The agreement became a subject in the journalistic environment. The debate was heated by a new delay in the salaries of Gazeta Mercantil employees, which led most of the company's journalists to paralyze their activities. Even when the company made the payment, several employees decided to maintain the movement. The strike was officially decreed on October 15.

On October 22, Gazeta Mercantil published, on the front page of the national edition, an official note on the hiring of Worldinvest to direct the company's restructuring process: "GAZETA MERCANTIL announces the hiring of Worldinvest to develop and implement a restructuring plan for the Group's companies and to advise on the capitalization process of Gazeta Mercantil S.A." (Report. *Gazeta Mercantil*, October 22, 2001, p. A-1).

Even though it is going through a restructuring process, financial fragility led the company to join a Fiscal Recovery Program, in debt with the federal government. The organization of finances was a huge challenge, but other aspects also adorned the crisis. Franco (2024) points out some of them: poor management, poorly structured agreements and partnerships, and excessive expansion of fronts. During the time of circulation of the Gazeta Mercantil, TV programs were created, newspaper and magazine purchases were

made and several journalistic products were launched, such as the Gazeta Mercantil Latino-Americana, practically all these initiatives brought some damage to the group.

Another motivating aspect of this critical scenario was the non-separation of the financial activities of Gazeta Mercantil itself from the other businesses of the Levy family, such as farms and a reforestation company. In addition, the purchase of a building for the new headquarters of the newspaper and the opening of its directorates throughout Brazil inflated expenses.

In crisis and with competition from Valor Econômico, the newspaper ended its circulation in 2009, leaving a great legacy in the history of the Brazilian press. It was a school for the training and improvement of generations of economic journalists; space for innovations in journalistic technologies and practices; impulse for the circulation of information about the Brazilian market in the Latin American and even world scenario; a place for experiences of media diversification; mandatory reading among businessmen, bankers, investors, public managers and many other Brazilians for the quality of its information; the most expressive vehicle in the history of economic journalism in Brazil.

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