Research Proposal

Defining the Natural Segment(s)
for Mass Market Cosmetics

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Situation

The Brand

Nivea, a German personal-care brand that specializes in body-care, is part of the Hamburg-based multinational Beiersdorf Global AG. Nivea is present in 179 countries around the globe and sells approximately 100 million creme tins every year. The company is currently positioned as no.1 in 160 of those countries and is widely known for its moisturizing products. Among Beiersdorf core brands you can also find Eucerin, Hansaplast, and La Prairie.

Nivea is known for marketing products that include moisturizers, hair-care, and sun-care. As a brand, they are committed to sustainability, with the planet, their products, and their people. Nivea has been voted as one of Germany's most trusted brands, their products are known for offering simple, effective & cost-efficient care routine.

The Market

Nivea is facing, as many other brands in the segment, a changing market where consumers are shifting their demand due to emerging natural trends.

Consumers are increasingly concerned about the ingredients in their products, and increasingly concerned about the environmental impact of how their products are produced, packaged and disposed of.

Objectives

Business Objective

To discover the **potential profit** of the **natural trend** in the market and determine **how Nivea should invest in R&D** in the coming years to enter the category and do it **successfully**.

Research Objectives

- Deconstruct people's definition of natural products, especially with regards to the H&B market.
- Determine the perception of natural trends and their connection to personal-care products.
- To determine conscious and unconscious consumption habits with regards to natural products.
- Identify the different natural segments in H&B products and their traits.
- Determine the motivations and barriers for each group when purchasing this kind of personal-care products.

Secondary Research

The Opportunity

The personal-care industry and its trends around the world are constantly changing. Nivea asked us to define the natural segments, but first we wanted to understand the size of the market shift globally.

Identifying the Opportunity through Secondary Research:

Globally:

- Sales of personal care products with a natural claim, and sales of natural beauty care products each grew by 9% in 2017. - Nielsen.
- Natural skincare accounted for $1.6 billion of total 2018 sales, up 23% from the prior years. - NPD Group.
- While 66 percent of global consumers are willing to pay more for sustainable goods, a full 73 percent of Millennials are. - Nielsen.
- 90% of consumers believe that natural or naturally derived beauty ingredients are better for them. - NPD Group.

In the US:

- Over half of consumers look for makeup products made from natural ingredients. Skincare is experiencing a growth of 27%, and natural skincare brands brought in over 76% of skincare dollar gains. - NPD Group.

The Opportunity

Identifying the Opportunity through Secondary Research:

Spain:

- The European Union has banned 1,300 ingredients from personal care product formulations. - NPD Group.
- In Spain, demand for ecological products has grow for 40% between 2016-2018. - Anna Cano
- The market for natural skincare products grew by 9.5% in 2016 (6% more than the growth from traditional skincare). - Stanpa
- Online sales of natural skincare products in Spain could reach between €600-700 million Euros in 2020. - Freshly Cosmetics

Our research showed that the Spanish market has also had a shift towards the natural trends, following on the existing global trend.

The Opportunity

Identifying the Opportunity through Secondary Research

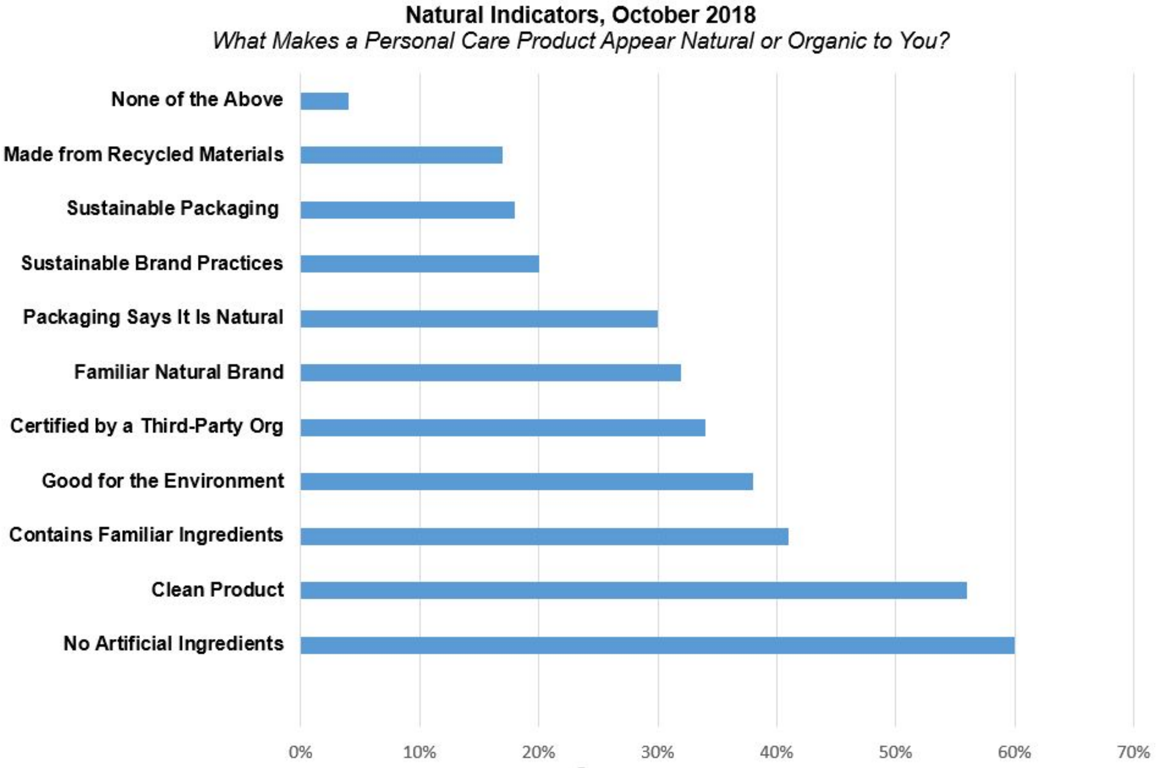
Panel Data from Nivea (2014-18):

