ISCTE Business School
Instituto Universitário de Lisboa

ESTABLISHMENT OF A DISTRIBUTION NETWORK FOR AQUA ORGANIC COSMETICS

Simona Gumpert

Project submitted as partial requirement for the conferral of

Master in Marketing (B55)

Supervisor:
Prof. Ana Brochado, ISCTE Business School

September 2016

ISCTE Business School
Instituto Universitário de Lisboa

Establishment of a distribution Network for Aqua Organic cosmetics

Simona Gumpert

Acknowledgements & Quotes

First I like to thank my mother for being my role model, inspiring me and helping me wherever she can. She is the most valuable person that never stopped believing in my skills and me. Her unconditional love and support was the best motivator and made this project possible.

I offer my most special thanks to my supervisor, Professor Ana Brochado. Without your support, the outcome of this thesis would not be achievable. Therefore, I emphasise my sincere appreciation for your guidance and great advice over the past months. Thus, I like to thank you for your availability to supervise my thesis and sympathy as well as patience with all my questions.

Further, I want to thank Aqua Organic for the great assistance developing this thesis. Dr. Lars-Peter Kuhr and Bernd Schmidt are both inspirational and visionary. Their exceptional values towards the love of animals, the environment and healthy lifestyle is what defined my motivation for this thesis.

Last but not least, I like to record many thanks to all my friends being by my side, motivating me and making me happy. All of you influenced the elaboration of this thesis in a direct or indirect way and helped me conclude the work with great encouragement.

Index

Figure Index

Table Index

Chart Index

Abstract

Aqua Organic is a German cosmetic company with its head office in the heart of the Munich city centre. The product line contains only premium organic care cosmetics, which locates the brand in a niche market. The main key success factors of an organic brand refer to the purity of the ingredients, the sustainable approach through all processes, a complementary service offering, social responsibility, an exclusive philosophy and most importantly combining natural cosmetics with classic aspiration and a modern, fashionable appearance.

Nowadays, consumers get more conscious about sustainability and organic care. The consumer habits and demands towards organic cosmetics experience a major take off. Therefore, Aqua Organic faces an increasing competitive market, characterised by the growth of organic care companies. Direct and indirect competitors complicate the successful economic activity. Organic care companies in the niche market as well as mass-market natural care firms and product enhancements from well-established cosmetic brands overstock the market.

Therefore, this project thesis elaborates a distribution and communication plan for the organic cosmetic brand Aqua Organic. Results of the research data as well as an internal, external and competitive analysis help to implement proposals. The implementation proposal consists on the development of a marketing strategy and operational recommendations. The distribution plan is composed of propositions regarding channels and intermediaries. The communication plan, on the other hand, reveals specific business-to-business communication actions in order to increase the brand awareness.

Keywords: distribution plan, communication plan, B2B, organic cosmetic market
JEL: M31 – Marketing; L66 – Cosmetics; L81 – Retail and Wholesale trade

Resumo

Aqua Organic é uma empresa de cosmético alemã com sede no coração de Munique. A linha de produtos consiste apenas produtos de cosmético premium, o que coloca a marca num nicho de mercado bastante específico. Os principais fatores de sucesso de uma marca orgânica consistem no grau de pureza, a sustentabilidade presente ao longo de todo o processo, a oferta de um serviço complementar, a preocupação na responsabilidade social, uma filosofia específica, e o mais importante é que o faz aliando os cosméticos naturais a uma aparência muito exclusiva e moderna.

Hoje em dia os consumidores estão mais conscientes acerca das questões de sustentabilidade e cuidado orgânico. Os hábitos de consumo e exigências em relação a estes produtos tem crescido continuamente. Para além disso, a Aqua Organics enfrenta cada vez mais uma concorrência de Mercado, caracterizado pelo crescimento de empresas deste tipo. Competidores diretos e indiretos complicam o sucesso da actividade económica. Empresas de cuidado orgânico e ramificações deste género de produtos provenientes de marcas grandes e estabelecidas no Mercado da cosmético entopem o Mercado.

Sendo assim, esta tese pretende elaborar um plano de distribuição e comunicação para a marca de cosmético orgânica, Aqua Organic. Os resultados de pesquisa interna, externa e de análise competitivo irão ajudar a implementar propostas de resolução. A proposta de implementação consiste no desenvolvimento de uma estratégia de marketing e de várias recomendações a nível operacional. O plano de distribuição é composto tendo em conta o seus canais e intermediaries. O plano de comunicação, por outro lado, revela ações de comunicação especificas para B2B, de maneira a aumentar a notoriedade da marca.

Palavras chave: plano de distribuição, plano de comunicação, B2B, Mercado cosmético orgânico

JEL: M31 – Marketing; L66 – Cosmético; L81 – Retail and Wholesale trade

Executive summary

This thesis elaborates a distribution and communication plan for Aqua Organic, a niche market organic cosmetic brand, on a project basis. The aim of the project is to gain more availability and awareness in the target market with a distinctive distribution approach and business-to-business communication strategy. Therefore, the thesis reviews the literature regarding distribution planning, business-to-business communication and evaluates further the organic cosmetic market. A holistic environmental friendly philosophy with green distribution and sustainable communication are key success factors in the business. The goal is to understand the target audience, gain awareness and differentiate oneself in the organic beauty care market.

The work reveals important indications for Aqua Organic for further processing regarding distribution and communication. The brand is ready to widen the distribution and reach out to potential partners. Because of the company's little experience in the area of marketing and communication, a strong communication and distribution strategy will enhance their awareness and availability. Hence, these strategies lead to more sales and success.

The growing organic care market is getting more and more competitive. As the demand for organic cosmetics increases, companies in the niche market as well as mass-market natural care firms and product enhancements from well-established cosmetic brands carve out for a leading position. There is a need for diversification through textures, purity of ingredients, environmental responsibility, social activity, complementary service and exclusive philosophy in order to succeed. Aqua Organic's competitive advantages refer to its unique textures, scents and active agents, the purely organic ingredients, the contribution of a doctor, the modern style as well as the sustainable packaging and processes that confers an exclusive image. The exclusive approach needs to be transferred into the distribution and communication planning.

The distribution plan offers recommendations regarding potential partners, channels and the sales force, whereas the communication plan evaluates distinctive business-to-business communication strategies to reach out to potential partners. Both plans are necessary in order to create a successful network for Aqua Organic.

Chapter 1. Definition of the Problem Context

The following chapter is characterising the objectives, research problem and structure of the thesis in order give an overview and organise the work.

Research Objectives

The main objective of the Master Thesis is to establish a well-elaborated distribution network for Aqua Organic. The goal is to grow the distribution and reach end-customers successfully through intermediaries. After collecting data about the distribution network planning, strategy fundamentals, the company's history distribution approach as well as the competitors' information will be conducted. Because Aqua Organic acts in a niche market, the need for the selection of qualified retailers will be revealed. The aim is to find partners that display Aqua Organic's products in several retail outlets.

All primary data will be collected through qualitative research methods as in-depth interviews and through quantitative research practices as online questionnaires. Further, there are two secondary goals, which will be achieved in different periods of time:

- The first attempt is to identify the most important intermediaries and sales channels, having in consideration the objectives, attitude and personality of Aqua Organic. Therefore, the author constructs a **distribution plan**.

- The second goal is to create distinctive B2B strategies that will help to gain potential partners and build relationships between retailer and the brand. Hence, the author will reveal a **communication plan**.

Problem Statement

Organic cosmetic businesses are specialised on a certain kind of customers. It is a niche market with several competitors that differ in quality and availability of the products. As most of the premium organic cosmetics are more expensive, the target group is vigilant about quality. Therefore, the company as well as distribution partners need to maintain the quality standards not only of the products, but also of the service. Product guidance and accurate information about the organic ingredients and their impact on the health of the skin is crucial in order to present the brand in the right way.

However, and despite the fact that many companies successfully manage the distribution of their products in the cosmetic industry, it is also very important for small businesses specialised in organic cosmetics to gain awareness and reputation. Through a distribution network, the company Aqua Organic has the possibility to sell their products in the most important areas in Germany. The formula is easy: the higher the availability of the products, the more people gain the possibility to reach and utilize the products.

Therefore, the research problem of this Master Thesis is how to construct a well-performing distribution network in Germany for Aqua Organic. The academic research will display how to establish a distribution network and create B2B marketing strategies. To draw conclusions about a distinctive approach, an empirical analysis will support the development of a distribution network. Hence, primary data as an in-depth interview and online questionnaire will be merged with secondary data, which include four main areas: 1) PESTEL Analysis 2) Competitive analysis: Main competitors, SWOT, CSF, USP 3) Organisation analysis: The display of the company Aqua Organic and its history distribution as well as communication approach 4) Consumer analysis: consumer profile and behaviour. Finally, the work will reveal specific B2B strategies in order to reach potential retail partners.

Dissertation Structure

This thesis is divided into six main chapters. The first chapter describes the objectives, research problem and structure of the work. Chapter one is intended to give an overview of the whole thesis and indications for choosing this kind of theme.

The second chapter contains a literature review regarding the marketing framework, where the focus of the thesis can be quickly pointed out as the distribution approach and business-to-business marketing. After defining the most important terms, concrete themes such as distribution network and business-to-business communication build fundamentals for leading the attention to the organic cosmetic industry. In order to understand the characteristics of the industry, the evolution of the marketplace, distribution of green skincare as well as sustainable communication explain the market situation and the importance of green marketing in theory.

Chapter three offers an overview of the conceptual framework to review the most important research areas. In the Appendix 1, the author reveals a fully elaborated conceptual framework and goes into details.

Chapter four is focusing on the methodology to complete the previous literature review with a study. First the methods and techniques of data collection are described, whereas further the thesis offers a detailed analysis of the primary and secondary data research. Interviews about the company and distribution approach as well as an online questionnaire revealing potential partners and B2B communication preferences were conducted as part of the primary data. Thus, secondary data analysing the main competitors and consumer behaviour completes the research study.

The fifth chapter is giving detailed information about the development of a distribution and communication plan for Aqua Organic. First, the thesis gives an overview about a diagnostic analysis of external and internal influences. External impacts are examined based on a PESTEL and competitive analysis (strengths and weaknesses, opportunities and treats; critical success factors, competitive advantage). An internal analysis better demonstrated the organisation itself and its portfolio. Further, the author proposes recommendations about segmentation, targeting and positioning strategies and finally reveals concrete suggestions about the distribution approach as well as a fully elaborated communication plan.

Chapter six revels conclusions about the thesis, the study results and the strategic as well as operative recommendations. Thus, the author is going into detail about the project contribution and limitations that he was facing. Finally, further research suggestions yield the thesis to a successful conclusion.

Chapter 2. Literature Review

During the literature review, the author identifies what is already known about the area of study in order to address the research question.

2.1 Marketing Framework

The establishment of a distribution network and business-to-business communication are marketing decisions. Therefore, it is important to define marketing and its dimensions first.

2.1.1 Definition

According to the American Marketing Association, “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA Marketing, 2016a). Meaning marketing is a business function with the aim to create superior value for customers. During the process, marketing manages profitable relationships between all sorts of consumers in order to capture value in return. Marketers try to attract new customers by delivering satisfaction to grow current number of clients. Therefore, marketing is a critical success factor of every business. But it is going far further than just selling and advertising brands and products. Nowadays, marketers want to reach out to clients more efficiently and understand them. They try to build a personal and direct contact in order to be a part of the customers’ life. Marketers aim to enrich experiences with their brands. The goal is to satisfy customer needs, offer products with superior value and set prices as well as distribute and promote brands effectively (Kotler & Armstrong, 2010).

Every successful marketing starts with a strategy. The strategy reveals which customers will be served and how efforts create value for these customers. Therefore, the centre of the strategic process is to understand the marketing environment as well as the competitive space (West *et al.*, 2015; Kotler, & Armstrong, 2010). Hence, strategic planning defines the “what” and “why” of marketing activities. It involves the decision about actions that will help the company to controvert the overall strategic objectives (West *et al.*, 2015). During the strategic process, the firm’s mission and requirements has to be defined first. Afterwards, businesses set detailed objectives and goals oriented by the mission for every level of the management decision in order to face the rapid change of today’s marketplace. The company’s strategy is great input to implement any operative plan. It is very important to communicate in between operative marketing and strategic marketing in order to explore opportunities and erase mistakes. Small businesses often do not plan their marketing actions, because of historic achievements, lack of time and quickly changing marketplace. However, strategizing is still useful and should not be neglected. Especially in emerging markets the elements of products, price, communication and distribution are valuable sources to gain competitive advantages. Therefore, the development of a marketing strategy is essential for success (West *et al.*, 2015). Nevertheless, without the implementation of the strategy, all planning only counts for a little.

2.1.2 Operative Marketing

Operative Marketing is a process that turns marketing plans into actions. The goal is to construct a program that delivers superior value for customers compared to several competitors. The implementation discuss the "who", "where", "when" and "how" of marketing activities in order to achieve the strategic marketing objectives, which were established before. These actions are determined in the marketing mix. Hence, the marketing mix is a set of tools used by the firm to implement the marketing strategy. The most known marketing mix model classifies these tools into four groups: the four-P framework (Khan, 2014).

2.1.3 Marketing Mix

Every organisation wants specific responses from the target market that can be achieved through the four elements of the marketing mix. Therefore, the four dimensions are controllable and tactical. Meaning, every firm influence the demand for its products with the right marketing mix strategy (Khan, 2014).

The classical four-P framework includes **P**roduct, **P**rice, **P**lace and **P**romotion (Khan, 2014). Starting with the product, the company has to offer a higher value than the competitors. The differentiation is based on product design, quality, features, brand name, sizes, returns, warranties, innovation level, service and much more (Foxall, 2014). Whereas some cosmetic brands provide only products with simple packaging, others are more creative and some add services that match to their offerings. Zen perfumes decided to launch products inspired by nature. Their packaging demonstrates an organic, relaxing and meditative experience, as pictured on the left side of image 1. On the right side, Naked Intimate Cosmetics visualizes a naked packaging with tender colours, natural curves and glowing effects by touching to remind of the human body (Fable&Co., 2016).

Figure 1. Innovative Packaging Zen and Naked

Source: Fable&Co. (2016)

Thus, marketers offer price strategies to distinguish one from each other with list prices, discounts, allowances, payment periods and credit terms (Khan, 2014). But customers are more interested in their total costs of obtaining, using and disposing of a product. Therefore, marketers have to adjust prices to match with the buyer's perception of value (Kotler, & Armstrong, 2010). Further, the promotion of the products takes place. Either the company sells to firms and align the promotion strategies according to business-to-business (B2B) marketing or they sell to the consumer, where business-to-consumer (B2C) marketing is more important (Ross *et al.*, 2014). Historically four main categories have constituted the communication mix of both marketing strategies: public relations, advertising, personal selling and sales promotion. Nowadays, other categories like direct marketing, sponsorship, packaging and more were added to the promotion mix (Khan, 2014). However, new technologies and the globalization have changed the communication massively from a one-way to a two-way model, where the customer exchanges desires and needs with the company and among each other. The input can help firms to customize products, maintain relationships and encourage loyalty (Masterson, & Pickton, 2010).

Finally, every company has to decide how to make their products or services available on the market. According to the customer, the distribution should match with their desire for convenience (Kotler, & Armstrong, 2010). Therefore, companies have to increase their availability in order to be as convenient as possible (Khan, 2014). The willingness to buy at a retail outlet will grow, if customers do not need to drive for hours searching for one. Nevertheless, selling through the most accessible channel is not always the best strategy. Especially regarding premium cosmetics, selling through the Internet may arouse some conflicts.

2.2 Distribution Framework

After understanding what is marketing and which components are part of the marketing mix, the work is focusing on the main objective: the distribution approach.

2.2.1 Definition

Distribution carries products and services from the manufacturer to the end consumer. In a business context, distribution is the extent of the coverage of the market (AMA, 2016c). This dimension is part of the 4 P's and a marketing tool that this work will focus on. The distribution approach is to build arrangements in order to make the product available and accessible to the target market. These arrangements are determined in the distribution mix. The distribution mix includes decisions about the channels, coverage, assortments, locations, inventory, transportation and logistics (West *et al.*, 2015).

Either firms sell directly to the end consumer, or through a middleman (Budacia, 2014). In the cosmetic industry, the most firms – *Revelon, Estée Lauder, Lancôme* - are selling through retailers and wholesalers who further sell to the end consumer. Hence, cosmetic products are available at supermarkets, specialist stores, perfumeries and so on. Therefore, the company links together certain intermediaries (read more 2.2.2) that best fulfil the company's objectives. The whole chain of intermediaries from the manufacturer to the end consumer is called distribution network. It describes groups of people as well as a combination of channels that is efficient (Budacia, 2014). In distribution networks autonomous organisations enter an interdependent coalition of tasks and skills where they share value and work without hierarchical control (Paswan *et al*., 2011). A well working distribution network is critical for success and the best defence against new competitors (Business Dictionary, 2016).

Thus, when businesses decide to widen the distribution, the establishment of a distribution network can initialize possibilities to grow. But a distribution network needs manufacturers representatives or salespeople, which connect the company with potential intermediaries, e.g. distributors (Kotler, & Armstrong, 2010). These connections can evolve alliances between the manufacturer and its intermediaries, such as wholesalers, dealers (distributors), brokers and retailers (Vedel, & Ellegaard, 2013). The larger the distribution network grows, the more possibilities of selling the products evolve and the available are products for customers.

Thus, companies encourage the demand as well in networks through sales and marketing activities in a business-to-business context. Therefore, it makes sense to establish a successful distribution with business-to-business marketing strategies. The aim is to reach out to potential partners (intermediaries) and in a second step maintain relationships as a long-term strategy. Since the brand has a clear understanding about their mission, objectives, values and kind of end consumer (strategic marketing), operative marketing actions can take place. In the distribution context, one action is to select the right partners that reflect the company's values and purposes.

2.2.2 Potential intermediaries

As described before, there are two types of selling products to the end consumer. Either the company distribute directly or indirectly through middlemen, also known as intermediaries. Marketing intermediaries promote, sell and distribute products to the end consumer on behalf of the company (Kotler, & Armstrong, 2010; Budacia, 2014). They are traditionally common, because intermediaries make goods more efficiently available on the target market than producers. For instance, customers are more likely to purchase if retailers present a broad assortment in small quantities. Therefore, intermediaries break down large quantities of goods in order to match the consumer's preferences. Not only they improve the physical flow of goods, but they also transfer consumer feedback and product knowledge (Vedel, & Ellegaard, 2013; Siguaw *et al.*, 2014). Further, such buyer-seller relationships can lead to competitive advantages, because they raise efficiency, affect behaviours of others and set thinking to innovation (Simões, & Mason, 2012).

In general, in-between the intermediaries are four categories: wholesalers, dealers, brokers and retailers (Dubey, 2014). A manufacturing firm may provide a fifth category: the company's own sales force. The wholesaler is an organisation with functions like warehousing, forward buying, presentation and packaging of a product and forward selling. He is acting totally independent of the producer and owns all purchased products (Khan, 2014). For instance, supermarkets mostly act as wholesalers, because they buy goods from producers, own these products and are responsible for presenting them. The dealer, also called distributor, is a person or a firm that buys products or services in order to sell them further. He is responsible to bring the product in several geographic areas. Thus, he increases the availability of the product and may act as a retailer by selling to the end consumer directly or wholesaler by selling to other retailers (Kotler, & Armstrong 2010). A broker, also called agent, is not the owner of his inventory and offers only a limited number of services. Finally, the retailer is a trader that sells products or services in small quantities and represents the last step in the distribution process. He is in contact with the end consumer and able to supply expert knowledge, if the manufacturer places value on product guidance (Khan, 2014).

The selection of the right intermediaries for the business is based on criteria, such as corporate goals, channels strengths and weaknesses as well as customer expectations. Such corporate goals are determined in the corporate identity that has a huge impact on the character of the relationship. Working together at an early stage of the process is favouring increased motivation and benefits long-term partnerships. Ultimately, companies want intermediaries to transfer the company's values to the end consumer (Simões, & Mason, 2012). Channel strengths may constitute organisational and financial strengths for example the existing customer base, delivering aspects, the size of the institution or the reputation of the intermediary (Panaihfar *et al.*, 2015). If a cosmetic company is willing to sell to a perfumery, the perfumery may convince with a large number of clients. Thus, marketing abilities and a cooperative attitude are dimensions that should be considered by choosing the right partner (Simões, & Mason, 2012). Channel weaknesses on the other hand may prevent a partnership. Premium cosmetics do not need collaboration with an institute with customers that are only interested in cheap product offerings. Further, weak marketing capabilities such as low market coverage or no customer service orientation are factors that prohibit successful collaboration (Panaihfar *et al.*, 2015). Finally, customer expectations influence the selection of intermediaries. These expectations may pertain to the product availability perceptions. If clients do not want to purchase premium cosmetics in perfumeries, this intermediary is not the right choice.

The selection of the right retail partners is very important for businesses. Potential suppliers can meet long-term expectations of companies where collaboration, innovation and co-creation are strengthening the partnership. The purpose behind the relationship should be clear, shared and communicated between both parties (Simões, & Mason, 2012). Incorrect choices can have long lasting effects (Panaihfar *et al.*, 2015). Nevertheless, choosing potential partners is only the first step to establish a distribution network. Another action in the distribution context is to examine distribution or marketing channels.

2.2.3 Corporate marketing channels

Distribution or marketing channels move goods from manufacturers to end consumers with or without the help of intermediaries. According to the American Marketing Association, distribution or marketing channels are “An organized network (system) of agencies and institutions which, in combination, perform all the functions required to link producers with end customers to accomplish the marketing task” (AMA, 2016c). Meaning that marketing channels connect producers with end consumers either directly (direct marketing channels) or through intermediaries (indirect marketing channels). Most of the time, firms are using a combination of both, namely multichannel (Masterson, & Pickton, 2010).

Direct Marketing Channels	**Indirect Marketing Channels**
Producer – Consumer	Producer – Wholesaler – Retailer – Consumer

Table 1. Direct and indirect marketing channels B2C

Source: Adapted from Budacia (2014)

In the business-to-business area, distribution channels are constituted differently. The transactions in the business-to-business marketing channel are indirect, because the manufacturer always sells through middlemen (Budacia, 2014). Thus, the sales force is responsible to connect manufacturers with potential partners.

B2B Marketing Channels
Manufacturer – Manufacturer's representative/ Salespersons – Industrial Distributor/ Retailer – Consumer

Table 2. Marketing channels B2B

Source: Own elaboration

When designing a corporate marketing channel, businesses have to decide how many intermediaries they want to deploy. In general there are three types of distribution intensities firms can choose from: intensive, exclusive, selective (Lamb *et al.*, 2012; Kurtz, 2016).

Regarding intensive distribution, organisations stock products in as many outlets as possible. Most of the time, this channel includes frequently bought products with low value. The exclusive distribution is characterized by giving only a limited number of dealers the rights to sell products further in their territories. The selling is delimited to geographic areas while partners maintain an image of quality and prestige. The automobile industry reveals with Jaguar an excellent example of exclusive distribution, because they confine city outlets to one single dealer. Selective distribution is another market coverage strategy. Nevertheless, the firm only chooses the best partners of all who are willing to partner with. This strategy is a middle course of two extremes (intensive and exclusive). Selective distribution is not limited to geographic regions, but retailers are still selected out of hundreds worldwide. Marketers maintaining this strategy can establish strong work relationships within the channel. Thus, they reduce marketing costs, because of collaboration in advertising, pricing and displaying of products. Further, manufacturers that place value on product guidance may provide trainings and assistance (Kurtz, 2016).

As described before, businesses often combine direct and indirect channels with each other to reach the same target group. This phenomenon is called multichannel distribution (Masterson, & Pickton 2010). Most of the time, companies mix distribution intensities like intensive, exclusive and selective with channel structures like direct, indirect or multichannel. For instance, *Nike* merges the intensive distribution with multichannel structures. Meaning they try to sell to as many outlets as possible with different types of channels (direct and indirect) that are used to reach the same target market. Here, the multichannel distribution is expressed in selling to both specialist sportswear outlets and general clothing stores (Masterson, & Pickton 2010). Large companies with a wide appeal across broad groups of customers may have a distribution channel system that will look more or less like following figure:

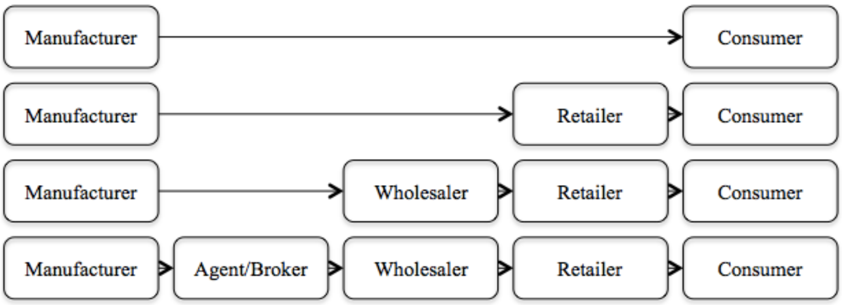


Figure 2. Intensive mulichannel distribution structure

Source: Own elaboration adapted from Budacia (2014)

As demonstrated in figure 2, companies sell directly to the consumer, through a retailer, through wholesaler and retailers or first to agents/ brokers. Agents/brokers will distribute further to wholesalers and retailers until finally to the end consumer. If companies decide to combine multichannel with intensive distribution, each channel would have as many participants as possible.

Small businesses on the other hand decide either to sell through exclusive or selective distribution. Most of the time, small firms occupy a niche market and have a specific consumer. Especially high quality products with the supply of expert service benefit from the close contact to the manufacturing company and exclusivity. Selling through as many outlets as possible does not make sense. Nevertheless, exclusive distribution is neither the solution for businesses that want to build a wide distribution network. In order to be more available for the consumer, but not categorized in mass market, selective distribution is the best possibility to reach out to the target audience. The company performing selective distribution is choosing the best partners that are willing to distribute their products. However, most of them sell as well directly to the end consumer. So small businesses act on a multichannel level. A selective distribution on a multilevel channel may look as follows:

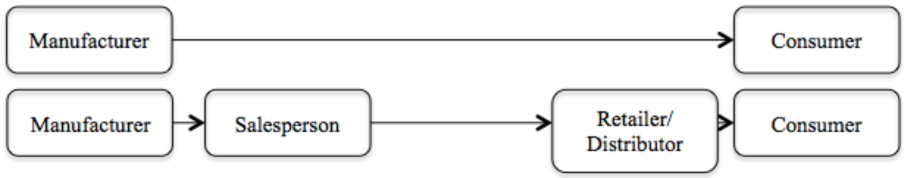


Figure 3. Selective multichannel distribution structure

Source: Own elaboration

As demonstrated in figure 3, brand is either selling directly to the end consumer or through a retail department/ distributor. Thus, the company is using salespeople to establish contact with distributors and retailers. All intermediaries can represent several types of businesses. In the natural cosmetic industry, small businesses search for retail departments like supermarkets, perfumeries, spas, hotels, doctor's offices, web shops, cosmetic institutes, concept stores and more (Dayan, & Kromidas, 2011).

Nevertheless, even small businesses have to design business-to-business marketing strategies in order to reach out to potential partners and choose selectively the best.

2.3 Business-to-Business Marketing

Before the work reveals distinctive business-to-business communication, the first step is to define what business-to-business marketing means.

2.3.1 Definition

Business-to-business marketing (B2B) is the commerce of products that is adjusted to companies rather than the public. These companies include private sector organisations and manufacturing companies, when selling raw materials for further processing. Thus, retailers, governments and other companies are target groups of business-to-business marketing, when products are sold only for further selling (Zimmermann, & Blythe, 2013). Selling businesses often peruse both business-to-business and business-to-consumer (B2C) marketing, because they sell directly to the end consumer and indirectly through middlemen. It is important to understand, that the nature of the product is not the only reason to differentiate B2B and B2C marketing. The difference of both B2B and B2C marketing practices are based on further criteria. These criteria can be combined in following categories (Brennan *et al.*, 2014):

- **Market structures**
- **Buying behaviours**
- **Purchase goals and objectives**

Regarding the marketing structures, B2B markets have customers with specialized needs. Only a few powerful people regulate the demand. Thus, the demand is concentrated to specific geographical clusters and the buying power is lying in the hands of a few professionals that understand the market and products. The costumers in B2C markets have similar needs and are geographically dispersed making the market less complex. Here, the widely spread public is responsible for the demand. Therefore, an individual has almost no buying power (Brennan *et al.*, 2014).

Concerning the buying behaviour, B2B markets focus more on relationships, because almost all of them have many buying influences (Zimmermann, & Blythe, 2013). To complicate the process, hundreds of other selling businesses attempt to persuade at the same time. The purchase can take months; so selling businesses have to make sure to interact as often as possible. Further, the feedback in B2B Markets is more immediate that simplifies improvement approaches (Konečný, & Kolouchová, 2013; Brennan *et al.*, 2014). Thus, goals and objectives of the purchase are different. In B2C markets, consumers buy because of emotional decisions based on desire and status. The goal is to find products as cheap as possible that satisfy personal needs. The business buyer on the other hand, purchases in order to increase profits without taking risks (Konečný, & Kolouchová, 2013). The objective is to incorporate products that help their company stay profitable, competitive and successful (Ramaseshan *et al.*, 2013). Because of these three categories, the marketing practices differ in B2B and B2C markets (Brennan *et al.*, 2014). It is important to understand that the rational buyer wants to receive necessary information with high rational content to decide either to add or reject brands (Holliman, & Rowley, 2014; Ramaseshan *et al.*, 2013). The following chapter reveals several communication strategies to help businesses buyers receive relevant information and determine the value of products and services in the B2B area.

2.3.2 Business-to-Business communication

The key elements to gain trust of potential partners are through communication, service quality and trust. Therefore, effective communication encourages the establishment of relationships while informing, interacting and reminding customers about its products and brands. B2C and B2B communication implement strategies differently because of distinct market structures, buying behaviours and purchase goals of each target group. In the business-to-business context, marketers need to communicate value and benefits based content in order to create loyal partnerships (Ramaseshan *et al.*, 2013). Nevertheless B2B and B2C communication contains almost the same following elements (Zimmermann, & Blythe, 2013):

- Personal Selling
- Direct Marketing

- Public Relations
- Advertising
- Sales Promotion
- Trade Shows and Events

Personal Selling

Personal selling satisfies needs of customers with interpersonal contact and customer-orientated processes. All personal selling strategies take place in three periods of time. The presale approach is constituted to find qualified customers and get attention. The points of sale activities try to discover needs and convince potential prospects to partner with. Finally, the post sale appeal is to maintain relationships and focus on repeat orders. In the B2B area the main focus is to build relationships. Personal selling and direct marketing are mostly applied and great tools to achieve long lasting business connections (Zimmerman, & Blythe, 2013). In order to establish relationships, marketers have several ways to perform personal selling, such as tradeshows, on-site selling, telemarketing and entertaining customers. Tradeshows are industry related events with several suppliers that promote their products in one single location (Gottlieb *et al.*, 2014). Telemarketing, on the other hand, prevents a face-to-face contact with clients, because the interaction occurs over the telephone. Unfortunately, telemarketing is limited in its effectiveness and should be combined with other personal selling methods. Therefore, it is commonly used in post sale approaches. On-site selling is the most familiar personal selling strategy and applied during all periods of time in the purchase process. The interpersonal contact proceeds with sales representatives that meet potential customers at the buyer's location of business (Zimmerman, & Blythe, 2013). Sales representatives discuss business requirements in detail and move the prospect through the sales cycle (Brennan *et al.*, 2014). The sales team must understand the customer in a deeper way in order to meet expectations and needs. They provide marketing information and transact feedback about the products from customers to optimize and adjust the offering (Konečný, & Kolouchová, 2013). Thus, they look after existing customers and try to ensure that they remain loyal (Zimmerman, & Blythe, 2013). An extension of on-site selling reveals possibilities to convince potential buyers through entertainment programs such as spectacular sporting events, fishing and dinners. These entertaining activities describe pervasive influence on potential partners.

Direct Marketing

Direct marketing is a great tool to target specific B2B customers. Due to an overload of messages and offers, clients often feel overwhelmed and bored. Direct marketing is used to recreate interaction and attention. The goal is to open a dialogue between buyer and seller. Here, prospects gain information that is adjusted to their company and product offering (Brennan *et al.*, 2014). Customized messages via newsletter, direct mail, fax, email, catalogues and the Internet contain up-to-date information that is crucial for the purchase decision (Brennan *et al.*, 2014). Thus, new product developments can be communicated as quickly as possible. These personalized massages stimulate the interaction up to the possibility to give feedback. Listening and responding to positive and negative feedback can be very cost-effective and revealing. The company can discover if the brand performance meets the customer's expectations. Further, marketers categorise commerce-parties where sales people demonstrate the products at home, as direct marketing as well. The most famous example using at home presentations is "Tupperware". Nevertheless, it is a combination of personal selling and direct marketing. Due to the technological improvements direct marketing experiences a major take-off. The Internet provides several ways to interact with target customers. Marketers gain the chance to get information of firms more rapidly, record purchase behaviours and analyse patterns of potential buyers. With direct marketing channels, firms do not loose time in advertising non-target customers, because the strategy is based on the focus on individuals (Zimmermann, & Blythe, 2013).

Sales Promotion

Sales promotion encourages customers to buy products among others through actions, discounts, samples and gifts. They incentivize several actions with lower prices to raise the interest of the brand's offering over a specific time period. The goal is to stimulate the demand and increase the purchase of the products and services. Gifts and discounts try to convince retailers, distributors and other partners of the trade channel to incorporate the products of the selling company (Dubey, 2014). Marketers develop these strategies in order to overcome potential purchase barriers. It is important to understand where these barriers evolve. Radical price-cutting is not a successful solution, when the real obstacle is not evaluated. Barriers can evolve because the buyer is too busy with other issues or the features are not matching to their needs. The key is to realize what excites the decision maker. Free samples and free training as well as factory visits are motivators for clients that are already interested in the selling companies products. Some products and services in the B2B cannot be distinguished focusing on the product alone. For example, copier paper is used in every business and unlikely to promote as easy as products from niche markets as organic cosmetics. Potential buyers need further external motivation. Annual awards for social recognition, bonuses and rewards for loyal customers may set initiatives (Ramaseshan *et al.*, 2013). It is important to give the audience the feeling that the selling company understands who they are and that they are committed to help them achieve their needs. Only then, they build long lasting relationships.

