

Berlin International University of Applied Sciences

Bachelor's Thesis

**The Case of Vegan Cosmetics:  
Market Entry, Communication and Branding, New Specialized  
Products, Ethical Consumerism**

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## I. Abstract

The central purpose of this paper and its study is to deliver a theoretical and practical contribution in the case of Vegan cosmetics its International Marketing strategies. The subject concentration in this report limits its analysis in the theme of branding and communication and the market entry as well as new specialized products and broad ethical insights. Additionally, the authors effort to provide a thorough understanding of the influence of online communication on new niche brands. Along with the products that are offered through a variety of branding and the quality that provides to vegan consumers.

## II. List of Figures

Figure 1: Grand View Research. U.S. vegan cosmetics market size. (2018).

Figure 2: Anderson, C. The Long Tail. (2006).

## 1. Introduction

### 1.1. General Introduction about Vegan Cosmetic Industry

“Ethical consumerism is a rising trend and while vegan brands’ focus will always center on animal welfare and environmental benefits, vegan beauty and personal care brands can appeal to a broader ethical shopper base by addressing deeper concerns about product safety and ingredient transparency “(Pitman, 2018).

The construction of confidence and self-esteem illustrate a fundamental role of cosmetics and crush on consumers’ daily occurrence as well as the engagement in the beauty way of living of youthful consumers that become aware of the beauty industry (Khalilah Abd, 2018).

Universal utilization is the field where the exceptional and glamorous global beauty market is fitting to. By observing in the last twenty years breathtaking changes about concerning a variety of commercial, conventional, and transformations in a culture that occurred in separate aspects in the contemporary globe (Miroslav L., 2013).

There are five primary business categories where the global beauty market is split. As follows skincare, haircare, color (Make-up), fragrances, and toiletries. Through the diversification of the interdependent divisions, the ability exists to gratify the entire consumers’ commitments and assumptions about cosmetics.

Relating to Nilesh Rajput, there took place a plentiful improvement in insubstantial earnings in the last ten years.” The growth in global economies, changing lifestyles, rising demands of skin, and sun care products due to varying climatic conditions encourages the growth of the market for cosmetics” (Rajput, 2015). The shift of a predilection into natural and organic beauty goods in the overall global beauty industry come into existence, exclusively in European countries and the United States and that as a consequence heightened the expansion of the market of cosmetics (Rajput,2015).

The global sector of the industry in cosmetics and beauty that leftovers predominantly invulnerable to economic frustrations. The reason for that are open-ended and spreading habitudes of products by females and to a greater extent by males all-around the world (Synthesio, 201

The sub-segments of the beauty products are divided into mass and premium production, conferring which distribution channels, prices, and brand prestige's are used (Barbalova,2011).

Giving approval to a new report by Grand View Research Inc., the international vegan cosmetics market capacity is estimated to an extent USD 20.8 billion in the year 2025. One of the essential growth impulses of the market encompassed by chiliad is the curving demand for vegan cosmetics.

The maximum of the consumers thinks the barbarism against animals is unethical and are trying to get attention towards this procedure as expeditiously growing trends in the cosmetic industry are touching the worldwide marketplace.

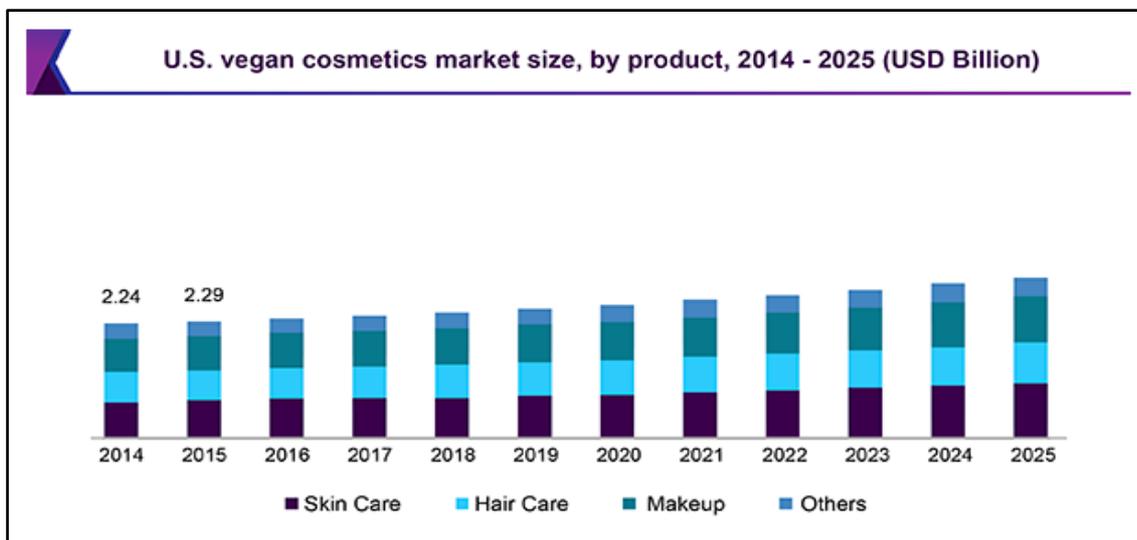


Figure 1: Grand View Research. U.S. vegan cosmetics market size. (2018). Retrieved from: <https://www.grandviewresearch.com/industry-analysis/vegan-cosmetics-market>

Furthermore, the benefit of the market is plant-based personal care by grasping natural replacements (Grand View Research, 2018). In accordance with Mintel's Global New Products Database (GNPD), the start of global vegan cosmetics increased twice a time over the past five years (Kat S, 2018).

## 1.2. Need and Justification for the Study

Today's society is constantly confronted with the use of technology. Online marketing is used through numerous channels, such as various websites and social media networks. The huge demand for online reviews, where people can leave a comment by expressing their experience and opinions on cosmetic products, plays a significant role in today's society. Out of the positive or negative feedback and reviews, the customers will be more informed about the vegan cosmetic products itself.

## 1.3. Research Aim

The aim to explore the effects of the society on the vegan cosmetic industry by collecting data through business case studies, archival research, and interviews. As well as the investigation on problems overload of different business cases.

### 1.3.1. Research Objectives

While exploring issues internally and externally, what are the main factors influencing the success and expansion of the vegan cosmetic industry. By the research and analysis of the entry of vegan cosmetics and its importance in nowadays society.