- In the 55437 million euro Spanish FMCG Market, H&B products take 12%, and Nivea takes 21% of the H&B market.
- Nivea is growing ahead of Market in Deodorant (+7,0%),Face (+4,6%) & Body (+2,5%)
- We are currently No.1 by far in total market, body care, and men H&B products with upward trend
- Within the Spanish H&B market, skin and personal care products are being purchased predominately by elderly shoppers, namely age 55 and above, with 40.1% hair product being purchased by elderly shoppers, second only to gen x shoppers' 47.7%.

The panel data demonstrated our strong performance with in the H&B market, but to keep it this way, we should definitely appeal the elderly customers with our potential natural line.

What is NATURAL?

Characteristics and adjectives based on **Secondary Research** done by NPD Group & Mintel in the United States



What is NATURAL?

Characteristics and adjectives based on the quantitative analysis done to Spanish consumers.

¿Qué se le viene a la cabeza cuando piensa en productos naturales?

Find table of results in Appendix 1

Brands in the market

Considered Brands

The following brands were mentioned during the research phase when participants were questioned about the brands they would purchase natural cosmetics from

Kiehl's
SINCE 1851

L'Oreal owned, Kiehl's, is an American cosmetics brand that specializes in skin, hair, and body care. Only a few of their ingredients are naturally sourced, but they are brand themselves as 'natural'.

Price for natural face cream 50ml: 20-60€

RITUALS...

Inspired by natural ingredients and ancient Eastern beauty traditions, Rituals offers products for the care of your body and home. No animal testing involved and has been replacing its formulas to mainly vegan products in later years.

Price for natural face cream 50ml: 25-35€

All-natural brands in Spain

Natural and organic brands present in the Spanish market

FRIDDA DORSCH
Laboratorio Dermocosmético

Products with 100% ethical and safe formulations framed in the Clean Beauty culture. FD products contain 90% of the highest purity and quality natural ingredients and are formulated with the most advanced biotechnology systems.

Approx price for natural face cream 50ml: 15-20€

WELEDA

Offers effective cosmetics from 100% natural origin ingredients and more than 80% bio ingredients, in a sustainable, ethical way and with minimal impact on the environment.

Approx price for natural face cream 50ml: 25-35 €

All-natural brands in Spain

Natural and organic brands present in the Spanish market

MÁDARA

LE PURE

Mádara offers a strong portion of their products in the majority of ecological stores. It is a brand elaborated with ingredients from the Nordic and Baltic countries that are 100% from organic crops.

All of its ingredients, 100% natural. Its emulsions are made raw to avoid the loss of nutrients and to not contain any type of modified fats. It has the bio endorsement of CPAEN and vegan certificates.

Approx price for natural face cream 50ml: 40-60 €

Approx price for natural face cream 50ml: 80-100€

Primary Research

Research Methodology

After preliminary understanding of the topic from qualitative research, it’s time to go broader!

- A 23-question survey was sent out using the **Samplify** platform.
- The survey features questions regarding people’s usage of skin care products, definition of natural products, willingness to switch to a natural product, and demographic questions.
- 300 respondents, including 100 from Madrid, Barcelona and Sevilla each responded to the questionnaire in a total period of 5 days.

- Along with Samplify graphing features, **SPSS** was used to generate insights by forming clusters of customers.
- 4 different clusters of customers were found in the market, namely the Natural Conservatives (15.74%), Natural Enthusiasts (14.75%), Healthy Naturals (28.2%) and Natural Skepticals (36.4%). They all contributed differently to the potential natural product market, which will be covered later.

Detailed cluster analysis illustrated in Appendices 2a, 2b and 2c.

CLUSTER 1 - **THE NATURAL CONSERVATIVES**

Characteristics based on cluster analysis done on SPSS.

Age Category

This cluster contains people aged 56-77

Gender

Male 54% - 46% Female

Product Division

Primary products they are willing to change:

Face Cream & Hand Cream

Natural Product Use

Current usage of natural products:

36%

Money

Willing to spend 5% more on Natural products

Healthy Lifestyle

Associate with Healthy Lifestyle: 15.8%

Regularly Complement Sports with Skin Care: 12.4%

THE NATURAL CONSERVATIVES

Motivations:

- This age group tends to be loyal
- Age at which skin care routine is very fixated, therefore more purchase frequency
- Listen to experts recommendations
- As long as price does not increase, willing to try
- Trust and respect Nivea as they have grown up with it

Barriers:

- Increase in price
- Do not follow influencers or social trends
- Can natural creams be anti-aging?
- Might not trust that large multinationals start producing natural products

Since I retired 6 years ago, my aim has been to take care of myself, mentally and physically. My wife and I like to go for walks and take care of the garden together. We both take good care of our skin and hair, however, at my age you become aware that no creams does any miracles. I usually buy the products my dermatologist recommends, I trust him. I like keeping an eye on the components of the products I buy as I believe that the more pure they are, the more effective the cream will be.

“La naturaleza hace maravillas”

Manuel Jimenez

Age: 75
Occupation: Retired

CLUSTER 2 - **THE NATURAL ENTHUSIASTS**

Characteristics based on cluster analysis done on SPSS.