Advertising

Advertising is the act to gain public attention for a product through announcements in regular newspapers, magazines as well as radio or television. Thus, billboards, flyers and other commerce material are part of advertisements. Hence, it is more expensive to perform an advertising strategy than creating a website, perusing PR and word-of-mouth. Therefore, advertisements are commonly used in promoting mass-market products with an emotional approach (Dubey, 2014). It is a non-personal medium, because the communication is heading one-way with limited interaction. Business buyers do not buy goods and services through advertisements alone; therefore it is a supporting tool rather than a primary medium. Advertising is not as effective as personal selling; nevertheless it is important to integrate all marketing tools in order to gain a holistic approach. Each medium has its own strength and sales manager should not fail to realize that advertising is essential for supporting the sales team. It may help salespeople to receive a better access when they arrive at a firm without an appointment. If the selling business advertises widely, the buyer knows the company, products, customers, record and reputation and is more likely to welcome salespersons. Thus, advertising keeps the company fresh in the minds of the existing customers in between visits and calls from salespersons. It helps to communicate new product developments and remind of existing product lines. Hence, it may build up a corporate image for the public so that a brand name can be established. Meaning in the organic cosmetic industry end consumers would ask perfumeries, spas, cosmetic institutes etc. for that specific brand (Zimmermann, & Blythe, 2013).

Public Relations

According to the American Marketing Association, public relation is characterised as the process to promote a favourable image for businesses. Prospects are several stakeholders such as clients, retailers, employees and the general public (AMA, 2016b). Public relations (PR) reach stakeholder groups that tend to avoid advertisements or salespeople. The credibility of the news, stories and features is very high, especially compared to advertising. Because of their authentic approach, PR either protects or promotes the brand through various programs.

Nevertheless, most B2B marketers use PR rarely. The best way to gain significant attention is to place articles in newspapers and magazine stories that fit to the company's industry. Every industry has journals and trade magazines for that purpose. They tend to be kept also for long periods, because buyers often save articles for future reference. Without spending a huge amount of the communication budget, advertisements and product information can be merged in them. Most importantly, the company reaches out to a selected audience that are more likely interested in the brand and its offerings (Zimmerman, & Blythe, 2013). Thus, combining PR with other communication tools can be very effective.

Trade Shows and Events

As described before, trade shows and events are a part of the personal selling approach. Most of the time, marketers use these exhibitions in addition to other personal selling strategies, because they are constituted for presale activities. The main objective is to prospect new customers and offer services in order to gain awareness. They occupy a key role in the international market, because firms make contact with buyers who are geographically spread over the world. They bring together people that otherwise might never meet and reveal opportunities to establish relationships at all levels of the organisation. Trade shows are personal selling events that are industry related. Here, many suppliers promote their products in one single location. Tradeshows gained a major take off for many B2B firms, because they introduce new products and reveal competitive information (Gottlieb *et al.*, 2014). Trade fair grounds are especially in Germany an opportunity for businesses to gain awareness in order to reach out to potential customers and suppliers. Nevertheless, they are only useful within industry cycles (Zimmerman, & Blythe, 2013). Events on the other hand, are an extension of on-site selling. They are mostly accomplished with entertaining activities such as sporting events, fishing and dinners. The goal is to entertain business customers, increase revenues and generate a platform for relationship building. Nevertheless, exhibitions and events are linked with very high costs, hence most small companies cannot afford a pitch at the fair.

Digital Approach

Technological improvements allow B2B marketing to communicate with prospects more intensively. The Internet serves selling businesses and customers several possibilities that exceed traditional communication tools. Nevertheless, some dimensions like direct marketing, sales promotion, advertising and PR can be accomplished online and offline. Digital communication occurs in a pull marketing environment where selling businesses pull prospects to their websites through social media and search engine optimisation. The essential condition is to have customers that already search for advise, information and products. Therefore, rich content is the main component that selling businesses should focus on. In order to engage business customers online, content forming webpages and rich media content are first points of reference. Selling companies achieve on-going engagement through videos, user generated content and podcasts in social media platforms, webpages and blogs. It is important to understand that only broadcasting product-based messages is not enough anymore. With creative storytelling approaches B2B brands differentiate themselves among competitors. Thus, customers actively search for brands online when relevant and engaging content educates and entertains them. As described before, B2B customers are influenced by many sources and the decision to purchase can take months. Most of the time they inform themselves using the Internet as their initial source (Holliman, & Rowley, 2014). Therefore, selling businesses should not neglect their digital appearance but focus on building long lasting relationships with online and offline rich content media.

To sum up, there are several tools online and offline for business to reach out to potential partners with B2B communication. The evaluation of tools is based on media available, competition strategy, costs and more. Sometimes trade publications are not available in foreign markets. Therefore, firms do not gain the chance to place advertisements. Thus, marketers need to take into account which strategy a major competitor is pursuing in order to compete with. The cost of each media is as well a crucial evaluation factor. Small businesses need to reflect upon the marketing budget and think about unnecessary expenditures (Zimmermann, & Blythe, 2013). Most of the time, it is recommendable to merge tools online and offline in order to get a holistic communication approach. In the B2B area educating prospects with professional information and to maintain quality customer service is valuable. Each campaign should drive the audience to search for more input and learn about the products. Selling businesses have to intervene in the rational buying process and should convince with features, benefits and possibly pricing. Content is king. Business buyers need to understand the value of the product and service through quality materials and reputation that build credibility. Only then, they are willing to cooperate and work together. Finally, the most important strategy for all marketing tools is to achieve consistency of the brand appearance (Konečný, & Kolouchová, 2013).

2.4 Organic cosmetic industry

The cosmetic industry can be traced back for thousand of years. Back then people used colours to decorate their bodies for war, rituals and religious matters. Nowadays, cosmetics are used to enhance the beauty with a wide range of products to clean the body as well as change colours with make up articles and improve the skin. The cosmetic industry faced several challenges. Among them, the increasing attention towards environment-friendly products and natural ingredients began to break down traditional formulations. The demand for natural ingredients contains the need for plant or on rare occasions animal sources (beeswax) that are sustainable (Fonseca-Santos *et al.*, 2015).

2.4.1 Definition

The organic cosmetic industry is a niche market focusing on customers with a high quality demand for products without synthetic chemicals. A global definition of organic skin care is not established, because there are no global standards defined (USDA Organic Skincare, 2016; FDA Organic Cosmetics, 2016; Cosmetics Europe, 2016a; Fonseca-Santos *et al.*, 2015). There are differences in the understanding of organic cosmetics, because of diverse certification agencies with distinct requirements around the world. The Cosmetics Organic Standard (Cosmo) was created by several European certification agencies in order to implement standard regulations for Europe. The major agency in Germany is called "Bundesverband Deutscher Industrie und Handelsunternehmen – BDIH" and participated to establish Cosmo (Fonseca-Santos *et al.,* 2015).

In general, organic cosmetics contain natural ingredients that tend to decrease the risk of irritated skin and allergies. Therefore, organic brands should use only premium ingredients of ecologically controlled plant-growing areas. The goal is to create a product without processing paraffin, parabens, silicones and mineral oil. Thus, synthetic scents and preservatives should be exclusion criteria (Dayan, & Kromidas, 2011; Kim, & Chung, 2011; Fonseca-Santos *et al*., 2015). But products with synthetic preservatives conserve their attributes best and last longer without the need to be refrigerated. This is the reason why common cosmetics are using synthetic ingredients to expire the shelf life. The limited shelf life and raw material supply of organic cosmetics are factors that limit the customer demand. Therefore, companies have to overcome the problem with natural vitamins and organic preservatives that help to extent the storage period (Market Research Reports, 2013). Green packaging is another important issue. Glass, aluminium and paper are materials that make products eco-friendly (Dayan, & Kromidas, 2011; Fonseca-Santos *et al*., 2015).

2.4.2 Evolution of the marketplace

Since the rise in customer incomes and the awareness for organic personal care changes the demand for natural ingredients, the industry is witnessing a permanent growth. New product launches and widely spread distribution channels can be pointed out as well as supporter of the increasing volume of sales. According to the report "Organic Personal Care Products Market for Skin Care, Oral Care and Cosmetics – 2012 – 2018" the global organic personal care market was presenting an amount of 5,8 billion euro in 2012 and will expect to reach 10,1 billion euro by 2018 (Market Research Reports, 2013). Especially the USA, Germany and Japan are the most consuming countries, driven by widening distribution and new product developments. The awareness about the efficiency of organic products and the changes to a healthier and more sustainable lifestyle estimate the growth of the organic personal care industry by 10,2 per cent (Transparency Market Research, 2013). Customers prefer products that are not toxic and environment friendly. Organic personal care products include skin and hair care supplies, oral care as well as make up articles, baby care products, bath and shower supplies, deodorants, fragrances and sun care (Fonseca-Santos *et al.*, 2015).

Within the organic personal care industry, the skin care products are dominating in the demand with 32,1 per cent share (Market Research Reports, 2013). The revenues of the skin care products in the organic segment are expected to grow at a rate of 9,9 per cent from 2012 to 2018 (Transparency Market Research, 2013). Leading mass-market firms in the whole organic cosmetics industry include brands like Aveda (hair care), Weleda (body care), Dr. Hauschka (facial care), Origins, Kiehl's and The Body Shop (Dayan, & Kromidas, 2011). Thus, there are well-established cosmetic brands that enrich their assortment with an organic care line. L'Oreal, for example, acquired Kiehl's in 2000 and The Body Shop in October 2013 in order to be present in the global market (Grand view research, 2016). Niche market companies, on the other hand, are mostly small companies that focus on exclusivity (no mass media, high priced, exclusive distribution) and holistic sustainable approaches (packaging, processes, social activity).

2.4.3 Distribution of green skincare

As described before, there is a huge demand for sustainable skin care products. Natural cosmetics are the most successful in Germany. They occupy 5% of the total general cosmetic sales. In that regard, Germany is one of the fastest growing countries in Europe (Chang, 2011). According to the newest researches from Organic Monitor, most companies gain low market share because of poor distribution. Green brands are selling mostly to specialist retail departments. As the possibility of qualified outlets that represent the firm's interests and values is quite high, most natural personal care products do not exhaust their chances. Only big companies are distributing to mass-market retailers to reach out to mainstream consumers. A successful mass-market example in the organic personal care industry is Aveda with a distribution in over 7,000 hair salons. But getting into the traditional channels arouses huge competition. Supermarkets, drugstores, discounters and organic food retailers are marketing organic products under their private label (Organic Monitor, 2015). With over 100 certified products, Alverde has become the leading retailer of private label natural cosmetics (Chang, 2011). These labels often suppress branded products like Aveda, Dr. Hauschka or Weleda (Organic Monitor, 2015). Thus, a major retailing trend is the establishment of concept stores for natural and organic beauty products. Large retail groups, private investors and leading natural cosmetic companies opened several dedicated stores. Successful brands like Dr. Hauschka and large retailers like Monoprix, for example, placed concept stores in Paris (Chang, 2011).

The major challenge of green brands is to choose the channels that combine the rise of revenues with the focus on the company's interests (Organic Monitor, 2015). The competition leads organic brands to expand the sale outside of the traditional distribution channels. As the shelf space in retail departments is limited, the products have to differentiate themselves against other offerings. Existing firms and new entrants need to build strategies based on product differentiation and market segmentation. Meaning organic companies should target specific consumers or sales channels with distinctive products (Chang, 2011). It is important not to loose focus on the green approach. To maintain the green strategy, firms need to develop green product-based decisions, but as well green pricing, distribution and promotion. The green distribution strategy is not only representing consistency, but affect as well firms product market performance (Leonidou *et al.*, 2012). Therefore, creating a retail network does not mean to go mainstream, but to max out all possibilities. Small businesses in the organic cosmetic industry can search for partners such as perfumeries, spas, hotels, doctor's offices, web shops, cosmetic institutes, concept stores and more (Dayan, & Kromidas, 2011).

But there are some guidelines how to distribute eco-friendly. The goal is to choose channels that minimize damages to the environment. These damages arouse because of the transportation of products. Therefore, companies have to make sure that the delivery of goods is more controlled. Fewer and fuller cargos improve environmental friendly logistic arrangements. Thus, reducing waste through a proper handling of the inventory is key. Businesses need to avoid the release of waste and focus on recycling (Arseculeratne, &

Yazdanifard, 2014). Here, firms may work out strategies to reutilise products, return recyclable materials and build eco alliances to adopt more environmentally responsible standards (Leonidou *et al.*, 2012).

2.4.4 Sustainable Marketing Communication

In the organic cosmetic industry it is important to maintain an economical friendly process even when promoting organic cosmetics to B2B and B2C markets. While sustainable marketing includes planning, implementing and controlling of product-, price-, communication- and distribution-based strategies, this chapter is focusing on guidelines for sustainable communication. Green promotion is directly related to a positive return on asset of the company (Leonidou *et al.*, 2012). The goal of green communication is to reduce economical costs, minimize environmental risks and gain a long-term sense of wellbeing (Arseculeratne, & Yazdanifard, 2014). Therefore, the communication strategy needs beside a functional approach some emotional appeals, because "(…) environmental concerns involve spiritual needs of people" (Arseculeratne, & Yazdanifard, 2014). It is important that organic companies communicate pro-activeness, human lives alignment as well as value and long term based orientation. Because most customers are not aware of environmental hazards that a green product can solve, they are not interested. Green marketers should change that and inform about environmental problems as well as give solutions to protect the environment. Thus, they need to overcome the lack of information by assure the performance of green products and show the efficacy (Arseculeratne, & Yazdanifard, 2014). Thus, possible side effects and the list of ingredients help to increase customer knowledge and the promotion in order to be adequate (Leonidou *et al.*, 2012). Promoting through pro-environmental media is key in order to reach out to environmentally conscious target groups and maintain the company's green approach. All sales promotion, direct marketing, public relations and advertising strategies have to be adjusted to transport the message of being green. Public relations and advertising are the most widely used platforms in order to build a connection to the public and promote products, features and price. With green public relations, marketers try to transfer a positive image and reveal their concern towards the public and the environment. Especially young people consider advertisements in fashion journals, TV and the Internet as a convenient place to promote natural cosmetics. But some authors claim that direct marketing is more considered by customers that prefer green products (Arseculeratne, & Yazdanifard, 2014; Leonidou *et al.*, 2012). Therefore, opinions towards the effectiveness of communication strategies in the natural cosmetic industry are different. Effective communication in the B2B area for organic cosmetics is rarely examined. In the literature, most authors focus on powerful promotion mix strategies for end consumers. Kiss my Face, Burt's Bees and Aveda are leading businesses that successfully communicate the green massage to end consumers. Kiss my Face demonstrates its eco-consciousness with an in store point of purchase display that is totally recyclable. To demonstrate their efforts towards consumers, they provide following statement on the display: *"Because you care, this display is planet friendly. To minimize waste and maximise recycled and sustainable resources, all corrugated components are from minimum 90% recycled materials. […]"* (Sahota, 2014).

Burt's Bees on the other hand, concentrates its approach to educate consumers about harmful ingredients. They focus on positive beauty benefits of truly natural products and target suspected human health risks. Image 4 is one example of the brands campaign "Natural Vs.". They do not mention competitors but attack ingredients within the same group. With emotional pictures they appeal to read cosmetic labels and give solutions with their products (Sahota, 2014).

Figure 4. Natural Vs. Campaign Buttermilk Lotion
Source: Folasade on Burt's Bees (2013)

Finally, Aveda created a public programme (Recycle Caps with Aveda) to recycle bottle caps in order to reduce waste. They partner with schools and environmentally consciousness consumers to show their concern and interest for the environment. Following figure 5 demonstrates with kind of cups they accept.

Figure 5. Aveda Cap Collection Guide
Source: Aveda (2016)

Nevertheless, it is important that product design and the manufacturing process should resonate with the company's communication approach; otherwise all promotion would not be credible. Quite unlike other industries, people concerning about sustainability are often paying a premium price for green products. Thus, price-based strategies are as well part of a holistic approach to represent sustainability in all areas of the marketing mix (Arseculeratne, & Yazdanifard, 2014; Leonidou *et al.*, 2012).

Chapter 3. Conceptual Framework

According to the previous literature review, Aqua Organic needs to answer some questions when they decide to widen the distribution. In order to summarize the literature review and create a distribution plan as well as distinctive B2B communication, a fully elaborated conceptual framework is presented in the Appendix. Following figure 6 is giving a small overview about the conceptual framework that is provided in the Appendix 1 in more detail.

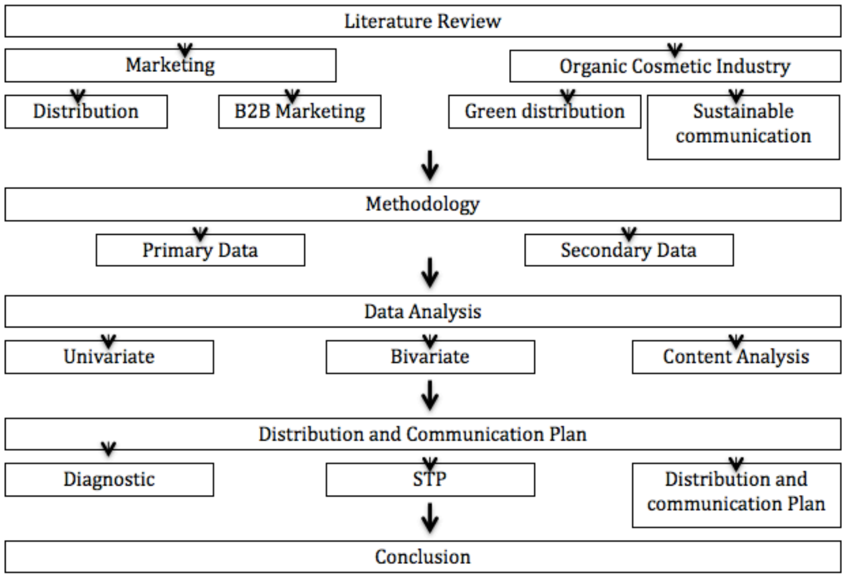


Figure 6. Conceptual framework overview

Source: Own elaboration

Chapter 4. Methodology

After concepts and theoretical fundamentals about distribution, business-to-business communication and the organic cosmetic market on chapter two, this part of the thesis conducts a study to complete the previous analysis. The main objective of the chapter is to describe in detail the methods and techniques of data collection and analysis. It provides a basis to undertake decisions in order to develop a distribution and communication plan.

The primary objectives of the study were: to evaluate the brand and its external influences, to analyse competitors, to get an overview about guidelines for further processing, to understand the target market and USP, as well as to generate content about end consumer behaviour.

Thus, it was important to get information about the organic cosmetic retail market regarding B2B communication.

4.1 Data Collection & Analysing Techniques

The collection of data can be conducted primary or secondary. Primary data collection encompasses both a qualitative and a quantitative study. Secondary data involves the collection and usage of existing data while examine several sources. The data analysis techniques help to understand how the data of both primary and secondary sources were analysed.

4.1.1 Primary Data

The primary data of the thesis is gathered from semi-structured in-depth interviews and a questionnaire survey.

Interviews

The research included two semi-structures in-depth interviews, one addressed to the top management and the other to a salesperson. Semi-structured interviews are based on a script with predefined topics and questions (Appendix 2). Both interviews were applied inside the company Aqua Organic in Munich.

The interview of the top management was conducted on the 09.12.2015 with Lars Peter-Kuhr and Bernd Schmidt, both owners of the company Aqua Organic. The objectives of the questioning were:

- To analyse the brand internally
- To receive a diagnostic analysis in order to evaluate the most important external brand influences
- To get a strategic overview (STP) about competitors, target groups and USP from the top management point of view
- To understand current selling and B2B communication
- To evaluate potential guidelines for further processing

The interview of the salesperson was performed on the 11.12.2015 with Nicole Wheadon, the head salesperson for Germany. The objectives for this inquiry were:

- To analyse the sales team internally
- To get a strategic overview (STP) about competitors, target groups and USP from the sales team point of view

- To understand current selling (most important areas in Germany) and B2B communication preferences
- To evaluate existing guidelines

The interviews were applied in person with a set of predefined questions. In the Appendix 3, both interviews with answers are provided in detail. The analysis was performed through a content analysis where the answers were based on the interviewees' own opinion. Therefore, the analysis has a qualitative nature.

Questionnaires

To study the perspective of potential partners and evaluate the capability of the organic cosmetic market in Germany, the author performed a quantitative study using a questionnaire. A quantitative research through a questionnaire reaches a large sample to collect information about personal data, habits, opinions and attitudes towards the industry and B2B communication.

The main objectives of the questionnaire were:

- To gain an overview about several organizations working with organic cosmetics
- To evaluate preferences in B2B communication regarding age, institute type, gender, organisation size
- To analyse competitive products established in the same target market
- To register the demand for organic cosmetic products by reference to the customer base

The research uses a structured questionnaire survey (Appendix 5) that is separated into three parts: demographics and institutional information, B2B communication preferences as well as customer base/ demand for organic cosmetic products. The survey variables led to the use of the ordinal and nominal scale. Variables from open-ended questions had to be elaborated through values in Excel.

The survey included contingency questions, closed ended questions, yes/no questions, questions with multiple choices, scaled questions and open-ended questions. Contingency questions are question that are only answered, if the respondent responses particularly to a previous question. In this survey, the contingency question was used to split the answers into respondents that are interested in organic cosmetics and the ones who are not. Open-ended questions were optional and conducted for the variable “organic brand usage” and the answers “others/none of these” in the closed ended questions.

Theoretical model and research hypothesis

The literature review revealed the theoretical background about distribution planning, B2B communication and the organic cosmetic market. Now, the research of the thesis is focusing on the perceptions of potential business partners regarding B2B communication. The hypotheses for the study were defined according to the outcomes of the literature review and research objectives. They will help to validate or deny assumptions of the research study about effective B2B communication. Following hypotheses were elaborated:

H1: B2B communication preferences is associated with (a) age, (b) institute type, (c) gender and (d) organisation size

H1a: B2B communication preferences is associated with age

H1b: B2B communication preferences is associated with institute type

H1c: B2B communication preferences is associated with gender

H1d: B2B communication preferences is associated with organisation size

H2: Variable type of institution and working with organic cosmetics are associated

H3: Variable age and interested in organic cosmetics are associated

Sample Design

The **Universe** of the project consists on people working in cosmetic institutes, perfumeries, spas, hotels, gyms, pharmacies, hair salons, doctor's offices and concept stores with no limitations of age, gender or place of residence. The restriction of the target population was to not gain responses of people working in other industries. It was important that they were able to have knowledge about organic cosmetics and selling cosmetics in their work place. In this sense, the universe of the study is considered very large, but limited. Since it is not achievable to study all components of the universe, it is necessary to determine a sample.

The **sampling method** of the study was a non-random convenience sample. The subjects were selected because of convenient factures such as easy recruitment without considering a representative subject analysis of the entire population (Mooi, & Sarstedt, 2011). The questionnaire was sent via email to previous picked out institutes in Germany, Austria, Italy and Switzerland. Thus, some institutes in the area around Munich participated in the study via face-to-face contact of the researcher. The convenience sampling was chosen because it is industry related, fast and not expensive (Sharma, 2005). However, heterogeneous individuals from several age groups, both sexes and different backgrounds composed the sample. Therefore, the researcher tried to gain a very comprehensive and representative sample.

The project's **sample size** did not reach the minimum required (Appendix 4). Nevertheless, 268 respondents fulfilled the questionnaire.

Data collection instruments

The questionnaires were conducted during the 3rd January until 15th March in 2016. The survey was accomplished via online questionnaires sent by email to previously selected workplaces in Germany, Austria, Italy and Switzerland. In order to gain more responses, the majority of questionnaires were delivered in person to several institutes in the area around Munich. People who were working in cosmetic institutes, perfumeries, spas, hotels, gyms, pharmacies, hair salons, doctor's offices and concept stores completed all questionnaires individually. The number of respondents applied was 268.

After the data collection, all data of the questionnaire was analysed through the statistical program SPSS (Statistical Package for the Social Science) version 23. After importing the questionnaire database, the program provides the possibility to analyse the data and create outcomes of descriptive and analytical statistics. The outcomes can be studied through univariate and bivariate methods. Finally, the conclusion will help to validate or disclaim a previously proposed set of hypothesis.

4.1.2 Secondary Data

The secondary data completes the primary data. Through quantitative and qualitative research approaches, international sources were collected and the content were analysed. The main objectives were to gain knowledge about the main competitors and the organic cosmetic consumer profile as well as their behaviour. Through the following sources, the objectives could be achieved: the main competitors websites (The Organic Pharmacy, Susanne Kaufmann, Team Dr. Joseph, Pharmos Natur), competitive online magazine articles (Mercedes She), Kim & Chung about organic consumer purchase intentions, Fonseca-Santos about organic consumer profiles, Dayan & Kromidas about organic consumer groups as well as Kearney via Statista and GfK (largest market research institute in Germany) about consumer behaviour.

Analysing the consumer behaviour, the quantitative approach is attained and interpreted through graphs, representing the organic related beauty and personal care product claims in Germany, the high market share of natural cosmetic e-commerce in Germany and the increase in buyers of brands since 2014 to 2015 especially up to an age of 49. The qualitative data, on the other hand, helped to draw conclusion about the consumer profiles and competitors.

4.2 Results

After describing the data collection and analysis techniques, this chapter reveals conclusions and analyses the previous acquired data. Hence, the author goes first into details regarding primary data and amplifies next secondary data.

4.2.1 Primary Data

As elaborated in the previous chapter, the primary data of this thesis includes interviews, questionnaires in order to gain knowledge about the end consumer of Aqua Organic.

Interviews

The interviews were applied to the top management and the head sales person of Aqua Organic (Appendix 3). After the questioning, a set of conclusions about the brand itself, its external influences, competitors, target groups and USP as well as current B2B communication and further selling guidelines could be obtained.

Regarding the brand itself, the evaluation showed that the brand was evoked in order to break out of the mass-market situation and to offer a purely organic cosmetic line without harmful ingredients. Because of poorly elaborated packaging, textures and smells on the existing market, both founders decided to create their own brand, namely Aqua Organic, beneficial to satisfy their standards.

The main conclusions about their external influences delineates a high potential of success based on the huge trend sustainability, technical improvements that facilitate addressing and selling to B2B and B2C customers as well as the problem of not being a certified organic brand. The founders decided not to be certified, because there are too many private certifiers, but no strictly standardized seal of quality.

Concerning competitors both interviews reveal that there is no purely organic brand that is not located in mass market and in the same price segment as Aqua Organic. According to the answers of the interview, the target group is divided into two groups: end consumers and business buyers. The brand target end consumers with both sexes at age 25 plus, that are medium earners until high earners and place value on quality, modern design, sustainability, premium ingredients and textures under supervision of an expert (doctor). The business

buyers on the other hand should offer cosmetic institutes, day spas, Hotels with spas, pharmacies with treatment rooms, doctor's offices, concept stores and modern hair salons. Aqua Organic specifically targets businesses that provide treatments and place value on emphasising their consultation expertise and establishing brands as well as range in the same price segment. The unique selling proposition (USP) is a combination of all components. Aqua Organic is a purely organic vegan doctor brand, located in a niche market and high price segment. Textures and scents are matching with premium ingredients that are active agents without mineral oil or the like. All processes are in respect of the nature as there is no animal testing, short transportation routes and sustainable production and packaging.
According to further interview answers, the current B2B communication restrict oneself to informative emailing, websites, first order promotions, packages with samples, posters, flyers and sales representatives. The guidelines for choosing retail partners are to search for institutes that do not represent the mass market (chain stores) and offer treatments with the brand's products. Thus, all partners should fit to the standards and high price segment.
Finally, both interviews demonstrated some opinions about the most effective way to reach out to potential partners. The results showed that personal contacts are most important. Sales representatives gain success focusing on capitals with opinion leaders and high population while handing out samples. Thus, public relations, direct marketing and digital approaches may encourage sales.

Questionnaires

The results of the quantitative research, the questionnaires, derive from a descriptive statistical analysis (univariate) and bivariate analysis. The univariate analysis consists of the sample characterisation, preferences in B2B communication and demand for organic cosmetics. The bivariate analysis studies the relation between variables in order to validate or reject the hypothesis elaborated in the previous chapter 4.1. All results are attributable to the outputs from the statistical program SPSS and the value analysis for categories "other" or "none of these" is developed with Excel.

<u>Univariate Analysis</u>

a. Sample characterisation

The questionnaire was send by email to several people working in cosmetic institutes, perfumeries, spas, hotels, gyms, pharmacies, hair salons, doctor's offices and concept stores with no limitations of age or gender. Here, the descriptive statistics characterises demographics and institutional information about the respondents. The first question was a filter question to split the answers into respondents that are interested in organic cosmetics and the ones who are not. From the total responses of 268, 240 individuals were interested in organic cosmetics. Chart 1 demonstrated the distribution of the responses, where 89,55 % were interested in organic cosmetics and 10,45 % were not.

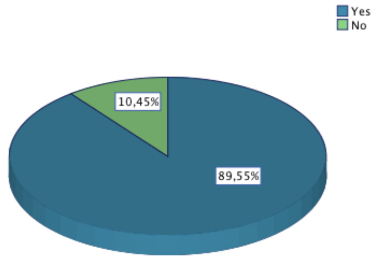


Chart 1. Interest Variable Distribution

Source: Own elaboration

As mentioned before, the total number of answers collected is 268. Chart 2 visualises that 81% of the respondents are female and 19% are male.

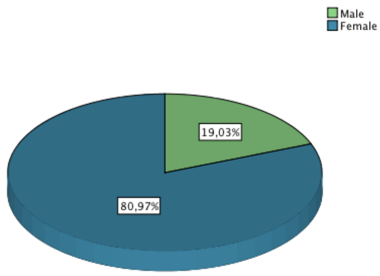


Chart 2. Gender Variable Distribution

Source: Own elaboration

The variable age was divided into three groups: 18-30 years old, 30-50 and >50 years of age. The most representative age group of the sample is the one with individuals that are between 30 and 50 years old as a percentage of 51,5, followed by respondents in the age group 18 to 30 with 25,4 %. The less significant group of age was the one with individuals that have more than 50 years life experience (23,1 %).

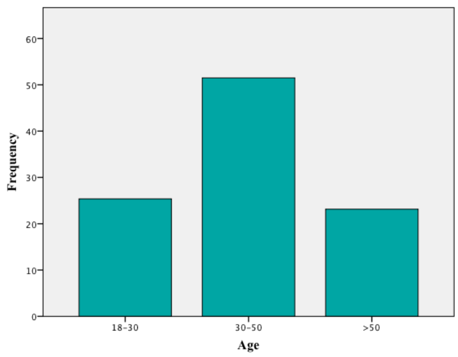


Chart 3. Age Group Variable Distribution Histogram

Source: Own elaboration

Concerning the institution type, respondents had the possibility to mark more than one field. Therefore, there are 342 (127,6 %) answers in total instead of 268 (100 %). As demonstrated in chart 4, it is possible to discern that the both most representative institutions are cosmetic institutes with 28,7 % and pharmacies with 25,4 %, followed by day spas (12,7 %), hotel spas (11,9 %), hair salons (11,6 %) and perfumeries (10,1 %). Less representative institutions are doctors offices with a percentage of 8,2, gyms with 7,8 % and concept stores with 4,9 %. The category other institutes were marked by 6,3%.

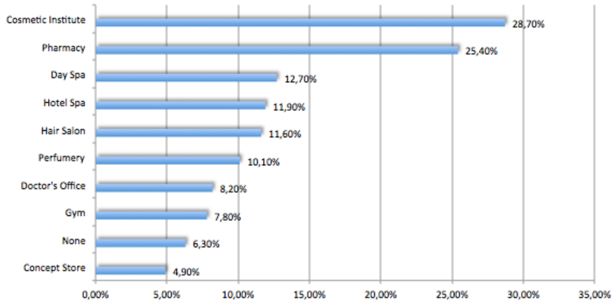


Chart 4. Institution Type Variable Distribution

Source: Own elaboration

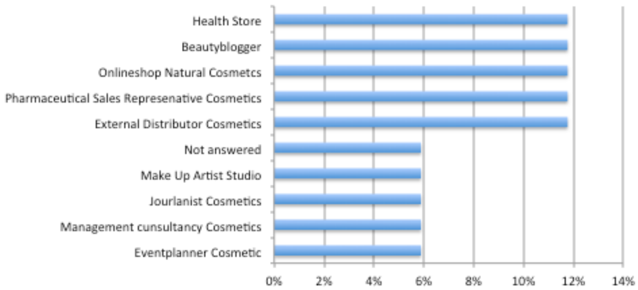


Chart 5. Other Institutes Value Analysis

Source: Own elaboration

6,4% of the total responses regarding the institute type marked the category other. This equals an amount of 17 individuals that are in a different work-relation with cosmetics. External distribution cosmetics, pharmaceutical sales representative, online shop natural cosmetics, beauty blogger, health store and physiotherapists were each represented with 11,76 %. Event planner cosmetics, management consultant cosmetics, journalist cosmetics and make-up artist studio each gained a percentage of 5,88 %. Finally, 5,88 %, which equals one individual, did mark others, but not described his work-relation.

Regarding the variable employees, the distribution of responses is almost evenly spread into two groups: the medium range and the two extremes. The most answers describe institutes with 6 to 10 employees with 31,3 %, followed by institutes with 1 to 5 co-workers (30,2 %).

24,6 % label respondents with more than 10 co-workers and no employees occupy a percentage of 13,8.

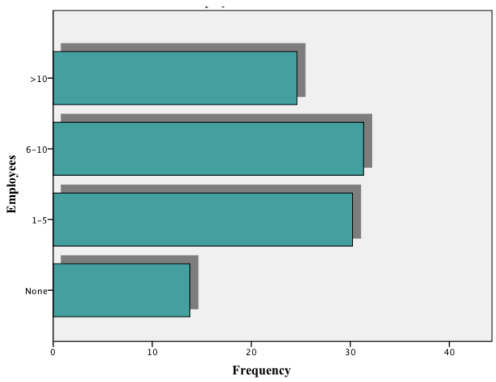


Chart 6. Employees Variable Distribution

Source: Own elaboration

Concerning the question about working with organic brands, chart 7 demonstrates that the dispersion of responses is almost equal. From 268 individuals, 138 respondents (51,5 %) are already working with organic cosmetic brands and 130 (48,5 %) do not. In this relation, respondents were asked to write down the organic brand names that they are already working with. The open-ended question was not mandatory, but revealed some insights of direct and indirect competitors. Chart 8 visualizes the distribution of mentioned brand names and their frequency.