Besides, the analysis of the branding and changing communication channels that effects as well the product categories.

### 1.3.2. Research Question

To what extent does the Vegan cosmetic industry become trendy in the digital age? Furthermore, what are the advantages and disadvantages of Vegan beauty products for the marketing world?

## 2. Literature Review

### 2.1. Market entry of new niche brands

Organic and natural beauty products are getting attention progressively in the global cosmetic market. An important role plays the fair-trade philosophy producing natural beauty products that are related as well to a sustainable ideology. The occupation by a handful of companies that came up from a small niche integrated and transformed themselves into a familiar and mainstream market. The distribution channels for a mainstream market are supermarkets and department stores where those natural and organic cosmetics are sold now (Lennard, 2011).

The marketplace and marketing are experiencing a revolution; previously the ability to distinguish and providing the story was different in this busy industry. The allowance in interactive marketing is that organizations as well as infiltrate the area as undertake among forthcoming customers. The online market area provides a more detailed and broader expansion of the cosmetic market space in addition immediately linking brand through users who feel and think with the ideals and ethics that enhance the customer base (Entrepreneur, 2018).

Sustainability is a new trend. Many cosmetic manufacturers are producing and demonstrating new specialized products obstruent produced more and more not harmful to the environment. Legislations in countries around the world are put in order to make consumers knowledgeable and to advise them by telling the difference of organic and non-organic cosmetics and accrediting their values more (Miroslav L., 2013).

Smart technologies are converting mass markets for a lot of categories of goods into several millions of small niche markets. Despite the fact that the above- stated niche markets are small, after the combination of the variety of niches, the success of the mass markets gets a lover, and the volume of firms gets higher. Consequently, the substantial trade possibility of the forthcoming is not serving to the 'short head' of the demand curve whenever several instances of the identical goods are traded (Anderson, 2006).

The demand information of wellness-oriented consumers is dropping goods along with same chemicals as well as toxins that are additional friendly and natural based by reading up and doing research, one and the other in developments and goods, that should be advantageous for relaxing and beauty routines of peoples' surface.

Younger start-ups are managing and leading the fast inventions nowadays that are excellent additives and compositions through shifting the balance. Daily, young and modern start-ups through persistent models are developing an intelligent branding for their companies by using bright packaging of their goods and services that are biodegradable, recyclable and consist of Avocado, Argan Oil, Aloe Vera or Matcha Tea by becoming highly overpowering in the market (Entrepreneur, 2018).

In the next six years, the expansion of cruelty-free cosmetics forecasts 6.1 percent in the market through a high concentration on Research and Development is guiding to inventions in different product lines and the benefit of gentle organic chemicals (Market research Future, 2017).

The consideration as a niche concept of veganism expeditiously has discovered acknowledgement and took the way of being a common topic (Entrepreneur,2018). Selected products will be provided in various online shops, and nowadays, companies are examples that are considering the niche plant-based cosmetic industry (Kat S., 2018). Standard supermarkets are in competition to expand and to trade vegan, plant-based product categories by beauty retailers and producers (Woods, 2018).

Before the launch of vegan cosmetics takes place and visiting a drugstore, a proper research should be done on the new cosmetic directive that took effect EU-wide on the 11<sup>th</sup> of March 2013. The talk is about a variety of selected seals of quality that support to distinct the jungle of different attitudes of companies along with the road animal testing and make the purchasing decision simpler. The most important and most active seals of quality are (e.g., Leaping Bunny, PETA Cruelty-free, Veganblume, BDIH; Once upon a cream, 2016).

The long tail theory basically was an idea that was developed by a guy called Chris Anderson some years ago. It is a way of understanding how the internet enables niche markets. By the understanding of how that works, it is possible to tap those niche markets and make use of them (Anderson, 2016).

By taking the Waterstones a very famous High Street bookstore as a representative example for the long tail theory, the bookstore stock a wide range of different books like the stocking on gardening, hobbies, novels and all sorts of different things. Unfortunately, their shelf space is ultimately limited. By going into Waterstones and wanting a book on gardening the possibility is high to find probably several books on gardening, but it is not necessarily to discover a lot of several of books on gardening on lots of separate fields because they have not got the room to stock all of that, and it is not financially viable to them.

However, by visiting the website Amazon, it is possible to find pretty much anything the customer wants. Amazon is an online model where space does not matter anymore. Space is not an issue.

A very niche and specific area of gardening. There will be lots of various books on all of the diverse niche fields of gardening that someone can obtain through Amazon are in that way.

The creation of ‘Touching the Void’ sensation by bringing together limitless shelf space with instant data as concerns purchasing tendencies and public awareness where the establishment of demand for an ambiguous book comes into existence (Anderson, 2006). “The most significant money is in the smallest sales, “, states the former music industry consultant and venture capitalist Kevin Laws.

The above- stated example presents a new economic concept for industries like entertainment and media; therefore, it is not the topic on the excellence of online booksellers. The extreme difference of the emerging digital economy to the present-day’s mass market is showing the analysis of the sales data and trends. Most of the conjectures regarding the well-known flavor of quality are afterimages of the low bid and offer corresponding that describes an incapable allocation of the market’s reply.

Upwards than half of the platform called Amazon’s book sales are arriving externally with a maximum of 130,000 titles, whether or not the statistics of Amazon would be a direction, books in the market that are not even traded in an ordinary bookstore is more prominent compared with the market for books that are traded that is stated in the anatomy of the long tail.

Heretofore, the motive force of trade has been businesses attempting to produce goods that will be traded in a considerable amount which is a short thinking process because the main point is on products that are famous and positioned on the left-hand side of the demand curve.

The control of the twentieth-century business regarding the Longtail are factors like the availability of limited limited products, the prediction of demand for products of businesses, research on products that are one-size-fits- all, as well as goods that do not trade rapidly.

Otherwise stated, by accumulating the Longtail whatever it takes the companies to reach the level of success for this reason (Anderson, 2006).