Age Category

This cluster contains people aged 26-35

Gender

Male 60% - 40% Female

Product Division

Primary products they are willing to change:

Face Cream Hand Cream Body Cream

Natural Product Use

Current usage % of natural products:

51%

Money

Willing to spend 20% more on Natural products

Healthy Lifestyle

Associate with Healthy Lifestyle: 15.4%

Regularly Complement Sports with Skin Care: 23.1%

THE NATURAL ENTHUSIASTS

Motivations:

- Willing to pay more for natural products
- Follow recommendations from influencers on social media
- Listen to friends and family suggestions
- Keen to jump into natural trend
- Want creams that make them feel fresh and healthy

Barriers:

- This age group tends to be less loyal to brands
- Normally have many creams that they interchange constantly, therefore less purchase frequency
- Routines tend to change depending on season

I would love to maintain a balanced lifestyle, however, I work long shifts and tend to leave work tired. I am active on social media and like following influencers who I can relate to. No matter the time I get home, I always remove my makeup and follow my skin care routine. I have many creams that I mix and match to find the best combination for me. I tend to buy more environmentally friendly creams, focusing on the ingredients as well as how naturally it has been produced.

"Yo, no me la juego"

Alejandra Ruiz

Age: 28

Occupation: Lawyer

CLUSTER 3 - **THE HEALTHY NATURALS**

Characteristics based on cluster analysis done on SPSS.

Age Category

This cluster contains people aged 46-55

Gender

Male 5% - 95% Female

Product Division

Primary products they are willing to change:

Face Cream Hand Cream Body Cream

Natural Product Use

Current usage % of natural products

44%

Money

Willing to spend 5-10% more on Natural products

Healthy Lifestyle

Associate with Healthy Lifestyle: 29.5%

Regularly Complement Sports with Skin Care: 34.7%

THE HEALTHY NATURALS

Motivations:

- Willing to pay somewhat more for natural products
- Search for creams that makes them feel young and fresh
- As long as cream is *efficient*, they are willing to try
- Follow strict routine, therefore high purchase frequency and loyalty
- They listen to expertise recommendations
- Trust and respect Nivea as they have grown up with it

Barriers:

- Not willing to try natural in some products (eg. shaving)
- Do not follow influencers or social trends
- Follow strict routines, therefore harder to encourage them to try new brands

I like thinking back to when I was young, those late nights out with my friends. Today I still feel young, but I know my limits. I care a lot about my skin and have strict day and night routines, as well as daily exercise and diet. I listen to expertise, I don't really trust what is said on social media these days. I do not like creams containing chemicals or ingredients that are artificial, therefore I tend to read the labels on the products. I believe that natural ingredients are fresher and better for skins like mine.

“Sentirme joven y radiante”

Paloma Moreno

Age: 54

Occupation: Nurse

CLUSTER 4- **THE NATURAL SKEPTICALS**

Characteristics based on cluster analysis done on SPSS.

Age Category

This cluster contains people aged 46-55

Gender

Male 34% - 63% Female

Product Division

Primary products they are willing to change:

None

Natural Product Use

Current usage % of natural products:

35%

Money

Willing to spend 0-5% more on Natural products

Healthy Lifestyle

Associate with Healthy Lifestyle: 34.7%

Regularly Complement Sports with Skin Care: 25.2% (23.1%)

THE NATURAL SKEPTICALS

Motivations:

- Brand transparency
- Blend in society with mainstream products

This cluster would be the toughest to persuade to buy the natural line. They might need the product to be established in the market and well recognised for them to consider buying natural products.

Barriers:

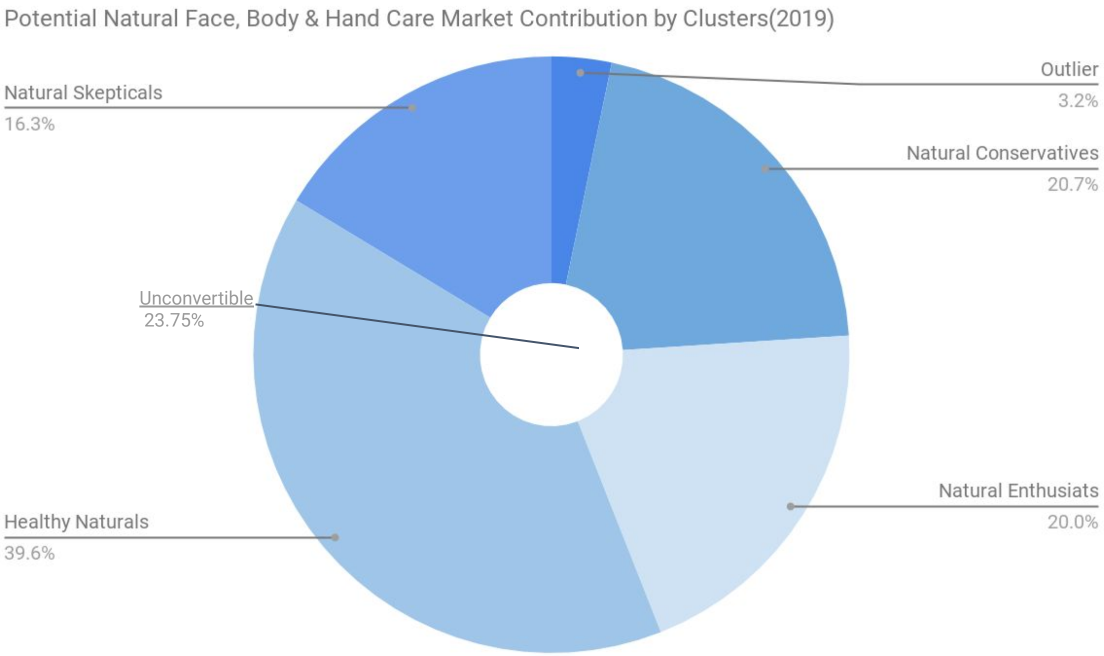
- Do not understand the value of naturally sourced products
- Do not believe in natural product efficiency
- Loyal to brand they currently use
- Scared of possible allergic reactions
- Not willing to pay more for natural products
- Do not have a lot of support for environmental products
- Are not influenced by social trends for buying skincare products
- Do not give much importance to the ingredients in the skincare products they consume.