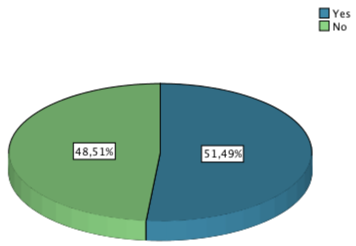


Chart 7. Working with Organic Brands Variable Distribution

Source: Own elaboration

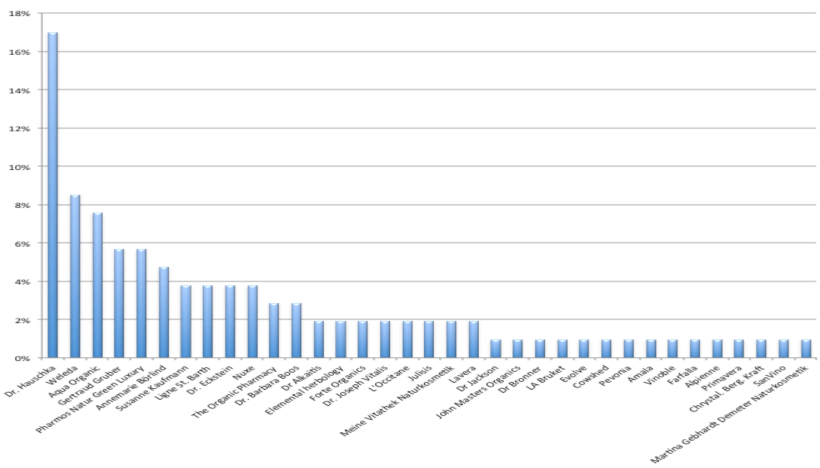


Chart 8. Organic Brand Names Value Analysis

Source: Own elaboration

The evaluation of values regarding brand names revealed that Dr. Hauschka is the most common natural cosmetic brand. 16,98 % of the individuals that answered the voluntary question are working with Dr. Hauschka. Thus, Weleda, a natural hair care company, achieved a percentage of 8,49. Followed by respondents that offer Aqua Organic (7,55 %) which is attributable to the fact that the questionnaire was more likely answered by partner institutes of the company Aqua Organic. Gertraud Gruber and Pharmos Natur Green Luxury gained each 5,66 %. Annemarie Börlind is as well widely spread and reached 4,72%. Susanne Kaufmann, Ligne St. Barth, Dr. Eckstein and Nuxe are all represented with a percentage of 3,78. Further cosmetic brands were only mentioned rarely (<3%).

b. *Preferences in B2B communication*

This part of the questionnaire analysis focuses on the study of preferences in B2B communication. Also here, the descriptive analysis of the variables helped to draw conclusions.

Q: How can Organic Cosmetic organisations reach out to you most efficiently?

The question of how the respondents like to obtain information about organic cosmetic brands was only applied to individuals that were interested in organic cosmetics (filter question). The objective to ask the question only to the interested group was to gain responses from the target audience rather than all individuals working in institutes and with cosmetics. This selection could help to determine effective communication channels for the target audience. Respondents were confronted with five statements each linked with a communication tool such as personal selling, direct marketing, advertising, sales promotion and public relation. Then, respondents had to rank from 1 to 5 how necessary each statement (tool) is in order to be convinced to partner with the brand. 1 is equal to "I don't think it is necessary at all/ Absolutely unnecessary" and 5 equals the statement "I think it is absolutely necessary in order to convince me to partner with the organisation".

Statement 1 - I like it when a person is coming to my office to explain the brand and products.

This statement should visualize a personal selling strategy in order to better understand the theoretical term. The respondents mostly agreed and thought it was necessary (30,3 %) and absolutely necessary (26,6 %). 20,9 % felt that neither it is absolutely necessary nor not necessary at all and were uncertain. Only 15,6 % was not satisfied with the statement while they marked not necessary and 6,6% perceived that personal selling is not necessary at all.

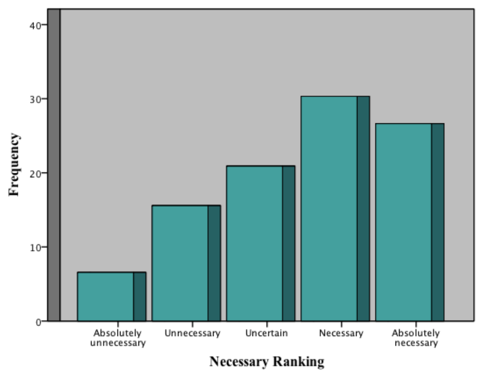


Chart 9. Personal selling Variable Distribution

Source: Own elaboration

Statement 2 – I like to receive information that is customized to my person and institute/ office.

Here, respondents were given an understanding of direct marketing where brands engage directly with individuals with for example emailing. 31,6 % of the responses was supporting this massage with a raking of 5, followed by individuals with a neutral attitude (23,8 %) equals uncertainty. 22,5 % were more convinced and thought it is necessary, whereas 16% not agreed (ranked 2) and 6,1 % thought direct marketing is not necessary at all.

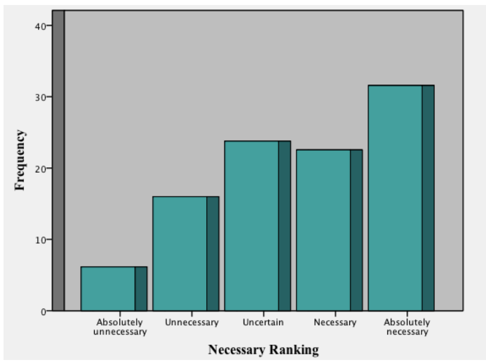


Chart 10. Direct Marketing Variable Distribution

Source: Own elaboration

Statement 3 – I want to see advertisements in regular press/ magazines.

Advertisements in regular press and magazines are part of the most known communication tool namely advertising. According to the answers of the questionnaire the most representative ranks are between 2 and 4. Therefore, respondents were not agreeing on this statement. 23,8 % thought it was not necessary (ranked 2) and 23,4% conceived advertising as necessary (ranked 4). 20,5 % were neither convinced or neglecting the statement (ranked 3). 41 respondents perceived advertising as absolutely necessary (16,8 %) and ranked with 5. 15,6 % thought it is absolutely unnecessary (ranked 1).

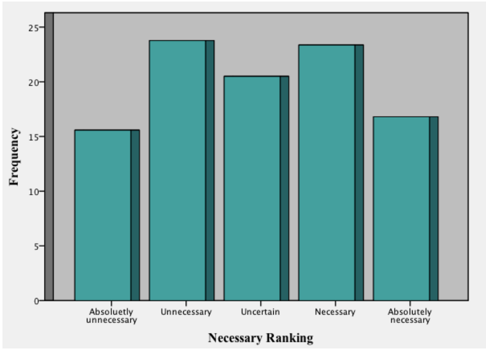


Chart 11. Advertising Variable Distribution

Source: Own elaboration

Statement 4 – I like to receive gifts and discounts in order to try the products before I am willing to purchase the brand's products.

Sales promotions are part of the communication mix where brands try to gain awareness with gifts, samples and discounts. Respondents were answering this statement with a clear approval. Almost the half (46,3 %) conceived sales promotion as absolutely necessary to partner with the brand. Following 27% agreed as well and ranked the statement with 4. Undecided respondents occupied a percentage of 19,3. Only 4,5 % perceived sales promotion as not necessary at all (ranked 1) and 2,9 % were not interested as well while ranking 2.

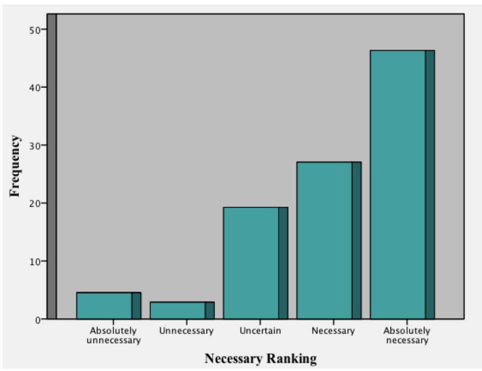


Chart 12. Sales promotion Variable Distribution

Source: Own elaboration

Statement 5 – I like to read articles about the brand/ products in industry related journals.

Articles in industry related journals visualize a public relation strategy. Public relation is characterised as objective and effective to reach out to industrial partners. Therefore, it is not extraordinary that 43,4 % were absolutely agreeing with the statement, followed by 36,9 % that thought public relation was necessary and ranked with 4. 14,3% was uncertain and ranked with 3. Only 4,1 % thought that public relation was not necessary (ranked 2) and 1,2 % neglected the statement totally while ranking 1.

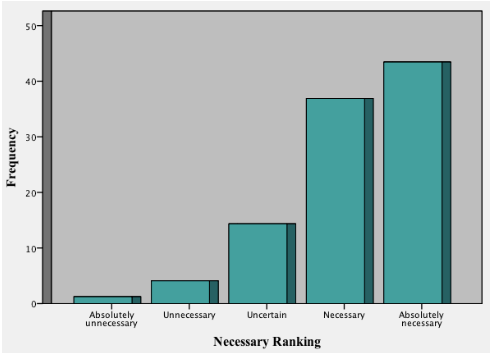


Chart 13. Public relations Variable Distribution

Source: Own elaboration

None of these – Individual preferences

In order to gain some personal insights, respondents gained the chance to write down own ideas and preferences regarding B2B communication. The open-ended question was voluntarily to answer. 28 individuals stricken the possibility and wrote down some comments that are summarized in following chart 14. Most responses (37,5 %) yield to the outcome for organic brands to be represented at trade fair grounds. 15,63% were emphasised online communication especially mentioning social media and website design. Thus, leaving samples were as well appreciated by 15,63%. 12,5% thought that personal selling is very important, but required an appointment. Further, 9,35% demonstrated that beauty blog articles would be helpful for organic brands to gain awareness. Events, information material and regular press for end consumers each gained only one vote (3,13%).

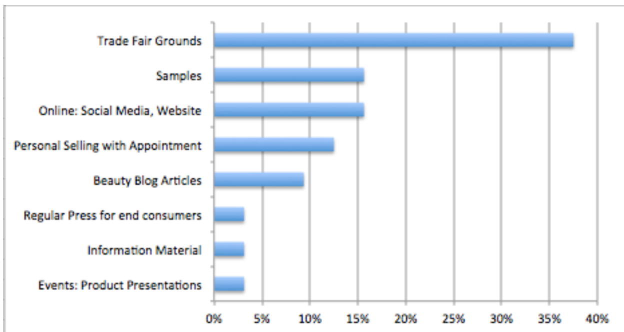


Chart 14. Individual Preferences Variable Distribution

Source: Own elaboration

c. *Demand for organic cosmetics*

This part of the analysis describes the study of the demand of organic cosmetics. As well in this sub-item, the descriptive analysis of the variables helped to draw conclusions.

Q: How many customers can you register that are interested in organic cosmetics/ are buying organic cosmetics/ ask for organic cosmetics in the last year?

The question about the demand was applied to both groups of respondents, the one that were interested in organic cosmetics and the other that were not. The objective to ask both groups is to study the total demand for organic cosmetics concerning the end consumer, regardless of the personal interest of the institution manager.

The answers were clustered into five groups: <25 individuals, 25-50, 50-75, 75-100 and >100 customers that the manager can register when thinking about the last business year. According to the survey, 37,7 % had a customer demand that was less then 25 individuals. Nevertheless, 20,9 % registered 25-50 individuals that were interested, buying or asking for organic cosmetics. 19 % of all institution managers even boast 50-75 organic customers. Unfortunately only 11,6 % registered a demand of >100 customers and 10,8 % 75-100 sustainable customers.

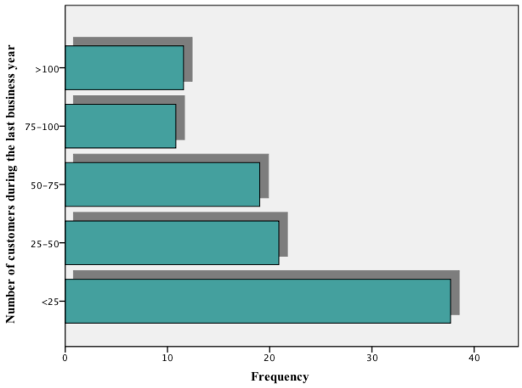


Chart 15. Customer demand for organic cosmetics Variable Distribution

Source: Own elaboration

In summary of the univariate analysis, the sample characterization demonstrates that most of the respondents were interested in organic cosmetics. Thus, the majority of the individuals that answered the questionnaire were female within the age group 30 to 50. The most representative respondents were working in cosmetic institutes, followed persons employed by pharmacies, with 6 to 10 co-workers. More than the half of the institutes was offering organic brands where a value analysis of a small part of respondents revealed that Dr. Hauschka is most common as a skincare, body care and make-up cosmetic brand.

Concerning the preferences of B2B communication, the institutes perceived personal selling as necessary and direct marketing as absolutely necessary to be convinced to partner with an organic cosmetic brand. Advertising on the other hand, was not considered as effective and mostly discerned unnecessary. Further, sales promotion and public relations were widely appreciated and marked as absolutely necessary tools. In order to achieve personal insights from the respondents, there was the possibility to write down some ideas about B2B communication tools that were not mentioned before or complementary to the previous. Analysing these values, the result yield to the conclusion that trade fair grounds are another effective method to reach out to potential business partners.

Regarding the end customer demand for organic cosmetics, most institutes exhibit less than 25 individuals that are interested, buying or asking for organic brands in the last business year.

<u>Bivariate Analysis</u>

In this chapter, the previously mentioned hypotheses (4.1.1 Questionnaire) are tested by a statistical bivariate analysis that displays methods of analysing two variables.

Crosstabs of variables B2B preferences and age, institution type, gender and organisation size

The Crosstabs represent a statistical procedure that cross-tabulated two variables and reveal their bivariate relationship in a tabular form. Following hypothesis is tested in order to validate or neglect the statement:

H0: There is no relation between B2B communication preferences and the variables age, institution type, gender and organisation size

H1: B2B communication preferences is associated with (a) age, (b) institute type, (c) gender and (d) organisation size

H1a: B2B communication preferences is associated with age

H1b: B2B communication preferences is associated with institute type

H1c: B2B communication preferences is associated with gender

H1d: B2B communication preferences is associated with organisation size

In this study, B2B communication is clustered into five categories: personal selling, direct marketing, advertising, sales promotion and public relation.

To analyse H1a, personal selling, direct marketing, advertising, sales promotion and public relation is tested for the significant existence and degree of association to the three age groups 18 to 30, 30 to 50 and over 50. Here, both variables have an ordinal scale and are tested for their significant independence with chi-square and Cramer's V. According to the available information, chi-square statistics revealed that only direct marketing has a significance of 0,007 with the variable age and is hence under 0,05. Cramer's V is as well only significant for the variables direct marketing and age (0,007) and has the value 0,293 which indicates a weak association degree. (Appendix 6.4) Therefore, H1a is not validated hence all variables are independent except for the variables age and direct marketing. The following crosstab represents the relation:

			Direct Marketing					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Age	18-30	Count	3	9	15	13	23	63
		% within Age	4,8%	14,3%	23,8%	20,6%	36,5%	100,0%
		% within Direct Marketing	20,0%	23,1%	25,9%	23,6%	29,9%	25,8%
		% of Total	1,2%	3,7%	6,1%	5,3%	9,4%	25,8%
	30-50	Count	6	13	31	32	46	128
		% within Age	4,7%	10,2%	24,2%	25,0%	35,9%	100,0%
		% within Direct Marketing	40,0%	33,3%	53,4%	58,2%	59,7%	52,5%
		% of Total	2,5%	5,3%	12,7%	13,1%	18,9%	52,5%
	>50	Count	6	17	12	10	8	53
		% within Age	11,3%	32,1%	22,6%	18,9%	15,1%	100,0%
		% within Direct Marketing	40,0%	43,6%	20,7%	18,2%	10,4%	21,7%
		% of Total	2,5%	7,0%	4,9%	4,1%	3,3%	21,7%
Total		Count	15	39	58	55	77	244
		% within Age	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%
		% within Direct Marketing	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%

Table 3. Crosstab between direct marketing and age & advertising and age

Source: Own elaboration

As demonstrated in table 3, most respondents over 50 thought direct marketing was unnecessary, whereas most 18 to 30 and 30 to 50 years old thought direct marketing is absolutely necessary.

To analyse H1b, personal selling, direct marketing, advertising, sales promotion and public relation is tested for the significant existence and degree of association to the institute types namely pharmacy, cosmetic institute, day spa, hotel spa, gym, doctor's office, concept store, hair salon, perfumery and none of these. Here, B2B is once again ordinal scaled and the type of institution nominal scaled, because the institution question was multiple response. In order to test the significant existence of association between the two variables, chi-square statistics revealed that almost all B2B tools, such as personal selling, direct marketing, advertising and public relations were related to the variable type of institution. Only sales promotion demonstrated no association with the variable type of institution. It is to notice that the counts are very small, so that the results should be carefully interpreted: over 20 % counts are less than 5 = assumption for chi-square is violated (Appendix 6.4). Following tables represent the associations:

		$TypeofInstitution									
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Personal Selling	Absolutely unnecessary	4	6,9%	3	4,3%	1	3,0%	0	0,0%	0	0,0%
	Unnecessary	12	20,7%	8	11,4%	4	12,1%	5	15,6%	2	9,5%
	Uncertain	10	17,2%	19	27,1%	5	15,2%	5	15,6%	7	33,3%
	Necessary	23	39,7%	21	30,0%	8	24,2%	12	37,5%	7	33,3%
	Absolutely necessary	9	15,5%	19	27,1%	15	45,5%	10	31,3%	5	23,8%

		Doctor's Office		Concept Store		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Personal Selling	Absolutely unnecessary	0	0,0%	0	0,0%	4	14,3%	1	3,8%	5	31,3%
	Unnecessary	1	5,3%	2	16,7%	7	25,0%	2	7,7%	4	25,0%
	Uncertain	9	47,4%	2	16,7%	5	17,9%	8	30,8%	3	18,8%
	Necessary	4	21,1%	1	8,3%	4	14,3%	9	34,6%	0	0,0%
	Absolutely necessary	5	26,3%	7	58,3%	8	28,6%	6	23,1%	4	25,0%

Table 4. Crosstab between type of institution and personal selling

Source: Own elaboration

		$TypeofInstitution									
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Direct Marketing	Absolutely unnecessary	6	10,3%	6	8,6%	1	3,0%	1	3,1%	0	0,0%
	Unnecessary	11	19,0%	14	20,0%	3	9,1%	5	15,6%	1	4,8%
	Uncertain	8	13,8%	22	31,4%	7	21,2%	11	34,4%	10	47,6%
	Necessary	14	24,1%	9	12,9%	7	21,2%	10	31,3%	5	23,8%
	Absolutely necessary	19	32,8%	19	27,1%	15	45,5%	5	15,6%	5	23,8%

		Doctor's Office		Concept Store		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Direct Marketing	Absolutely unnecessary	0	0,0%	1	8,3%	0	0,0%	2	7,7%	3	18,8%
	Unnecessary	0	0,0%	0	0,0%	3	10,7%	7	26,9%	1	6,3%
	Uncertain	9	47,4%	3	25,0%	5	17,9%	5	19,2%	4	25,0%
	Necessary	2	10,5%	2	16,7%	11	39,3%	2	7,7%	1	6,3%
	Absolutely necessary	8	42,1%	6	50,0%	9	32,1%	10	38,5%	7	43,8%

Table 5. Crosstab between type of institution and direct marketing

Source: Own elaboration

		$TypeofInstitution																			
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym		Doctor's Office		Concept Store		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Advertisemnts	Absolutely unnecessary	8	13,8%	7	10,0%	3	9,1%	8	25,0%	2	9,5%	4	21,1%	1	8,3%	3	10,7%	4	15,4%	6	37,5%
	Unnecessary	5	8,6%	18	25,7%	11	33,3%	11	34,4%	7	33,3%	3	15,8%	4	33,3%	0	0,0%	7	26,9%	3	18,8%
	Uncertain	23	39,7%	19	27,1%	3	9,1%	3	9,4%	3	14,3%	3	15,8%	1	8,3%	3	10,7%	5	19,2%	2	12,5%
	Necessary	8	13,8%	17	24,3%	10	30,3%	8	25,0%	6	28,6%	5	26,3%	1	8,3%	13	46,4%	7	26,9%	3	18,8%
	Absolutely necessary	14	24,1%	9	12,9%	6	18,2%	2	6,3%	3	14,3%	4	21,1%	5	41,7%	9	32,1%	3	11,5%	2	12,5%

Table 6. Crosstab between type of institution and advertising

Source: Own elaboration

		$TypeofInstitution																			
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym		Doctor's Office		Concept Store		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Public Relations	Absolutely unnecessary	1	1,7%	3	4,3%	0	0,0%	1	3,1%	0	0,0%	1	5,3%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
	Unnecessary	5	8,6%	0	0,0%	0	0,0%	0	0,0%	1	4,8%	0	0,0%	1	8,3%	1	3,6%	2	7,7%	0	0,0%
	Uncertain	12	20,7%	14	20,0%	0	0,0%	0	0,0%	2	9,5%	3	15,8%	0	0,0%	6	21,4%	3	11,5%	3	18,8%
	Necessary	21	36,2%	30	42,9%	12	36,4%	13	40,6%	7	33,3%	5	26,3%	3	25,0%	8	28,6%	10	38,5%	7	43,8%
	Absolutely necessary	19	32,8%	23	32,9%	21	63,6%	18	56,3%	11	52,4%	10	52,6%	8	66,7%	13	46,4%	11	42,3%	6	37,5%

Table 7. Crosstab between type of institution and public relation

Source: Own elaboration

Table 4 to 7 demonstrate that

- **Personal selling** is valued (ranked absolutely necessary or necessary) by pharmacies, cosmetic institutes, day spas, concept stores, hair salon and perfumeries
- **Direct Marketing** is valued by pharmacies, day spas, concept stores, hair salons, perfumeries and further categories*
- **Advertising** is valued by gyms, doctor's offices, concept stores and hair salons; unnecessary for day spas, hotel spas and further categories*
- **Public relation** is valued by pharmacies, cosmetic institutes, day spa, hotel spa, gyms, doctor's offices, concept stores, hair salon, perfumeries and further categories*

*External distribution cosmetics, pharmaceutical sales representative, online shop natural cosmetics, beauty blogger, health store and physiotherapists, event planner cosmetics, management consultant cosmetics, journalist cosmetics and make-up artist studio

To analyse H1c, personal selling, direct marketing, advertising, sales promotion and public relation is tested for the significant existence and degree of association to the gender. The nature of the variables is ordinal (B2B) and nominal (gender). Here, the Chi square analysis revealed that only direct marketing with a significance level of 0,043 < 0,05 is related to the variable gender. Thus, Cramer's V demonstrates a weak degree of association, namely 0,201 (Appendix 6.4). Therefore, H1c is not validated except of the relation of the variable gender and direct marketing. The following table 8 demonstrates the relation:

			Direct Marketing					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Gender	Male	Count	1	7	6	8	22	44
		% within Gender	2,3%	15,9%	13,6%	18,2%	50,0%	100,0%
		% within Direct Marketing	6,7%	17,9%	10,3%	14,5%	28,6%	18,0%
		% of Total	0,4%	2,9%	2,5%	3,3%	9,0%	18,0%
	Female	Count	14	32	52	47	55	200
		% within Gender	7,0%	16,0%	26,0%	23,5%	27,5%	100,0%
		% within Direct Marketing	93,3%	82,1%	89,7%	85,5%	71,4%	82,0%
		% of Total	5,7%	13,1%	21,3%	19,3%	22,5%	82,0%
Total		Count	15	39	58	55	77	244
		% within Gender	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%
		% within Direct Marketing	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%

Table 8. Crosstab between direct marketing and gender

Source: Own elaboration

As visualized in table 8, most females thought direct marketing was either absolutely necessary, necessary or were uncertain. 50% of male respondents, on the other hand, thought that direct marketing is absolutely necessary.

To analyse H1d, personal selling, direct marketing, advertising, sales promotion and public relation is tested for the significant existence and degree of association to the organisation size with no, 1-5, 5-10 and over 10 co-workers. Both variables are ordinal, hence Chi square and Cramer's V analysis revealed that there is no significant evidence and degree of association between any of the variables. Therefore, H1d is not validated and should be rejected.

Crosstabs of variables type of institution and working with organic cosmetics

Here, the analysis tests the relation between the variable type of institution and working with organic cosmetics.

H0: Variable type of institution and working with organic cosmetics are independent

H2: Variable type of institution and working with organic cosmetics associated

As visualised in table 9, a crosstab analysis demonstrates following results:

			Type of Institution[a]										Total
			Pharmacy	Cosmetic Institute	Day Spa	Hotel Spa	Gym	Doctor's Office	Concept Store	Hair Salon	Perfumery	None	
Working with Organic Cosmetics	Yes	Count	39	35	21	22	8	12	11	8	14	11	138
		% within WorkingWithOrganicCosmetics	28,3%	25,4%	15,2%	15,9%	5,8%	8,7%	8,0%	5,8%	10,1%	8,0%	
		% within $TypeofInstitution_dichotom	57,4%	45,5%	61,8%	68,8%	38,1%	54,5%	84,6%	25,8%	51,9%	64,7%	
		% of Total	14,6%	13,1%	7,8%	8,2%	3,0%	4,5%	4,1%	3,0%	5,2%	4,1%	51,5%
	No	Count	29	42	13	10	13	10	2	23	13	6	130
		% within WorkingWithOrganicCosmetics	22,3%	32,3%	10,0%	7,7%	10,0%	7,7%	1,5%	17,7%	10,0%	4,6%	
		% within $TypeofInstitution_dichotom	42,6%	54,5%	38,2%	31,3%	61,9%	45,5%	15,4%	74,2%	48,1%	35,3%	
		% of Total	10,8%	15,7%	4,9%	3,7%	4,9%	3,7%	0,7%	8,6%	4,9%	2,2%	48,5%
Total		Count	68	77	34	32	21	22	13	31	27	17	268
		% of Total	25,4%	28,7%	12,7%	11,9%	7,8%	8,2%	4,9%	11,6%	10,1%	6,3%	100,0%

Percentages and totals are based on respondents.

a. Dichotomy group tabulated at value 1.

Table 9. Crosstab between type of institution and working with organic cosmetics

Source: Own elaboration

From 268 respondents, 51,5 % of all institutes was working with organic cosmetics. Within that group, pharmacy was selected as at the main workplace. 48,5 % of all institutes was not working with organic cosmetics. Within that group, cosmetic institutes were selected as the main workplace that was not working with organic cosmetics. Regarding the institutes itself, the results reveal that most pharmacies, day spas, hotel spas, doctor's offices, concept stores and perfumeries within their type of institution were working with organic cosmetics and on the other hand most cosmetic institutes, gyms and hair salons within their type of institution are not. Thus, the chi-square test in Appendix 6.4 reveals a significance of 0,003 that is smaller than 0,05. Unfortunately, there is no possibility to perform Cramer's V because of the multiple answer nature of the variable institution type. Nevertheless, the available information leads to an existence of association between the variables type of institution and working with organic cosmetics, so that the hypothesis 2 should be validated and not rejected.

Crosstab of variables age and interested in organic cosmetics

The last crosstab tests whether the variable age and interested in organic cosmetics are related or independent.

H0: Variable age and interested in organic cosmetics are independent

H3: Variable age and interested in organic cosmetics are associated

As demonstrated in table 10, the crosstab analysis reveals that the 30 to 50 year old are the most interested in organic cosmetics. Unfortunately, it is possible to see that the age group 30 to 50 is as well the one at least interested in organic cosmetics.

			Age			
			18-30	30-50	>50	Total
Interested In Organic Cosmetics	Yes	Count	62	126	52	240
		% within Interested In Organic Cosmetics	25,8%	52,5%	21,7%	100,0%
		% within Age	91,2%	91,3%	83,9%	89,6%
		% of Total	23,1%	47,0%	19,4%	89,6%
	No	Count	6	12	10	28
		% within Interested In Organic Cosmetics	21,4%	42,9%	35,7%	100,0%
		% within Age	8,8%	8,7%	16,1%	10,4%
		% of Total	2,2%	4,5%	3,7%	10,4%
Total		Count	68	138	62	268
		% within Interested In Organic Cosmetics	25,4%	51,5%	23,1%	100,0%
		% within Age	100,0%	100,0%	100,0%	100,0%
		% of Total	25,4%	51,5%	23,1%	100,0%

Table 10. Crosstab between age and interested in organic cosmetics

Source: Own elaboration

The chi-square statistics in Appendix 6.4 reveals an association significance of 0,249 that is larger than 0,05. Cramer's V shows the value 0,102 and a significance of 0,249 that support the conclusion that there is no significant existence and degree of association between the variables age and interested in organic cosmetics. Hence, the hypothesis 3 should be rejected and H0 is validated.

The table 11 below demonstrates a summary of the validation of the previous hypothesis:

Hypothesis	Validation
H1: B2B communication preferences is associated with	
(a) age	Not validated (except direct marketing)
(b) institute type	Validated (except sales promotion)
(c) gender	Not validated (except direct marketing)
(d) organisation size	Not validated

H2: Variable type of institution and working with organic cosmetics are associated	Validated
H3: Variable age and interested in organic cosmetics are associated	Not validated

Table 11. Hypothesis validation

Source: Own elaboration

4.2.2 Secondary data

This Analysis is focusing on external factors as the main competitors as well as the organic cosmetic consumer profile and behaviour.

Competitors

Aqua Organic's direct competitors are niche market organic cosmetic brands such as The Organic Pharmacy, Susanne Kaufmann, Team Dr. Joseph and Pharmos Natur Green Luxury that mainly focus on skincare products. Indirect competitors represent mass-market organic cosmetic brands like for example Dr. Hauschka or premium cosmetics that are used for cosmetic treatments. The following analysis examines all direct competitors in more detail. Indications are assortment size, price segment, market coverage and strategic partnerships, customer pattern and marketing strategies in order to compare and reflect the main strengths and weaknesses of each competitor.

- **The Organic Pharmacy**

Margo Marrone, the creator of The Organic Pharmacy, opened her first Organic Pharmacy store in London 2002. Her approach is to sell products based on homeopathic and herbal medicine with the promise of pure formulation, quality ingredients and right dosage. High tech natural extracts combined with pharmaceutical grade ingredients are key selling propositions. The products are manufactured in controlled and small factories in London without animal testing and free from artificial colorants, fragrances, petrochemicals and preservatives. With around 45 skin care products only for women and 17 for men, she offers a large assortment. Besides skin care, there are cosmetics for body care, sun care, hair care, bath supplements, detox and homeopathic substitutes, baby essentials and oils for mothers, fragrances, candles, make-up articles and books. Thus, each category contains gift packages. The price segment of The Organic Pharmacy is luxury and ranges between 50 and 150 euros per product. Some products are exclusive and exceed the segment with prices between 200 and 350 euros. Here, special ingredients such as diamond powder or else are processed to justify the price raise. The company's aim is to open stores that offer treatments with the products to use them in the right way. Nevertheless, some partners only pursue retailing. These partners are distributed internationally and rank among following institute types: online selling (Greenglam, Amazon and diverse others), pharmacies, cosmetic institutes, perfumeries, concept stores, day spas, hotel spas and flagship stores (especially in United Arab Emirates, UK, USA). In Germany, there are 41 partner institutes such as Organic luxury in Munich, Rocco Forte Hotels and Landhaus Löwenstadt in Sylt. Thus, one hotel in Portugal, Six Senses Spa Douro Valley Quinta de Vale Abraão, offers treatments with The Organic Pharmacy. Further countries are: China, Denmark, Finland, France, Hong Kong, Japan, Lithuania, Mexico, Norway, Oman, Quatar, Romania, Russia, Saint Lucia, Saint Vincent and Grenadines, Singapore, Spain, Slovenia, Sweden, Switzerland, Turkey, Ukraine, United Arab Emirates, UK, USA, Guernsey. There are no strategic partnerships with other brands because the company contains all product ranges. But they work closely together with pharmacies that may be attributable to the brand's name. The target audience of The Organic Pharmacy are mainly woman, high earners at ages 30 plus that are conscious about babies and natural cosmetics. They are very interested in detox supplements, believe in homeopathic healing and trust in the pharmaceutical influence. Some products are constituted for teen skin (15 plus) or men 30 plus that extent the main target group (The Organic Pharmacy, 2016).

The Organic Pharmacy is as well marketing through channels that represent the target audience. PR articles in wedding, fashion and beauty magazines such as Vogue, Flair Magazine, Welt, FOGS Magazine are common practice. Thus, the advertise products in regular press that is mainly targeting woman like GoFeminin and Madame. These magazines are celebrating the brand with 19 awards. Thus, the brand's social media appearance is distributed at Facebook, Instagram, YouTube Channel, Pinterest and Twitter. Further, sales promotion takes place with gift packages for each target: women, teen, men, babies and mothers (The Organic Pharmacy, 2016).

The brands strengths are the open communication regarding ingredients, the personal approach with the creator of the company (one woman behind the brand), the international distribution all over the world and the use of several marketing tools that fit to the clear target audience with the focus on their needs (babies and mother essentials).

The weakness of the business constitutes the fact that it seems to be a big company for niche market, because there are too many products. Thus, having all product ranges creates the impression of being a mass-market brand and not extraordinary.

- **Susanne Kaufmann**

Susanne Kaufmann is a brand evolved at the Bregenzer Forest and inspired by alpine plants. The woman behind this brand wanted to use these alpine plants in a modern way for beauty and created a cosmetic line with natural ingredients developed with pharmacists and dermatologists. Her first spa was the Susanne Kaufmann spa in Hotel Post Bezau where the treatments are result orientated. The cosmetics with natural ingredients are closely working together with the treatment rituals, massages and traditional Chinese medicine. The assortment contains a holistic care with more than 60 products manufactured in facilities in the Bregenzer Forest and packaged in glass jars (sustainable). The facial care constitutes the majority, followed by men care, body care, bath articles, sun care, hair care, gift boxes, teas and detox supplements. The price segment is luxury and ranges between 50 and 150 euros for regular skin types. For anti aging products, Susanne Kaufmann raises prices to 200 until 250 euros. Regarding the distribution, the company chooses partners that sell online (Greenglam), work in day spas, cosmetic institutes and mostly hotel spas. The dispersion of partner institutes is international and contains following countries: Austria, Czech Republic, France, Germany, Netherlands, Norway, Romania, Singapore, Spain, Switzerland, Hong Kong, Taiwan, Italy, UK, Belgium, USA, Canada. There are no strategic partnerships with other brands, because they follow a holistic approach. Nevertheless, they do not offer decorative organic cosmetics. Their strategy is to work mostly with hotels and sell the whole concept (Susanne Kaufmann Spa) with specific rituals instead of just natural cosmetics. The customers of Susanne Kaufmann are mainly female, high earners at age 30 plus who love to feel a holistic ritual and are interested in regional products from the Alps, are nature oriented and interested in detox supplements. Teens and men at age 30 plus are small second target groups, but do not gain the main attention (Susanne Kaufmann, 2016).