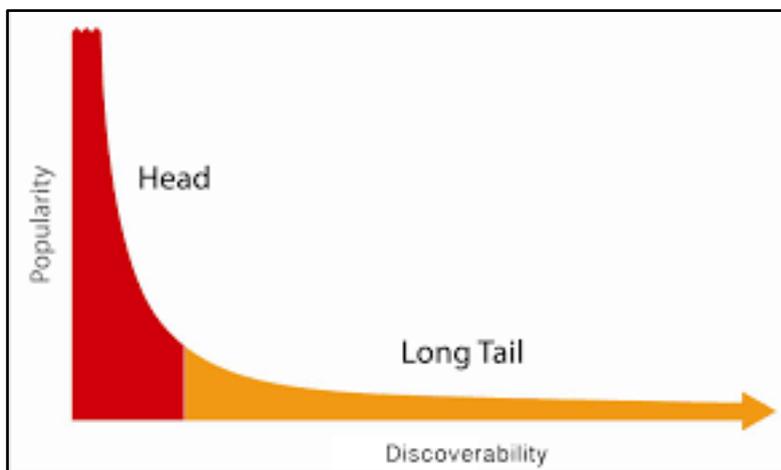


Figure 2: Anderson, C. The Long Tail. (2006). Retrieved from: [makeapowerfulpoint.wordpress.com](http://makeapowerfulpoint.wordpress.com)

The rise of ethical consumerism is a preliminary aspect while consumers in the present-day are knowledgeable a colossal difference of products and services in addition to ethical varieties to seek them. The consumers who are extra awake about their surroundings are putting into place that goes deciding for reliable power to select for their lives by exploring cruelty-free goods gently, decreased carbon emissions and pressure on the earth's exhaust supply common resources (Entrepreneur, 2018).

The highlight of goods with ingredients that are natural and respect to a vegan lifestyle is in the combination of habits in terms like clean eating and clean beauty.

The development of new products in ethical toiletries have steady demand; in this case, the ethical consumerism is expanding as a rapid trend in the cosmetic industry. Drivers are the so-called Gen Z and millennials, who are following a plant-based diet (McDougall, 2018).

The branding and innovation are built on exciting stories with an exotic sounding, and the companies are shaping out the most considerable niche through a consistent link with the mind of consumers (Entrepreneur, 2018).

The availability of products online will increase and affect the demand and choices of consumers enormously. Traditional wisdom indicates differences are great, nevertheless have to cope through different and a variety of options of goods in any classification might create further disorders than by all means emotions of emancipation and authorization (Anderson, 2006).

## 2.2. Online communication in the digital age

The fast development of a world economy positioned on the communication of information and hurried expansion of technology within day-to-day life has permitted a quickly universal dialogue and connection to form the contemporary community. The known Computer Age, Digital Age or Information Age is the concept of a current period that is distinguished by the capability of human beings to deliver and share knowledge free of charge and an immediate admission to data that is hard and inconceivable to discover (French, 2012).

The change in every facet of our lives happened nowadays through the internet. As well the waste of time on the world wide web as investing our money on it. The internet not only changed the generations of computers or its connection but helped to grow business transactions and the direction of identifying and acquiring information. The development of technical devices like the radio, the telephone, the laptops provided the direction of extraordinary competences. Its transformation of conversations is currently a favorite channel of use every single day (Papagiannes,2016)

The dissimilarity among the internet and the web (www) is that the internet is the system of networks of computers, as well the foundation of contact and attendants as commutes the information all over the world. The web (www) is only one particular function that is applied to this relation by distributing knowledge in the frame of webpages (Papagiannes, 2016).

Born-digital brands turn out to be expansion narrative first and foremost in color cosmetics, where from 2008 to 2016, the brands in color cosmetics competitor increased by 16 percent a year (Euromonitor, 2018).

By taking pictures and videos of products, services and reactions in the age of digital tools, smartphones, and tablets the users are even ready to make it public all over the world by leaving an always digital footprint. The authorization of employees, investors, employers, customers, and even communities happened through the new communication technologies that gave human beings a voice without being uncertain about using it (Muntean, C. 2014).

“The internet has shaped society by its increasing centrality in daily life.” (Papagiannes, 2016, p. 9).

Approximately, the entirety in the present-day evolves into digital by involving the aspects of communication as well as the behavior of individuals where the contact to the internet can completely change the interplays with the surroundings of the earth. Daily actions like shopping, banking or the use of public services have a considerable influence through the internet by acquiring products and services from different department stores and various countries that are allowing an approach to a vast marketplace left out the geographical limits (Papagiannes, 2016).

The description of the development of the web is the terms Web 1.0 and Web 2.0 that is from an accumulation of changeless and webpages that are only to read to uploading and sharing called social web. The term Web 2.0 is the description of leading internet technologies, applications like social networking, blogs, podcasting, mobile computing wikis, and user- generated content (UGC; Papagiannes,2016).

The construction on the idea of web 2.0 by social media that consist of several individuals collectively of internet-based functions. By encouraging the linkages of users, attendance and combination, and the contribution of topics (Musser and O’Reilly 2007).

The major commonplace is the internet. It is the grant of conversations, the back-and-forth of information, and the achievement of data through universally linked networks and related computers without exception (Papagiannes,2016).

By entering the period in the life of the progress of the web is named Web 3.0 as a substitute 'semantic web' that is established on the concept by understanding the internet and its unique types of data where the construction of legitimate connections come into existence (Papagiannes, 2016). The adaptation of information by Web 3.0 mostly about desires by using personal data for targeting advertisement through this application.

For international company's digital communication is aside from grace but as well as the possibility for little and regional firms to encourage professional practices full- scale.

Models of social media consist of blogs (e.g., Twitter), social networks (e.g., Instagram), projects that are cooperative (e.g., Wikipedia), associations of content (e.g., YouTube; Kaplan and Haenlein 2010).

Furthermore, businesses are more and more revolving to public commerce, which occurs from social media-enabled sales channels (Baethge et al. 216).

Nonetheless, communication is not only around providing data, moreover about building applicable information through various communication pathways by achieving shared acceptance within connected human beings that is a complicated human movement.

An idea that is made in someone else's memory should be administered adequately that one may impact how someone is looked at that is called as a personal brand; is established and re- established through different interplays that happen with others. The interactions with different communities (like family, friends) are the causation for online interplays and the variety of technologies provided (Robinson, 2014).

The intention of communication is generally described in the act of providing thoughts, belief, and excitements with someone else by accomplishing shared significations. The mechanism of communication is separated into seven elements that are enumerated as follows: sender, receiver, channel, message, noise, feedback, and context. These segments are mutual with the sense by a change of one part, the impact is guaranteed on the others within a communication process (Shannon& Weaver, 1949).