Potential Market For Natural Line

We understood the customers of the Spanish H&B market, but how does that translate into potential in our new natural product line?

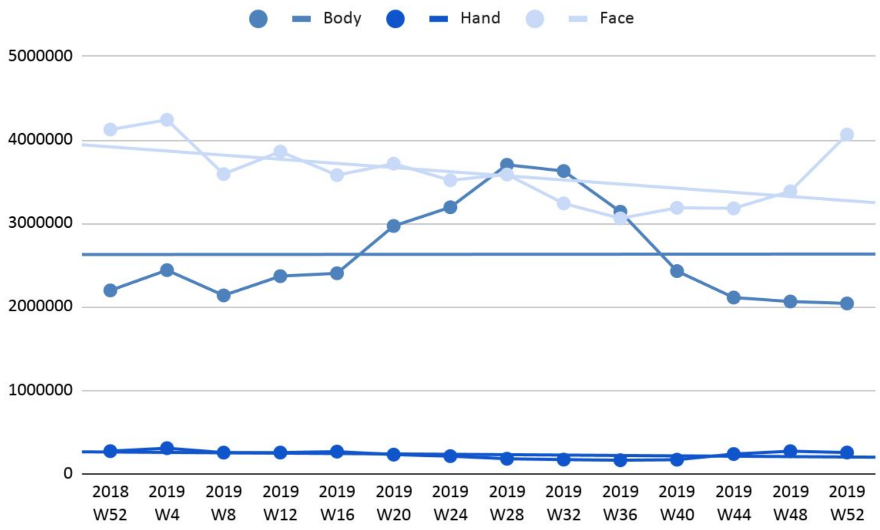
76.25% of Traditional Body, Face & Hand Cream market is estimated to be convertible to natural product.

This translates into more than **€63M** of sale. The contribution of different clusters is as demonstrated by the chart.



Sales Forecast

We understood the customers of the Spanish H&B market, but how does that translate into potential sales in our new natural product line?



- The body cream market remained the same in 2019 for Nivea overall. Taking into consideration its growth from 2014-18, we estimate it to grow around **5.8%** to around **€27M** in 2020-2021.

- Although Nivea's face and hand cream markets have seen decreases in 2019, we stay positive regarding their future based on past performance. Estimated growth in 2020-21 for those 2 markets are **4.8%,** to **€37.8M** and **2%,** to **€2.35M**, respectively.

Recommendations

Recommendations

1. Launch a new natural line

2. Redesign packaging and formats

3. Work with beauty experts (dermatologists, beauty professionals, cosmetologists and influencers)

4. Educate consumers on the benefits of natural ingredients

Recommendations

Natural Product Line

Our buyer personas all believe in the importance of ingredients when it comes to a natural products.

Willingness to change current products for a natural option is high amongst most categories, but launch focused on a few products can be the key to success.

We believe Nivea's natural product line must focus on creams, considering their feasibility as well as high level of popularity. Specifically, Nivea should focus on:

- **All Purpose Cream**
- **Face Cream**
- **Hand Cream**

Recommendations

Product Launch Timeline

We recommend a gradual launch to allow consumers to familiarize with this new product line. This will also allow to tweak messaging from the launch of one product to the next, after tracking the sales and response from each of our three potential users.

All Purpose Cream

First cream to launch, using the success of the timeless Nivea APC cream as a stepping stone.

Face Cream

Second product to be launched given the high use of face cream and willingness to change from our users.

Hand Cream

Our third product launch, directed specifically to the Healthy Naturals, who show highest interest in this line,

Recommendations

Product Launch Timeline

Gradual launch of products will provide the consumer with enough time to familiarize with the line and this way we will avoid decision paralysis, as overwhelming them with new products could lead to reject the new line.

1. **APC:** This product will be launched first, as a natural alternative to the APC that has been a part of the Spanish household for so many decades. The tin jar will be maintained, but the color of the jar will be switched to white and the leaf will be added, to present this as a new natural line.

2. **Face cream**: This will be the next cream to launch, given it is the second mostly used by all three groups (Natural Conservatives, Natural Enthusiasts, Healthy Naturals). Given the high levels of use and willingness to change, the Face cream will be a good product that will allow to create various SKUs, and therefore could include a general Natural face cream, a Night/Day combo of face creams, and for various types of skin.

3. **Hand Cream**: The third cream to launch, directed towards the Healthy Naturals. From our research, this would be directed mostly at women, and must come in a size that fits purses, as they are used throughout the day. These creams could have different natural ingredients, and a light scent to them.

Recommendations

Look and feel

First impressions matter, they are the first things about a product the consumer grasps. Through our research we found important aspects to the consumer:

- Smell and aroma
- Packaging (it is half the message)

Maria 66 years old *"Packaging must be glass or metallic, very simple in design and if its plastic, must be recyclable."*

Victoria 23 years old *"Luxury packaging is not important anymore. The simpler the better."*

Blanca 27 years old *"I imagine the ideal packaging to be: Neutral, not pretentious."*

Recommendations

Look and feel

Developing a natural line of skin care product now entails more than delivering a mere cosmetic. It needs to be a green statement from **packaging to formulation.**

1. **Smell and aroma:** Consumers expect natural products to have a neutral smell (odorless), or light scents from plants if any. They associate these smells with clean and fresh. So, fragrance-free is a perfectly valid choice.
2. **Packaging is half the message:** Packaging has a big impact on the consumer motivation to buy, if you are selling a product that is organic or from natural origins, your packaging needs to stand for the same values. Recycled or recyclable materials will aggregate to the advantages to the product and increasing the demand by consumers.

