







## Europe

Klostergarten, a range of body care products based on herbs found in the gardens of monasteries.

Lavera is another popular Natrue-certified brand with a lower price positioning than Weleda, and it is focusing on showing that natural products can compete in the colour cosmetics category. The brand recently signed model, actress and blogger Marie Nasemann as the face of its make-up line.

There has also been a host of new players, as illustrated at the Vivanes 2017 exhibition in Nuremberg. Harald Dittmar, Managing Director of German Association of Industrial and Retail Companies for Medicines, Health Foods, Food Supplements and Cosmetics (BDIH), which is one of the founding members of COSMOS, says: "The market for natural and organic cosmetics is continuing to grow steadily and... there are good opportunities even for smaller companies and start-ups." Among the new products at the exhibition were N&B Natural Is Better S.R.L Aloe Vera & Hyaluronic Elixir, Speick Naturkosmetik's Organic 3.0 Body Lotion, and OneWave's Whamisa Organic Sea Kelp Facial Sheet Mask.

### Marketing budgets matter

But while there are many interesting start-ups and niche brands in this segment, Dambacher believes that what is really needed for the natural and organic market in Germany to really grow, is "strong brands with good stories and a marketing budget". And as competition grows, existing brands will have to rethink their positioning and any reliance on familiar marketing concepts in order to maximise the opportunities presented as the market develops. This is in fact one of the key topics that will be discussed at the Natural & Organic Cosmetics Conference 2017 in Berlin this September, where Dambacher will act as programme chairwoman.

Another issue is the retail environment in which these brands are sold. "Stationary retail is currently not reacting fast enough to meet the increasing consumer demands," says Dambacher. "And the customer journey is currently changing radically." She notes how online retailers have built up an impressive market share by stocking newcomer and niche brands, which are simply not available in bricks-and-mortar stores. "In the future it will be more and more necessary to offer a retail concept that works both ways, offering organic cosmetics both online and offline," says Dambacher.

But there are some best practice examples: Müller Naturshop, for example, says Dambacher "is the only place where a consumer can find high prestige brands, such as Estée Lauder, alongside an excellent assortment of organic cosmetics, and at all price levels too. This makes them very successful. They also have very specialised sales people."

Organic cosmetics also represent an opportunity for retailers to upgrade their assortment with the kinds of sustainable and ethical products that today's consumers are looking for, believes Dambacher. "Retailers need to catch those consumers who are

### BRAND SPOTLIGHT: ALVERDE NATURKOSMETIK



Alverde Naturkosmetik, the own label brand from drugstore chain dm-drogerie markt, is the best selling certified natural cosmetics brand in Germany (source: GfK). Kerstin Erbe, Managing Director of dm speaks to *Cosmetics Business*

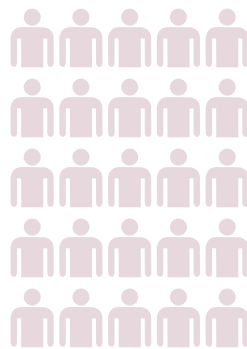
#### Why is Alverde Germany's number one certified natural cosmetics brand in Germany?

The strength of our brand Alverde Naturkosmetik is to offer our customers an attractive and always up-to-date range. For this, we make deliberate decisions about which products are included. For example, the demand of our customers in the area of decorative cosmetics was very high. That is why we have expanded our decoration counter to one meter in all dm markets. Through our consistent orientation to the customer, we were able to convince them of the very good price-performance ratio of Alverde.

#### Germany's natural and organic market continues to thrive. What are consumers now looking for?

The consumers of Alverde Naturkosmetik have higher expectations for visible results in the use of the products. Moreover, there is a great interest in natural ingredients.

# 500,000



Number of new consumers that bought natural and organic cosmetics in Germany in 2016

Source: [www.naturkosmetik-konzept.de](http://www.naturkosmetik-konzept.de)



**Consumer confusion is rife in this market. Brands should ensure that their positioning is absolutely clear in order to appeal to consumers**

looking for mildly formulated and sustainable, green cosmetics," she explains.

Another issue in the market is lack of a single European association for organic cosmetics, which is confusing to the consumer. "There are more than 50 labels with regards to product quality in this segment, but there is no leading label, and this makes natural cosmetics a bit weak," says Dambacher. "Consumers are sometimes confused about what is natural and what is organic, and there are translation mistakes too. In German speaking countries, natural products are defined by being organic, but in the UK, natural means nature-inspired."

And although the International Organization for Standardization (ISO) standard for natural and organic cosmetics is due to come into force this year, there are fears among some trade groups, including Natrue and COSMOS, that they threaten to legitimise greenwashing by being in fact less strict than existing private European standard definitions of natural and organic cosmetics. Indeed, Dambacher believes that it would be best to have one single common definition – by law – that defines what organic cosmetics are, and what they are not.

The lack of regulation, and the fact that there is no leading label, means that it is even more important for brands in this market to have a very clear positioning. "This is now the leading point for consumers when they are deciding if a brand is authentic and reliable," says Dambacher. "They look at the brand image before looking at the ingredients." And the interest is certainly there. "Consumers want to avoid harmful chemicals in cosmetics, and this brings more consumers to natural cosmetics", notes Dambacher. "The cosmetics market is becoming greener, natural and organic products are increasing, and over the first three months of 2017, the market has continued to grow. So I can see a positive outlook for the years ahead."