Susanne Kaufmann is mostly represented in PR articles in regular press such as Grazia, Zeit and Myself. Thus, there is one article in Mercedes She, a magazine for powerful woman. (Mercedes She, 2015) Facebook, Twitter, YouTube, Google +, Instagram and a brand’s own blog belong to the social media appearance of the brand (Susanne Kaufmann, 2016).

The strengths of the company are an international distribution with the intention to be a small successful company. They place value on being local, but distribute internationally with natural products and sustainable packaging (glass jars). Their holistic approach is constituted mainly for hotels in order to sell the whole concept of rituals that go together with the natural and regional products. Also here, there is one woman that represents the brand and transfers a personal connection.

Unfortunately, there are many products for the same problem and the message whether to be natural or organic is unclear.

❖ **Team Dr. Joseph**

Team Dr. Joseph is a modern, family run cosmetics company, originated out of a sporting accident 40 years ago. The owners are coming from another industry with a fresh and modern attitude towards organic cosmetics. All products contain pure ingredients and active substances formulated for different skin types. Team Dr. Joseph is located in South Tyrol and certified organic. The complementary brand, Vitalis Dr. Joseph, offers spa treatment and wellness products (massage oils). The assortment size is oversee-able and clear with products for specific problems. Thus, the unisex product line contains only facial care. All cosmetics are mid-priced and range between 25-70 euros. Team Dr. Joseph sells mostly through hotel spas and include some cosmetic institutes. An exact distribution of partners is no longer open to the public, but was back in 2015 focused on hotel spas near the area of South Tyrol. Further, the brand sells through selected online shops such as Spatacular.de. Strategic partnerships are as well part of their selling approach. Alpicare, an alpine wellness product line (teas etc.), and South Tyrol fragrances (natural home fragrances) as well as Gharieni, a high-end spa tables and equipment brand, are working together with Team Dr. Joseph. The target audience of the brand are males and females with a high average income at age 25 plus that are conscious about the nature and sustainable care, interested in modern design and place value on family run businesses. Thus, they offer some products for matured skin for customers 50 plus who generate a smaller target group (Team Dr. Joseph, 2016).

The marketing strategy of Team Dr. Joseph is matching with the profile of the target audience. They include social media platforms such as Facebook, YouTube, LinkedIn and Instagram as well as blog articles that help to gain awareness. Thus, they place articles online and in industry related journals like wellness, hotel, beauty fashion and touristic magazines (Biouty, Connoisseur Circles, Spa Design, Essays of Africa). On the company’s own website, there is an application tool for potential partners where they gain the chance to connect immediately. Further, Team Dr. Joseph is winning several awards (Spa Diamond 2016) and communicates them through the website. Trade fairs are as well part of their marketing approach. The brand newest trade fair hotspots were Beauty Forum, Spa Camp and Beauty Düsseldorf (Team Dr. Joseph, 2016).

The strengths of Team Dr. Joseph are an open communication about ingredients with a person that stands behind the brand (Joseph), a family run business approach with a small product assortment, a great packaging with a modern design and herbal motives as well as a traditional atmosphere with modern influences. Further, the focus on hotel spas creates a straight line of selling. Thus, they make use of the great potential of trade fairs and enter many strategic partnerships that fit to their approach.

Unfortunately, the actual partners were not visible for customers. Only by communicating via email the brand reveals partners in the near area. Thus, the products are constituted for regular skin types and no extraordinary formulations (problem solvers).

- **Pharmos Natur Green Luxury**

Margot Esser created Pharmos Natur Green Luxury after an accident with burn injuries where she discovered Aloe Vera as the best natural treatment for recovery. Since more than 25 years the company produces products based on Aloe Vera bio juice instead of water, the most common natural cosmetic ingredient. All products are free from preservatives such as alcohol, citric acid, parabens and formulated without mineral oil or genetically modified raw material. Thus, the brand does not approve animal testing. Nepal, Mexico, Sri Lanka and Peru are growing areas where no chemical pesticides are processed and where they only work with peasants. This sustainable and fair-trade approach continues in the company's social engagement. Among other things, Pharmos Natur Green Luxury conducts a school project in Nepal. The assortment is aligned to different skin types and constructed with many products. The holistic approach with active agent ingredients is visible through the offering of facial, body and men care as well as detox and health supplements. The Rohini line represents the exclusive offering and contains 3 products especially targeting anti aging interested parties. The price segment of the brand is luxury and ranges between 50 to 150 euros for the normal products and 300 to 350 euros for the exclusive Rohini line. Hotel spas, cosmetic institutes, day spas, perfumeries and health food stores are partners of the brand in following countries: Germany, Switzerland, Austria, Italy, Hungary, Belgium, Netherlands, Slovenia, Luxembourg, Poland and Liechtenstein. Further, they sell through several online platforms such as pharmos-natur-shop.de, Amazon.de and more. There were no strategic partnerships with further brands clearly communicated or types of institutes preferred. The customer of Pharmos Natur Green Luxury are matured women at age 50 plus with a high income that place value on natural ingredients and social engagement, are interested in esotericism and Ayurveda, believe in the curative power of Aloe Vera and traditional design. Here, products for blemished skin (mostly teens) and men 50 plus constitute the small second target group of the brand (Pharmos Natur, 2016).

The marketing strategies of Pharmos Natur Green Luxury are adequate to the main target audience. They massive use of PR with articles placed in regular press (Welt, Freundin, SZ) and industry related journals (spa magazines, natural cosmetic magazines: Biouty, general cosmetic magazines) aim to gain awareness towards end customers and potential partners. Social media platforms such as Facebook, Twitter and YouTube are as well part of the marketing approach. Margot Esser won the Peace Award for ecological way of doing business in Graz Austria back in 2005, which is as well communicated through their online appearance. Further, the brand is participating at trade fairs (Beauty Düsseldorf 2016) and realizes the huge potential of exhibitions (Pharmos Natur, 2016).

The company's strengths are the open communication with a woman behind the brand that transfers a personal character. Her social activity and trade fair processes underline the sustainable approach in all areas. Thus, the communication through several media highlights a clear message and unique selling proposition (Aloe Vera instead of water, no use of alcohol, social activity).

A large product line with over 50 facial and body care supplements, on the other hand, constitutes one of the company's weaknesses. Further, there is no differentiation and enlightenment weather the brand is natural or organic.

Consumer profile and behaviour

The profile of an organic cosmetic consumer is driven by three purchase motives: environmental awareness, health awareness and appearance consciousness. According to a study of Kim and Chung from 2011, the results showed that especially environmental awareness and appearance consciousness are both factors that influence attitudes positively towards organic personal care products. Environmental awareness means that customers want products without animal tested ingredients and without the process of pesticides and synthetic chemicals (Kim, & Chung, 2011). They place value on the behaviour and culture of the company itself and expect less environmental impact of production and consumption. Hence, they value social responsibility and do not support raw material from endangered flora. Thus, simple packaging, few materials and recyclable products are key in order to encourage their purchase intention (Fonseca-Santos *et al.*, 2015). An increasing regionalism strengthens the attitude of environmental conscious customers as well. Therefore, the most common target group of organic cosmetics are LOHAS (lifestyle of health and sustainability). LOHAS belong to a group of customers that are conscious about heath and the environment. They are early adaptors and opinion leaders with a higher education level, but not necessary high-income brackets (Dayan, & Kromidas, 2011).

Appearance consciousness is attributable to customers that are interested in cosmetics, beauty and general appearance. These customers search for chemical-free products because they promise themselves a youthful look without using harsh products from conventional providers (Kim, & Chung, 2011). These customers belong to the consumer type named DRIFTERS. DRIFTERS are young, conscious about the newest trends and have mostly not developed their own values yet (Dayan, & Kromidas, 2011).

Health awareness concerns customers that follow a health lifestyle with products without synthetic scents and dye. They look for safer cosmetics without harmful ingredients that are more effective and expect a high quality. Therefore, they are more likely convinced to pay premium prices (Fonseca-Santos *et al.*, 2015). Consumers that are heath conscious belong to the group named NATURALITIES. These are more educated then the general population and characterized by higher income brackets (Dayan, & Kromidas, 2011).

Finally, past experiences have as well a significant impact on purchase intentions of organic cosmetics. This is the reason why the organic lifestyle is reflected to the individual's consumption pattern (Kim, & Chung, 2011).

In Germany, the organic cosmetic consumer motives more and more influence the general beauty and personal care market. According to a data collection about beauty and personal care products in 2016, Kearney evaluated the most important product claims by online shoppers. As demonstrated in figure 8, natural ingredients and cruelty free processing are most valued, followed by products without preservatives. Further, consumers appreciate vegan and alcohol free cosmetics (Kearney, 2016).

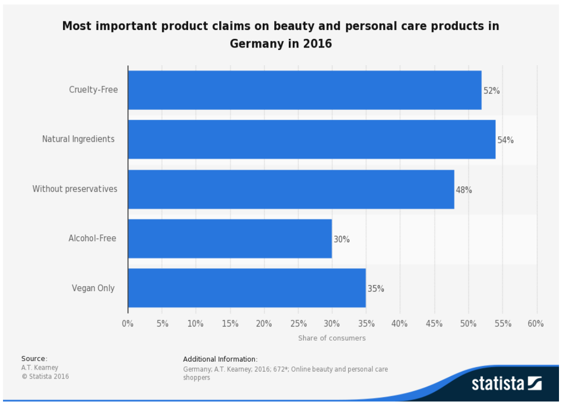


Figure 7. German product claims on beauty and personal care products, Statista

Source: Kearney (2016)

As the organic cosmetic consumer is more critical about the ingredients and their effectiveness, they are often more engaged with the manufacturing brand. Thus, niche cosmetics are most of the time not available in regular retail outlets. Therefore, organic cosmetic consumers use the Internet for gaining information, entering a direct dialogue with the manufacturing brand and purchasing products in industrial online shops. The largest German institute of market research (GfK) evaluated the consumer behaviour to that effect.

As the key data in figure 9 visualise, the market share of natural cosmetics in online commerce corresponds to 4,4% in 2015, right after pet supplies, OTC drugs as well as body and health care (GfK, 2015a).

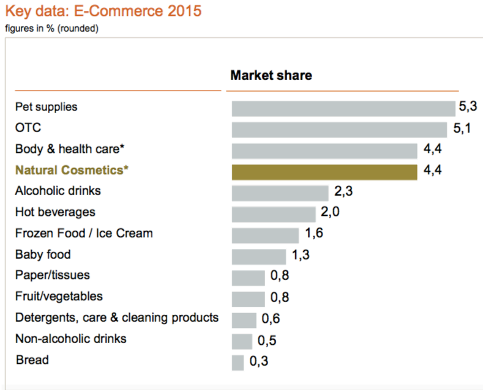


Figure 8. German E-Commerce market share of shopping categories

Source: GfK (2015a)

Further, the organic cosmetic market offers products from private labels and brands. As the GfK demonstrated in figure 10, there is a general increase in buyers of brands and general decrease in buyers of private labels from 2014 to 2015. Private label natural cosmetics lost buyers at the age of 35 and above. Only 18 to 34 years old were increasingly buying natural private labels (+11 %). Regarding brands, all age groups expanded the purchase. Respondents up to the age of 49 reached the highest growth rate (+13 % and +11 %).

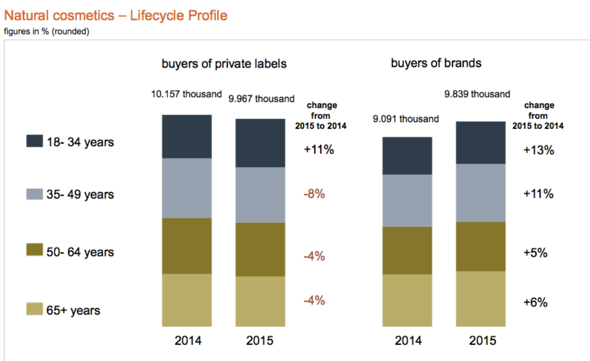


Figure 9. German buyers of private labels vs. brands

Source: GfK (2015a)

To sum up, the focus of organic cosmetic brands should rely on environmental awareness, health awareness and appearance consciousness people that belong to the consumer groups of LOHAS, DRIFTERS and NATURALITIES. As past experiences are very important, so new consumers need to be sophisticated about the effectiveness and difference of organic ingredients. In the general market more and more beauty and personal care customers value vegan products and the absence of animal testing, preservatives and alcohol. As the information gathering is quick, the dialogue-based contact is given and niche shopping is easier through the use of the Internet, organic consumers often purchase through e-commerce. Finally, organic brands should be aware of the increase in buyers of brands instead of private labels especially to an age of 49.

Chapter 5. Distribution and Communication Plan

This chapter initiates with a diagnostic examination based on an internal and external analysis. Further, the author reveals strategic and operational implementation proposals for Aqua Organic and accomplishes thereby the principal task of this master thesis.

5.1 Diagnostic

The following internal analysis contains information about the brand itself and the product portfolio. The external analysis, on the other hand, is based on the macro environment (PESTEL) and the competitive market.

5.1.1 Internal Analysis - Organisation Analysis

Aqua Organic is offering cosmetics in the organic care segment. As the awareness of sustainability and ecological sensibility is growing, the demand for organic cosmetics is getting higher. With problem solving products, Aqua Organic tries to carve out a leading position in the niche marketplace with strategies concerning distribution and B2B communication.

History

Aqua Organic is incorporated 2009 from doctor Lars Peter-Kuhr and Bernd Schmidt. Doctor Lars Peter-Kuhr is specialised in aesthetic dermatology, anti aging medicine and natural medicine. He is the founder of the brand and supervises the production process. His partner Bernd Schmidt is the cofounder of the company and is responsible for management decisions such as brand philosophy and product design. Before the creation of Aqua Organic, both founders opened a Spa in cooperation with an external partner's cosmetic line that was inspired by organic cosmetics. With the time, they discovered that the products from the external partner are mass-market products and not purely organic. In order to change the assortment, Lars Peter-Kuhr and Bernd Schmitt searched for purely organic cosmetics on the existing market. All brands and products were not satisfying either by their packaging, texture or smell. After all, the founders created their own organic cosmetic line with purely ingredients by any account, namely "Aqua Organic". The focus lies on ingredients that are processed from controlled organic farming. Hence, they use plant compounds, oils and scents. Until today, both founders use their own cosmetic line in their “Aqua Medical Spa” in the heart of Munich (Appendix 3.1).

Goals and Objectives

As the products of Aqua Organic are highly valued by their customers, both founders decided to widen the distribution to several business partners in Germany. The main goal of Aqua Organic is to create a wider platform to sell the products to selected retail partners. With a larger distribution network, they are able to gain more awareness and reach out to more end consumers. More awareness and market coverage leads to higher sales and profit. Both founders place value on selling to premium partners that offer treatments rather than just selling products further. They avoid to be seen as mass-market cosmetic providers and neglect to be a part of chain stores. Therefore, sales representatives have to contact potential retail partners that fit to the premium price segment and high standards in product guidance, product selling and customer service (Appendix 3.1).

Customer Base

As the organic skin care industry is a niche market, Aqua Organic is a small company with a small customer base. The target group is limited to persons that are aware of sustainability and importance of natural ingredients in skin care products, but constituted to the general beauty consumer. Customers worry about natural ingredients because they place value on treating the body with care and respect. Aqua Organic’s customer base includes people at age 25 plus, because the products have an age defence and anti aging effect. Therefore, the philosophy teaches that even the younger generation should treat the skin with respect. The assortment is unisex and targets females in the same amount as men. As most organic products are expensive, Aqua Organic is including customers with average until high-income brackets. All products are priced between 30 and 115 euros (Aqua Organic, 2015; Appendix 3.1).

5.1.2 Internal Analysis - Portfolio Analysis

Aqua Organic is an organic cosmetic line with a modern anti aging effect. The products contain only premium ingredients that strengthen the skin, straighten fine and minimize distinct wrinkles in a natural way. All ingredients were sampled out meticulous and carefully before being manufactured to the product line. No genetically modified raw material is included in any of Aqua Organic's products. Just ingredients from biological growing regions without harmful artificial fertilizers and pesticide were turned into their offerings (Aqua Organic, 2015).

The product line of Aqua Organic contains twenty-one products with several organic ingredients (Appendix 7). Aqua Organic is equipped with several products for different skin types and purposes. All ingredients are based on natural, organic substances and are hypoallergenic. The packaging consists of a cardboard box and glass jars for retail products and airless dispensers for cabin products. Airless dispensers keep active agents and scents fresh for a much longer time period and are therefore more useful for cabin products used for treatments in institutes. Without any package insert there is no redundant packaging material while the ingredients list is printed on the cardboard box. Thus, Aqua Organic does not work with ancillary samples, because they try to avoid unnecessary plastic material. The minimalistic product design of each product in black and white reminds of the purity of the ingredients.

In 2013, Aqua Organic was winning the "Red Dot Award" in the category communication design. The company could convince with the elegant appearance and ornamentally placed letters that represent the type of products. The inside of the carton packaging is surprising with a fresh green lining (Reddot Aqua Organic, 2013).

Figure 10. Aqua Organic Travel Set

Source: Aqua Organic (2015)

5.1.3 External Analysis – PESTEL

The PESTEL analysis is a concept to evaluate the external environment a brand is operating in. The framework helps to understand the macro environment changes and the impact on the examining industry. In this case, the PESTEL analysis involves key drivers of change and external influences that will affect the organic cosmetic industry in Germany.

- **P**olitical issues

In general terms, Germany is a sovereign state and federal parliamentary republic. The political environment of the Federal Republic of Germany is driven by agreements of the

European Union. Germany was founding among others the European Union and is a member of G8, G20, OECD, NATO and United Nations.

The German government is following a health policy that encourages healthy production, preservation of permanent grassland and diversification of growing, biodiversity, quality of ground and water as well as minimization of emissions (Europa, 2016). Thus, there are upcoming confessions of the political environment for an extension of organic farming. Furthermore, the European Union scheduled a total revision of the organic legal regulation with standard policies. International themes as TTIP have a strong influence on organic regulations and discuss the application of glyphosate and genetic engineering. (Organic Market, 2016a) The buying power of a country measures the population disposable net income with government subsidies as unemployment assistance, child benefit and pension payments. In Germany, the buying power increases for 2 % in 2016, equals 430 euro per person, especially in regions around Starnberg and Munich (GfK, 2015b).

- **E**conomical issues

In Germany the GDP (Gross Domestic Product) increases by 0,7 % in the first quarter of 2016 compared with the fourth quarter of 2015. The increase was explained due to the domestic demand (fixed capital formation in machinery, equipment and construction; consumption expenditures of households and the government). The balance of import and exports have a negative influence on the economic growth, although the increase of exports was calculated by price-adjusted 1,5 %, but imports increased larger (3,1 %) in the same period (Destatis, 2016).

The unemployment rate decreased in the first quarter of 2016. In May 2016, 43,5 million persons were employed and 1,8 million were unemployed, 109 000 persons less than one year earlier. Compared to 2015, the employment rate increased by 1,3 % (Destatis, 2016). The average inflation rate in 2016 is now by 0,15 %, was 0,23 % back in 2015 and reached 0,91 % in 2014. There is a continuing decrease since 2011 (Inflation, 2016). The minimum wage in Germany contains 8,50 euro per hour since January 2015 without any change in 2016. Labour costs consist of gross earnings and non-wage costs and increased by 3,1 % from 2015 to 2016. The real earnings in Germany increased by 2,6 % (Destatis, 2016).

Regarding the organic market, the organic resources may suffer from the limitation of resources. The industry contains products such as hair care, skin care, body care, bath and shower, fragrances, deodorants, decorative cosmetics, sun care, baby care, men care and oral hygiene. The competition in the industry reveals upcoming brands in niche market, in mass market and common existing brands that extend their assortment. An increased awareness towards ingredients and value for money, the success of anti aging products and growing metro sexuality shape a new cosmetic market. Therefore, the purchase demand rises and yields towards buying organic cosmetics. The German market for natural and organic cosmetics displays an increased turnover by 10% and now grew to 1,1 billion euros. In 2015 the growth rate reached above average, whereas the conventional cosmetic market increased by 2,4 % only. Back in 2014, 13 % of the German consumers already satisfied their needs for cosmetics with the purchase of organic cosmetics (Heinze, 2016).

- **S**ocial issues

The population density in Germany increased by 0,5 % and stand at 81,2 million inhabitants in the end of 2014. In 2015, the total inhabitants reached 81,7 million with 40,2 million males and 41,5 females. 8,2 million citizens are foreigners. Mono parenting and households without siblings are more common. Due to changes in lifestyles of the German population, differences in consumption habits influence the economic environment. The globalisation offers the possibility to access to technology, information and education. Consumers in Germany spend most on housing, energy, and maintenance of the dwelling, followed by food, beverage and tobacco as well as transport (Destatis, 2016). They spend more time at home and value home entertainment while developing the need for simplicity, convenience and easy product handling. The trend is to co-create products in order to customize them for their own use. They seek for differentiation and complex the market situation for upcoming brands.
Regarding the organic market, consumers display critical attitudes and value organic products with dedications to health, ethics, sustainable identity and protection of the environment. They are highly concentrated about product safety and quality of cosmetic care while favouring local products made in Germany. Especially in the organic sector, the demand is value rather than price oriented. A growing middle class can afford higher priced cosmetics, which is positively related to the higher prices for organic cosmetic products. Thus, the tendency of the general population towards a higher education level make consumers more concerned about healthy cosmetics. Further, the growing aging population is more conscious about anti aging products that can be one possible way to differentiate oneself from competitive brands. The increased men care acceptance has as well a positive effect for the cosmetic industry. The range of consumer expands to the neglected gender in the industry. In general it is to say that the demand for organic cosmetics increases.

- **T**echnological issues

The technological improvements help brands to process, distribute and communicate their products in a new and convenient way. There is a tendency to invest more in online shopping these days, because the population's consumption patterns yield to comfortable shopping. Thus, the digital communication allows customers and brands to create a dialogue and customize services in this way. In the organic cosmetic market, the Internet plays a key role. The digital approach increases brand awareness and update customers about new processes, product developments, ingredients, active agents, sustainable measures, social works and more. Further, the social media acceptance breaks out of traditional forms and is valued by several generations. Therefore, likewise aged customers can be reached efficiently though Facebook, Twitter, YouTube, Instagram, Pinterest and Blogs. The smartphone commerce may offer some possibilities to advertise organic products as well. Nowadays, technological improvements revised even the farming process. Organic farmers can produce without pesticides and genetic engineering. In the organic cosmetic industry, product innovation to match upcoming needs and simplify the beauty routine is key to gain success.

- **E**nvironmental issues

In Germany, the expenditure on environmental protection made by organisations in the industry was 26 billion euros in 2013. 77,4 % of the expenditures went to measures on waste management and water protection. Thus, 2,2 billion euros were invested to climate protection. The investments in renewable energy increased by 32,2 % to 1,4 billion euros back in 2013. Compared to 2012, German enterprises increased investments even in prevention, elimination or reduction of emissions and the careful use of resources by 4 % in 2013 (Destatis, 2016). The awareness of a sustainable lifestyle affects the organisational environment as well as private households. More and more farmers relinquish synthetic pesticides, preservatives, pharmaceuticals and chemical fertilizers. Thus, the government places fees on waste regarding size and frequency of disposal. Due to the raising sustainable consciousness, is not remarkable that the interest for organic cosmetics grows. Consumers are even willing to pay premium prices for organic produce in order to protect the environment. Attention should be paid to the holistic sustainable approach where brands need to adapt their organic packaging, processes and messages along with their organic products.

- **L**egal issues

In terms of legislation, the German federal environment agency regulated rules of recycling (KrWG §1) in order to minimize waste (German federal agency of the environment, 2016). Thus, there are instructions by the European Union on organic farming. Organic farming should exclude synthetic pesticides and gen engineering. Each product that is produced by organic farmers has a specific labelling in order to facilitate the consumer's information gathering. Regarding the cosmetic market, the EU commission prohibited the process of animal testing, which provides a great basis for an organic and sustainable reorganisation. Unfortunately, there is no existing standard definition for organic and natural cosmetics proposed by the European Union. Nevertheless, the governmental has a great effort to establish consistent standards for certifications and hence a general definition (Organic Market, 2016b). Until now, only private certification agencies with different standards dominate the organic market. Thus, there is a need for greater transparency about ingredients and processes in organic cosmetics, uniform standards that measure the performance of products and for an increased governmental supervision on advertisements of claimed effects to protect the consumer. At least in the general cosmetic market, the legislation forbids certain ingredients in beauty products and regulates some labelling regulations. These labelling regulations include the manufacturer, importer or distributor's name and address, the date of durability, a batch number or manufacturing code, the product function, the INCI list of ingredients, the nominal content by weight or volume and precautions in use (Cosmetics Europe, 2016b).

5.1.4 External Analysis - Competition Analysis

This competitive analysis consists first on the development of a SWOT analysis. Therefore, the main company strengths and weaknesses as well as market opportunities and threats are summarized. Further Critical Success Factors (CSF) give an overview about the success factors in the organic cosmetic sector. Finally, the competitive advantage of the company is pointed out in order to draw conclusions.

SWOT Analysis

From the previous internal analysis, it is possible to identify the main strengths and weaknesses of Aqua Organic as well as a set of opportunities and threats of the marketplace that influence the performance.

Strengths	Weaknesses
- Unique textures, scents and active agents compared to further cosmetics in the market - Low costs of entry for potential partners - Oversee able product assortment (one product for one problem) - Sustainable approach in each process - Purely organic ingredients (100% organic) and vegan - Doctor brand - Few opinion leaders as new partners - Breakout of eco-design, modern but classic appearance	- Niche market with yet limited customer base (organic) - Small brand awareness - Higher prices than conventional cosmetics - Small distribution extent (small distribution network) - Digital approach (little activity)

Opportunities	Threats
- Existing but limited awareness of benefits of organic cosmetics: education on organic ingredients, fair trade, organic cosmetic pricing, importance of health, effectiveness - Demand for organic cosmetics increased especially during the last years - General beauty and personal care market yield towards sustainable care, safer and effective cosmetics - Strategic alliances with decorative organic cosmetics - International markets with high demand for organic care	- Direct competition: organic brands with similar targeting, offering and higher distribution extend - Further competition: private labels, mass-market organic care with lower prices - Financial crisis lower customers purchase intentions - Changes in laws - Demand for certificated organic cosmetics - TTIP that favours the application of glyphosate and genetic engineering

Table 12. SWOT-Matrix Aqua Organic

Source: Own elaboration

Industry Critical Success Factors

Critical success factors (CSF) combine a number of areas that organisations in the industry should focus on in order to achieve success. In the organic cosmetic sector, following indications were elaborated:

Product – The products should be characterized with unique textures and pure ingredients, where active agents effectively erase skin problems. The quality of the products needs to be exclusive and topped off with a complementary service offering. Thus, a modern package design reaches more target groups outside of traditional organic supporter and yields to more exclusivity. Innovative ingredients are key success factors when unprecedented skin problems evoke.

Process – In the organic care market, the sustainable approach needs to affect all processes regarding the product itself, the price, the distribution and finally the communication. Recyclable packaging, proper pricing, local or fair trade ingredients with small transportation routes and eco-friendly communication are main factors of success. Nevertheless, it is important to gain brand awareness as quickly as possible.

Social responsibility – The social approach in the organic market lets the brand appear credible. A fair social interaction with co-workers, no animal testing of any ingredients and the support of social projects are good examples and need to be communicated to the target audience.

Customer orientation – As the organic cosmetic care market is growing quickly, more brands impair the competition. Therefore, organic brands need to focus on customer's needs and demands. Focusing on a specific target market (anti aging, age defense, anti acne etc.) can help to stay competitive.

Market understanding – It is as well very important to understand the characteristics and future changes of the organic cosmetic market. The organic brand needs to be updated about demographics, competition and buying patterns in order to adjust its offerings and complementary services.

Distribution – In the organic niche market, the mass-market distribution approach where products are available in several supermarkets, drugstores etc. makes no sense. The goal is to transfer the exclusive image of the company to the end consumer. Therefore, organic brands should select fitting retailers with high qualification, professionalism and customer orientation. Product guidance and close contact to trained staff is key to gain loyalty.

Communication – As most people do not know about the effectiveness and sustainability of organic products, it is very important for organic brands to communicate their approach. The public needs to be educated with effective communication including social media and public relations about harmful ingredients in common cosmetics. Thus, organic companies should be present with solid arguments when problematic skins do not know what to do next.

Competitive Advantage

Because of the previous internal analysis, it is possible to identify the most important aspects regarding the competitive advantage from Aqua Organic. These concern following areas:

Regarding the product:

- *Purely Organic Ingredients* – organically farmed without pesticides, no synthetic scents or preservatives
- *Active agent cosmetics* – plant compounds (snow algae, butcher's broom, purple coneflower, sea-buckthorn, thyme)
- *Plant oils instead of mineral oil* – shea butter oil, acai oil, macadamia-nut oil, jojoba oil
- *Highly concentrated hyaluronic acid* – 2% concentration
- *Innovative ingredient* – snow algae to stimulate cell division
- *Unique textures* – even heavy creams absorb quickly, scents last only minutes after applying, ingredients do not influence the texture (clay)
- *Problem solver products* – anti couperose, anti aging, age defense, anti impurities, stimulating cell building, moisturizing
- *Hypoallergenic* – most people are allergic to parabens, paraffin, silicones and mineral oil that are not part of Aqua Organic's ingredients
- *Sustainable transportation and modern packaging* – transportation routes are short (within Germany); packaging contains cardboard box and glass jars; there is no redundant packaging material, no plastic, no package insert (ingredient list is written on the packaging); no ancillary samples; but classic modern design

<u>Regarding the brand:</u>

- *National brand* – products produced in Germany, controlled manufacture, premium quality assurance
- *Doctor brand* – products launched with the expertise of a doctor in human medicine specialised in aesthetics, natural and anti aging medicine
- *Vegan and without animal testing* – some further cosmetic brands use bee wax that may be organic but not vegan; no product ingredients is tested on animals
- *Selective distribution approach* – Aqua Organic is selling to end consumers, as well as businesses that fit to the high quality demand and price segment, offer treatments with their products instead of only selling further

5.2 Segmentation, Targeting and Positioning

The strategic implementation proposals for Aqua Organic include segmentation, targeting and positioning definitions regarding the consumer and business market. Hence, it is important to evaluate which kind of customers exist, further determine the target group that is best to serve and finally optimize the positioning strategy while communicating the differentiation from competitive brands.

5.2.1 Segmentation

Segmentation is a process where companies divide the market into several customer groups that have similar needs, demands and attitudes. It helps to reduce the exhaustion of resources and to minimize the risk to market products to the wrong customers. Following table 14 represents the variables to segment the consumer market for Aqua Organic.

Type of Segmentation	Variables
Demographic	Age, occupation
Social/ Economic	Income, education, social class
Geographic	Place of residence and work
Psychographic	Lifestyle and attitudes, benefits sought, values
Behavioural	Price sensitivity, brand loyalty, frequency of purchase, intensity of product use

Table 13. Market segmentation and variables for Aqua Organic B2C

Source: Own elaboration

Demographics, social and economic issues as well as geographical spread are quantitative variables and therefore easy to measure. Psychographic and behavioural data are qualitative and harder to evaluate. But only the combination of all variables defines the segment groups clearly and builds the basis for further targeting.

Regarding the business market, consumers need to be segmented in a different way. As the consumer is a firm rather than the end consumer, the segmentation is based on the location of the workplace, operating values and demographics of the firm, often referred to as firmographics. Thus, the company’s behaviour and needs play a major role when segmenting the business market. Table 15 demonstrates the main types of segmentation and variables for Aqua Organic.

Type of Segmentation	Variables
Firmographic	Industry, company size, product assortment
Convenience	Geographic areas, language
Operating values	Technology usage, customer capabilities, user status
Behavioural	Brand loyalty, size of orders, price sensitivity
Psychographic/ Needs	Nature of relationships, purchasing criteria, buyer-seller similarity

Table 14. Market segmentation and variables for Aqua Organic B2B

Source: Own elaboration

Firmographics, convenience and operating values are likewise quantitative findings that are easier to evaluate. Behavioural and psychographic outcomes, on the other hand, analyse qualitative evidence and are yet again hart to measure.

5.2.2 Targeting

After a clear segmentation of the market, brands focus on a segment or series of segments that are best to serve. As the distribution and communication plan is addressed to business buyers, the target groups of end consumers are not elaborated in this work. The most valuable business segments for Aqua Organic are institutes that offer treatments. Thus, Aqua Organic need to target as well organic cosmetic stores and institutes without treatments.

Therefore, the main business targets of Aqua Organic represent following characteristics:

1. Institutes that offer treatments
    a. Pharmacies, cosmetic institutes, gyms, hair salons, day spas, hotel spas, doctor’s office, concept store, perfumeries
    b. More than one working staff
    c. Opinion leaders in capital cities
    d. Institutes with websites
    e. Heavy, medium product users with less price sensitivity and large reorders
    f. Relationship, quality and service orientated
    g. Same values as Aqua Organic and loyal customers
2. Organic Cosmetic Stores
    a. Specialist stores, concept stores, health food stores, specialist organic online shops
    b. Spread around the world
    c. Medium users with consulting services
    d. Medium orders with no price sensitivity
    e. Relationship and quality orientated
    f. Similar values to Aqua Organic
3. Institutes without treatments
    a. Pharmacies, gyms, hair salons, doctor’s office, perfumeries
    b. More than one working staff
    c. Opinion leaders in capital cities
    d. Institutes with websites
    e. Heavy, medium product users with consulting services
    f. Large, medium orders with no price sensitivity
    g. Relationship and quality orientated
    h. Similar values to Aqua Organic

5.2.3 Positioning

Positioning refers to identification and differentiation in order to evaluate the way the brand is seen. The identification represents the market category that consumers should associate with Aqua Organic. Regarding the differentiation, the brand needs a unique selling proposition that consumers should associate with Aqua Organic. The brand-positioning triangle helps to figure out a leading positioning strategy.