For the communication in the digital age, the elements of sender and receiver and the most crucial aspect. The sender is the specific who transfers thinking or idea to the receiver through symbols that are nonverbal or verbal or signs (like language, gestures).

One basic form that is related to the research of communication, is in this case, the 'computer mediated communication', by consuming a computing device to combine an act among other people or groups (Robinson, 2014).

Video chats are a category of 'computer-mediated communication,' that authorize a live relation among person in independent areas for the aim of communication, mostly associated audio and text through different tools like Facetime, Skype and Google Hangouts that take place among two people or groups. Additionally, this channel of communication grants a variety of types of messages shared among the sender and the receiver through a computer or a mobile (Robinson, 2014). The approachability of the videoconference software can be applied on more than one affectionate of digital device.

As the second player for computer-mediated communication is the form called social media that permits to provide audio and video-based texts among one or abounding and forms areas of people who want to be connected usually and for different kind of needs (Robinson, 2014). The users of social media can be a part of numerous social media platforms and connect them in order to expand and grow connections and communities, where the main reason is to develop relationships. Through fast and rapid change, the possibility and reason that users can develop their relationships are that social media platforms are existing for networking concepts and their communities. Even though social communication is not inspected from the outlook that is professional or logistical in the subject of communication capability rather than considered under the magnifying glass of note creation, context, and self-disclosure concerning the development of the feelings (Robinson, 2014).

The reasons for the usage of social media are a diversity of administrative and between persons that were the first channel of communication in terms of sharing information with an acquaintance. The second channel and reason nowadays is the interaction among customers or clients for businesses in order to develop a community and marketing or targeting products and services throughout name recognition (Robinson, 2014).

The comprehensive and two-way dialog between users is the transformation of nature and the exercise of online communication that is concealing personal and societal subjects and concerns, in conjunction with firm's products and their services, as well as their brands (Lehmkuhl and Jung 2013).

Social media aspects buttoned up with influencer marketing have been discussed in the book "Social Media Marketing for Dummies." The first chapter of the book that is called "Understanding Social Influence Marketing," declares:

"To understand how social influence works, you need to look at how people are influenced in the real world, face to face. Social influence is not something new. Long before the Web, people asked each other for advice as they made purchasing decisions. What one person bought often inspired another to buy the same product, especially if the original purchaser said great things about the product. That is how human beings' function; we are influenced and motivated by each other to do things. We are social beings and sharing information on our experiences is all a part of social interaction". (Wiley, 2017)

The discussion of an additionally topic in the online book by Wiley is the mobilization by the usage of social influencers. The action and movements of people in today's society depend and have a hand in undoubtedly by social influencers, which is causation of the expansion beyond the marketing world. Doing action in the present-times Web is much more comfortable. By using social influence marketing strategies on one's own to achieve specific aspects, which is commonplace in the cosmetic industry. Like Youtubers or Instagrammers who test cosmetic product lines on their account and are presenting by giving feedback on the products to consumers (Wiley, 2017).

Categorically, throughout the time the particular communications are achieving enormous popularity with regard to customer relationship management and marketing, customers are at the same time achieving expanding impacts in the global online world (Malthouse et al. 2013; Kaplan and Haenlein 2010; De Vries et al. 2012).

The present-day consumers, in the same manner with, are exceedingly acceptable to acknowledge products and brand-related data that is contributed by alternative and

different consumers, comparatively committing completely on marketing materials (Hanna et al. 2011).

Contemporaneous, the assumptions of present moment consumers and their desires should be in the spotlight for associations they select to acquire from them by combining embodied interplays (Munnakka and Järvi 2014; Greenberg 2010). The energetically influence of consumer demand, bilateral, cooperative and illustrated cooperation's were by very quick generations on social media, that is an arrangement of an advanced manner of a conversation and cooperation, in addition between consumers and among consumers and different type of brands (Hollebeek et al. 2014; Sasser et al. 2014).

The arrangement of one and the other, like dangers and favorable circumstances are the reason for the prestigious recognition of social media for institutions (Munnakka and Järvi 2014).

Additionally, not only an organizations' ongoing and prior customers can be confronted with brand-product- or firm-related dialogues on social media platforms, but the participation of 'non-paying customers' as well (Groeger et al.2016); hence interpreting a joined stage of difficulties in interplays that are social media-based. Otherwise, the preponderance of social networks is offering organizations recent paths of engagement with a vast variety of users (Sasser et al. 2014).

By bargaining trust between users and following them gladly provided products as an alternative brand-related outlooks, the possibility to necessarily embellish the users' dialogues and contacts (Malthouse et al. 2013; Hollebeek et al. 2016b).

The recognition already takes the place of the impact of communications on the internet by companies on user's acquisitions decisions and by passionately committing to them. In general, social networks are acknowledging firms to link alongside users and communicate and contribute knowledge with them.

By that social network's accompaniment frequent 'push' dialogues (like e-mail newsletters; Choudhury and Harrigan 2014) with compound dialogues, in this manner expediting conversation with users that count actual and eventual users.

The 'compound' ways of social network's dialogues mention to social network interplays by not being narrowed ultimately to communicate within a firm and a central user.

Although as a substitute, the increase of more users could be another reason (for instance those in a central users' network; Meng et al.2016).

Explicitly, by passionately bringing customers on board in a firms' affairs and the firms' actions by utilizing social networks, firms have the ability to enter in a current favorable circumstance by boosting the loyalty and satisfaction towards users (Hollebeek et al.2014).

The emergence of communication in the digital age is productively, but the essentiality for a professional communication competences leftover still identical. The importance of communication competence with indications that are vocal tone and body language are intersected of the communication equalization (French, 2012).

### 3. Research Approach

#### 3.1. Research Strategy

While collecting data, the way that this occurs should be carefully monitored and controlled to produce the most reliable and accurate information possible. The documentation of opinions was performed in the form of multiple semi-structured interviews directed at people with a vegan lifestyle as well as with representatives of vegan cosmetic brands and the description of their business cases.

By using inductive strategy to add on to a previously studied theory and to develop the phenomenon, it is possible to enhance any current research through first- hand interviews. One of the benefits of using such a strategy is the possibility of progressing current data or even creating new information.