With this in mind, based on our secondary and primary (quantitative and qualitative) research, our final recommendation is about how Nivea should go about the “look and feel” of its “natural” products:

- **Packaging should be plain in color**
    - Recommended: white, beige, transparent (if glass), earthy (simulating color of cardboard because it reminds them of recycled)
- Include leaves or symbols of nature
- The simpler the better
- Recycled or recyclable materials

Recommendations

Look and feel

All Purpose Cream

Hand Cream

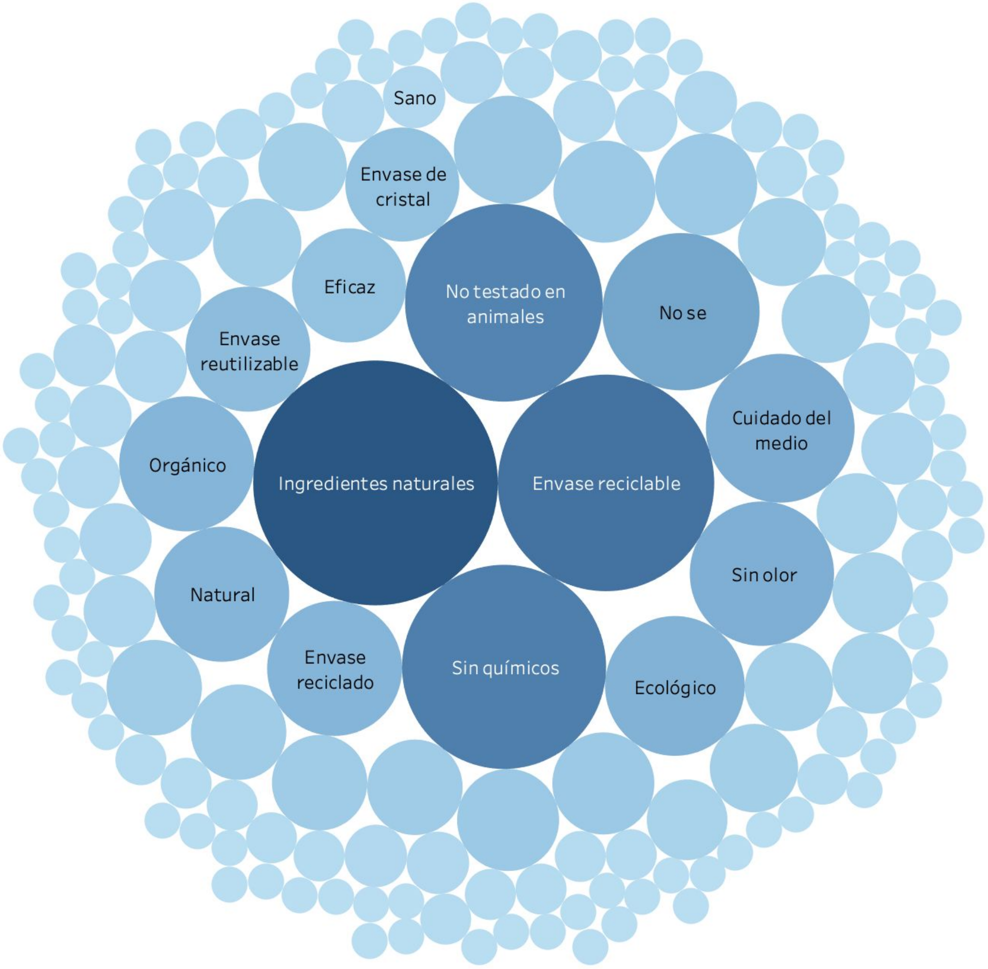
Face Cream

Recommendations

Look and feel

Result from quantitative research (305 respondents) to the questions:

¿Cómo sería el producto natural ideal para usted. ¿Qué características incluiría?



Find table of results in Appendix 3

Recommendations

Work with the Experts

Our qualitative research showed that Spanish culture is one of recommendations. Spanish consumers of all ages rely on any recommendations given by experts, as well as friends & family.

To strengthen Nivea's launch of a natural product line, an association with experts on beauty products and skincare would strengthen the credibility on the brand as well as the effect of the natural products introduced in the different creams.

Nivea should create relationships with different types of experts so they can have a greater reach into the final consumers:

- Dermatologists
- Beauty professionals
- Cosmetologists
- Influencers

Recommendations

Align communications strategy to educate consumers on “natural” benefits

Our qualitative research showed that in general, consumers not only have different conceptions on what “naturality” means in the world of cosmetics, but also there is an education gap on the trend among the older and younger generations.

In order to educate the consumer, our recommendation is to align all communication at every touch point:

- Packaging
- Social media channels
- Point of purchase

This way the messages on the positive benefits of natural ingredients will be visible to its various targets. This will generate awareness and therefore create openness in the consumer mind to purchase these products or switch from their traditional skincare products to ones of natural origins.

Value proposition for NIVEA natural line

For people that like to choose the best options when it comes to their skin care, the NIVEA natural line offers them the opportunity to have the same results on their skin with products that contain mostly natural ingredients. With the NIVEA natural line, consumers feel good about their consumption choice because they will be contributing in a positive way to the environment while looking their best.