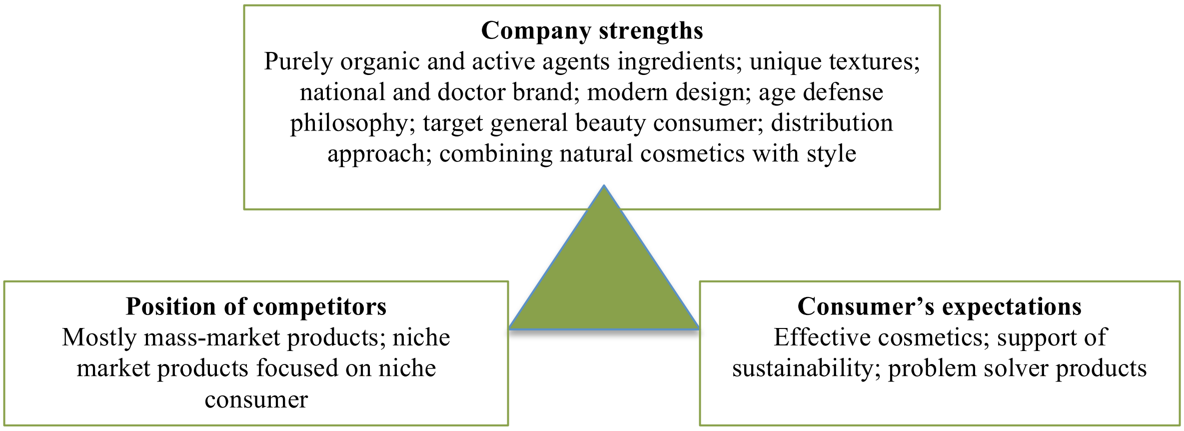


Figure 11. Aqua Organic Brand Positioning Triangle

Source: Own elaboration

Belonging to the general, natural and organic beauty care market can identify Aqua Organic. Aqua Organic should be associated with the niche market where customers support a healthy and sustainable lifestyle, but as well with the general beauty market where customers seek out for products that help them achieve their skin goals while common cosmetics fail. The differentiation of Aqua Organic is due to its competitive advantage. The unique selling proposition is defined by the purely organic ingredients with active agents, its unique textures, the national produce, the modern design, the involvement of a doctor, the age defense approach, the specialised offer for problematic skin, the targeting of the organic as well as the general beauty consumer and the unique distribution approach. But the most important unique characteristic is that Aqua Organic combines organic cosmetics with a premium style demand.

Aqua Organic should be seen as a modern organic brand that helps solving problems when common cosmetics fail to satisfy customer's needs. They want to combine the organic concern with the modern and premium fashion feeling. Breaking out of the classical ecological feeling, making organic cosmetics modern and stylish as well as appearing premium are guidance notes. The goal is to be the classic selection by end consumers and institutes when choosing natural and organic cosmetics to enrich their assortment. Therefore, Aqua Organic's new positioning statement is "Aqua Organic – your premium organic choice".

5.3 Distribution and Communication Plan

Distribution and communication are both parts of the marketing mix. The distribution is associated with having the product offering available at the target market. Communication contains several tools of the promotional mix that communicate the offering to the target audience and creates awareness of the brand.

5.3.1 Distribution Plan

In order to build a distribution network, the first step is to evaluate the existing approach and understand the nature of these partnerships.

Description of the current situation

Aqua Organic's distribution goals before actually deciding to widen the distribution were:

- To be more available than just in their own spa in Munich
- Reach partners that are willing to sell the products further
- Sell to partners that are interested in organic care
- Follow an exclusive approach regarding the channel nature

Until now, Aqua Organic is distributing products through their own Spa and partner retail departments with cosmetic institutes. A few exceptions were made with qualified perfumeries in the retailing industry that do not offer treatments. One partner is even selling through the Internet (Greenglam). In Germany, they gained 22 partners in cities such as Munich, Berlin, Hamburg, Cologne and more. The majority of partners are distributed in Munich and in areas around Munich. The nature of the institutes represents cosmetic institutes, perfumeries, web shops, doctor's offices, concept stores, hair salons and hotel spas. Regarding the international approach, Aqua Organic is selling their purely cosmetic line to countries such as Austria, Belgium, Netherlands and Greece. In Austria and Greece, there is each one hotel that is offering beauty treatments. In Belgium and Netherlands two cosmetic institutes are working with the brand's products. The current distribution strategy is to sell to exclusive retail departments that are interested in organic cosmetics. During the last years, Aqua Organic was not actively recruiting partners and cooperated with institutes that were going after them. The approach was to sell products through their own spa and evaluate offers from institutes that asked for partnerships. Therefore, the brand followed almost no pushy actions, but passively accepted or denied cooperation offers.

Recommendations

The recommendations in this chapter help to implement a wider distribution network. Therefore, it is necessary to define the new main ***goals***. The goals of this distribution plan for Aqua Organic are:

- To be more available on the target market in Germany
- Reach more partners that offer treatments
- Create meaningful long-term partnerships
- Evaluate partners that fit to the philosophy
- Select the right channels and intermediaries
- Increase sales and awareness
- Reach out to more end consumers

As described previously, Aqua Organic is targeting three groups of business-to-business partners. The ***targets*** of the new distribution approach are institutes that offer treatments, institutes that sell products further and guarantee consulting services as well as specialized organic shops. Because there is no relation between the age and the interest in organic cosmetics, all age groups in institutes belong to the target audience.

A ***distribution strategy*** reveals details of how to get products in the hands of end consumers. Aqua Organic's strategy involves decisions about intermediaries, channels and the sales force. On a macro level, the distribution is multichannel, because the brand plans to sell directly and through a small channel length (with intermediaries) to the end consumer. The level of penetration decides about the number of outlets in one region. Aqua Organic is perusing a selective distribution, where they have limited outlets. They prevent to sell as mass-market brands (intensive distribution) and to be a part of chain stores. Regarding the intermediaries, all partners must represent the high quality standard of the brand and fit to the price segment, philosophy and complementary service. Referring to the sales force, the new strategy involves training, motivation and compensation in order to establish s strong sales department.

Action plan

Distribution actions help to establish a network of successful partnerships in order to be more available on the target market. Therefore, there is a need for a strong sales force that actively recruits partners in cities with opinion leaders. In this sense, following recommended actions for this distribution plan are:

❖ Marketing & Sales head information gathering

Name	Address	Tel	Organisation size	Webpage	Product assortment	Organic	Type of inst.	Priority

Figure 12. Example of an excel sheet for sales preparation

Source: Own elaboration

Goals: get information about potential institutes that the sales force can pay a visit to and about opinion leaders in the industry; preparation for the sales force to acquire new partners

Channels: Internet

Measurements: excel tables with name, address, telephone number, organisation size, homepage, product assortment, type of institution and priority.

❖ Train salespeople and add salespeople

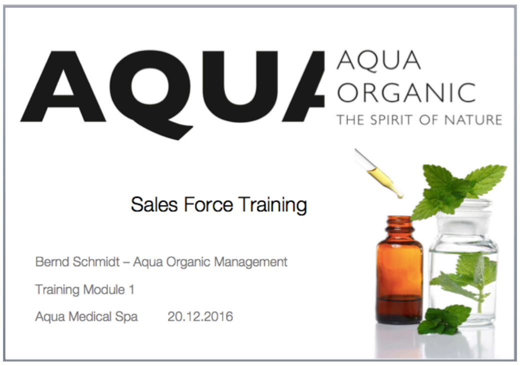


Figure 13. Example of a sales force training in PowerPoint

Source: Own elaboration

Goals: establish bigger sales force, set up distribution goals together

Channels: seminars, direct communication

Measurements: hiring salespersons for different geographic areas; schedule trainings for the whole sales force; document goals, tasks and objectives; product training; sustainable training: reuse, recycle and reduce policy

❖ Set motivators for sales force

Goals: focused, productive and passionate sales team to sell successfully products to business partners

Channels: events, direct communication

Measurements: financial - bonus payments, sales contest - and non-financial rewards - gift boxes, certificates, encouragement from management, free treatments with Aqua Organic products

Figure 14. Example of a sales force motivation certificate

Source: Own elaboration

❖ Define process of sales activities

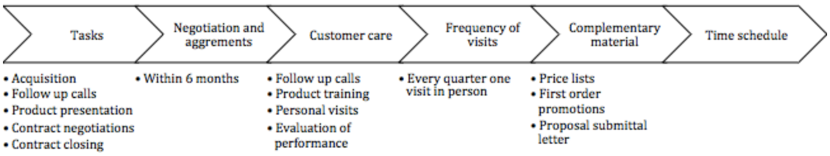


Figure 15. Example of the sales process of Aqua Organic

Source: Own elaboration

Goals: allocation of tasks in order to prepare the sales force and ensure consistent quality of sales activities

Channels: direct communication

Measurements: define tasks, frequency of visits, customer care, time schedule, complementary material, negotiation and agreements

❖ Establish on-going partnerships

Goals: create a distribution network in Germany to enhance availability (Appendix 8); enhance sales through business buyers

Channels: personal selling, direct marketing, direct communication, telemarketing

Measurements: acquisition, monitoring and evaluating of potential partners though personal visits and phone calls; start with urban cities, search for opinion leaders; have different negotiation arguments: Arguments for another organic brand (already working with organic cosmetics) such as "Aqua organic is modern not eco-packaged, a classic choice, must have when offering organic cosmetics etc."; Arguments for an organic brand (not working with organic cosmetics) such as "Organic is a trend, solve problems when common cosmetics fail etc."

Targets: pharmacies, cosmetic institutes, day spas, hotel spas, gyms, hair salons, concept stores, perfumeries, doctor's offices; regardless of the age of institution manager; target both groups (working and not working with organic cosmetics)

- **Offer distribution network for end consumers**

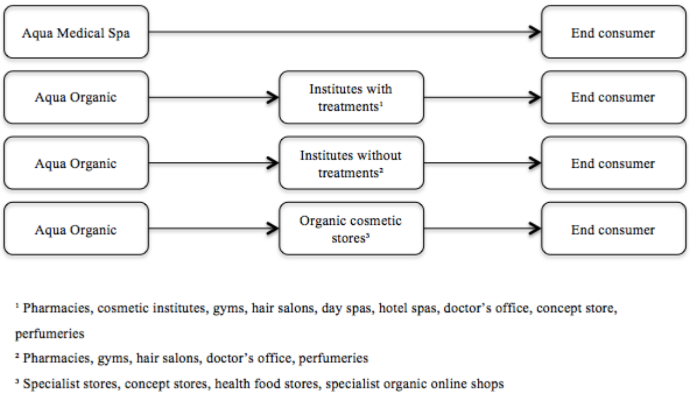


Figure 16. Aqua Organic's multichannel distribution

Source: Own elaboration

Goals: more availability and awareness in Germany; enhance sales through end consumers

Channels: direct and indirect (multichannel distribution)

Measurements: direct sell through the spa in Munich, indirect sell through several partners, indirect online selling; non-toxic cosmetic retailers; screen out chemical products

Targets: End consumers

- **Transportation**

Goals: set clear image as a supporting, eco-friendly brand; gain certificate for saved carbon dioxide emissions

Channels: direct distribution to business partners

Measurements: use DHL *GoGreen* for all parcel shipment (national and international)

Targets: business partners

- **Recycling**

Figure 17. Example of visualizing recyclable jars

Source: Adapted from Aqua Organic

Goals: represent a holistic sustainable approach; reduce costs of packaging, increase frequency of personal contacts with the brand

Channels: direct through the spa in Munich and indirect through partners

Measurements: refill of products when return glass jars of end consumers

Targets: End consumers

- **Monitoring and evaluation of existing partners**

Goals: evaluate efficiency and achieved goals with existing partners

Channels: direct communication

Measurements: monitoring existing partners with follow up visits and calls, feedback discussions, customer trainings and product innovation presentations; evaluation with criteria as response to brand, strategic importance, financial attractiveness, business quality, profitability and competitive offerings

Timetable of the distribution actions

The following table 16 represents the actions in association with the months of the year 2017.

Actions	Jan	Feb	Ma	Ap	Ma	Jun	Jul	Au	Sep	Oct	No	Dec
Marketing & Sales head information gathering												
Train salespeople and add salespeople												
Set motivators for sales force												
Define process of sales activities												
Establish on-going partnerships												
Offer distribution network for end consumers												
Transportation												
Recycling												
Monitoring and evaluation of existing partners												

Table 15. Timetable of Aqua Organic's distribution actions

Source: Own elaboration

Monitoring and evaluation

Each of the previous distribution actions needs to be regularly monitored and evaluated regarding the achieved goals. The main measurement tools for all actions are: correctness of information, qualification and motivation of the sales force, number of sales people, number of new partnerships, size of distribution network and the number of on going partnerships for the next business year.

5.3.2 Communication Plan

The second step to create a successful distribution network is to create a business-to-business communication plan. Hence, potential partners can be reached more effectively.

Description of the current situation

The most common B2B communication goals that were observed until now are:

- To raise awareness in the business-to-business market
- Invite potential partners to learn more about the brand
- Attract potential partners with low first order costs

The target audience of the B2B communication of Aqua Organic are retail departments that are conscious about organic cosmetics and took a great interest to partner with them. The communication was more likely during the sale instead of pre sale. Nevertheless, Aqua Organic targeted mainly cosmetic institutes, perfumeries, web shops, doctor's offices, concept stores, hair salons and hotel spas. The current communication strategy is based on talking to exclusive retail departments that actively showed interested in Aqua Organic, so Aqua Organic was not recruiting partners by itself, but cooperated with institutes that were going after them. Hence, it is not surprising that the communication was mostly after the first contact with the consumer. Therefore, the brand followed almost no pushy communication actions, which the following table 17 represents:

Personal selling	**Direct marketing**	**Sales Promotion**	**Digital communication**	**Advertisements in print media**
Sales representatives for customer care	Personalized emails after interest	General first order proposition	Website	Brochures & Flyers about products
Individual product presentation/ training after interest	Newsletter for existing partners	Packages with samples after interest	Facebook (little activity)	Posters

Table 16. Current B2B communication actions

Source: Own elaboration

Recommendations

The main ***goals*** of the new business-to-business communication plan for Aqua Organic are:

- Attract new business customers
- Create awareness of the brand
- Inform about effectiveness of the brand's products
- Represent a sustainable approach
- Establish Aqua Organic as a classic choice when selecting organic cosmetics
- Communicate long-term orientation of partnerships
- Introduce Aqua Organic when common cosmetics fail

The new ***communication strategy*** is characterised as a balance of push and profile activities with very small amounts of pull measurements. The push strategy presents information to encourage business buyers to take stock and create demand with personal selling activities and trade shows. The profile strategy focuses on the corporate image and reputation of the brand with public relation and corporate advertising. Thus, Aqua Organic integrates some pull activities to raise chances for the first order with sales promotion.

Referred to the targeting defined in chapter 5.2.2, the communication ***audiences*** are institutes with treatments (pharmacies, cosmetic institutes, gyms, hair salons, day spas, hotel spas, doctor's office, concept store, perfumeries), institutes without treatments (pharmacies, gyms, hair salons, doctor's office, perfumeries) and organic cosmetic stores (specialist stores, concept stores, health food stores, specialist organic online shops).

The ***tone of voice*** of the communication plan presented in this work is informal, relaxed, welcoming, innovative, simple, in style as well as elegant and classic.

Aqua Organic's key ***messages*** are defined in relation to the goals. All messages aim to position the company as a luxury, classic but stylish brand in the organic cosmetic market. The objective is to communicate effectiveness of product performance that is linked with success that evokes when taking Aqua Organic into their assortment. Therefore, the messages contain necessary information and clear content. Besides the functional approach, some emotional appeals stimulate positive responses, because environmental friendly products involve spiritual needs of people. It is important to inform about environmental problems and give solutions. Pro-activeness, value and long-term based orientation influence the new communication massages. Thus, combining natural cosmetics with classic aspiration and modern, stylish appearance are key unique selling propositions that need to be understood. The following table 18 align all communication messages to the communication goals:

Goals	Communication Message
Pro activeness, being green and eco-friendly	"We like to pride ourselves with thinking long term." "Everything your skin needs, nothing it doesn't" "Premium organic in all matters"
Classic brand with modern style	"Sometimes just a touch of organic glamour is enough" "Haut couture. Haut organic" "Luxury is… being organic" "Combining classics with modern style" "You can't be too organic to be in style" "Making organic cosmetic luxury and modern"
Partnership orientated	"Aqua Organic – your classic organic choice" "Creating a higher standard" "We like to pride ourselves with thinking long term." "Hansel &Gretel"

Table 17. B2B communication messages regarding the goals

Source: Own elaboration

Action Plan

Communication actions can be performed through any form of publicity such as advertising and digital marketing with different kind of media channels. Thus, there are some actions that contain the use of offline channels such as personal selling through sales representatives, direct marketing, sales promotion and public relations. The B2B communication plan helps as well to establish a network of successful partnerships in order to be more available on the target market. Promoting through pro-environmental media is key in order to reach out to environmentally conscious business partners and maintain the company's green approach. Hence, following recommended actions for this distribution plan are:

❖ **Flyers**

Figure 18. Examples of B2B flyers

Source: Own elaboration

Channels: **advertisements** through eco-friendly print material

Goals: transport the massage of being green, long-term partnership orientated and something special; build a connection to the target audience; promote the brand and features

Main target audience: institutes with and without treatments, organic cosmetic stores; focus on gyms, doctor's offices, concept stores, hair salons

Communication messages: "We like to pride ourselves with thinking long term." "Everything your skin needs, nothing it doesn't"

❖ **Fashion & Beauty journals**

Channels: **advertisements** through regular fashion press with luxury standard (Vogue, Bazaar, Elle) and industry related beauty press (New Beauty, Allure, Beauty Talk, Beauty Press, Beauty Forum, Spa & Beauty buyers and suppliers guide, Kosmetik International, Fogs)

Figure 19. Examples of advertisements in fashion and beauty journals

Source: Own elaboration

Goals: build a connection to the public and promote products; catch interest with modern, in style appearance and classic aspiration

Main target audience: institutes with and without treatments, organic cosmetic stores; focus on gyms, doctor's offices, concept stores, hair salons

Communication messages: "Sometimes just a touch of organic glamour is enough" "Haut couture. Haut organic" "Luxury is… being organic" "Combining classics with modern style" "You can't be too organic to be in style"

❖ **Co-advertising**

Channels: **co-advertisements** through press with &Gretel

Goals: build a connection to &Gretel; promote products and catch interest with modern, in style appearance and classic aspiration

Main target audience: institutes with and without treatments, organic cosmetic stores; focus on gyms, doctor's offices, concept stores, hair salons Communication messages: "Hansel &Gretel"

Figure 20. Example of co-advertisements with &Gretel

Source: Own elaboration

❖ **Website**

Regarding the digital appearance, companies can transfer a positive image through their branded website. An improved website layout can enhance the frequency and quality of visits. Aqua Organic's current homepage is very minimalistic, information based and contains only a few pictures. The new approach is to be more user-friendly and updated. All texts need to be rewritten in order to catch attention with emotional appeals. The construction should include themes such as press releases and blog articles, under the headword “publicity”, that have been neglected since yet. Thus, working in more pictures involves emotional thinking processes of users. Further, it is very important to extend the information for business buyers. The headword “organic league” need to contain detailed information about advantages of cooperation with Aqua Organic, possibilities to apply, lists of existing partners, partner success videos and a password secured access for existing partners. The partner success videos aim to promote the value of partnering with Aqua Organic. These visualise loyal partners that share experiences of the use and sell as well as end customer feedbacks that are linked with the success of their institute. The password secure access is constituted for existing partners in order to create a platform of exchange and interaction. The platform contains price lists, suggestions how to sell (end consumer sales talks) and how to involve co-workers in the selling process (profit sharing) as well as a voluntary feedback questionnaire and voluntary documentation of unexpected side effects.

Channels: **digital marketing** through company’s own website

Goals: transport massage of being green, but modern; build a connection to the public and promote partnerships, products, features and price

Main target audience: institutes with treatments, institutes without treatments, organic cosmetic stores

- **Social Media**

As there is very little activity on the Facebook page of Aqua Organic, the new approach is to be more interactive and regularly updated. The objective includes measurements such as place advertisements, responding to questions and posts, announcing and introducing new partners, products, prices, treatments and more. Thus, it is necessary to address business partners with detailed information about advantages of cooperation with Aqua Organic, possibilities to apply, posts of existing partners and partner success videos (partner of the month). Further, Instagram, a picture based platform, can be used as catching interest with emotional incentives.

Channels: **digital marketing** through Facebook and Instagram

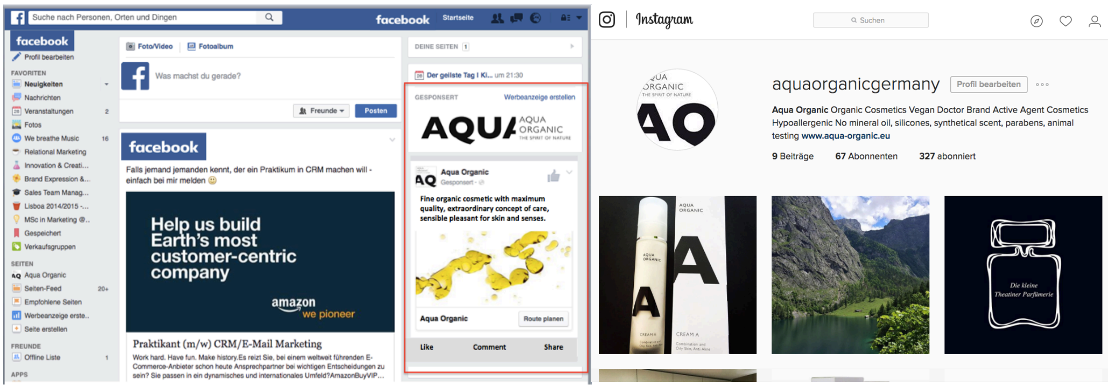


Figure 21. Example of a Facebook advertisement; example of the Aqua Organic's Instagram account

Source: Own elaboration; adapted from Facebook/ Instagram

Goals: transport massage of being green, but modern; build a connection to the public and promote products, features and price; create awareness with low budget media

Main target audience: institutes with treatments, institutes without treatments, organic cosmetic stores

❖ **Web seminars and online beauty consultant**

Web seminars and online beauty consultants are good ways to keep business partners updated and informed. The seminars can be performed through a private YouTube channel and a password secured access on the company's own website. Here, existing partners gain the chance to watch quick tips for immediate application. Hence, regularly product trainings in person as well as questions about products, treatments and ingredients are much more easy to solve. The web seminars and online beauty consultants should involve consultant services to answer questions about the mechanism of action regarding active agents, list of ingredients to increase knowledge about the products, treatment processes to apply the right products for the right consumer, massage techniques to add value during the treatment (special hand massage with peeling during the application time of the mask) and information about the combination of products.

Channels: **digital marketing** through YouTube and company's own website

Goals: adding value through right product guidance and application; time saving measurement regarding corrective training; increase visibility, returns on page; develop customer management

Main target audience: institutes with treatments, institutes without treatments, organic cosmetic stores; only existing partners

❖ **Trade shows**

Being represented on trade shows is a good way to get to know several competitors and trends on the marketplace. Thus, they are more common amongst business buyers rather than end consumers. Aqua Organic's long term planning should include this kind of communication tool in order to reach out to a bunch of new potential partners. Customers gain the chance to taste and get to know the brand while communicating directly with the brand. The first attempt should include natural cosmetic fairs like On Beauty, Love Natural Love Organic, Vivaness and BioFach. Further, the approach can be enhanced to general beauty fairs that take place in Germany and Austria such as Beauty Forum Munich and Leipzig, Beauty Düsseldorf, Cosmetica, Beautyworld and Trends of Beauty (Austria).

Channels: **personal selling** through fairies

Goals: interaction with business partners, evaluate trends and competitors

Main target audience: institutes with and without treatments, organic cosmetic stores, focus on pharmacies, cosmetic institutes, day spas, concept stores, hair salons and perfumeries

❖ **Aqua Organic Bus**

The Aqua Organic bus is equipped with massage tables, products, treatment equipment and samples to full up probes if institutes show interest. The bus routes through Germany and stops in front of desired business partner's institutes.

Channels: **personal selling** with a bus tour driving through Germany with product presentations, testing and quick treatments

Goals: evoke interaction with business partners, increase awareness and gain potential business partners

Main target audience: institutes with treatments, focus on pharmacies, cosmetic institutes, day spas, hair salons and perfumeries

Figure 22. Example of the AQUA bus
Source: Own elaboration

❖ **Product presentation**

The product presentation should now be hold in the Aqua Medical Spa in Munich and constituted as an event for existing and potential partners. Here the brand can announce new product developments such as the new cream A (release date July 2016) and represent the product assortment. Testing products, information gathering about ingredients and exchanging experiences can be valuable topics of the agenda.

Figure 23. Example of the product presentation in the Aqua medical spa

Source: Own elaboration; adapted from Aqua Medical Spa (2016)

Channels: **direct marketing** in the Aqua Medical spa in Munich

Goals: updating and interacting with business partners, exchange of experiences and sell to potential partners

Main target audience: institutes with and without treatments, organic cosmetic stores; existing partners and potential partners; focus on younger generations, males, pharmacies, day spas, concept stores, hair salons, perfumeries, online shop natural cosmetics, beauty blogger, health store, make-up artist studio and physiotherapists

- **Newsletter**

The newsletter should contain information about the brand itself, new offerings, changes in the product catalogue, changes in prices, announcing new partners in Germany, contact information, links to the website and social media channels, announcements of events, social responsibility measurements and more. Additionally, it may be useful to use some emotional appeals such as pictures. In order to gain loyal brand customers, Aqua Organic need to have the same time routine of sending the mails.

Figure 24. Example of a B2B newsletter

Source: Own elaboration

Channels: **direct marketing** through emailing and digital marketing through the website to download for clients not in the database

Goals: raise awareness for potential partners (acquisition), create loyal and updated existing customers

Main target audience: institutes with and without treatments, organic cosmetic stores, focus on younger generations, males, pharmacies, day spas, concept stores, hair salons, perfumeries, online shop natural cosmetics, beauty blogger, health store, make-up artist studio and physiotherapists

Communication messages: “Create a higher standard.” “Aqua Organic – your organic choice”

- **Special offers**

The special offers are clustered into different categories. There should be offers for the first order, but targeting different kind of business buyers. Institutes without treatments for example do not need any kind of cabin products, while free probes for exhibition are very useful. Thus, seasonal special offers increase the demand lasting the whole year. Therefore, campaigns at the time of Christmas, Valentine’s Day and the beginning of spring may encourage frequency of reorders. Special offers for large orders are as well very successful to stimulate large sales figures.

Channels: **sales promotion** through discounts

Goals: reduce obstacles for the first order, increase seasonal demand, encourage demand for large orders and demonstrate the value of long lasting partnerships

Main target audience: institutes with and without treatments, organic cosmetic stores

- **Complimentary material**

Because Aqua Organic is very conscious about the environment, the brand is not providing small free samples to consumers. Often, small free samples are handed out in large amounts, without product guidance and are mostly not even tested. Therefore, the approach here is to offer gifts every three months for the most successful selling institute with normal size goods for sale. They can sell them further, give them away as gifts for end consumers or use them for exhibition and testing in their institutes. Thus, if business buyers reorder large amounts of products, Aqua Organic could provide as well free probes for exhibition and testing in order to supervise end consumers. Further, free promotional material for institutes targeting end consumers such as stand-up displays, posters, brochures, shop-window articles and more visualize the importance of partnerships and support.

Channels: **sales promotion** through gifts
Goals: demonstrate the value and support of long lasting and successful partnerships
Main target audience: institutes with and without treatments, organic cosmetic stores

- **Industry journals and Blogs**

Press releases in industry related beauty, spa and lifestyle magazines can create awareness for several kinds of institutes that Aqua Organic is targeting. Recommendable magazines in Germany can be Beauty Press, SPA Inside, Beauty Forum, Spa & Beauty buyers and suppliers guide, Kosmetik International, Fogs and Kosmetik & Pflege. Thus, it is necessary to place articles in organic magazines for institutes that already show interest in organic cosmetics. Magazines such as Cosmia, Organic Beauty Talk and Biouty can enhance the chance to cause sensation in the market and to find valuable partnerships. Another measurement in the public relation area is to work together with bloggers. The selection of the right blog should be well wrought. Top beauty blogs in Germany are Into The Gloss, Magi Mania, Les Mads, Lipstick Love, Josie Loves and Innen & Außen. Thus there are some natural cosmetics blogs such as Beautyjagd, Was macht Heli, Kosmetik Vegan, Alabastermädchen, PURA Liv and Beautyjungle that can not be neglected. Themes such as list of ingredients, product features, price and of course information that leads towards a positive image are valuable to include. Hence, headlines like "Making organic cosmetic luxury and modern", "Premium organic in all matters" and "Everything your skin needs, nothing it doesn't" would perfectly fit to the topic.
Channels: **public relations** in industry related journals and blogs
Goals: build a connection to the public and promote products, features and price; transfer a positive image and reveal their concern towards the public and the environment; transport the message of being green, but modern
Main target audience: institutes with and without treatments, organic cosmetic stores; focus on pharmacies, cosmetic institutes, day spa, hotel spa, gyms, doctor's offices, concept stores, hair salon, perfumeries, online shop natural cosmetics, beauty blogger, health store, make-up artist studio and physiotherapists
Communication messages: "Making organic cosmetic luxury and modern" "Premium organic in all matters" "Everything your skin needs, nothing it doesn't"

- **Social responsibility**

The social responsibility of Aqua Organic needs to reveal their concern towards the environment, human rights and animal protection. As their products, packaging and further processes already promote eco-friendly measurements, supporting social campaigns and concerns can add superior value. Therefore, several institutes offer qualified themes. One good example is to be a supporting member of Viva con Agua de Sankt Pauli that advocates the establishment of the access to clean drinking water and basic sanitation for all humans worldwide. Here, Aqua Organic can offer free massages (end consumer) and test products (business buyers) in return of a donation as well as yearly drawings of all donators where the winners may receive special gift packages. Hence, Aqua Organic sets additional motivators for more donations by business partners and end consumers. Another possibility is to support the Munich Environmental Institute regarding the anti glyphosate, TTIP and genetic engineering campaigns. These concerns are very important for the future of Aqua Organic and not neglect-able. The third option reveals the opportunity to be a supporting member of WWF during the project "Wild Germany" where they take a stand for the return of the lynx, wolf and grey seal.

Channels: **public relations** by supporting social projects

Goals: build a connection to the public and promote products, features and price; transfer a positive image and reveal their concern towards the public and the environment; transport the message of being green and updated

Main target audience: institutes with and without treatments, organic cosmetic stores; focus on pharmacies, cosmetic institutes, day spa, hotel spa, gyms, doctor's offices, concept stores, hair salon, perfumeries, online shop natural cosmetics, beauty blogger, health store, make-up artist studio and physiotherapists

- **Merchandising**

Aqua Organic can introduce products of merchandising as giveaways for business partners. All products must fit to the approach of being 100% green. The towels, blankets and shirts can be produced with 100% organic cotton and supplied by Hessnatur.

Channels: **merchandising** partnerships with sustainable companies producing towels, shirts, personal organizers, blankets, glasses

Figure 25. Example of merchandising products

Source: Own elaboration

Goals: raise awareness with sustainable approach and free gifts, increase number of confrontations with the brand to business buyers and end consumers, make business customers feel more involved and connected to the brand

Main target audience: institutes with treatments

Timetable of the communication actions

The following table 19 represents the actions in association with the months of the year 2017. Advertisements and trade fairs are very cost intensive and therefore both part of the long-term planning process that will be handled starting 2018.

Actions	Jan	Feb	Ma	Ap	Ma	Jun	Jul	Au	Sep	Oct	No	Dec	>1J
Flyers													
Advertisements in fashion/ beauty journals													
Co-advertising &Gretel													
Website													
Social Media													
Web seminars and beauty consultant													
Trade shows													
Aqua Organic bus campaign													
Product presentation events													
Newsletter													
Special offers													
Complimentary material													
Press releases in industry journals & blogs													
Social responsibility													
Merchandising (launch)													

Table 18. Timetable of Aqua Organic's communication actions

Source: Own elaboration

Monitoring and evaluation

Each of the previous communication actions must be regularly monitored and evaluated regarding the efficiency and achieved goals. The tools to measure in order to evaluate and monitor differ in terms of each action and its specific characteristics. The main measurement tools for all actions are: number of partners, number of webpage visitors, participation of business customers on social media (page views, likes, comments, shares and number of fans), views of the web seminars and beauty consultant services, number of partnerships after trade shows, number of responses on the newsletter, number of new orders after special offers and number of positive responses on new merchandising.

Chapter 6. Conclusions

The last chapter finishes with project conclusions, the contribution and limitations in order to reveal suggestions for future research projects.

6.1 Conclusions

The aim of the project was to establish a distribution network hence elaborating a distribution and business-to-business communication plan for Aqua Organic Cosmetics. Both operational plans have a timeframe of one year in order to implement all suggestions in 2017, whereas some communication measurements need to be performed on a long-term basis (starting 2018). Several actions were conducted in order to achieve the objective: the internal analysis of the brand and portfolio, the external study of the market and competition, identifying the company's main strengths and weaknesses as well as main opportunities and threats, understanding the critical success factors of the industry, elaborate the competitive advantage of the company, deciding on strategic options (segmentation, targeting and positioning) and finally develop a distribution and communication plan for 2017 with the characterization for each action.

Before any diagnostic analysis and operational planning, the literature review helped to gather scientific and relevant information on the subjects of distribution networking, business-to-business communication, the organic cosmetic market as well as sustainable distribution and communication. The theoretical frameworks led to a set of important conclusions that helped to create hypothesis and questions in order to research on primary and secondary data.

The following part of the thesis focuses on the study conducted to complete the previous analysis and build a basis for decisions on the implementation proposals. Therefore, the data collected in the methodology was primary and secondary from several sources. The primary data has been collected through structured questionnaires to potential business partners and in-depth interviews to the top management and the head sales person of Aqua Organic. The secondary data had several national sources and enriched the knowledge of main competitors as well as the organic cosmetic consumer profile and behaviour.

The main conclusions retaining from the interview are that the unique selling propositions are being a purely organic, vegan doctor brand, located in a niche market and high price segment with unique textures and scents, manufacturing active agents without mineral oil or the like and sustainable processes (no animal testing, short transportation routes and sustainable production and packaging) and combining organic care with style. The main consumer profile describe medium until high earners that place value on quality, modern design (style), sustainability, premium ingredients and textures under supervision of an expert (doctor). Their distribution approach is not to sell as mass-market firms and target institutes that provide treatments and place value on emphasising their consultation expertise and establishing brands as well as range in the same price segment.