By performing semi-structured interviews, it is a promising way to attain in-depth data, and to adapt the questions and style of enquiring to the responses, to pursue answers to the research questions.

With this more personalized approach to gaining information, it is also advantageous by recognizing non-verbal clues and documenting body language to have a better understanding of the situation and to take more out of the conversation.

A downside of conducting such interviews is that the interviewer's presence may provoke a reaction that is more bias in some way, or that the response is less honest due to trust and privacy considerations.

It is also a great deal harder to quantify and analyze the results depending on the conversation and requires an interviewer who is active at drawing information out of the subject while being respectful and staying on topic (Michigan, 2013).

It is necessary to obtain the background information before asking the two chosen parties open-ended questions to develop any answers to the research questions examined throughout.

Following archival research, this was the approach that was taken. The methods used to collect data proved beneficial in the strategy of this paper as critical information was discovered, and a more in-depth insight would not have been possible without such semi-structured interviews.

### 3.2. Interviews with vegan persons

The interviews done with people who live a vegan lifestyle by using vegan cosmetic products and the representative who is a long-term employee of a vegan cosmetic brand were the main sources of insight on the main problems this paper aims to explore.

The people with a vegan lifestyle were accommodating and to a certain extent, more honest in their answers than initially expected. Questions starting with “Why’s and What’s “and reasonings and causations and about their jobs as a general manager or in general among others were posed as a way to gain more knowledge on their personal opinion and experience working and supporting the vegan brands for the last three years. The people have also been working in different positions had, in essence, different opinions from the representative about changing lifestyles problems and had more knowledge on external aspects of companies. In general, the interviews have been extremely valuable as a means to gather information and as a basis to the development of a conclusion on the research questions posed by this research. Interviews, questions and answers can be found in the Appendix.

## 4. Data collection and Data analysis

### 4.1. Data collection procedure

The main method used to collect data on the main problems analyzed by this research was through interview questions with two persons who live a vegan lifestyle. Together with the interviews, and the business cases of the day to day operations internally were

made; however, this method has been significantly helpful in aiding the proof or disproof of the research questions.

Analysis of countless reviews made by customers of the different vegan brands stated, however, were very helpful to identify some of the main problems the vegan cosmetic industry could be facing, such as the advantages.

The interviews have been essential, however, to help understand that not the theories are the main problem the industry has to face, but more problematic is the change in management, communication, and branding and its effects in personal life.

The research is qualitative and contains elements of structured text such as writings from reviewers through a variety of platforms like social media, stories from people, and also elements from unstructured text such as transcriptions from interviews and conversations with the people.

#### 4.2. Sample considerations

During the research, the sampling procedure “convenience sampling” was used, which implicated a variety of advantages and disadvantages. Starting with the advantages, the first point is the availability of data, the connections through insiders of the industry helped answer the research questions through the interviews. Another advantage of the convenience sampling is that this technique enabled the gathering of data in a much shorter time period compared to other methods. Although the interviews still took time effort because it does not need to acquire an exhaustive research for the whole population. In this case the method used will only be given to a handful of people that are easily approachable in terms of the cosmetic industry or universities who need data. Moving on with the negative aspects of the convenience sampling during our research showed in general the possible bias in the aspects of data gathering. By relying on the two interviews the availability of the views of a specific group of people and not the whole population.

#### 4.3. Data Analysis

##### 4.3.1. Case Study Analysis of Lamiya Beauty

In this digital age there is a variety of businesses providing vegan cosmetic products through different kind of marketing strategies. In the following, two businesses will be analyzed through marketing strategies.

The founder and famous blogger and youtuber Lamiya Slimani have made it her mission to develop in mind and physically a new beauty brand that represents her values. The brand called “Lamiya Beauty” is gender neutral, where the main goal is that everyone should find their place within there. After all, Lamiya Beauty is the result of the collective love for makeup of more than 2.5 million people. This community of Lamiya has made it attainable to do what anyone could see here in the present-day.

Lamiya Beauty stands for first-class quality, the fulfillment of customer’s wishes and the commitment to the environment and animals.

It is the combination of the already existing community’s feedback, Lamiya's many years of experience and the knowledge of the best experts in the industry with high-quality ingredients into a product range that has a new favorite product for every make-up lover. Lamiya Beauty is a new and independent make-up brand certified by PETA as a vegan and animal-free. The expansion and manufacture of the high-standard beauty takes place and is made in Italy.

As the founder and CEO of the Lamiya beauty brand, Lamiya followed the vision of developing an independent cosmetics brand that proposes for acceptance premium quality at a fair price.

The main goal is as well always closely with the feedback of their community to enlarge the product diversity and constantly develop. Lamiya Slimani brings out a highlighter palette under the name “Lamiya Beauty” which she calls Illuminighter Palette as one of her first products. The specialty about the palette is the usage with all skin colors because the colors range from very light to very dark and for every skin type is a suitable color available. As well as the mix of the colors is an advantage.

The name of the colors is called Leila, Lamiya, Dounia and Tunis that are named after her sister’s, mom and her hometown Tunis. The launch of “Lamiya Beauty” took place on May 24, 2019 at 17.30 that is a quite current business case.

The products of Lamiya beauty as stated above are organic and made of vegan ingredients and are not tested on animals. That highlights the environment savvy and safe to be used on all types of skin. The profits are obviously not available because the business is only a few weeks young.

#### *4.3.1.1. SWOT Analysis and Marketing Mix*

In order to identify Lamiya beauty's actions and operations the SWOT analysis will help to underly and answer afterwards the research objections and question.

The strengths of Lamiya beauty start with the huge community Lamiya already hold as a trustee through her 9 years' experience as a content creator on the platform called "YouTube" and as a blogger on "Instagram".

Over the years the establishment of a community came into existence with 863,000 followers on her private profile. The new vegan cosmetic brand Lamiya beauty own within 2 weeks 13,000 followers. The strengths are obviously the target group, the social media marketing through a huge network of friends and other bloggers and the current trendy topic of veganism in this decade. The brand has been able to get the attention of the customer and the already existing community.

Lamiya beauty uses only organic and vegan recipes and ingredients. In addition, the sustainability of the brand makes trading completely organic.

The product's packaging work as stated in her Instagram daily stories are made unlike other companies are in fact made by humans and not automata in order to prove the argument that employees and customers are coming from different cultures and ethnicities or genders. The variety in color of the skin and body types is capitalizing for Lamiya beauty.