Marketing mix

Four Ps for Nivea natural line

Product

The Nivea Natural line will contain all natural face, body and hand care products.
Face: Glass with white cap.
Body: All purpose Cream. Original round tin, white and with a “natural” stamp.
Hands: Packaging will be plastic as product carried in purse/bag.

Place

Today NIVEA is available all over the world, in over 200 countries. However, the Nivea Natural line will be placed within the Spanish market in the stores where the brand is currently sold in.

Price

The Nivea Natural line will be offered at a higher price than the Traditional line, since it is offering an additional value to the target.

Promotion

Promote the Nivea Natural line and create awareness by endorsing beauty professionals and influencers. Design a communication strategy with dermatologists to make them the voice of Nivea natural products. Advertise through Digital channels and Display stands at the Point of Purchase.

The Team

We create Research that can lead us to insights.
We use the insights to Enlighten our clients.
We Develop end-to-end strategies for success.

Ana Richi
COO

Fanyue Meng
PANEL DATA SPECIALIST

RED
RESEARCH. ENLIGHTEN. DEVELOP.

Hilda García
SALES DIRECTOR

Gabriella Puglia
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Mercedes Riofrio
BRAND MANAGER

Valentina Mannella
CMO

Pedro Caballero
BRAND STRATEGIST

Philippe Chammas
OPERATIONS MANAGER

Appendix

Appendix 1

Table of results for natural definition

Amount of times each word has been used to describe perception of “natural product”.

Quantitative study (305 respondents)

Sin químicos	53
Cuidado del medio ambiente	21
Naturaleza	20
Plantas	20
Sin aditivos artificiales	18
Aloe Vera	16
Salud	14
Ecológico	12
No maltraten animales	12
Productos naturales	12
Con ingredientes naturales	11
Sin conservantes	10
Hierbas	8
Orgánico	8
Fruta	7
Sin muchos químicos	7
Bíologico	6
No se	6
Sin colorantes	5
Vida sana	5
Herbolario	4
Ingredientes naturales	4
Sano	4
Sin tóxicos	4
Verdura	4
Calidad	3
Cremas naturales	3
Frescor	3
Nada	3
Sin parabenos	3
Sin parabenos	3
Veganos	3
Vegetales	3
Aceite	2
Aceite de coco	2
Agua	2
Bienestar	2
Biodegradables	2
Buenos	2
Calidad natural	2
Champú	2
Cremas	2
Cuidado de la piel	2
De la tierra	2
De origen ”amigable” al medio ambiente	2
Infusiones	2
Limpieza	2
Mejores para el cuidado	2
Miel	2
No dañan la piel	2
No vengan de origen animal	2
Poco manipulado	2
Productos saludables	2
Sin cosas raras y insalubres	2
Sin siliconas	2
Sin sulfatos	2
Sostenible	2
Suavidad	2
The Body Shop	2

Appendix 1

Table of results for natural definition

Amount of times each word has been used to describe perception of "natural product"

Quantitative study

Verduras	2
Yves Rocher	2
Aceite de oliva	1
Aceites esenciales	1
Aire fresco	1
Alimentación	1
Alimentos frescos	1
Arbol de té	1
Arboles	1
Artesanalmente	1
Bebidas sin alcohol	1
Belleza	1
Biocultura	1
Buena textura	1
Café	1
Caro	1
Caseros	1
Cereales	1
Con activos vegetales	1
Con hierbas	1
Con ingredientes saludables	1
Con productos saludables	1
Crema de manos	1
Cremas faciales	1
Cuidado natural	1
Cuidado personal	1
De calidad	1
De origen vegetal	1
Del campo	1
Extractos de plantas	1
Farmacia	1
Flores	1
Futuro	1
Gel	1
Gel natural	1
Gingseng	1
Herbal Essence	1
Herbalife	1
Hogar	1
Jabon hecho de forma artesanal	1
Leche	1
Lush	1
Madera	1
Me encanta	1
Me gustan	1
Medios artesanales	1
Nivea	1
Nutrientes	1
Paz	1
Pequeños productores	1
Plantaciones sin pesticidas	1
Productos frescos	1
Pureza	1
Que son Buenos	1
Rosa mosqueta	1
Seguridad	1
Sin alcohol	1
Sin aluminio	1
Sin aromas	1
Sin BPA	1
Sin fosfatos	1
Sin gluten	1
Sin nada artificial	1
Sin parafinas	1
Sin pesticidas	1
Sin sobre explotar los recursos	1
Un paisaje relajante	1

Appendix 2a

Cluster Analysis With SPSS

Detailed description of how the segments were divided

Main Motivator

Environmentalist: Fair trade, sustainable packaging, zero greenhouse gas emissions.
Trend followers: Recommendations from family or friends, produced by big corporations, social trends
Detail Seeker: Natural ingredients

Primary Product

Underline: Willing to change
Bold: Most frequently used product
Italic: Used every day, basic need products (not distinctive)