The questionnaire analysis revealed that woman within the age group 30 to 50 occupied the majority of institutes and most of them were interested in organic cosmetics. Whereas they claim that the end customer’s demand for organic cosmetics is less than 25 individuals in the last business year. The most representative respondents were working in cosmetic institutes, followed persons employed by pharmacies, with 6 to 10 co-workers. More than the half of the institutes was offering organic brands where a value analysis of a small part of respondents revealed that Dr. Hauschka is most common as a skincare, body care and make-up cosmetic brand. The statistical analysis of the questionnaire also allowed concluding that B2B communication preferences are mainly not related to the age, gender and organisation size, but mostly related to the institution type. Direct marketing is the only communication tool that is associated to the age and gender, whereas all institutes value sales promotion equally. Thus, the type of institution is associated with the variable working with organic cosmetics. Age and interested in organic cosmetics, on the other hand is not associated. Analysing further values of the questionnaire, the result yield to the conclusion that trade fair grounds are another effective method to reach out to potential business partners.

Aqua Organic’s direct competitors are: The Organic Pharmacy, Susanne Kaufmann, Team Dr. Joseph and Pharmos Natur Green Luxury. Thus, there are some indirect competitors such as

mass-market organic cosmetic brands like for example Dr. Hauschka or premium cosmetics that are used for cosmetic treatments. It is important to update the information regarding competition regularly and monitor the activities to maintain a clear overview of the market.
The consumer profile and behaviour of the organic cosmetic buyer is clustered into three groups: LOHAS, Drifters and Naturalities. All of them are mainly conscious about health, the environment or their appearance. Because organic cosmetics are not represented in chain stores, consumers like to use the Internet as prior source to purchase these niche products. Thus, the trend yields towards buying organic brands instead of private labels (Supermarkets etc.). As the demand for environmental friendly products without harmful ingredients is increasing, as well general beauty customers claim more and more for vegan care without animal testing, preservatives and alcohol.

The macro environmental analysis revealed an increasing buying power in Germany with politics that encourage healthy production. Current themes such as TTIP need to be examined regularly, because they may influence organic regulations. Social aspects of the analysis demonstrated that the demand for organic cosmetics rises, because the population is more conscious about the environment. Thus, the higher education level and growing middle class is characterized as more value and quality orientated hence willing to pay premium prices for organic care. Unfortunately, there are no standardized certification labels for organic cosmetic care products proposed by the European Union. Only private certifiers dominate the organic market with different organic requirements. Therefore, unexceptional organic cosmetics are hard to differentiate from several claimed organics.

The prior market opportunities for Aqua Organic are the yet limited awareness of benefits of organic care, where they can educate the public and by time attract more and more customers, the increasing demand and the reorganisation of the general beauty market towards organic cosmetics during the last years, the potential of international markets and strategic alliances with decorative organic companies. The main threats are the direct competition with similar targeting and higher distribution extend, private labels and mass market products with lower prices, lower purchase intentions because of a financial crisis, changes in laws, the demand for certified organic cosmetics as well as TTIP and its consequences.

In order to elaborate implementation proposals for a distribution and communication plan, the strategy need to be defined. The segmentation of Aqua Organic's business buyers yield to three main target groups: institutes with treatments, institute without treatments and organic cosmetic stores. Aqua Organic should be seen as a modern organic vegan doctor brand that helps solving problematic skin and break out of the classical ecological feeling, making organic cosmetics modern and fashionable. They want to be the classic selection by all consumers when considering natural and organic care. Therefore, Aqua Organic's positioning is defined as "Aqua Organic – your premium organic choice".

Finally, the operational plan revealed a distribution and communication plan for Aqua Organic for the year 2017. The main goals of the distribution plan were to be more available on the target market in Germany, reach more partners that offer treatments, create meaningful long-term partnerships, evaluate partners that fit to the philosophy, select the right channels and intermediaries, increase sales and awareness and reach out to more end consumers. Further, the goals for the communication plan were to attract new business customers, create awareness of the brand, inform about effectiveness of the brand's products, represent a sustainable approach, establish Aqua Organic as a classic choice when selecting organic cosmetics, communicate long-term orientation of partnerships and introduce Aqua Organic when common cosmetics fail. The tone of voice regarding the communication is characterized as: informal, relaxed, welcoming, innovative, simple, in style as well as elegant and classic. After providing detailed information about measurements and processes of each distribution and communication actions, timetables as well as monitories and evaluation for each action completed the planning process.

6.2 Project Contribution

This project thesis aimed to develop a distribution network with distribution and business-to-business planning measurements for Aqua Organic. The operational plan is constituted for one year, namely 2017, although some communication actions need to be performed starting 2018. The contribution of this project is to gain theoretical knowledge about the planning of distribution and business-to-business communication applied to the organic cosmetic market.
Aqua Organic is already performing some distribution and communication actions. Therefore, the present project intends to propose some implementation suggestions to the marketing department and top management of Aqua Organic in order to be consequent with strategic options and operational actions. The study research and perceptions of potential partners built the basis of the implementation proposals. Aqua organic needs to continue developing good distribution and communication actions while transfer the massage of the positioning as a

vegan, organic doctor brand that helps solving problems when common cosmetics fail as well as combine the organic concern with a modern and premium style.

6.3 Project Limitations

The limitations of the project began with the literature research where only a few scientific papers wrote about distribution planning and networking as well as the organic market and its certification methods in Europe.

Thus, financial and time constraints limited the number of questionnaires applied, whereas the proposed sampling dimension could not be reached. Nevertheless, it was made a great effort for the sample to be as most representative of the universe as possible. But the number of respondents (268) influenced the answers to be indicative and not representative for the universe. Unfortunately, it was not possible to perform a random sampling method, also because of time and financial limitations. Therefore, the sampling method of the study was a non-random sample of convenience. These limitations affected the definition and number of hypothesis that were tested in the statistical analysis where bivariate tests have been applied. The interviews of the top management and head sales person were restricted by the availability of the staff. Even though Aqua Organic is a small company with the development of the sales department and changing structures, the interviews revealed relevant information for further processes and helped to collaborate with the development of this thesis.

Further obstacles evoked by the study of the secondary data regarding the organic cosmetic market about competitors as well as consumer profile and behaviour. As the mentioned market is not scientifically well investigated, the data need to be supported by research investigations of a market research institute in Germany and competitor’s websites.

6.4 Suggestions for future research projects

There are several suggestions for future research projects, as this thesis was only elaborated for the establishment of a distribution plan with business-to-business communication actions. Therefore, a first proposal is to gain primary data with a new set of questionnaires addressed to end consumers of Aqua Organic in order to evaluate perceptions about the brand, products, prices, distribution and preferred communication measurements. The research may reveal relevant thought-provoking impulses for new product developments, price adjustments, demands for special availabilities and shopping opportunities as well as promotion actions. Hence, it would be possible to elaborate a whole marketing plan for Aqua Organic.

Another recommendation is to create marketing plans for different purposes such as the company itself, new product developments and specific marketing actions. Aqua Organic launched the cream “A” in July 2016, which offers the development of a marketing plan and implementation proposals for new communication measurements. Thus, specific actions such as end-consumer shopping experiences and organised excursions for business partners may require a fully elaborated marketing plan.

The last suggestion is to create a communication or marketing plan based on an alliance with decorative cosmetic firms such as &Gretel for example. As their approach is as well being 100% organic, fashionable and breaking out of traditional styles, an alliance between Aqua Organic in terms of distribution, product development, price adjustments and communication (further co-advertising) may be very successful and profitable.

Bibliography

American Marketing Association. 2016a. Definition of Marketing. Ama.org, at https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx accessed 11. 04. 2016

American Marketing Association. 2016b. Definition of public relation. Ama.org, at https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=P accessed 11. 04. 2016

American Marketing Association. 2016c. Definition of distribution. Ama.org, at https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=D accessed 11. 04. 2016

Aqua Medical Spa. 2016. Welcome. Aqua-medical-spa.de, at http://www.aqua-medical-spa.de/de/ accessed 25.07.2016

Aqua Organic. 2016. Aqua Organic. Aqua-organic.eu, at http://www.aqua-organic.eu/de/ accessed 01. 03. 2016

Aveda. 2016. ReCap collection sheet. Aveda.com, at https://www.aveda.com/pdf/ReCap-CollectionSheet-Aug16.pdf accessed 20. 05. 2016

Bartlett, J. E., & Kotrlik J. W., & Higgins C. C. 2001. Organizational research: Determining appropriate sample size in survey research. ***Information Technology, Learning, and Performance Journal***, 19(1): 43-50

Brennan, R., & Canning, L., & McDowell, R. 2014. ***Business-to-business marketing***. United Kingdom: Sage Publications.

Budacia, E. A. 2014. Considerations regarding the distribution of industrial goods. ***Romanian Economic and Business Review***, 9(1): 34-44.

Business Dictionary. 2016. What is distribution network? Definition and meaning. BusinessDictionary.com, at http://www.businessdictionary.com/definition/distribution-network.html accessed 11. 04. 2016

Chang Y. H. 2011. Consumer and formulator of natural cosmetics: Understanding and integrating each other's needs. In Dayan, N., & Kromidas, L. (Eds.), ***Formulating, packaging, and marketing of natural cosmetic products***: 15-27. New Jersey: John Wiley & Sons.

Cosmetics Europe. 2016a. Organic and Natural Products. Cosmeticseurope.eu, at https://www.cosmeticseurope.eu/safety-and-science-cosmetics-europe/products-and-ingredients/organic-and-natural-products-.html accessed 11. 04. 2016

Cosmetics Europe. 2016b. The EU Legislation. Cosmetics Europe.eu, at https://www.cosmeticseurope.eu/safety-and-science-cosmetics-europe/rules-and-regulations/the-eu-legislation.html accessed 06. 07. 2016

Dayan N., & Kromidas L. 2011. ***Formulating, Packaging, and Marketing of Natural Cosmetic Products***. New Jersey: John Wiley & Sons.

Destatis. 2016. Facts & Figures - Federal Statistical Office (Destatis). Destatis.de, at https://www.destatis.de/EN/FactsFigures/FactsFigures.html accessed 13. 07. 2016

Dickson Joe. 2016. USDA Organic Skincare. Usdaorganicskincare.com, at http://usdaorganicskincare.com/ accessed 11. 04. 2016

Dr. Dubey, J. 2014. Personal Care Products: Sales Promotion and Brand Loyalty. ***The Journal Contemporary Management Research,*** 8(1): 52 – 71.

Europa. 2016. EUROPA - EU funding. Europa.eu, at http://europa.eu/about-eu/funding-grants/index_en.htm accessed 06. 07. 2016

Fable&Co. 2016. Innovative Packaging Design | Fable&Co. Fableco.uk, at http://fableco.uk/muse/innovative-packaging-design/ accessed 11. 04. 2016

Facebook. 2016. Aqua Organic. Facebook.com, at https://www.facebook.com/AquaOrganic/?fref=ts accessed 01. 03. 2016

Fonseca-Santos, B., & Corrêa, M. A., & Chorilli, M. 2015. Sustainability, natural and organic cosmetics: consumer, products, efficacy, toxicological and regulatory considerations. ***Brazilian Journal of Pharmaceutical Sciences***, 51(1): 17-26.

Folasade on Burt’s Bees. 2013. Burt's Bees, A Personal Care Company. Advertising and Public Relations. Folasadeonburtsbees.blogspot, at http://folasadeonburtsbees.blogspot.de/ accessed 20. 05. 2016

Foxall, G. R. 2014. ***Strategic Marketing Management (RLE Marketing).*** United Kingdom: Routledge.

German federal agency of the environment. 2014. Waste regulations. *Umweltbundesamt*.de, at https://www.umweltbundesamt.de/en/topics/waste-resources/waste-management/waste-regulations accessed 06. 07. 2016

GfK. 2015a. ConsumerScan Individual | Natural Cosmetics. GfK.org at http://www.gfk-verein.org/sites/default/files/medien/1288/dokumente/1604_naturkosmetik_eng_downloadcharts_0.pdf accessed 22. 06. 2016

GfK. 2015b. German purchasing power climbs two percent in 2016. Gfk.com, at http://www.gfk.com/insights/press-release/germans-purchasing-power-climbs-two-percent/ accessed 06. 07. 2016

Gottlieb, U., & Brown, M., & Ferrier, L. 2014. Consumer perceptions of trade show effectiveness. ***European Journal of Marketing***, 48(1/2): 89-107.

Grand View Research. 2016. Organic Personal Care Market Worth $15.98 Billion By 2020. Grandviewresearch.com, at https://www.grandviewresearch.com/press-release/global-organic-personal-care-market accessed 21. 06. 2016

Heinze, K. 2016. Germany: 10% plus for natural & organic cosmetics. Organic-market.info, at http://organic-market.info/news-biofach/germany-10-plus-for-natural-organic-cosmetics.html accessed 06. 07. 2016

Holliman G., & Rowley J. 2014. Business to business digital content marketing: marketers' perceptions of best practice. ***Journal of Research in Interactive Marketing***, 8(4): 269-293.

Inflation. 2016. Historic inflation Germany – historic CPI inflation Germany. Inflation.eu, at http://www.inflation.eu/inflation-rates/germany/historic-inflation/cpi-inflation-germany.aspx accessed 13. 07. 2016

Instagram. 2016. Aqua Organic Germany. Instagram.com, at https://www.instagram.com/aquaorganicgermany/ accessed 05.08.2016

Kearney A. T. 2016. Beauty product claims: most important in Germany | Survey. Statista.com, at http://www.statista.com/statistics/556987/beauty-product-claims-most-important-germany/ accessed 22. 06. 2016

Dr. Khan, M. T. 2014. The Concept of 'Marketing Mix' and its Elements. ***International Journal of Information, Business and Management,*** 6(2): 95.

Kim H. Y., & Chung J. E. 2011. Consumer purchase intention for organic personal care products. ***Journal of Consumer Marketing***, 28(1): 40-47.

Konečný, M., & Kolouchová, D. 2013. The Importance of Brand on B2B Markets: Expert Interviews with Hilti AG Managers. ***Central European Business Review***, 2(4): 24-29.

Kotler, P., & Armstrong, G. 2010. ***Principles of marketing***. New Jersey: Pearson Education.

Kuhr L. P., & Schmidt B. 2016. Aqua Organic about us. Aqua-organic.eu, at http://www.aqua-organic.eu/de/ueber-uns/ accessed 22. 02. 2016

Kurtz, D. L. 2016. ***Contemporary marketing***. Australia: South-Western Cengage Learning.

Lamb, C. W, & Hair, J. F., & McDaniel, C. D. 2012. ***Essentials of marketing***. Mason, Ohio: South-Western Cengage Learning.

Leonidou, C. N., & Katsikeas, C. S., & Morgan, N. A. 2012. "Greening" the marketing mix: do firms do it and does it pay off? ***Journal of the Academy of Marketing Science***, 41(2): 151-170.

Masterson, R., & Pickton, D. 2010. ***Marketing: an introduction***. United Kingdom: Sage Publications.

Mercedes She. 2015. A Successful Woman – mit Susanne Kaufmann. Mercedes-benz.com, at https://www.mercedes-benz.com/de/mercedes-me/inspiration/she/business/a-successful-woman-mit-susanne-kaufmann/ accessed 23. 06. 2016

Mooi, E., & Sarstedt, M. 2011. ***A Concise Guide to Market Research. The Process, Data, and Methods Using IBM SPSS Statistics.*** Berlin: Springer.

Organic Market. 2016a. Controversial Topics at the Natural & Organic Cosmetics Conference 2016. Organic-market.info, at http://organic-market.info/news-in-brief-and-reports-article/controversial-topics-at-the-natural-organic-cosmetics-conference-2016.html accessed 06. 07. 2016

Organic Market. 2016b. New EU organic legislation: the courage to say No. Organic-market.info, at http://organic-market.info/news-in-brief-and-reports-article/new-eu-organic-legislation-the-courage-to-say-no.html accessed 06. 07. 2016

Panaihfar F., & Haevey C., & Byrne P. J. 2015. Developing retailer selection factors for collaborative planning, forecasting and replenishment. ***Industrial Management & Data Systems***, 115(7): 1292-1324.

Paswan, A. K., & Blankson, C., & Guzman, F. 2011. Relationalism in marketing channels and marketing strategy. ***European Journal of Marketing***, 45(3): 311-333

Pharmos Natur. 2016. Aloe Vera Pharmos Natur - Bio Aloe Vera - Aloe Gel - Aloe Vera BioUrsaft. Pharmos-natur.de, at http://pharmos-natur.de/de/sprachpdf-englisch.html accessed 21. 06. 2016

Ramaseshan, B., & Rabbanee, F. K., & Tan Hsin Hui, L. 2013. Effects of customer equity drivers on customer loyalty in B2B context. ***Journal of Business & Industrial Marketing***, 28(4): 335-346.

Sahota, A. 2014. ***Sustainability: How the cosmetics industry is greening up (advances in Design and Control).*** United Kingdom: John Wiley & Sons Inc.

Sharma, A. K. 2005. ***Text Book of Sampling and Attributes.*** New Delhi: Discovery Publishing House

Siguaw, J. A., & Gassenheimer, J. B., & Hunter, G. L. 2014. Consumer co-creation and the impact on intermediaries. ***International Journal of Physical Distribution & Logistics Management,*** 44 (1/2): 6-22.

Simões, C., & Mason, K. J. 2012. Informing a new business-to-business relationship: Corporate identity and the emergence of a relationship identity. ***European Journal of Marketing***, 46(5): 684-711.

Susanne Kaufmann. 2016. Natural Active Skin Care - Susanne Kaufmann organic treats. Susannekaufmann.com, at https://www.susannekaufmann.com/en-organic-treats.html accessed 16. 06. 2016

Team Dr. Joseph. 2016. TEAM DR JOSEPH - Hightech Natural Cosmetics South Tyrol. Teamdrjoseph.com, at http://www.teamdrjoseph.com/en/ accessed 16. 06. 2016

The Organic Pharmacy. 2016. Natural, Organic Beauty Products | The Organic Pharmacy. Theorganicpharmacy.com, at http://www.theorganicpharmacy.com/ accessed 16. 06. 2016

US Food and Drug Administration. 2016. Organic Cosmetics. Fda.gov, at http://www.fda.gov/Cosmetics/Labeling/Claims/ucm203078.htm accessed 11. 04. 2016

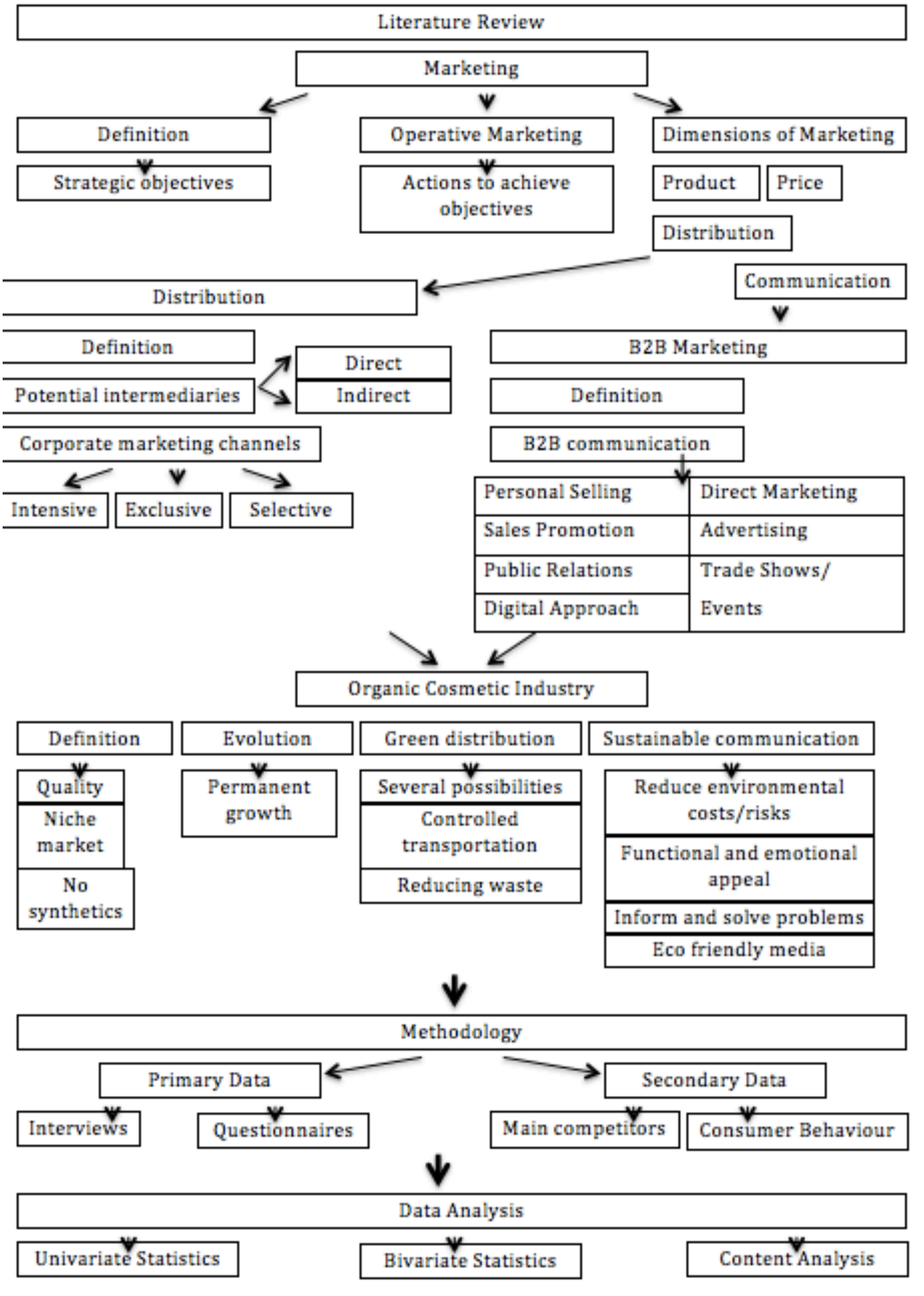
Vedel, M., & Ellegaard, C. 2013. Supply risk management functions of sourcing intermediaries: an investigation of the clothing industry. ***Supply Chain Management: An International Journal***. 18(5): 509-522.

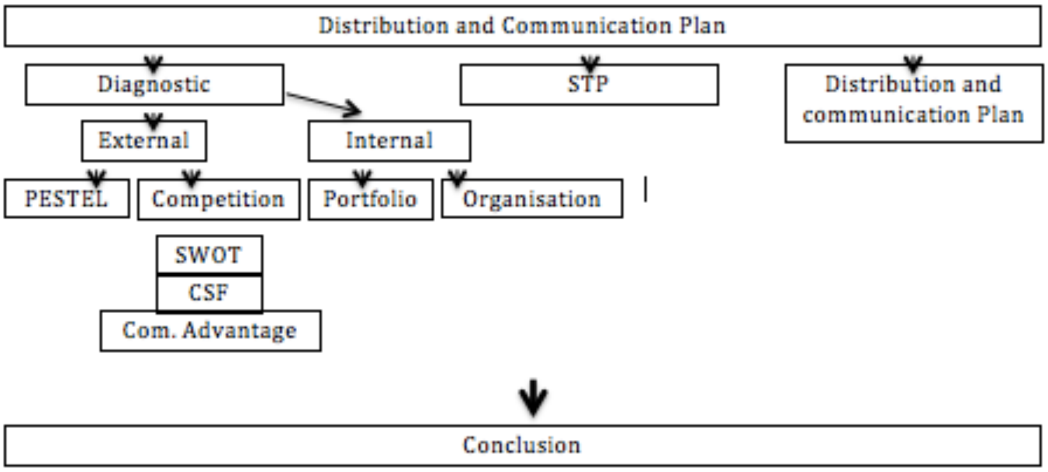
West, D. C., & Ford, J. B., & Ibrahim, E. 2015. ***Strategic marketing***. Oxford: Oxford University Press.

Zimmerman, A. S., & Blythe, J. 2013. ***Business to business marketing management.*** New York: Routledge.

Appendices

1. Conceptual Framework (fully elaborated)





2. In-depth Interview Guide

Interview Guide Top Management and Sales Persons

Top Management

I. **Internal analysis:** How did you come to develop your own organic cosmetic products?

II. **Diagnostic – PESTEL:** Do you reckon with any political limitations in future retailing? (Political); Which kind of economic obstacles may influence your sales? (Economical); Why do you think your products are matching with the spirit of the time? (Social); Which kind of technological progress influenced your retailing? (Technological); Do you notice some environmental obstacles of your products? (Environmental); Why don't you have any certification for your organic products? (Legal)

III. **Segmentation, targeting and positioning (Strategic marketing):** Which kind of people is Aqua Organic targeting and why?; Which companies do you perceive as the largest competition?; What is different about your products regarding the competition?

IV. **Marketing Mix focused on distribution and communication:** How do you sell your products?; Which kind of preferences/ guidelines do you have when choosing your retail partners?; Which kind of communication do you already pursue in order to gain more partners? (Business-to-Business); What do you think is the most effective way to reach potential partners?

Sales

I. **Internal analysis:** How did you come to distribute products for Aqua Organic?

II. **Segmentation, targeting and positioning (Strategic marketing):** Which kind of people is Aqua Organic targeting and why?; Which companies do you perceive as the largest competition for Aqua Organic?; What is different about Aqua Organic products regarding the competition?

III. **Marketing Mix focused on distribution and communication:** Do you get any guidelines from the top management in order to target the right retail partners?; Which cities have the most potential in your area and why?; Which kind of communication is valued the most by the retail partners?; How can Aqua Organic reach more potential retail partners?

3. In depth Interviews with answers

3.1 Top Management

Interviewing Top Management from Aqua Organic

Interviewer: Simona Gumpert

Date: 09.12.2015
Location: Munich
Interviewed People: Lars Peter-Kuhr, Bernd Schmidt
Objective: Internal Analysis of the brand; diagnostic analysis to evaluate the most important external influences of the brand; Segmentation, targeting and positioning to gain information about the most important competitors & target groups & USP; Marketing mix to evaluate potential guidelines and actual conditions

I. Internal analysis

1) How did you come to develop your own organic cosmetic products?
"Back in 2008 our Spa was located in the 'Sendlinger Straße' in Munich and we utilized products from an external partner. The cosmetic we bought was inspired by organic cosmetics, but with the time, we got more and more products for the same purpose. This phenomenon got us thinking that the cosmetic we used for our Spa is a mass-market product. And with further investigation, we discovered that the products are not purely organic.
Thus, we searched for another purely organic cosmetic line in order to change the assortment. Back then, we were not satisfied with any brand and its offers. Either the packaging, the texture or the smell were exclusion criteria.
After all, we decided to create our own cosmetic line with a purely organic approach by any account. But it was a time-consuming process and not easy. We went to trade fairs and had to prepare everything in order to be perfect and satisfying for our standards." – Bernd Schmitt

II. Diagnostic - PESTEL

2) Do you reckon with any political limitations in future retailing? (Political)
"No, we do not have any import regulation problems, because we manufacture in Germany and sell mainly to German or European institutes or firms. Maybe we think about exporting into further regions outside of Europe, but we are not there yet." – Lars Peter-Kuhr

3) Which kind of economic obstacles may influence your sales? (Economical)
"Regarding the obstacles we may suffer from an economical crisis, as probably every other firm as well. But also the weakening of the buying power can be critical to our success and may have several other reasons. In Germany we can register a market expense of 3 billion euros for cosmetic products. So I think there is a high potential. Thus, sustainability is a huge trend, and I think that the demand for organic cosmetics will grow further and further." – Bernd Schmitt

4) Why do you think your products are matching with the spirit of the time? (Social)
"As every other firm, we try to match with the spirit of time. Because of the awareness of the environment, the modern lifestyle is supporting sustainable cosmetics. We want to be organic in every sense, meaning the packaging as well as the design is clean, pure and in respect of the nature." – Bernd Schmitt

5) Which kind of technological progress influenced your retailing? (Technological)
"I would say the Internet. It provides new ways to address customers in the B2B, as well as in the B2C area. With mailings to business partners and end consumers we try to gain attention and link to our homepage. 'Greenglam' is one of our distributors that use the Internet for ecommerce for example. Thus, we focus on the Internet, because it is quite easy to analyse the market. – Lars Peter-Kuhr

6) Do you notice some environmental obstacles of your products? (Environmental)
"No we did not. Organic cosmetics have a low impact on the environment. As described before, we try to be sustainable in every step of our process. Our products are sustainably produced and the packaging is recyclable." – Lars Peter-Kuhr

7) Why don't you have any certification for your organic products? (Legal)
"Unfortunately there is no consistent, nationally certified seal of quality for organic cosmetics. We addressed that problem in depth, but there are only private certifiers that hand out the certifications. We do not see the point of having several certifications on the market, but no one can tell the good from the bad." – Bernd Schmitt

III. Segmentation, targeting and positioning (Strategic marketing)

8) Which kind of people are you targeting and why?
"In the B2B area we are targeting institutes or firms that provide treatments. This could be cosmetic institutes, day spas, hotel with spas, pharmacies with treatment rooms, doctor's offices with cosmetic treatments etc. All partners need to fit to our concept of sustainability and own a high standard. Therefore, the price segment should be the same as ours.
In the B2C area we target both males and females (unisex). Because we have products to slow down the aging process (age defense), our target group includes people at age 25 plus. Thus, our customers range between medium earners until high earners with sustainable lifestyles." – Bernd Schmitt

9) Which companies do you perceive as the largest competition?
"It is not easy to say. Most firms sell oneself as organic brands, but only a few are purely organic. Most famous organic brands are in mass-market having a completely different price segment. Health food stores (Reformhäuser) have organic cosmetics and are not in mass market. Still, they offer products in lower price segments. Until now, there is no comparable brand that is purely organic and is located in the same price segment as our brand Aqua Organic." – Lars Perter-Kuhr

10) What is different about your products regarding the competition?
"As described before, we are purely organic, located in a high price segment and not in mass market. Aqua Organic has textures and scents that are unique. All ingredients are active agents, meaning there is no mineral oil or the like processed. This is the reason, why we can say we are purely organic. All textures were developed with doctor Lars Peter-Kuhr, which is making Aqua Organic not only to a purely organic, but also to a doctor brand. Further, we can distinguish ourselves because Aqua Organic is vegan and of course we do not support animal testing. As regards the sustainability, we do not have long transportation routes, because we manufacture in Germany. And all surroundings as the production and packaging are as well in respect of the nature. The decisive factor is the combination of all."
– Bernd Schmitt

IV. Marketing Mix focused on distribution and communication

11) How do you sell your products?
"We sell trough our own Spa in the city centre of Munich and trough our existing partners. One of our partners is selling through the Internet. Some others are perfumeries in the retailing industry that do not offer treatments. But as we want to widen the distribution, we focus on selling through partners that offer treatments with our products." – Bernd Schmitt

12) Which kind of preferences/ guidelines do you have when choosing your retail partners?
"The most important guideline is not to sell as mass market brands. We do not want to be a part of chain stores. The second guideline is to choose partners that offer treatments with our products rather that just sell them further. Thus, they have to fit to our price segment and high standards." – Lars Peter-Kuhr

13) Which kind of communication do you already pursue in order to gain more partners? (Business-to-Business)
"Until now, we send emails with information about us and the link to our homepage. Further, we have special offerings for the first order. If some institute or firm is interested in our cosmetics, we send packages with samples. Regarding offline media, we hand out posters, flyers and promo material. And we use sales representatives that search for potential partners." – Lars Peter-Kuhr

14) What do you think is the most effective way to reach potential partners?
"The most effective way to reach out to potential partners is through personal contacts. Therefore, the sales department has to focus on direct marketing and personal selling strategies. Thus, the Internet makes it possible to reach out very quick to potential partners. We like to use informative emails to catch attention and gain awareness." – Bernd Schmitt

3.2 Sales Person

Interviewing a Sales Person from Aqua Organic

Interviewer: Simona Gumpert
Date: 11.12.2015
Location: Munich
Interviewed People: Nicole Wheadon (Head Sales Person for Germany)
Objective: Internal Analysis of the sales team; Segmentation, targeting and positioning to gain information about the most important competitors & target groups & USP; Marketing mix to evaluate guidelines, most important cities, B2B communication preferences

V. Internal analysis

1) How did you come to distribute products for Aqua Organic?
"It was an act out of conviction. The founders and I got to know each other and realized that working together is reasonable, innovative and joyful for both sides. I believe that there will be wonderful synergies where both sides will profit and where a health and sustainable structure of distribution will be enabled."

VI. Segmentation, targeting and positioning (Strategic marketing)

2) Which kind of people is Aqua Organic targeting and why?
" Regarding the end consumer: the target group are customers that purchase their skin care with the focus on quality and modern design. They search for a system skin care and place value on natural and premium ingredients. Thus, they appreciate the fact that all textures were manufactured with the guidance of a doctor (Lars Peter-Kuhr).
Regarding the business partners: Institutes and firms that place value on emphasizing their consultation expertise and establish brands. In an ideal situation, Aqua Organic targets institutes with cabins where they offer treatments or represent the products. Thus, Aqua Organic want to sell to partners that focus on active sustainability and niche market. These partners can be 'Manufactum', as well as concept stores as 'Apropos' or beauty concept stores as 'Wheadon'. Not to forget, Aqua Organic can include hotels with spas or traditional perfumeries and modern hair salons."

3) Which companies do you perceive as the largest competition for Aqua Organic?
" Actually, I do not know any comparable brand in this price segment and niche market."

4) What is different about Aqua Organic products regarding the competition?
"As said before, I can not make a comparison between other brands and Aqua Organic. It is a premium organic cosmetic brand with purely ingredients designed with a doctor. Until now, I do not know anybody in the German market that can represent comparative values."

VII. Marketing Mix focused on distribution and communication

5) Do you get any guidelines from the top management in order to target the right retail partners?
"In order to establish a brand in the right way, it is very important to exchange experiences intensely, at eye level and on a partnership basis."

6) Which cities have the most potential in your area and why?
" In the beginning, it is very important to reach out to partners in cities where opinion leaders and active distributors are located. Most of the time, these cities are capitals or mainly known cities with high population."

7) Which kind of communication is valued the most by the retail partners?
"The most valued communication is at eye level. The communication should be clear and authentic with the focus on building partnerships."

8) How can Aqua Organic reach more potential retail partners?
"Public Relations! Besides that, it would be helpful to hand out samples because it encourages sales regarding institutes and ecommerce. With samples customers have the possibility to try the products before the actual purchase."