The weakness could be forecasted that the vegan cosmetic industry steps into a "mainstream" industry. It will be hard to differentiate themselves for Lamiya beauty with the competitors because the products offered are the same like in other brands. Furthermore, the business provides its products only online.

All factors about the cost of retailing are out of question. Factors like product display shelves, in-store lightening, or product demonstrations are out of importance because the brand competes only via computer-mediated communications.

In order to increase the revenues of Lamiya beauty there is an opportunity regarding the path in the environment that encloses the business. The management of time. It took Lamiya beauty 2 years for the development of products and the final release. For the future products a lot of time is not needed, and the customers will be confronted with new releases of product categories.

The growth of the business can be disadvantageous through factors of threats like competition and the difficulty in attracting new customers.

Huge cosmetic brands like Sephora, L'Oréal or Revlon are as well competing with vegan products with a high scalability. Customer loyalty is a main aspect when it comes to makeup and cosmetics. Customers are always interested in trying something new but to hold these customers in the long run could be a challenge for the business.

The marketing mix of Lamiya Beauty covers the 4P's (product, price, Place, Promotion) and is explaining the marketing strategy. It is the elaboration of pricing, distribution strategies and advertising by Lamiya Beauty.

Starting with the product strategy and mix where Lamiya Beauty is a new brand in the vegan cosmetic industry and has currently a narrowed product portfolio that is offered for its customers, which is one highlighter palette. That single product covers only the category of make-up. Moving on with the pricing strategy of Lamiya Beauty directly on the Illuminighter highlighter palette that is a premium product and is targeting to wealthy modern female and women from middle-classes as well as target groups like young adults and teens from upper class humankind. The price is high and is deliberated as a luxury item in Germany. The highlighter palette of Lamiya Beauty is currently available on the website for € 32,99. In this case the premium pricing strategy in its marketing mix improves through a high-quality product- line the brands' supply a niche consumer.

Last but not least in the marketing mix that is the place of Lamiya Beauty that is following the distribution strategy of selling products directly to the customers within Germany, Switzerland and Austria. The possibility to choose between different online retailers is not available the reason for that is the new market entry of the company.

Finally, the promotional and advertising strategy in the Lamiya beauty marketing strategy is completely concentrated on Influencer Marketing, where bloggers are reviewing the product through different posts on social media channels to their community. Lamiya Beauty supports the direction of that customers can sign in for their newsletters that is going to be mailed to the inbox of the consumers with the appropriate offers and advertising as well as the availability of new products.

#### 4.3.2. Case Study Analysis of Elf Cosmetics

Elf Beauty, Inc., is a vegan cosmetic company that joined on December 20, 2013 the market. The business manages under the name e.l.f. cosmetics and produces products for face, lips and eyes to consumers at the hand of its retail customers, e-commerce channels and e.l.f. stores. The launch of the business products takes place on elfcosmetics.com, and the distribution is mainly barely augmented to the retail consumers subsequently after it accepts the customer validation online. Elf cosmetics trades its products in national and international market that are international for the most part serviced by distributors, and channels that are direct-to-consumer. In the United States to products are sold in retail stores in masses like drug stores and retail channels. The offer in products varies for eyes like eyeliner, eyeshadow, eyelashes and mascara, concealer and primer, brushes and tools, palettes and sets. For lips the product offering is as follows: Lip gloss, lipstick, lip liner, brushes and lip care. The skin care products contain masks and sets, moisturizer and tools as well as beauty tools like bags and cases, accessories, single brushes and different collections.

##### 4.3.2.1. SWOT Analysis and Marketing Mix

In the vegan cosmetic industry is elf beauty, Inc. one of the leading companies with many strengths that supports to stay in the market place. The strengths not merely help it to cover the market share in the current market but also supports in stinging new markets. One of the first strengths is the powerful distribution network in order to arrive a huge mass in the potential market. That was built actually over the years by e.l.f. beauty.

Another factor is the integration of companies with mergers and acquisition that are technology firms in order to conduct operations and develop a trustworthy supply chain. The last point to mention is the strong brand portfolio that come into existence by investing into the development of a powerful brand. The portfolio of the brand is highly recommended in terms of when the company wants to broaden into new marketplaces and modern categories of products.

The weakness of the company are the places where improvement is needed by using the SWOT analysis and developing on the strategic positioning and its competitive advantage. In comparison to its competitor's elf cosmetics is not very good at product demand predicting that brings the company to a position of missing opportunities.

The present-day inventories are high because the prediction of demand is not working well, therefore higher inventory exists as well in-house as in channel. The desire of the products increases because of the marketing. The success is connected to the sales of the company though the positioning and exclusive selling proposition is not explained without any doubt where the competitors again could come into action.

The last point to make is that elf cosmetics is not successful at merging small firms with a variety of work cultures. The integration step works well but not with firms who own a different work culture.

Moving on with the opportunities it is visible that elf cosmetics have invested in the last years high amounts of money into the online platform. This can lead to new customers, getting to know them better and dollop their needs in terms of the usage of big data from the online-mediated channel. The consumer behavior can be a new trend and open a new market for the company. The development of new revenue streams and diversification of new product categories can be the provision of a great opportunity.

The profitability of e.l.f. Beauty, Inc. can rise to a threat because of raw materials. As well as lawsuits vary in markets where the company can be faced with like different laws and continuous variations in terms of product standards in markets. In addition, innovative products will not be regularly supplied. In the last years elf cosmetics has built a variety of products that are mostly a feedback to the development by competitors.

The marketing mix of e.l.f. Beauty, Inc. analyses the company that caps 4P's that are product, price, place and promotion and describes the elf cosmetics marketing strategy. Starting with the marketing mix for the place category. The distribution takes place for food, drug and mass channels, direct and specialty channels.

By moving on with the productivity that is leveraged, growth and innovation the belief consists of potential in going in-depth distribution with the nowadays retailers with the aim of winning more shelf space. The second category for place is that e.l.f. has nationwide 19 stores together with offered products in more than 19,000 stores. The availability of their products in-store are drugstores and customers can buy the goods online through various platforms like, Amazon, Douglas, Müller and their website [www.elfcosmetics.com](http://www.elfcosmetics.com).