	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Size	48(16.5%) *	45 (15.5%)	86 (29.7%)	111 (38.3%)
Name	Price-sensitive Natural Lovers	Luxury All-Natural Users	Non-shaving Natural Product Consumers	Status Quo Consumers Skeptical
Main Motivator	Environmentalist No	Environmentalist Yes	Environmentalist No	Environmentalist No
	Trend Follower No	Trend Follower Yes	Trend Follower No	Trend Follower No
	Detail Seeker Yes	Detail Seeker Yes	Detail Seeker Yes	Detail Seeker No
Description	They support change but only willing to pay little extra	They support natural products	Women who will not change their shaving product for natural	They are against Natural Products
Primary Product (Freq.) <u>(Will to change)</u>	<u>Shaving Cream 3</u> <u>**Face Cream 4**</u> <u>Body Cream 3.3</u> <u>**Hand Cream 4**</u> <u>*Deodorant 5*</u> <u>Aftershave 3</u> <u>*Shower gel 5*</u> <u>Sunscreen 3</u>	<u>Shaving Cream 3.5</u> <u>**Face Cream 4.5**</u> <u>**Body Cream 4**</u> <u>**Hand Cream 4**</u> <u>*Deodorant 5*</u> <u>Aftershave 3</u> <u>*Shower gel 5*</u> <u>Sunscreen 3</u>	Shaving Cream 0 <u>**Face Cream 4.5**</u> <u>**Body Cream 4.5**</u> <u>**Hand Cream 4.5**</u> <u>*Deodorant 5*</u> Aftershave 0 <u>*Shower gel 5*</u> <u>Sunscreen 4</u>	Shaving Cream 2 **Face Cream 4** **Body Cream 4** **Hand Cream 4** *Deodorant 5* <u>After shave 2</u> <u>*Shower gel 5*</u> Sunscreen 2.5
Willing to Change	Everything	Everything	Everything but shaving cream and aftershave	Nothing
Willing to pay more	Not willing to pay more	Willing to pay more	Willing to pay a bit more	Nothing

Appendix 2a

Cluster Analysis With SPSS

Detailed description of how the segments were divided

How much more?	Face Cream 5% Deodorant 5% Face Cream 5% Shower gel 5% Shampoo 5% Shaving Cream 5% Sunscreen 5%	Face Cream 20% Deodorant 20% Face Cream 20% Shower gel 20% Shampoo 20% Shaving Cream 20% Sunscreen 20%	Face Cream 5% Deodorant 10% Face Cream 10% Shower gel 5% Shampoo 10% Shaving Cream 0% Sunscreen 10%	Face Cream 5% Deodorant 5% Face Cream 10% Shower gel 5% Shampoo 5% Shaving Cream 0% Sunscreen 0%
Gender (M/F)	54% / 46%	40% / 60%	5% / 95%	37% / 63%
Age	56-77	26-35	46-55	46-55
% of cluster	31.2%	37.8%	23.3%	31.5%
Household	With partner With parents - kids	With partner With kids With parents-roommate	With partner With parents With kids	With partner With my kids With my parents
Education	5.88	6.07	6.13	5.99
Actual % of Natural Products	36%	51%	44%	35%
Associate with Healthy Lifestyle (4.6% for outlier)	93.8% (15.8%)	97.8% (15.4%)	97.7% (29.5%)	89.2% (34.7%)
Regularly Complement Sports with Skin Care	31.3% (12.4%)	62.2% (23.1%)	48.8% (34.7%)	25.2% (23.1%)

Number without parentheses represents the number of respondents who answered yes to the question.

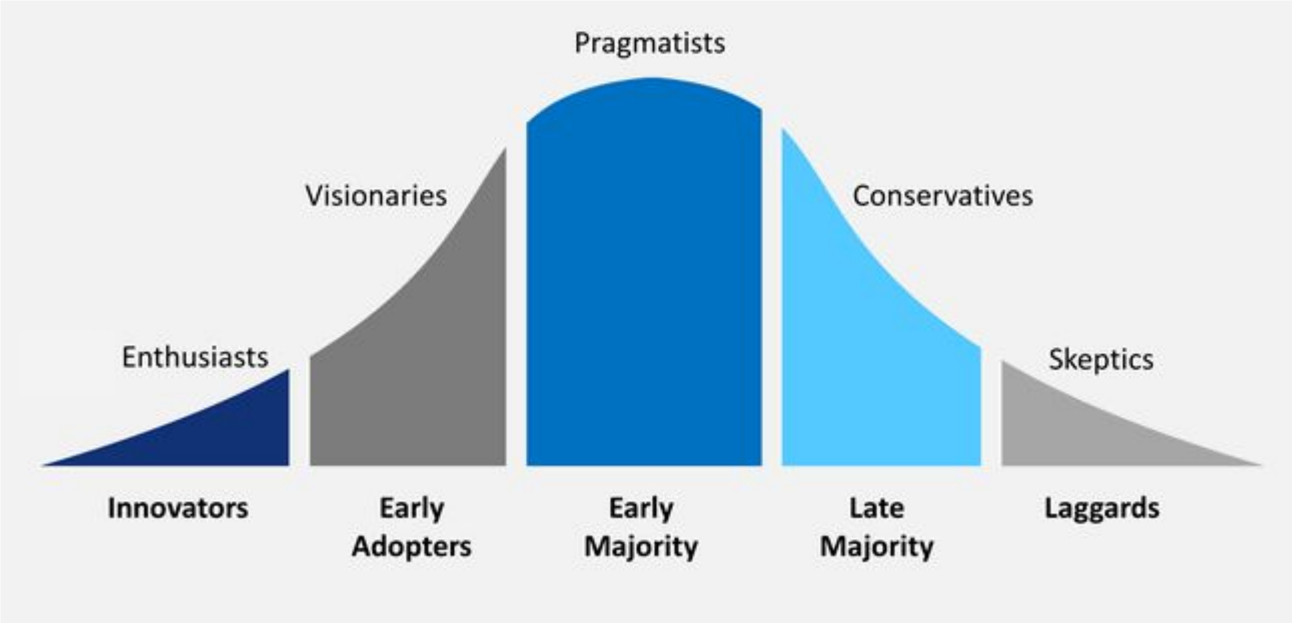
Number between parentheses represents the share of the whole sample.

Product Adoption Curve per cluster

The enthusiasts (Cluster 2) are the ones who buy the new products as soon as they are released and are willing to pay extra.

The conservatives (Cluster 1) prefer to wait for the price to go down a bit and to hear some recommendations before changing to the releases.