4. Questionnaire minimum sample size

Equation of the minimum sample size

Following equation is constituted for large samples with categorical variables that calculates a representative sample for proportions in order to have a reference of the minimum sample size:

$$n_0 = \frac{(t)^2 * (p)(q)}{(d)^2} \qquad n_0 = \frac{(1.96)^2(.5)(.5)}{(.05)^2} = 384$$

Figure 26. Formula to calculate a sample based on proportion (categorical variables)

Source: Bartlett *et al.* (2001)

Considered:
n_0 = calculated sample;
t = standard normal variable attributable to the level of confidence;
d = desired precision level;
p = margin of error for estimated proportion;
q = 1-p
To obtain a balance between reliability and precision of the results, the confidence level was determined to 95% and the precision level to 5%. Therefore, the calculation of the standard normal distribution variable offers a result of 1,96. Presuming a large population, the maximum margin of error was assumed pessimistically, equals 0,5. The result visualizes that the reference for the sample dimension is 384 individuals (Bartlett *et al.*, 2001). For this research, the population size is not given for further calculating. According to the present data, the reference of the sample dimension could not be reached due to time and financial constricts, which characterizes the results of the research indicative and not representative for the universe.

5. Questionnaire Guide

Questionnaire for the Thesis

Interviewer: Simona Gumpert
Date: January-March
Location: Germany
Interviewed People: 268
Objective: Market overview about organizations' interest in organic cosmetics; Preferences in B2B marketing communication regarding age, institute type and gender regarding size of the institute (co-workers); existing organic cosmetics in the same target market and customer base
Text: Survey for cosmetic institutes/ perfumeries/ spas/ hotels/ gyms/ pharmacies/ hair salons/ doctor's offices and concept stores in order to get a market overview about organizations' interest in working with organic cosmetics; preferences in B2B marketing communication regarding age, gender, institute type, institute size and customer base. (Simona Gumpert, ISCTE Business School in Lisbon, master thesis project)

I. Demographics & institutional information

1) Are you interested in Organic Cosmetics?

Yes	*No*

2) I am…

Male	Female

3) How old are you?

Between 18-30	*Between 30-50*	*>50*

4) Which kind of organisation do you supervise? **More** answers allowed.

Pharmacy	*Cosmetic Institute*	*Day Spa*	*Hotel Spa*	*Gym*
Doctor's Office	*Concept Store*	*Hair Salon*	*Perfumery*	*None of these:*

5) How many co-workers do you supervise?

None	1-5	6-10	>10

6) Have you already been working with Organic Cosmetics?

Yes	*No*

7) If you already working with organic cosmetics, which brands do you use?

II. Preferences in B2B communication

8) How can Organic Cosmetic Organisations reach out to you most efficiently? Please mark **ONE** field from a Scale 1-5.

(Personal Selling): I like it when a person is coming to my institute/office to explain the brand/products.

1 *I don't think it is necessary at all*	**2**	**3**	**4**	**5** *I think it is absolutely necessary in order to convince me to partner with the organisation*

(Direct Marketing): I want to receive information that is customized to my person and institute/office

1 *I don't think it is necessary at all*	**2**	**3**	**4**	**5** *I think it is absolutely necessary in order to convince me to partner with the organisation*

(Advertising): I want to see advertisements in regular press/ magazines (Instyle, Myself, Cosmopolitan, Woman's/ Men's Health, Spa Inside etc)

1 *I don't think it is necessary at all*	**2**	**3**	**4**	**5** *I think it is absolutely necessary in order to convince me to partner with the organisation*

(Sales Promotion): I like to receive gifts and discounts in order to try the products before I am willing to purchase the brand's products.

1 *I don't think it is necessary at all*	**2**	**3**	**4**	**5** *I think it is absolutely necessary in order to convince me to partner with the organisation*

(Public Relations): I like to read articles about the brand/products in industry related journals (Cossma, Beauty Forum etc.)

1 *I don't think it is necessary at all*	**2**	**3**	**4**	**5** *I think it is absolutely necessary in order to convince me to partner with the organisation*

None of these: Please write down your own preferences.

III. Customer base/ demand for organic cosmetics

9) How many customers can you register that are interested in Organic Cosmetics/ are buying Organic Cosmetics/ ask for Organic Cosmetics **in the last year**?

< 25	*25-50*	*50-75*	*75-100*	*>100*

6. Questionnaires Analysis

Univariate

6.1 Sample characterisation

Table 19. Distribution of frequencies and percentage for the variable Interest:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	240	89,6	89,6	89,6
	No	28	10,4	10,4	100,0
	Total	268	100,0	100,0	

Table 20. Distribution of frequencies and percentage for the variable Gender:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	51	19,0	19,0	19,0
	Female	217	81,0	81,0	100,0
	Total	268	100,0	100,0	

Table 21. Distribution of frequencies and percentage for the variable Age:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	68	25,4	25,4	25,4
	30-50	138	51,5	51,5	76,9
	>50	62	23,1	23,1	100,0
	Total	268	100,0	100,0	

Table 22. Distribution of frequencies and percentage for the variable Institution Type:

$Instutite_dichotom Frequencies

		Responses		Percent of Cases
		N	Percent	
Type of organisation[a]	Pharmacy	68	19,9%	25,4%
	Cosmetic Institute	77	22,5%	28,7%
	Day Spa	34	9,9%	12,7%
	Hotel Spa	32	9,4%	11,9%
	Gym	21	6,1%	7,8%
	Doctor's Office	22	6,4%	8,2%
	Concept Store	13	3,8%	4,9%
	Hair Salon	31	9,1%	11,6%
	Perfumery	27	7,9%	10,1%
	None	17	5,0%	6,3%
Total		342	100,0%	127,6%

a. Dichotomy group tabulated at value 1.

Table 23. Distribution of frequencies and percentage for the variable Other Institutes:

Name	Valid Percentage	Amount
External Distributor Cosmetics	11,76%	2
Pharmaceutical Sales Represenative Cosmetics	11,76%	2
Eventplanner Cosmetic	5,88%	1
Onlineshop Natural Cosmetcs	11,76%	2
Management cunsultancy Cosmetics	5,88%	1
Beautyblogger	11,76%	2
Jourlanist Cosmetics	5,88%	1
Make Up Artist Studio	5,88%	1
Health Store	11,76%	2
Physiopherapist	11,76%	2
Not answered	5,88%	1
Total	**100,00%**	**17**

Table 24. Distribution of frequencies and percentage for the variable Employees:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	37	13,8	13,8	13,8
	1-5	81	30,2	30,2	44,0
	6-10	84	31,3	31,3	75,4
	>10	66	24,6	24,6	100,0
	Total	268	100,0	100,0	

Table 25. Distribution of frequencies and percentage for the variable Working with Organic Brands:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	138	51,5	51,5	51,5
	No	130	48,5	48,5	100,0
	Total	268	100,0	100,0	

Table 26. Distribution of frequencies and percentage for the variable Organic Brand Names:

Name	Frequency	Amount	Type
Aqua Organic	7,55%	8	Body and Skincare
Susanne Kaufmann	3,78%	4	Body and Skincare
The Organic Pharmacy	2,83%	3	Body and Skincare
Dr Alkaitis	1,89%	2	Skincare
Dr Jackson	0,94%	1	Skincare
John Masters Organics	0,94%	1	Hair, body & Skincare (Oils, Mist)
Dr Bronner	0,94%	1	Soaps
LA Bruket	0,94%	1	Soaps, Bodycare
Evolve	0,94%	1	Bodycare
Cowshed	0,94%	1	Bathaccesoires
Elemental herbology	1,89%	2	Body and Skincare
Forte Organics	1,89%	2	Body and Skincare
Dr. Joseph Vitalis	1,89%	2	Body and Skincare
Ligne St. Barth	3,78%	4	Body and Skincare
Dr. Hauschka	16,98%	18	Body, Skincare, Make up
Pevonia	0,94%	1	Body and Skincare
L'Occitane	1,89%	2	Body and Skincare
Gertraud Gruber	5,66%	6	Body and Skincare
Pharmos Natur Green Luxury	5,66%	6	Body and Skincare
Dr. Eckstein	3,78%	4	Body, Skincare, Make up
Annemarie Börlind	4,72%	5	Body, Skincare, Make up
Amala	0,94%	1	Skincare
Julisis	1,89%	2	Skincare
Vinoble	0,94%	1	Body and Skincare
Dr. Barbara Boos	2,83%	3	Hair, body & Skincare
Nuxe	3,78%	4	Skincare
Farfalla	0,94%	1	Body, Skincare, Make up
Alpienne	0,94%	1	Body and Skincare
Meine Vitathek Naturkosmetik	1,89%	2	Body and Skincare
Primavera	0,94%	1	Body and Skincare
Chrystal. Berg. Kraft	0,94%	1	Body and Skincare
SanVino	0,94%	1	Body and Skincare
Martina Gebhardt Demeter Natu	0,94%	1	Body and Skincare
Weleda	8,49%	9	Haircare
Lavera	1,89%	2	Body and Skincare
Regulat Beauty: luxury Organic C	0,94%	1	Skincare
Total	**100,00%**	**106**	

6.2 Preferences in B2B communication

Table 27. Distribution of frequencies and percentage for the variable **I like it when a person is coming to my office to explain the brand and products.** (Personal selling):

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely unnecessary	16	6,0	6,6	6,6
	Unnecessary	38	14,2	15,6	22,1
	Uncertain	51	19,0	20,9	43,0
	Necessary	74	27,6	30,3	73,4
	Absolutely necessary	65	24,3	26,6	100,0
	Total	244	91,0	100,0	
Missing	System	24	9,0		
Total		268	100,0		

Table 28. Distribution of frequencies and percentage for the variable **I like to receive information that is customized to my person and institute/ office.** (Direct marketing):

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely unnecessary	15	5,6	6,1	6,1
	Unnecessary	39	14,6	16,0	22,1
	Uncertain	58	21,6	23,8	45,9
	Necessary	55	20,5	22,5	68,4
	Absolutely necessary	77	28,7	31,6	100,0
	Total	244	91,0	100,0	
Missing	System	24	9,0		
Total		268	100,0		

Table 29. Distribution of frequencies and percentage for the variable **I want to see advertisements in regular press/ magazines.** (Advertising):

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absoluetly unnecessary	38	14,2	15,6	15,6
	Unnecessary	58	21,6	23,8	39,3
	Uncertain	50	18,7	20,5	59,8
	Necessary	57	21,3	23,4	83,2
	Absolutely necessary	41	15,3	16,8	100,0
	Total	244	91,0	100,0	
Missing	System	24	9,0		
Total		268	100,0		

Table 30. Distribution of frequencies and percentage for the variable **I like to receive gifts and discounts in order to try the products before I am willing to purchase the brand's products**. (Sales promotion):

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely unnecessary	11	4,1	4,5	4,5
	Unnecessary	7	2,6	2,9	7,4
	Uncertain	47	17,5	19,3	26,6
	Necessary	66	24,6	27,0	53,7
	Absolutely necessary	113	42,2	46,3	100,0
	Total	244	91,0	100,0	
Missing	System	24	9,0		
Total		268	100,0		

Table 31. Distribution of frequencies and percentage for the variable **I like to read articles about the brand/ products in industry related journals.** (Public relations):

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely unnecessary	3	1,1	1,2	1,2
	Unnecessary	10	3,7	4,1	5,3
	Uncertain	35	13,1	14,3	19,7
	Necessary	90	33,6	36,9	56,6
	Absolutely necessary	106	39,6	43,4	100,0
	Total	244	91,0	100,0	
Missing	System	24	9,0		
Total		268	100,0		

Table 32. Distribution of frequencies and percentage for the variable Individual Preferences:

Type	Frequency	Amount
Beauty Blog Articles	9,35%	3
Online: Social Media, Website	15,63%	5
Events: Product Presentations	3,13%	1
Samples	15,63%	5
Information Material	3,13%	1
Personal Selling with Appointment	12,50%	4
Trade Fair Grounds	37,50%	12
Regular Press for end consumers	3,13%	1
Total	**100,00%**	**32**

6.3 Demand for organic cosmetics

Table 33. Distribution of frequencies and percentage for the variable Customer Demand for Organic Cosmetics:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<25	101	37,7	37,7	37,7
	25-50	56	20,9	20,9	58,6
	50-75	51	19,0	19,0	77,6
	75-100	29	10,8	10,8	88,4
	>100	31	11,6	11,6	100,0
	Total	268	100,0	100,0	

Bivariate

6.4 Relation between two variables

H1

Table 34. Crosstab, Chi-square and Cramer's V for Variables Age and personal selling:

			Personal Selling					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Age	18-30	Count	3	6	15	24	15	63
		% within Age	4,8%	9,5%	23,8%	38,1%	23,8%	100,0%
		% within Personal Selling	18,8%	15,8%	29,4%	32,4%	23,1%	25,8%
		% of Total	1,2%	2,5%	6,1%	9,8%	6,1%	25,8%
	30-50	Count	9	21	24	35	39	128
		% within Age	7,0%	16,4%	18,8%	27,3%	30,5%	100,0%
		% within Personal Selling	56,3%	55,3%	47,1%	47,3%	60,0%	52,5%
		% of Total	3,7%	8,6%	9,8%	14,3%	16,0%	52,5%
	>50	Count	4	11	12	15	11	53
		% within Age	7,5%	20,8%	22,6%	28,3%	20,8%	100,0%
		% within Personal Selling	25,0%	28,9%	23,5%	20,3%	16,9%	21,7%
		% of Total	1,6%	4,5%	4,9%	6,1%	4,5%	21,7%
Total		Count	16	38	51	74	65	244
		% within Age	6,6%	15,6%	20,9%	30,3%	26,6%	100,0%
		% within Personal Selling	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	6,6%	15,6%	20,9%	30,3%	26,6%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6,783[a]	8	,560
Likelihood Ratio	6,913	8	,546
Linear-by-Linear Association	1,987	1	,159
N of Valid Cases	244		

a. 2 cells (13,3%) have expected count less than 5. The minimum expected count is 3,48.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,167	,560
	Cramer's V	,118	,560
N of Valid Cases		244	

Table 35. Chi-square and Cramer's V for Variables Age and direct marketing:

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	20,988[a]	8	,007
Likelihood Ratio	20,084	8	,010
Linear-by-Linear Association	9,378	1	,002
N of Valid Cases	244		

a. 2 cells (13,3%) have expected count less than 5. The minimum expected count is 3,26.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,293	,007
	Cramer's V	,207	,007
N of Valid Cases		244	

Table 36. Crosstab, Chi-square and Cramer's V for Variables Age and advertising:

			Advertisemnts					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Age	18-30	Count	6	12	13	19	13	63
		% within Age	9,5%	19,0%	20,6%	30,2%	20,6%	100,0%
		% within Advertisemnts	15,8%	20,7%	26,0%	33,3%	31,7%	25,8%
		% of Total	2,5%	4,9%	5,3%	7,8%	5,3%	25,8%
	30-50	Count	20	30	25	28	25	128
		% within Age	15,6%	23,4%	19,5%	21,9%	19,5%	100,0%
		% within Advertisemnts	52,6%	51,7%	50,0%	49,1%	61,0%	52,5%
		% of Total	8,2%	12,3%	10,2%	11,5%	10,2%	52,5%
	>50	Count	12	16	12	10	3	53
		% within Age	22,6%	30,2%	22,6%	18,9%	5,7%	100,0%
		% within Advertisemnts	31,6%	27,6%	24,0%	17,5%	7,3%	21,7%
		% of Total	4,9%	6,6%	4,9%	4,1%	1,2%	21,7%
Total		Count	38	58	50	57	41	244
		% within Age	15,6%	23,8%	20,5%	23,4%	16,8%	100,0%
		% within Advertisemnts	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	15,6%	23,8%	20,5%	23,4%	16,8%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11,733[a]	8	,164
Likelihood Ratio	12,960	8	,113
Linear-by-Linear Association	9,790	1	,002
N of Valid Cases	244		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,25.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,219	,164
	Cramer's V	,155	,164
N of Valid Cases		244	

Table 37. Crosstab, Chi-square and Cramer's V for Variables Age and sales promotion:

			Sales Promotion					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Age	18-30	Count	1	2	13	17	30	63
		% within Age	1,6%	3,2%	20,6%	27,0%	47,6%	100,0%
		% within Sales Promotion	9,1%	28,6%	27,7%	25,8%	26,5%	25,8%
		% of Total	0,4%	0,8%	5,3%	7,0%	12,3%	25,8%
	30-50	Count	5	3	23	36	61	128
		% within Age	3,9%	2,3%	18,0%	28,1%	47,7%	100,0%
		% within Sales Promotion	45,5%	42,9%	48,9%	54,5%	54,0%	52,5%
		% of Total	2,0%	1,2%	9,4%	14,8%	25,0%	52,5%
	>50	Count	5	2	11	13	22	53
		% within Age	9,4%	3,8%	20,8%	24,5%	41,5%	100,0%
		% within Sales Promotion	45,5%	28,6%	23,4%	19,7%	19,5%	21,7%
		% of Total	2,0%	0,8%	4,5%	5,3%	9,0%	21,7%
Total		Count	11	7	47	66	113	244
		% within Age	4,5%	2,9%	19,3%	27,0%	46,3%	100,0%
		% within Sales Promotion	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	4,5%	2,9%	19,3%	27,0%	46,3%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5,193[a]	8	,737
Likelihood Ratio	4,914	8	,767
Linear-by-Linear Association	2,184	1	,139
N of Valid Cases	244		

a. 5 cells (33,3%) have expected count less than 5. The minimum expected count is 1,52.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,146	,737
	Cramer's V	,103	,737
N of Valid Cases		244	

Table 38. Crosstab, Chi-square and Cramer's V for Variables Age and public relations:

			Public Relations					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Age	18-30	Count	1	5	8	23	26	63
		% within Age	1,6%	7,9%	12,7%	36,5%	41,3%	100,0%
		% within Public Relations	33,3%	50,0%	22,9%	25,6%	24,5%	25,8%
		% of Total	0,4%	2,0%	3,3%	9,4%	10,7%	25,8%
	30-50	Count	1	2	16	49	60	128
		% within Age	0,8%	1,6%	12,5%	38,3%	46,9%	100,0%
		% within Public Relations	33,3%	20,0%	45,7%	54,4%	56,6%	52,5%
		% of Total	0,4%	0,8%	6,6%	20,1%	24,6%	52,5%
	>50	Count	1	3	11	18	20	53
		% within Age	1,9%	5,7%	20,8%	34,0%	37,7%	100,0%
		% within Public Relations	33,3%	30,0%	31,4%	20,0%	18,9%	21,7%
		% of Total	0,4%	1,2%	4,5%	7,4%	8,2%	21,7%
Total		Count	3	10	35	90	106	244
		% within Age	1,2%	4,1%	14,3%	36,9%	43,4%	100,0%
		% within Public Relations	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	1,2%	4,1%	14,3%	36,9%	43,4%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7,996[a]	8	,434
Likelihood Ratio	7,942	8	,439
Linear-by-Linear Association	,113	1	,737
N of Valid Cases	244		

a. 5 cells (33,3%) have expected count less than 5. The minimum expected count is ,65.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,181	,434
	Cramer's V	,128	,434
N of Valid Cases		244	

Table 39. Crosstab and Chi-square for Variables Institution Type and personal selling:

		$TypeofInstitution													
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym		Doctor's Office		Concept Store	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Personal Selling	Absolutely unnecessary	4	6,9%	3	4,3%	1	3,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
	Unnecessary	12	20,7%	8	11,4%	4	12,1%	5	15,6%	2	9,5%	1	5,3%	2	16,7%
	Uncertain	10	17,2%	19	27,1%	5	15,2%	5	15,6%	7	33,3%	9	47,4%	2	16,7%
	Necessary	23	39,7%	21	30,0%	8	24,2%	12	37,5%	7	33,3%	4	21,1%	1	8,3%
	Absolutely necessary	9	15,5%	19	27,1%	15	45,5%	10	31,3%	5	23,8%	5	26,3%	7	58,3%

Hair Salon		Perfumery		None	
Count	Column N %	Count	Column N %	Count	Column N %
4	14,3%	1	3,8%	5	31,3%
7	25,0%	2	7,7%	4	25,0%
5	17,9%	8	30,8%	3	18,8%
4	14,3%	9	34,6%	0	0,0%
8	28,6%	6	23,1%	4	25,0%

Pearson Chi-Square Tests

		$TypeofInstitution
Personal Selling	Chi-square	76,882
	df	40
	Sig.	,000^{*,b,c}

Results are based on nonempty rows and columns in each innermost subtable.

*. The Chi-square statistic is significant at the ,05 level.

b. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

c. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

Table 40. Crosstab and Chi-square for Variables Institution Type and direct marketing:

		$TypeofInstitution													
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym		Doctor's Office		Concept Store	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Direct Marketing	Absolutely unnecessary	6	10,3%	6	8,6%	1	3,0%	1	3,1%	0	0,0%	0	0,0%	1	8,3%
	Unnecessary	11	19,0%	14	20,0%	3	9,1%	5	15,6%	1	4,8%	0	0,0%	0	0,0%
	Uncertain	8	13,8%	22	31,4%	7	21,2%	11	34,4%	10	47,6%	9	47,4%	3	25,0%
	Necessary	14	24,1%	9	12,9%	7	21,2%	10	31,3%	5	23,8%	2	10,5%	2	16,7%
	Absolutely necessary	19	32,8%	19	27,1%	15	45,5%	5	15,6%	5	23,8%	8	42,1%	6	50,0%

		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %
Direct Marketing	Absolutely unnecessary	0	0,0%	2	7,7%	3	18,8%
	Unnecessary	3	10,7%	7	26,9%	1	6,3%
	Uncertain	5	17,9%	5	19,2%	4	25,0%
	Necessary	11	39,3%	2	7,7%	1	6,3%
	Absolutely necessary	9	32,1%	10	38,5%	7	43,8%

Pearson Chi-Square Tests

		$TypeofInstitution
Direct Marketing	Chi-square	70,937
	df	40
	Sig.	,002^{*,b,c}

Results are based on nonempty rows and columns in each innermost subtable.

*. The Chi-square statistic is significant at the , 05 level.

b. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

c. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

Table 41. Crosstab and Chi-square for Variables Institution Type and advertising:

		$TypeofInstitution													
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym		Doctor's Office		Concept Store	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Advertisemnts	Absolutely unnecessary	8	13,8%	7	10,0%	3	9,1%	8	25,0%	2	9,5%	4	21,1%	1	8,3%
	Unnecessary	5	8,6%	18	25,7%	11	33,3%	11	34,4%	7	33,3%	3	15,8%	4	33,3%
	Uncertain	23	39,7%	19	27,1%	3	9,1%	3	9,4%	3	14,3%	3	15,8%	1	8,3%
	Necessary	8	13,8%	17	24,3%	10	30,3%	8	25,0%	6	28,6%	5	26,3%	1	8,3%
	Absolutely necessary	14	24,1%	9	12,9%	6	18,2%	2	6,3%	3	14,3%	4	21,1%	5	41,7%

		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %
Advertisemnts	Absolutely unnecessary	3	10,7%	4	15,4%	6	37,5%
	Unnecessary	0	0,0%	7	26,9%	3	18,8%
	Uncertain	3	10,7%	5	19,2%	2	12,5%
	Necessary	13	46,4%	7	26,9%	3	18,8%
	Absolutely necessary	9	32,1%	3	11,5%	2	12,5%

Pearson Chi-Square Tests

		$TypeofInstitution
Advertisemnts	Chi-square	85,630
	df	40
	Sig.	,000^{*,b}

Results are based on nonempty rows and columns in each innermost subtable.

*. The Chi-square statistic is significant at the ,05 level.

b. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

Table 42. Crosstab and Chi-square for Variables Institution Type and sales promotion:

		$TypeofInstitution													
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym		Doctor's Office		Concept Store	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Sales Promotion	Absolutely unnecessary	5	8,6%	4	5,7%	1	3,0%	2	6,3%	0	0,0%	0	0,0%	1	8,3%
	Unnecessary	1	1,7%	2	2,9%	1	3,0%	3	9,4%	0	0,0%	2	10,5%	0	0,0%
	Uncertain	10	17,2%	10	14,3%	9	27,3%	2	6,3%	5	23,8%	8	42,1%	1	8,3%
	Necessary	19	32,8%	16	22,9%	5	15,2%	11	34,4%	4	19,0%	3	15,8%	4	33,3%
	Absolutely necessary	23	39,7%	38	54,3%	17	51,5%	14	43,8%	12	57,1%	6	31,6%	6	50,0%

		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %
Sales Promotion	Absolutely unnecessary	0	0,0%	0	0,0%	2	12,5%
	Unnecessary	0	0,0%	0	0,0%	0	0,0%
	Uncertain	7	25,0%	5	19,2%	2	12,5%
	Necessary	9	32,1%	6	23,1%	3	18,8%
	Absolutely necessary	12	42,9%	15	57,7%	9	56,3%

Pearson Chi-Square Tests

		$TypeofInstitution
Sales Promotion	Chi-square	49,965
	df	40
	Sig.	,134^{a,b}

Results are based on nonempty rows and columns in each innermost subtable.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

Table 43. Crosstab and Chi-square for Variables Institution Type and public relations:

		$TypeofInstitution																			
		Pharmacy		Cosmetic Institute		Day Spa		Hotel Spa		Gym		Doctor's Office		Concept Store		Hair Salon		Perfumery		None	
		Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %	Count	Column N %
Public Relations	Absolutely unnecessary	1	1,7%	3	4,3%	0	0,0%	1	3,1%	0	0,0%	1	5,3%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
	Unnecessary	5	8,6%	0	0,0%	0	0,0%	0	0,0%	1	4,8%	0	0,0%	1	8,3%	1	3,6%	2	7,7%	0	0,0%
	Uncertain	12	20,7%	14	20,0%	0	0,0%	0	0,0%	2	9,5%	3	15,8%	0	0,0%	6	21,4%	3	11,5%	3	18,8%
	Necessary	21	36,2%	30	42,9%	12	36,4%	13	40,6%	7	33,3%	5	26,3%	3	25,0%	8	28,6%	10	38,5%	7	43,8%
	Absolutely necessary	19	32,8%	23	32,9%	21	63,6%	18	56,3%	11	52,4%	10	52,6%	8	66,7%	13	46,4%	11	42,3%	6	37,5%

Pearson Chi-Square Tests

		$TypeofInstitution
Public Relations	Chi-square	61,247
	df	40
	Sig.	,017*,b,c

Results are based on nonempty rows and columns in each innermost subtable.

*. The Chi-square statistic is significant at the ,05 level.

b. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

c. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

Table 44. Crosstab, Chi-square and Cramer's V for Variables Gender and personal selling:

			Personal Selling					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Gender	Male	Count	1	7	7	13	16	44
		% within Gender	2,3%	15,9%	15,9%	29,5%	36,4%	100,0%
		% within Personal Selling	6,3%	18,4%	13,7%	17,6%	24,6%	18,0%
		% of Total	0,4%	2,9%	2,9%	5,3%	6,6%	18,0%
	Female	Count	15	31	44	61	49	200
		% within Gender	7,5%	15,5%	22,0%	30,5%	24,5%	100,0%
		% within Personal Selling	93,8%	81,6%	86,3%	82,4%	75,4%	82,0%
		% of Total	6,1%	12,7%	18,0%	25,0%	20,1%	82,0%
Total		Count	16	38	51	74	65	244
		% within Gender	6,6%	15,6%	20,9%	30,3%	26,6%	100,0%
		% within Personal Selling	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	6,6%	15,6%	20,9%	30,3%	26,6%	100,0%

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,129	,398
	Cramer's V	,129	,398
	Contingency Coefficient	,128	,398
N of Valid Cases		244	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4,063a	4	,398
Likelihood Ratio	4,364	4	,359
Linear-by-Linear Association	2,605	1	,107
N of Valid Cases	244		

a. 1 cells (10,0%) have expected count less than 5. The minimum expected count is 2,89.

Table 45. Crosstab, Chi-square and Cramer's V for Variables Gender and direct marketing:

			Direct Marketing					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Gender	Male	Count	1	7	6	8	22	44
		% within Gender	2,3%	15,9%	13,6%	18,2%	50,0%	100,0%
		% within Direct Marketing	6,7%	17,9%	10,3%	14,5%	28,6%	18,0%
		% of Total	0,4%	2,9%	2,5%	3,3%	9,0%	18,0%
	Female	Count	14	32	52	47	55	200
		% within Gender	7,0%	16,0%	26,0%	23,5%	27,5%	100,0%
		% within Direct Marketing	93,3%	82,1%	89,7%	85,5%	71,4%	82,0%
		% of Total	5,7%	13,1%	21,3%	19,3%	22,5%	82,0%
Total		Count	15	39	58	55	77	244
		% within Gender	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%
		% within Direct Marketing	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,201	,043
	Cramer's V	,201	,043
	Contingency Coefficient	,197	,043
N of Valid Cases		244	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9,869a	4	,043
Likelihood Ratio	9,890	4	,042
Linear-by-Linear Association	5,564	1	,018
N of Valid Cases	244		

a. 1 cells (10,0%) have expected count less than 5. The minimum expected count is 2,70.

Table 46. Crosstab, Chi-square and Cramer's V for Variables Gender and advertising:

			Advertisemnts					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Gender	Male	Count	9	10	8	8	9	44
		% within Gender	20,5%	22,7%	18,2%	18,2%	20,5%	100,0%
		% within Advertisemnts	23,7%	17,2%	16,0%	14,0%	22,0%	18,0%
		% of Total	3,7%	4,1%	3,3%	3,3%	3,7%	18,0%
	Female	Count	29	48	42	49	32	200
		% within Gender	14,5%	24,0%	21,0%	24,5%	16,0%	100,0%
		% within Advertisemnts	76,3%	82,8%	84,0%	86,0%	78,0%	82,0%
		% of Total	11,9%	19,7%	17,2%	20,1%	13,1%	82,0%
Total		Count	38	58	50	57	41	244
		% within Gender	15,6%	23,8%	20,5%	23,4%	16,8%	100,0%
		% within Advertisemnts	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	15,6%	23,8%	20,5%	23,4%	16,8%	100,0%

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,091	,731
	Cramer's V	,091	,731
	Contingency Coefficient	,091	,731
N of Valid Cases		244	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2,028a	4	,731
Likelihood Ratio	1,994	4	,737
Linear-by-Linear Association	,132	1	,717
N of Valid Cases	244		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,85.