The pricing of e.l.f.'s makeup products starts with \$6 or even less. The combination of being trendy and the affordability is strong belief of elf cosmetics.

13 makeup products were the start of product offering of e.l.f. cosmetics. Nowadays there are more than 300 products developed that are skin care products, that products and makeup. Different product lines are offered, including e.l.f. Studio, e.l.f. Minerals and e.l.f. Essentials.

#### 4.3.3. Analysis of Interviews

Whilst analyzing the data collected through the semi-structured interviews, one of the methods used was narrative analysis that was used to single out specific experiences illuminating opinions. The two persons interviewed called Amanda and Sarah are both vegan. During the research finding people who are not vegan but use vegan cosmetics was not possible.

The first point to mention is that both of them are using vegan cosmetics in terms of ethics and the environment not because of the Gen Z and influencers. The way of becoming vegan started by changing their diet into vegan. The manufacturer, Sarah, referenced the anecdote regarding the changing diet: "Already 11 years ago, the selection of vegan products, both in food and in cosmetics was rich. After the diet, I started the vegan life in terms of cosmetics, clothing and my completely lifestyle changed".

The ethics established through the crucial points of how the animals are abused in research and testing.

Whilst examining through descriptive content analysis, Sarah and Amanda have the same opinions and views on the topic but detailed data was provided from Sarah who is developing vegan and bio certified oils and has a broader knowledge regarding the industry. Through these forms of evaluation of the data collected through the first hand research, it is clear to observe the discord between a bio lifestyle and a vegan one.

"The difference is very clear and simple. Some do not contain animal components and others do not.

This allows me to differentiate between "true" vegan cosmetics, where the manufacturers do not conduct animal testing and manufacturers who do not conduct animal testing, but the ingredients are vegan.

For me, the ethical aspect is the highest. Supporting small manufacturers is very important to me “, said Sarah. Here the talk of a vicious circle is visible. The talk is about a huge industry that is expanding through well-known popular big brands in the cosmetic industry that are blending, manipulating and disrespecting the values of consumers in order to become “trendy” in the fast expanding vegan cosmetic industry.

Another point to make is that both interviews took notice on the buying behavior that happens generally in-store and in drug stores like “DM or Rossmann”.

“I am generally not a person who orders online. Mainly in stores.

The products must be certified organic, vegan and cruelty-free. These are the main reasons.

Online orders are not so good for me because I would like to test the products. I have to be able to smell and touch them”, explained Sarah. The true vegans need to become one with the vegan cosmetic products by testing, smelling and feel the product.

Even the prices in-store are cheaper than the prices online. Amanda mentions that, “depends on the product, but my shampoo is the most expensive one I buy and it's 3,90 € everything else costs less.” Sarah said: “It is super hard to say how much money I spend on vegan cosmetics. I think that I am generally willing to spend more money. Because I have many aspects that I consider. Almond oil for 200 liters costs 10 euro is aware and is ok”.

From both interviews the answers are quite in the same range and vary not that much.

## 5. Discussion and Conclusion

### 5.1. Discussion of Results

The results achieved through the literature review with an inductive strategy, the interviews and business case studies proved different outcomes. Starting with the first point of the study a difficulty comes into existence where vegan people who live a vegan lifestyle through a vegan diet changed their cosmetics as a subtopic. The reason for the vegan diet is that beauty is following food because the ingredients are the same. The case of veganism starts with the aspects of ethics and protecting the environment. The environment is a highly cause due to climate change. People started getting serious about protecting the environment which depends mostly on stop eating meat, eggs and dairy products. Because watering, killing and transporting the animals is highly energy-intensive that is absorbing greenhouse gases.

Vegan cosmetics is the meaning of the absence of animal's ingredients. Cruelty-free is relating to products which is not tested and abused on animals for research. In this case the possibility is high for vegan products that animals testing was applied on and for a cruelty-free product is including animal ingredients. Obviously, there are strict regulations of organizations like PETA where logos need to be adapted to signal whether a product is vegan or cruelty-free because of the climate change.

By referring back to the cosmetic industry is following the food industry because of the ingredients it is important to mention that a lot of today's Instagrammers, Youtubers call attention and influence the Generation Z and millennials of the common cosmetic products. Animal-derived ingredients in cosmetic products contain shark liver oil, crushed-up beetles, cow or pig bones, cow urine and sheep organs.

People who live a vegan diet are not buying vegan cosmetics out of interest and have a normal diet. In this case the pure vegan cosmetics does not play a huge role. Those with a vegan lifestyle do not search for "famous vegan cosmetic products" that are presented by influencer, more because of a subculture. It is the buying behavior of buying one piece of one item as usual. It is not the influence through different social media platforms because the mainstream sector is not part of the vegan style of living.

The biggest benefit of vegan beauty is the movement of pushing consumers to measure the ingredients out of ethics and the environment. The questioning and researching during buying the vegan cosmetic products should be the empowerment of the people.

The cosmetic industry is working to bring closer the cleanliness as well the cruelty-free as veganism.

## 5.2. Revisiting the Research Objectives and Questions

Through the literature review followed by two semi-structured interviews consistent with inductive strategy and case study analyses, it was possible to answer the previously stated research questions. The objective of this paper was to uncover the main factors influencing the success and expansion of the vegan cosmetic industry and analysis of the branding and changing communication channels that effects as well the product categories, which was also achieved through the research.

As mentioned above the market entry started through the environmental factors of the climate change where the habits of individuals started to develop a healthy lifestyle. The changing communication channels and the branding regards to the Long tail theory where millennials and the Generation Z prove the small niches and small brands focusing on product categories that are unique and are presented through social media marketing that is a computer-mediated communication.

During the course of this paper, inside information and extensive research added particular value to the study and by exploring the internal and external perspectives, this case study contributed greatly to the much-examined effects of Berlin as a role model in terms of vegan cosmetic products and its consumption of small medium enterprises.

Instead of focusing on archival research and literature review which has been investigated before, the interviews performed added significance to the theories and pushed the answers for the questions proposed taking the paper further than previous research papers. By regarding to the research question which states:

“To what extent does the cosmetic industry become trendy in the digital age?”, through digital advertising the worth of big brands decreased. People nowadays are supporting small niche brands for example “Lamiya Beauty”. Even it is difficult to get into vegan cosmetics without adapting to a vegan diet. It depends more on the comprehensive packaging of the society.