The Skeptics (Cluster 4) tend to buy natural products once they are well established in the market and once the price lowers significantly.



Appendix 2c

Rotated component matrix

This table shows the relationship between the components (clusters) and the variables selected.
Values close to 1 - Strong positive correlation
Values close to 0 - Weak correlation (either positive or negative)
Values close to -1 - Strong negative correlation

RESULTS

Cluster 1 represents the Environmentalists.
Their most used products are hand, body and face cream.

Cluster 2 represents the Trend Followers.
Their most used products are shaving cream and after-shave cream.

Cluster 3 represents the Detail Seekers.
Their most used products are shower gel and deodorant.

	Component		
	1	2	3
factores: De origen local	.688	.338	-.100
factores: Organico	.583	.146	.367
factores: Cero emisiones de gases de efecto invernadero	.703	.064	.435
factores: Producción natural	.548	-.007	.553
factores: Comercio justo	.773	.182	.105
factores: No probado en animales	.585	.216	.206
factores: Envase sostenible	.747	.099	.332
factores: Ingredientes naturales	.339	-.054	.771
motiva: Producido por corporaciones grandes	.139	.668	-.020
motiva: Ingredientes	.176	.221	.714
motiva: Recomendaciones de familia y amigos	.039	.688	.320
motiva: Recomendación de un experto	.150	.570	.491
motiva: Fragancia	.026	.515	.426
motiva: Hecho en casa	.412	.537	.047
motiva: Tendencias sociales	.265	.711	-.102

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.[a]

Appendix 3

Table of results for ideal natural product

¿Cómo sería el producto natural ideal para usted. Qué características incluiría?

Quantitative study (305 respondents)

Ingredientes naturales	46	Envase transparente	5	Envase ecológico	2
Envase reciclable	36	Material reciclable	5	Material biodegradable	2
Sin químicos	32	Saludable	5	Material reutilizable	2
No testado en animales	30	Buen precio	4	Olor a Aloe Vera	2
No se	19	Calidad	4	Olor a flore de azahar	2
Cuidado del medio ambien..	17	Hidratación	4	Olor a vainilla	2
Sin olor	16	Olor a frutos rojos	4	Olor del producto base	2
Ecológico	15	Plantas	4	Producción local	2
Envase reciclado	14	Plástico	4	Sin aditivos artificiales	2
Natural	14	Textura agradable	4	Sostenible	2
Orgánico	14	Color pastel	3	Textura bien densa	2
Envase reutilizable	12	Colores azules	3	100% veganos	1
Eficaz	10	Colores verdes	3	100% vegetal	1
Envase de cristal	10	Crema	3	Agua	1
Envase biodegradable	9	Envase de carton	3	Barato	1
100% natural	8	Envase de vidrio	3	Bíologico	1
Color verde	8	Olor a fruta	3	Bote rígido	1
Envase sostenible	8	Sano	3	Buena calidad	1
Sin colorantes	8	Sin alcohol	3	Buena calidad - precio	1
Aloe vera	7	Sin parabenos	3	Champú	1
Comercio justo	7	Vegano	3	Color de envase azul	1
Olor agradable	7	Aguacate	2	Color dorado	1
Olor suave	7	Blanco	2	Color salmón	1
Envase_biodegradable	6	Buen perfume	2	Color suave	1
Olor a flores	6	Color amarillo suave	2	Color terroso	1
Olor a naturaleza	6	Color de envase blanco	2	Color verde azulado	1
Olor fresco	6	Color neutro	2	Colores blancos	1
Olor natural	6	El envase me da igual, mie..	2	Colores claros	1
Sin plastico	6	El envase no es importante	2	Colores marrones	1
Absorción rápida	5	Envase de tamaño mediano	2	Colores naranjas	1

Appendix 3

Table of results for ideal natural product

¿Cómo sería el producto natural ideal para usted. Qué características incluiría?

Quantitative study (305 respondents)

Colores rosados	1
Crema transparente	1
Diseño minimalista	1
Efectos duraderos	1
El color no es importante	1
Elaboración artesanal	1
Envase de algun color de l..	1
Envase de bambu	1
Envase de bolsillo	1
Envase de buen tamaño	1
Envase de carton biodegr..	1
Envase de cerámica	1
Envase de color marron	1
Envase de color verde	1
Envase de fibras naturales	1
Envase de madera	1
Envase de papel biodegra..	1
Envase es reciclable 100%	1
Envase hecho con materia..	1
Envase sin plásticos	1
Forma de dispensador de j..	1
Fresco	1
Hecho en casa	1
Hierbas	1
Hipoalergénico	1
Jengibre	1
Leche	1
Luminosidad	1
Mandarina	1
Material que fuese desec..	1
Material renovable	1
Naturales	1
No brillante	1
No contaminante	1
Nutrición	1
Olor a bosque	1
Olor a cítrico	1
Olor a coco	1
Olor a cococ	1
Olor a jazmín	1
Olor a lavanda	1
Olor a pino	1
Olor a plantas	1
Olor a producto de origen	1
Olor a rosa	1
Olor dulce	1
Olor refresecante	1
Olor vainillia	1
PH neutro	1
Plantas medicinales	1
Productos provenientes d..	1
Productos sin conservant..	1
Que no tuviera aditivos ni ..	1
Que sea amigable con el a..	1
Refrescante	1
Relajante	1
Sedoso	1
Sin componantes agresivos	1
Sin elementos artificiales	1
Sin gluten	1
Sin grasa	1
Sin ingredientes artificial..	1
Sin parafinas	1
Sin potenciadores de olor	1
Sin siliconas	1
Suave	1
Suavidad	1
Textura gel	1
Textura ligera	1
Vendo	1