Table 47. Crosstab, Chi-square and Cramer's V for Variables Gender and sales promotion:

			Sales Promotion					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Gender	Male	Count	2	1	13	14	14	44
		% within Gender	4,5%	2,3%	29,5%	31,8%	31,8%	100,0%
		% within Sales Promotion	18,2%	14,3%	27,7%	21,2%	12,4%	18,0%
		% of Total	0,8%	0,4%	5,3%	5,7%	5,7%	18,0%
	Female	Count	9	6	34	52	99	200
		% within Gender	4,5%	3,0%	17,0%	26,0%	49,5%	100,0%
		% within Sales Promotion	81,8%	85,7%	72,3%	78,8%	87,6%	82,0%
		% of Total	3,7%	2,5%	13,9%	21,3%	40,6%	82,0%
Total		Count	11	7	47	66	113	244
		% within Gender	4,5%	2,9%	19,3%	27,0%	46,3%	100,0%
		% within Sales Promotion	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	4,5%	2,9%	19,3%	27,0%	46,3%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5,900[a]	4	,207
Likelihood Ratio	5,803	4	,214
Linear-by-Linear Association	2,565	1	,109
N of Valid Cases	244		

a. 2 cells (20,0%) have expected count less than 5. The minimum expected count is 1,26.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,155	,207
	Cramer's V	,155	,207
	Contingency Coefficient	,154	,207
N of Valid Cases		244	

Table 48. Crosstab, Chi-square and Cramer's V for Variables Gender and public relation:

			Public Relations					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Gender	Male	Count	0	4	8	12	20	44
		% within Gender	0,0%	9,1%	18,2%	27,3%	45,5%	100,0%
		% within Public Relations	0,0%	40,0%	22,9%	13,3%	18,9%	18,0%
		% of Total	0,0%	1,6%	3,3%	4,9%	8,2%	18,0%
	Female	Count	3	6	27	78	86	200
		% within Gender	1,5%	3,0%	13,5%	39,0%	43,0%	100,0%
		% within Public Relations	100,0%	60,0%	77,1%	86,7%	81,1%	82,0%
		% of Total	1,2%	2,5%	11,1%	32,0%	35,2%	82,0%
Total		Count	3	10	35	90	106	244
		% within Gender	1,2%	4,1%	14,3%	36,9%	43,4%	100,0%
		% within Public Relations	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	1,2%	4,1%	14,3%	36,9%	43,4%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5,871[a]	4	,209
Likelihood Ratio	5,841	4	,211
Linear-by-Linear Association	,429	1	,513
N of Valid Cases	244		

a. 3 cells (30,0%) have expected count less than 5. The minimum expected count is ,54.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,155	,209
	Cramer's V	,155	,209
	Contingency Coefficient	,153	,209
N of Valid Cases		244	

Table 49. Crosstab, Chi-square and Cramer's V for Variables Organisation size and personal selling:

			Personal Selling					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Organisation Size	None	Count	3	10	6	9	6	34
		% within Organisation Size	8,8%	29,4%	17,6%	26,5%	17,6%	100,0%
		% within Personal Selling	18,8%	26,3%	11,8%	12,2%	9,2%	13,9%
		% of Total	1,2%	4,1%	2,5%	3,7%	2,5%	13,9%
	1-5	Count	8	7	18	22	19	74
		% within Organisation Size	10,8%	9,5%	24,3%	29,7%	25,7%	100,0%
		% within Personal Selling	50,0%	18,4%	35,3%	29,7%	29,2%	30,3%
		% of Total	3,3%	2,9%	7,4%	9,0%	7,8%	30,3%
	6-10	Count	1	10	13	31	24	79
		% within Organisation Size	1,3%	12,7%	16,5%	39,2%	30,4%	100,0%
		% within Personal Selling	6,3%	26,3%	25,5%	41,9%	36,9%	32,4%
		% of Total	0,4%	4,1%	5,3%	12,7%	9,8%	32,4%
	>10	Count	4	11	14	12	16	57
		% within Organisation Size	7,0%	19,3%	24,6%	21,1%	28,1%	100,0%
		% within Personal Selling	25,0%	28,9%	27,5%	16,2%	24,6%	23,4%
		% of Total	1,6%	4,5%	5,7%	4,9%	6,6%	23,4%
Total		Count	16	38	51	74	65	244
		% within Organisation Size	6,6%	15,6%	20,9%	30,3%	26,6%	100,0%
		% within Personal Selling	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	6,6%	15,6%	20,9%	30,3%	26,6%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19,673[a]	12	,074
Likelihood Ratio	20,596	12	,057
Linear-by-Linear Association	1,720	1	,190
N of Valid Cases	244		

a. 3 cells (15,0%) have expected count less than 5. The minimum expected count is 2,23.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,284	,074
	Cramer's V	,164	,074
N of Valid Cases		244	

Table 50. Crosstab, Chi-square and Cramer's V for Variables Organisation size and direct marketing:

			Direct Marketing					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Organisation Size	None	Count	2	10	6	8	8	34
		% within Organisation Size	5,9%	29,4%	17,6%	23,5%	23,5%	100,0%
		% within Direct Marketing	13,3%	25,6%	10,3%	14,5%	10,4%	13,9%
		% of Total	0,8%	4,1%	2,5%	3,3%	3,3%	13,9%
	1-5	Count	4	12	13	19	26	74
		% within Organisation Size	5,4%	16,2%	17,6%	25,7%	35,1%	100,0%
		% within Direct Marketing	26,7%	30,8%	22,4%	34,5%	33,8%	30,3%
		% of Total	1,6%	4,9%	5,3%	7,8%	10,7%	30,3%
	6-10	Count	3	13	19	17	27	79
		% within Organisation Size	3,8%	16,5%	24,1%	21,5%	34,2%	100,0%
		% within Direct Marketing	20,0%	33,3%	32,8%	30,9%	35,1%	32,4%
		% of Total	1,2%	5,3%	7,8%	7,0%	11,1%	32,4%
	>10	Count	6	4	20	11	16	57
		% within Organisation Size	10,5%	7,0%	35,1%	19,3%	28,1%	100,0%
		% within Direct Marketing	40,0%	10,3%	34,5%	20,0%	20,8%	23,4%
		% of Total	2,5%	1,6%	8,2%	4,5%	6,6%	23,4%
Total		Count	15	39	58	55	77	244
		% within Organisation Size	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%
		% within Direct Marketing	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	6,1%	16,0%	23,8%	22,5%	31,6%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16,108[a]	12	,186
Likelihood Ratio	15,745	12	,203
Linear-by-Linear Association	,061	1	,805
N of Valid Cases	244		

a. 4 cells (20,0%) have expected count less than 5. The minimum expected count is 2,09.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,257	,186
	Cramer's V	,148	,186
N of Valid Cases		244	

Table 51. Crosstab, Chi-square and Cramer's V for Variables Organisation size and advertising:

			Advertisemnts					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Organisation Size	None	Count	5	11	5	8	5	34
		% within Organisation Size	14,7%	32,4%	14,7%	23,5%	14,7%	100,0%
		% within Advertisemnts	13,2%	19,0%	10,0%	14,0%	12,2%	13,9%
		% of Total	2,0%	4,5%	2,0%	3,3%	2,0%	13,9%
	1-5	Count	10	17	18	19	10	74
		% within Organisation Size	13,5%	23,0%	24,3%	25,7%	13,5%	100,0%
		% within Advertisemnts	26,3%	29,3%	36,0%	33,3%	24,4%	30,3%
		% of Total	4,1%	7,0%	7,4%	7,8%	4,1%	30,3%
	6-10	Count	15	18	16	16	14	79
		% within Organisation Size	19,0%	22,8%	20,3%	20,3%	17,7%	100,0%
		% within Advertisemnts	39,5%	31,0%	32,0%	28,1%	34,1%	32,4%
		% of Total	6,1%	7,4%	6,6%	6,6%	5,7%	32,4%
	>10	Count	8	12	11	14	12	57
		% within Organisation Size	14,0%	21,1%	19,3%	24,6%	21,1%	100,0%
		% within Advertisemnts	21,1%	20,7%	22,0%	24,6%	29,3%	23,4%
		% of Total	3,3%	4,9%	4,5%	5,7%	4,9%	23,4%
Total		Count	38	58	50	57	41	244
		% within Organisation Size	15,6%	23,8%	20,5%	23,4%	16,8%	100,0%
		% within Advertisemnts	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	15,6%	23,8%	20,5%	23,4%	16,8%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5,056[a]	12	,956
Likelihood Ratio	4,963	12	,959
Linear-by-Linear Association	,589	1	,443
N of Valid Cases	244		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,30.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,144	,956
	Cramer's V	,083	,956
N of Valid Cases		244	

Table 52. Crosstab, Chi-square and Cramer's V for Variables Organisation size and sales promotion:

			Sales Promotion					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Organisation Size	None	Count	3	0	5	8	18	34
		% within Organisation Size	8,8%	0,0%	14,7%	23,5%	52,9%	100,0%
		% within Sales Promotion	27,3%	0,0%	10,6%	12,1%	15,9%	13,9%
		% of Total	1,2%	0,0%	2,0%	3,3%	7,4%	13,9%
	1-5	Count	2	1	14	19	38	74
		% within Organisation Size	2,7%	1,4%	18,9%	25,7%	51,4%	100,0%
		% within Sales Promotion	18,2%	14,3%	29,8%	28,8%	33,6%	30,3%
		% of Total	0,8%	0,4%	5,7%	7,8%	15,6%	30,3%
	6-10	Count	2	4	15	20	38	79
		% within Organisation Size	2,5%	5,1%	19,0%	25,3%	48,1%	100,0%
		% within Sales Promotion	18,2%	57,1%	31,9%	30,3%	33,6%	32,4%
		% of Total	0,8%	1,6%	6,1%	8,2%	15,6%	32,4%
	>10	Count	4	2	13	19	19	57
		% within Organisation Size	7,0%	3,5%	22,8%	33,3%	33,3%	100,0%
		% within Sales Promotion	36,4%	28,6%	27,7%	28,8%	16,8%	23,4%
		% of Total	1,6%	0,8%	5,3%	7,8%	7,8%	23,4%
Total		Count	11	7	47	66	113	244
		% within Organisation Size	4,5%	2,9%	19,3%	27,0%	46,3%	100,0%
		% within Sales Promotion	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	4,5%	2,9%	19,3%	27,0%	46,3%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11,126[a]	12	,518
Likelihood Ratio	11,950	12	,450
Linear-by-Linear Association	2,688	1	,101
N of Valid Cases	244		

a. 8 cells (40,0%) have expected count less than 5. The minimum expected count is ,98.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,214	,518
	Cramer's V	,123	,518
N of Valid Cases		244	

Table 53. Crosstab, Chi-square and Cramer's V for Variables Organisation size and public relations:

			Public Relations					
			Absolutely unnecessary	Unnecessary	Uncertain	Necessary	Absolutely necessary	Total
Organisation Size	None	Count	1	0	6	12	15	34
		% within Organisation Size	2,9%	0,0%	17,6%	35,3%	44,1%	100,0%
		% within Public Relations	33,3%	0,0%	17,1%	13,3%	14,2%	13,9%
		% of Total	0,4%	0,0%	2,5%	4,9%	6,1%	13,9%
	1-5	Count	0	1	9	30	34	74
		% within Organisation Size	0,0%	1,4%	12,2%	40,5%	45,9%	100,0%
		% within Public Relations	0,0%	10,0%	25,7%	33,3%	32,1%	30,3%
		% of Total	0,0%	0,4%	3,7%	12,3%	13,9%	30,3%
	6-10	Count	0	3	12	26	38	79
		% within Organisation Size	0,0%	3,8%	15,2%	32,9%	48,1%	100,0%
		% within Public Relations	0,0%	30,0%	34,3%	28,9%	35,8%	32,4%
		% of Total	0,0%	1,2%	4,9%	10,7%	15,6%	32,4%
	>10	Count	2	6	8	22	19	57
		% within Organisation Size	3,5%	10,5%	14,0%	38,6%	33,3%	100,0%
		% within Public Relations	66,7%	60,0%	22,9%	24,4%	17,9%	23,4%
		% of Total	0,8%	2,5%	3,3%	9,0%	7,8%	23,4%
Total		Count	3	10	35	90	106	244
		% within Organisation Size	1,2%	4,1%	14,3%	36,9%	43,4%	100,0%
		% within Public Relations	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	1,2%	4,1%	14,3%	36,9%	43,4%	100,0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16,688[a]	12	,162
Likelihood Ratio	17,752	12	,123
Linear-by-Linear Association	3,819	1	,051
N of Valid Cases	244		

a. 9 cells (45,0%) have expected count less than 5. The minimum expected count is ,42.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,262	,162
	Cramer's V	,151	,162
N of Valid Cases		244	

H2

Table 54. Chi-Square for Variables Type of Institution and Working with organic cosmetics:

Pearson Chi-Square Tests

		Working with Organic Cosmetics
$TypeofInstitution	Chi-square	27,066
	df	10
	Sig.	,003[*]

Results are based on nonempty rows and columns in each innermost subtable.

*. The Chi-square statistic is significant at the ,05 level.

H3

Table 55. Chi square and Cramer's V for Variables Age and Interested in organic cosmetics:

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2,783[a]	2	,249
Likelihood Ratio	2,547	2	,280
Linear-by-Linear Association	1,755	1	,185
N of Valid Cases	268		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,48.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	,102	,249
	Cramer's V	,102	,249
	Contingency Coefficient	,101	,249
N of Valid Cases		268	

7. Aqua Organic's product list

Table 56. Product list of Aqua Organic:

Category	Type	Name	Basis	Skin type
Cleansing	Cleanser	Facial Cleanser	Coconut oil, lemongrass	All
	Toner	Toner	Alcohol free, lavender	All
	Make-up remover	Two Phase R	Organic oil, water	All
	Face peeling	Passion face Scrub	Coconut oil, sugarcane	All
	Travel set	Travel Set	Facial cleanser, tonic, shower gel	All
Regenerate	Moisturising mask	Age Defense H	Aloe Vera, beta carotene	All
	Cleansing mask	Age Defense C	Antioxidant herbal extract	Normal, combination
	Lifting gel	Age Defense L	Aloe Vera, mint, lavender	All
	Anti couperose serum	Age Defense Y-	Antioxidant herbal extract	All
	Cell repair serum	Age Defense Y+	Snow algae	All
	Anti Aging serum	Age Defense S	Organic oils, vitamin A, C, E	Normal, dry
Care	Moisturising cream	Age Defense F	Acai Oil, natural hyaluronic acid	All
	Anti Aging cream	Age Defense M	Jojoba oil, lactate acid	Normal, dry
	Anti Aging cream	Age Defense N	Shea butter, macadamia oil	Demanding
	Eye cream	Age Defense E	Monounsaturated fatty acids	All
Body	Body peeling	Passion Body Scrub	Coconut oil, sugarcane	All
	Shower gel	Shower gel	Lemongrass, grapefruit	All
	Lifting body cream	Passion Body Cream	Shea butter, coconut oil, lavender oil	All
	Body oil	Body Oil No. 2	Lavender	All
	Body oil	Body Oil No. 5	Orange	All
	Body oil	Body Oil No. 6	Vanilla	All

Source: Aqua Organic (2015)

8. Distribution possibilities Germany

Table 57. Distribution Germany with location, names and priority:

<table>
<tr><th>Location</th><th>Name of the Institutes</th><th>Priority</th></tr>
<tr><td>Munich</td><td>Hautfachzentren dermedis, KOSMED in Dermatologie am Dom Praxis Dr. Voigt, Ludwigsapotheke München, Die ÄsthetenMedical Spa, beauty & nature, YC FACE & BODY, Kosmetikpraxis Hupf, Kosmetikstudio Nagy, Isabels Beauty Club, Amour Fou Spa de Beauté, Haarwerk, Brückner Bublitz & Kosmetik Annett Gröger, Organic Luxury: Organic Luxury Day Spa, Susanne Kaufmann Day Spa München, Aiyasha Medical Spa, fineskin Institut für medizinische Kosmetik, Kosmetikstudio AVALON, The Charles Spa/ Rocco Forte, Blue Spa Bayrischer Hof, Die kleine Theatiner Parfümerie, Kosmetisches Institut München, simona kelber cosmetics, Kosmetik Mental Voyage, Kosmetikstudio Lik, Glamour & Beauty, Face, Body&Soul – Naturkosmetik, So Spa Sofitel, Emotion Spa in Le Meridien München, WellBeing Salon, TYBAS Beauty & Health Center, Zentraldrogerie Parfümerie – Kosmetik, La Bella Medical Beauty, Katja Wengefeld Kosmetik Studio, Friseurbetrieb | Jasmin Frisch, Redröh - Beauty & Care professional, Balde Apotheke, Aedis Beauty München, Kosmetik Institut Niki, Santa Margarita Schönheitssalon, VIDA LEITNER COSMETICS, Cover & Care, Wirkstoffreich Kosmetik und Massagen, WAM Beauty, Body & Beauty-Force, Schönheit und Harmonie, Privee München Friseur & Kosmetik, Kosmetikinstitut im Lehel, Cell Premium Lounge München, Beauty Concept, Kosmetikstudio Claudia Krieger, Hilton Munich Park, Dr Zenker Cosmetics, Apotheke am Odeanplatz, PURITY face & body treatments, beautystudio stollberg, Judith Williams Beauty Institute, Kempinski The Spa im Hotel Vier Jahreszeiten Kempinski München, Kosmetikinstitut Aesthetic & More in Praxis Dr. E. Höfter, Siam Nature, BODY-SHAPE, anti-aging+kosmetik, PRO COSMETIC, Biobella, Paradise Nail & Beauty, Friseur Fritsch, Skin Concept Institut für Dermatokosmetik in Privatpraxis für Dermatologie, FACE & BODY Day Spa, Cosmetic & Anti-Aging Nymphenburg, Kosmetik am Schloss, Kosmetik & Med. Fußpflege Manuela KLINGER, Regine Neve Beauty Therapy Praxis, Pure Harmony, Beauty Box, Kosmetik am Willibaldplatz, Mt.Sapola and more, Diana's Institut für moderne Cosmetic, Iris Fuhrmann Institut für regulative Hautpflege, 1001 Kosmetik München , Waxing & Kosmetik Institut Renata Cardoso, Creativ Nail & Beauty, Schönheitswerk München, Cosmo-Beauty, Mimoza Cosmetic, Institut Dallinger, Oceans Cosmetic, Beauty Greventiz , Cosmeticstudio Christina Cotta, Excellent Nail & Cosmetic, Cremebar Beauty & Wellness, Cremebar Beauty Store, Youthful – The Beauty & Wellbeing Institute, Head to Toe, Yasmin Cosmetics, Apotheke zur Münchner Freiheit/Beauty Lounge, Sana Beauté (im Fitness First), Kosmetikinstitut M. Frisch, Happy Aging & Skincare, health & beauty – cosmetic, Gesund & Schön - Kosmetik Leibfried, KOSMETIK</td><td>1</td></tr>
</table>

	Kathrin Hofmann, Haut & Haar, Heide Markt-Apotheke, Friseur & Kosmetik & Fußpflege Maximilian, Kosmetikstudio Rita Högen, beauty lumis, Kosmetikstudio Four Seasons Beauty und Wellness, Allacher Apotheke Kosmetikstüberl, Derma I Kosmetik I Wohlfühlen, Kosmetik Studio Anke Schweiger , Ada's Kosmetik in Dalya Hairdesign, Auszeit München, Simone Hemm Medizinische Kosmetik und Fachfußpflege, Hautarztzentrum am Harras, AESTHETIC BODY & SKIN, Parfümerie Himmer, Kosmetikstudio Leib und Seele, Cosmetic Anna Kowal. Studio für Naturkosmetik, Womans Beauty, Sinneswandel Kosmetikstudio, BB Beautystudio, Kosmetikstudio ABRELL, BEAUTY TOTAL, TAGESFARM KOSMETIK SPA, estetica , IRENE BILDAU-Med. Kosmetik, Naturheilkunde und Osteopathie, Corinna Kuffner Contour Make-Up, BABEA – EXPERTIN FÜR SCHÖNHEIT UND WOHLBEFINDEN in Klosterfriseure Solln, la mano, dermoSKIN Kosmetik Center, LONG-TIME-BEAUTY KOSMETIK-INSTITUT, Cutaris Kostemikinstitut in der Arztpraxis Cutaris, Kosmetikstudio Alla Bakulina, Magnolia Naturkosmetik, Kosmetikinstitut Sofi Kaufman, Beauty Concept, Kosmetikschachterl, Best for Beauty, Kosmetikstudio-Regenbogenblume, Kosmetikstudio München Haidhausen Bogenhausen, Kosmetikstudio Prinzregent, PER ME - Salone di Bellezza, Antura Health & Beauty, Kosmetikstudio Helga, Kosmetikstudio Ivana Querella, Parfümerie Prasch, Kosmetik, Nails & Care, Styling Station 318, Friseur & Kosmetik Karin Kellner, aesthesan in SKINMED-Hautzentrum Arabellapark, kling kosmetik institut mit Dr. Eva Steinbrecher, Deluxe Beauty Lounge, Arabella Spa in The Westin Grad München, GHAZALKOSMETIK, Margots Beautystudio, fokos Kosmetik, DIE KOSMETIKEXPERTINNEN, Kosmetikstudio Pia Loechle, Rathaus Apotheke, Kosmetikinstitut Dr. Schramm in Privatpraxis Dr. med Nicole Schramm, Le Petite Day Spa, Kosmetikinstitut pro elegancia, Ganz-Heike-Ruf, Parfümerie Nöth in Germering/ Gröbenzell, Beauty Lounge, Parfümerie Flair, Coco Cosmetic, catharina Kosmetikinstitut, Das Kosmetik Atelier, hautgeflüster exklusive wohlfühlmomente, Medkos Schönheitszentrum ,Charisma, Seeapotheke SKINCENTER, Beauty & More, Beauty Department Monika Meindl, Central Parfümerie Krölls, Hautzentrum am Starnberger See, skinkosmedic Institut für Hautästhetik, MonaLisa-S-Thetic Schönheitsinstitut & Naturkosmetik, 7 Schön, PLOCHMANN KOSMETIK, Margarete Wagner Kosmetik-Institut, Wohlfühlen am Starnberger See, Alpenhof Murnau, Medi Spa & Vitalrefugium in Johannesbad Medical Spa, Parkhotel am Soier See, Dreitorspitz Apotheke, Riessersee Spa in Riessersee Hotel Resort, AlmWell in Hotel Zugspitze, Dorivita Welness im Dorint Sporthotel Garmisch-Patenkirchen, Alpinum Spa & Garten im Staudacher Hof. Vitalia Beauty & SPA in Klosterhotel "Ludwig der Bayer", AlmWell in Romantik Hotel Waxenstein, Schloss Elmau Spa & Wellness, Wellness & Nature Spa im Hotel Kranzbach, Karin Kunert Parfümerie.Kosmetik.Behandlung, SCHLOSSGUT OBERAMBACH BIOHOTEL – VITALZENTRUM, BeauDay Kosmetikinstitut in Hotel St. Georg, Optymed Medical &Beauty Spa, Beauty Alm im Hotel feuriger Tatzlwurm, Golf Resort Achental, NaturReich Naturkosmetik in Unterwirts WellnessOase, GUT EDERMANN, Adler Apotheke, Hotel Gut Ising, Spa Nicole Kletzl, Vitalisarium im Wohnstift Mozart, Kur–Apotheke/ Salzissimo, AMBER RESIDENZ BAVARIA, BAD REICHENHALL, Hotel EDELWEISS Berchtesgaden, Alpenhotel Zechmeisterlehen, Alm- & Wellnesshotel Alpenhof, Parfümerie Wiedemann, Lans Med Concenpt Im Lanserhof Tegernsee, Kosmetik Tegernsee, Spa In Das Tegernsee Hotel, "4 Elements Spa in ALTHOFF SEEHOTEL ÜBERFAHRT", "Relais & Châteaux Park-Hotel, Egerner Höfe am Tegernsee", Bachmair Weissach Luxus SPA in Bachmair Weissach Hotel, Hotel Landhaus am Stein, Vital-Well-Oase in Terrassenhof Hotel, Boutique Hotel Relais-Chalet Wilhelmy Hotel, Beauty Lounge Bayerschmidt Parfümerien Miesbach , AlpenSpa in Arabella Alpenhotel am Spitzingsee, Tannerhof – Naturhotel & Gesundheitsresort, Romantikhotel "Der Alpenhof", Natürlich Schön, Kosmetik Egerer Institut für Anti- Aging &Problemhaut, Friseur & Kosmetik Jacobs, Kosmetikstudio hautFOCUS, von Rötel DAYSPA, Hautnah im Ärztehaus am Klinikum Ingolstadt, Parfümerie Hubrich, Parkhotel Heidehof, KOSMETIKSTUDIO ENGL, H²O Beauty Lounge, Creme Fresh, GÖTZ APOTHEKE, Claudia Mayer-Funke Kosmetikstudio, Body, Nails & More, Beauty Salon Jedenhofen, St. Johannis Apotheke Pfaffenhofen, BERGNER Parfümerie, Raum der Ruhe, Kosmetikinstitut Hautsache, Bodysilk , Cosmetic Dreams, Therme Erding , Beauty Studio Erding, Howerka, Parfümerie, Kosmetik , Kosmetik & Parfümerie Hannelore Huber-Stettner, Beauty Case, BeBe Kosmetikstudio, COSMEAStudio für Kosmetik & Sugaring, Kosmetikinstitut Vital, LOROFF & EVANGELISTA Kosmetikstudio, ah KOSMETIK & WELLNESS, Kosmetik and Nageldesign Ebersberg, All about Beauty - Kosmetik & Permanent Make up, Gesine Schulte Langforth Kosmetik,, Gesundheitspraxis Anne Falter, CHRISTINA - DAS KOSMETIKSTUDIO, Feine Haut - Studio für gesunde Schönheit, Kosmetikstudio Franziska Scheid, KOSMETIKSTUDIO BALANCE, Haut&Sinne Kosmetikstudio im Health&Fitness Center, B·NEW MUNICH Dermokosmetisches Institut, Kosmetik Huschka, Kosmetikstudio Beauty Balance, PARFÜMERIE NAEGELE, Parfümerie Haberstock, Inge Höck Kosmetikinstitut, Beautyform, Kosmetikstudio Bettina, Prinzkarlpalais Kosmetik, Parfümerie und Refo-Haus Sammüller , KOSMETIKSTUDIO AMALI, Belle Epoque – K O S M E T I K, Systemkosmetik Hautnah, Kosmetikstudio RiDa la Vella, STEIGENBERGER HOTEL DER SONNENHOF, Natura Vita-SPA im Vitalhotel Sonneck, LE PETIT CHÂTEAU FONTENAY, DAY SPA RESIDENCE in PARKHOTEL RESIDENCE, Das Kneippianum Kneipp- & Gesundheitsresort im Allgäu, relaxLounge Institut für Medical Beauty- und Bodybehandlungen, VANITY SPA COSMETICS, Kosmetikstudio la perle, HILD Kosmetik & Make up, body´n face, Beauty & Health – Monika Ebmeyer, Wellnesshotel Rübezahl, Beauty-Vital-KosmetikAporpos, Ludwig Beck, Oberpollinger, Zentraldrogerie Parfümerie - Kosmetik, Gesund & Schön - Kosmetik Leibfried, Parfümerie Himmer	
Berlin	Kosmetikinstitut am Hackeschen Markt, Kosmetikstudio Orchidee, MDC Cosmetic, Kosmetikstudio Helgard Jarosz, BEAUTY ISN'T MAKEUP, Glamoury, Kosmetik Estetica, Kosmetikstudio Jenny, Beauty Brunnen Kosmetik Studio, Kosmetikstudio EXPERT, Kosmetikstudio SchönGesund,Die Zwillinge - Kosmetikstudio, Kosmetikstudio 61, Ewa Klein Kosmetik, LE PETIT SPA, Maluna Day Spa im Steigenberger Hotel, ONO SPA im The Mandala Hotel, TITANIC GENDARMENMARKT BERLIN, Department store 206, Andreas Murkudis, Annes Friseur Haarmonie & Beauty, JACKS BEAUTY DEPARTMENT, EWIGE SCHÖNHEIT KOSMETIK, Hotel Adlon Kempinsk, Guerlain Day Spa in Waldorf Astoria Berlin, centrovital Day SPA,	1
Hannover	Esplanade, Parfümerie Liebe	1
Stuttgart	Naturheilpraxis im Step Sports & Spa, Bungalow, Schlossparfumerie, PARFÜMERIE HEUDORF,Hautnah Kosmetik Institut, Schönheitszentrum Solitude, Beauty Royal, Mama Spa, Naturheilpraxis im Step Sports & Spa	1
Frankfurt	Villa Westfalia, schön in frankfurt, Beauty Skyline, Kosmetikstudio beYouty, Green Mama Bio Spa Frankfurt, Parfümerie Albrecht, TALISE SPA FRANKFURT in Jumeirah Frankfurt, Kempinski Spa in Frankfurt, Rocco Forte Spa AT VILLA KENNEDY, THE SPA at Steigenberger Frankfurter Hof	1

Hamburg	Kosmetikinstitut Eimsbüttel, Signorina Kosmetikstudio, Von Kopf bis Fuß Nagel- und Kosmetikstudio, Neveling Kosmetikstudio, Susanne Enders Kosmetik, Alexandra Ciolea Beauty, Sassa B Day Spa, Sakura Spa, Hamburger Hof Parfümerie, TREUDELBERG DAYSPA im Steigenberger Hotel, Gastwerk Hotel Hamburg, DAYSPA HAMBURG in Gastwerk Hotel, The George Hotel	1
Düsseldorf	Nizza Kosmetik-Institut, SPAtacular, pflege reich Naturkosmetikstudio, Momentum Spa, KOSMETIK. PARFÜMERIE. Gerhild Siegel	1
Köln	Beauty day spa, Dolce Vita Kosmetikinstitut	1
Leipzig	PETERSBOGEN-APOTHEKE/ APOTHEKE IM KARSTADT	1
Bremen	hautquartier®	1
Dortmund	Neli's BeautyCouture	1
Konstanz	PARFÜMERIE GRADMANN,	1
Mainz	Popp's Parfümerie Hussong	1
Mannheim	Kurfürsten Parfümerie	1
Bad Herrenalb	Schwarzwald Panorama	1
Münster	Dolce Vita Kosmetikinstitut	1
Essen	Kosmetik- Institut Vita Nova – Heike Bedtmann, Kerstin Braunsteiner Kosmetik, RMG Kosmetik- & Wellness-Institut	1
Regensburg	Andrea Garburg Haare, Kosmetik, Wellness, Das Götzfried **** Kultur- & Spa-Hotel, Medical Wellness, KosmetikStüberl Barche	1
Ulm	SveaSpa, TERRA-NADA Cosmetic - Beauty - Wellness, Cosmo Derm, Susanne Konrad Kosmetik am Münster, Bio Cosmetik, Kosmetikinstitut Lydia Chrenko, SHEIK ÄSTHETIK MEDICAL BEAUTY, Cosmo Derm in Hautarztpraxis Hirschstraße, ANJÁVO-Studio, Charme Kosmetikinstitut, Art of Beauty, BEAUTY CENTER SÖFLINGEN, Kosmetikinstitut Stapel , Tagesfarm Mendle	1
Nürnberg	Kosmetik & Wellness Großweidenmühle, Parfümerie Seifenzahn, »einfach schön« Kosmetikstudio, Mohren Kosmetik zu St. Lorenz, Fachwerk Hare.Kosmetik, Schönheits-Stube an der Burg, Kosmetikstudio Snajder, Kosmetik Atelier, SPA DE LA MER, JE´SCAVA Schönheitsinstitut, Kosmetikstudio BellaNatura, Kraftshofer Wellness Scheune, Studio Del' Arte, DaySpa am Rosenaupark, Carlton Spa in Sheraton Carlton Nürnberg, DERMIQ - beauty & ästhetik, HopeCosmetics, Kosmetikstudio Angelika Schlick, VERISIMA esthetics, Infinity Spa in NH Hotel Forsthaus Fürth Nürnberg, Kosmetikstudio "fei schee", Höfer Parfümerien, BellaDonna Kosmetik, S+L Kosmetik für Dich	1
Würzburg	Parfümerie More than Beauty , Friseursalon HAIR & BEAUTY, Kosmetik Lisa M, Kosmetikstudio Ursula Rickel, Lissy Beauty&Wellness, Noblesse Kosmetik Wellness - Ästhetik - Gesundheit, Chiara Donna Kosmetikstudio, Kosmetikstudio am Main, Residenz Kosmetik, Parfümerie Akzente, Cosmeticum Meilenstein, DAYSPA im Mönchbergpark, MAINSTYLE Beauty Institut	1
Baden-Baden	BRENNERS SPA	2
Königstein im Taunus	ASCARA Fitness & Spa in the Grand Kempinski	2
Osnabrück	HautAktiv Kosmetik , Neumarkt-Apotheke	2
Koblenz	Taufrisch in der Regenbogenapotheke	2
Bamberg	Carola Reck Kosmetik & Medical Beauty, Parfümerie Silvy HahnFriseur Balin Hair Kosmetik, KOSMETIK Gabi Wunder, Schöngeist - Das Kosmetikstudio	2
Bochum	Sohn & Sohn Cosmetics	2
Augsburg	Parfümerie und Refo-Haus Sammüller , PARFÜMERIE NAEGELE, Parfümerie Haberstock	2
Kempten	Bahnhof-Apotheke	2
Oberstaufen	Sport- und Kurhotel Sonnenalp, BERGKRISTALL - NATUR UND SPA, Königshof Hotel Resort, CONCORDIA WELLNESSHOTEL & SPA, Lindner Parkhotel & Spa	2
Oberjoch	Panoramahotel Oberjoch, Edelweiß Alpenspa in HOTEL LANIGResort & Spa	2
Oberstdorf	SCHÜLE'S Gesundheitsresort & Spa, Parkhotel Frank	2
Füssen	Hotel Sommer	2
Wasserburg am Bodensee	VIVA-PARFÜMERIE & KOSMETIK	2
Passau	Medical Spa Beautyfarm Astrid Schwamberger	2
Bad Füssing	Falkenhof Spa in Bio Vitalhotel falkenhof, Royal Beauty in Das Wunsch-Hotel Mürz, DAS MÜHLBACH Thermal Spa & Romantik Hotel, Die Gesundheitsmanager Bad Füssing	2
Bad Griesbach	COLUMBIA beauty & spa in Columbia Hotel , Beauty im Fürstenhof, MAXIMILIAN Schönheitsoase „Weg der Sinne“, DAS LUDWIG SPA , Vitalzentrum Kosmetikstudio im Hotel Drei Quellen Therme, First Beauty in Aktiv und Vital Hotel Residenz	2
Bayreuth	Schloß-Parfümerie, BELESSA BEYREUTH	2
Ückeritz	Pier 14	3

Oberursel	Calla Mode	3
Miltenberg	Parfümerire Desirie	3
Winnenden	Wöhrle Parfümerien	3
Bad Urach	Parfümerie Herzer	3
Homburg	Parfümerie CB	3
Bietigheim	AMBIANA	3
Forst	STEPHAN Exklusiv-Vertrieb	3
Fellbach	Kosmetikstudio Bildstein, Parfümerie Dietmar Erb	3
Metzingen	Parfümerie Fischer	3
Reutlingen	HAUT COUTURE Kosmetikinstitut	3
Leinfelden-Echterdingen	Parfümerie + Mode Müller	3
Schopfheim	Parfümerie Stutz	3
Trier	Edith Lücke	3
Lippstadt	Parfuemerie Goedecke	3
Lübeck	PARFÜMERIE SCHUBACK	3
Quickborn	Parfümerie Andrea Prösch-Jähnig	3
Heimbuchenthal	Landhotel Heimathenhof, Hotel Lamm	3
Oberorke	FREUND DAS HOTEL & SPA-RESORT	3
Waging am See	TENNIS-WELLNESSGARTEN WAGING	3
Höhr-Grenzhausen	Hotel Heinz	3
Bad Lippspringe	Vital Beauty & Ayurveda in VITAL HOTEL	3
Bad Sobernheim	DAS BOLLANTS	3
Freudenstadt-Lauterbad	LAUTERBADTHERME in HOTEL LAUTERBAD	3
Idar-Oberstein	S. Hartmann Days Spa & Gästehaus	3
Neuharlingersiel	BadeWerk Neuharlingersiel	3
Bad Bellingen	Balinea Thermen	3
Ludwigsburg	milk & honey	3
Crailsheim	Flügelau-Apotheke	3
Neukirchen-Vluyn	Kosmetik-Institut Per me	3
Havelse	Kosmetik und Stil	3
Neustadt	Ilona & Christin Nebel Haus für Schönheit und Wohlbefinden	3
Bad Kötzting	Kosmetik-Atelier Preidl, Sonnen-Apotheke Bad Kötzting	3
Bad Gögging	MARC AUREL Hotel, Eisvogel Spa in Hotel & Gasthof Eisvogel	3
Amberg	ART Cosmetics, Apotheke St. Marien	3
Balderschwang	HUBERTUS Alpin Lodge & Spa	3
Schwangau	Wellnesshotel Rübezahl, Hotel König Ludwig Schwangau	3
Memmingen	Beauty-Vital-Kosmetik	3
Mindelheim	Marien-Apotheke	3
Ottobeuren	Parkhotel Maximilian	3
Bad Grönenbach	BAD CLEVERS Gesundheitsresort & SPA, Medical & Wellness im Allgäu	3
WEILER	HOTEL TANNENHOF	3
Ravensburg	Parfümerie Bittel	3

Bad Saulgau	Vital-Apotheke	3
Schwendi	Rats-Apotheke	3
Riedlingen	HAUTNAH	3
Deggenhausertal-Limpach	Biohotel Mohren	3
Blaustein	Kosmetikinstitut Irene Kaiser	3
Erbach	Kosmetikinstitut Irene Kaiser	3
Elchingen	Kosmetikstudio HAUTSACHE	3
Heidenheim	Karl-Olga Apotheke, Hautsache in Die neue Schiller Apotheke, Aylin´s Kosmetikstudio	3
Ehingen	ALPHA APOTHEKE	3
Schwabach	CARIBBEAN DAY SPA	3
Heideck	Wellness Studio Wellcome	3
Ruhstorf an der Rott	Spa Antonia in Hotel Antoniushof	3
Wegscheid	Reischlhof	3
Büchlberg	Landhotel Stemp	3
Röhrnbach	Jagdhof Röhrnbach	3
Haidmühle	Hotel Haidmühler Hof	3
Geiersthal	Hotel "Zum Kramerwirt"	3
Kaikenried	Landromantik Wellnesshotel Oswald	3
Bodenmais	Hotel Bergknappenhof, Hotel Mooshof	3
Drachselsried	Refugium Lindenwirt	3
Neukirchen	Dayspa zur Hohen Linde	3
Sankt Englmar	Hotel Gut Schmelmerhof	3
St. Englmar	Hotel Angerhof	3
Mamming	Nagelstudio Mamming	3
Ortenburg	KOSMETIKSTUDIO ESTADO	3
Lalling	Thula Wellness-Hotel Bayerischer Wald	3
Neuschönau	Schönheitsfarm Fohlenhof	3
Wirsberg	Reiterhof Bellevue Spa & Resort	3
Marktredwitz	Parfümerie Och	3
Stegaurach	Neue Apotheke	3
Coburg	Parfümerie Meier	3