The society first become vegan through the ethics, environment and the generation z through influencers. Afterwards are switching and are influenced by Instagrammers to a variety of niches and their product lines.

Concluding the vegan cosmetic industry is in overall a trendy industry because it is a sub category of the vegan food industry which increased in value by the above stated arguments.

### 5.3. Conclusion and Practical Implications

The study includes an insight on the dual case study on two cosmetic brands and their international marketing strategies regarding a SWOT analysis and the 4 P's of Marketing. All in all, the case study proves that influencers are a big part of customers decision making when buying a product.

Out of that it proves that social media marketing is necessary for advertising vegan products in the cosmetic industry by achieving customers specializing on small niches.

#### 5.4. Limitations and Future Suggestions

Considering time, budget, and knowledge restraints, there are numerous limitations to the study beginning with the number of interviews completed. These two interviews and the analysis of the case studies provided valuable information however and were enough to get the most important data from. If more opinions from brand owners or people who live a vegan lifestyle were unveiled, more detailed information about the research objectives and questions could have been visible. For the short period of time, the data will be more unreliable as more information could not have been gathered. However, it would be better that more research had been done on the influence of celebrities on the millennials and Generation z.

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## 7. Appendix

### Interview with Amanda 26 years old

1. How did you become a vegan? Because of Ethics/ Religion/Lifestyle?

“The main reasons are ethics, health and environmental reasons.”

2. How do you feel as a vegan and with the consumption of vegan cosmetics?

“I feel very good, more energetic and it was not hard to find vegan options in cosmetics, most companies have labels on their products.”

3. Was there a specific reason to change your lifestyle and way of beauty?

“The main reason was ethics, if I could find replacements that are cruelty-free, why wouldn't I support companies that are supporting my values?”

4. Have you noticed any external changes on your body?

“I didn't notice anything in particular.”

5. Where do you buy your vegan cosmetics? In-store/online reasoning?

“I buy most of my products at stores like dm and Rossmann.”

6. What are the differences between vegan and common cosmetic products?

“The main difference is that non vegan products test on animals or include animal elements in production and vegan ones are not tested on animals and have very good quality still.”

7. Which cosmetic product categories do you buy vegan?

“I buy make up, lotions, soap, nail polish, hair products all vegan.”

8. How much money would you spend on vegan cosmetic products?

“Depends on the product, but my shampoo is the most expensive one I buy and it's 3,90 € everything else costs less.”

### Interview with Sarah, 33 years old

#### 1. How did you become a vegan? Because of Ethics/ Religion/Lifestyle?

“10 years ago, I saw the conditions in the conventional livestock industry and for this reason I slipped into the organic rail. Thus, I have also seen in the organic rail how the animals live and be kept and have come with these circumstances not right. That is why I looked for alternatives and found ways to make the diet vegan. I have realized that no human must go hungry if you eat vegan at least in Germany, Berlin.

Already 11 years ago, the selection of vegan products, both in food and in cosmetics was rich. After the diet, I started the vegan life in terms of cosmetics, clothing and my completely lifestyle changed. Thus, I realized all the healthy benefits. But the reason at the beginning was clearly ethical. I cannot stand how animals are kept, even in organic farming. These include reasons such as abuse in research. These were my crucial points and have all the benefits of veganism also carries with me. “

#### 2. How do you feel as a vegan and with the consumption of vegan cosmetics?

“I feel fantastic as a vegan. I have no limitations as I feel and of course must make various choices that are not difficult in Berlin. I also switched my cosmetics to vegan many years ago and use only vegan cosmetics. It is easy for me to get vegan cosmetics by now, as it used to. But I also live very minimalistic. This means that I consume almost a few cosmetic products that are packaged in plastic. But I have my contact points and know where I can get my products. However, you have to be careful with vegan cosmetics. There are companies that offer vegan cosmetics that are vegan in term of ingredients, but still carry out animal testing. Which is unacceptable for an ethical vegan person. I try to do without these companies, which works very well. These would be my biggest limitations. “

3. Was there a specific reason to change your lifestyle and way of beauty?

“Because of my great interest in the organic industry and for many years, I have noticed how the difference is between ingredients and the abuse of animals. One of the main reasons was that I did not want any animal ingredients in my cosmetics. From conventional cosmetics and lifestyle to a bio lifestyle and afterwards vegan. That was the reason for me to see, if we refer to the cosmetics. Questions like, how are animals abused and tested? Meanwhile it is forbidden in Germany. I do not want to abuse the animals because of me, for my cosmetics. “

4. Have you noticed any external changes on your body?

“I did not notice anything special about my body. Although my skin has become clearer. But since I have been vegan for so long and started being vegan right after puberty, I cannot say anything scientifically. You feel better, because the stomach is not that heavy. These are products that are easy to digest. As far as the cosmetics are concerned, you can see no differences, but with the diet absolutely yes. You are more efficient in sports. The way to veganism is the way to get to know your body new. “

5. Where do you buy your vegan cosmetics? In-store/online reasoning?

“I am generally not a person who orders online. Mainly in stores. The products must be certified organic, vegan and cruelty-free. These are the main reasons. Online orders are not so good for me because I would like to test the products. I have to be able to smell and touch them. But this is my general buying behavior.”

6. What are the differences between vegan and common cosmetic products?

“The difference is very clear and simple. Some do not contain animal components and others do not. This allows me to differentiate between “true” vegan cosmetics, where the manufacturers do not conduct animal testing and manufacturers who do not conduct animal testing, but the ingredients are vegan. For me, the ethical aspect is the highest. Supporting small manufacturers is very important to me. “

7. Which cosmetic product categories do you buy vegan?

“I buy all products in the bathroom vegan. Soaps, creams, body butter, make-up. Everything. “

8. How much money would you spend on vegan cosmetic products?

“It is super hard to say how much money I spend on vegan cosmetics. I think that I am generally more willing to spend money. Because I have many aspects that I consider. Almond oil for 200 liters costs 10 euro is aware and is ok. “

Declaration page

**The Case of vegan cosmetics: Market Entry, Branding and Communication, New specialized products and Ethical Consumerism**

By

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Submitted in partial fulfillment of the requirements for the degree of  
**Bachelor of Arts in Business Administration | International Management & Marketing**

At Berlin International University of Applied Sciences

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