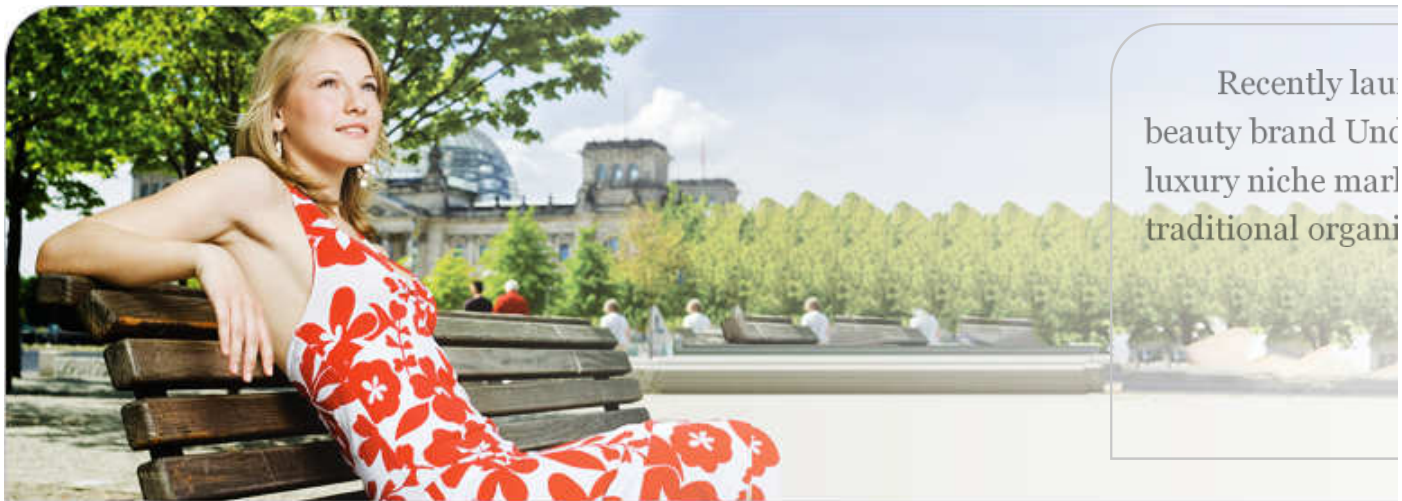




Beauty & Personal Care



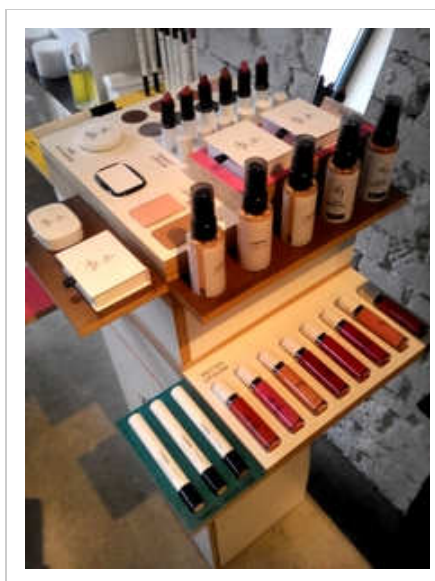
Berlin - January 2015

## Organic niche brand Und Gretel Berlin launches into luxury

- Certified organic makeup brand Und Gretel was launched in January 2015
- The products of the Berlin-based beauty brand carry a premium price tag
- The brand follows a carefully curated media strategy

### Brand and products

Und Gretel (lit. "and Gretel") is the creation of make-up artist Christina Roth and marketing specialist Stefanie Dettmann. The brand was launched in Berlin on 17<sup>th</sup> January 2015, just before the start of Berlin's bi-annual Fashion Week.



Und Gretel's portfolio is narrow and to the point: foundation, concealer, compact powder and contouring powder, powder eye

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eyeshadow stick, kohl pencil, mascara, lip gloss and lip stick. Foundation, eyeshadows, kohl pencils and lip products are available in various shades each and there are two mascara colours. Roth and Dettmann say that they wanted their brand to cover all the categories of make-up look without launching dozens of colours or textures.

The products are certified by German organic certification body BDIH - one of the most highly regarded organic seals - and are cruelty-free. The foundation, for example, is priced at €46, the contouring powder is €78 and a single powder eyeshadow costs €29. This price is one of the more expensive German organic colour cosmetics brands on the market; it also has more stylish, sophisticated and minimalist packaging.



## Media strategy

Und Gretel's media strategy is as tightly focused as its product portfolio. Instead of going for a broad advertising mix, Und Gretel has focused on coverage in selected publications, working with fashion and lifestyle bloggers rather than the typical organic beauty publications.

Roth and Dettmann intentionally kept information about the brand to a minimum prior to the actual launch. Und Gretel's Facebook page featured carefully selected photos and little text; the official website confined itself to the bare essentials about the brand. Internet sensation Und Gretel had received the make-up Beauty Challenger Award 2014 which is awarded annually at Cosmeeting trade show in Paris. The brand, on the other hand, was openly communicated and invitations to attend the event were sent out to anyone signing up for the newsletter.

The brand launch took place at Andreas Murkudis, one of the most high-profile concept stores in Berlin. Murkudis is also one of the best stockists at the moment. Und Gretel will launch an online shop soon, for the time being, however, the brand is only available in niche perfumeries across Germany.

With the exception of a few stores that focus on organic beauty - like Greenglam in Augsburg or Wheadon and MDC in Berlin - Und Gretel is not available in mainstream niche perfumeries or concept stores. This distribution policy also reflects the brand's positioning as a fashion-oriented brand rather than an organic label.



Germany has a mature organic market with well-established organic retail channels and a very competitive industry. Very often, brands point to sell their products through organic retailers only and some organic labels would never even consider going into conventional drugstores as a matter of principle. However, although the organic certification of Und Gretel is an integral part of the brand identity, it is not considered one of the stricter organic seals - it is not its main marketing claim.

## Organic beauty market and buyers



There is definitely more than enough consumer demand for another premium make-up brand in Germany - not surprising since the organic market in the whole of Europe. According to German C&T industry association IKW, in 2013 turnover for certified organic beauty products which accounts for 8% of the entire German C&T market. And according to market researcher IRI Germany, from October 2013 the organic sector grew another 14% which means that for full year 2014, turnover of certified organic beauty will most likely hit the €11 billion mark.

No other European country has so many national organic seals and the choice of organic brands ranges from the drugstore brands starting at a couple of Euro - over mass market and mass prestige all the way to luxury brands.

Although Und Gretel seems to be targeting prestige beauty buyers rather than organic buyers specifically, the brand's price is in line comfortably with the typical buyer of organic toiletries which, according to Mintel consumer data, tends to be younger adults in urban households.

Germany, purchasers of organic toiletries by selected demographics, January 2013	
All	28
<b>Gender:</b>	
Male	25
Female	31
<b>Age:</b>	
16-24	38
25-34	29
35-44	25
45-54	25
55+	25
<b>Region:</b>	
Bayern	27
Berlin-Brandenburg	30
Hessen	38
Mitteldeutschland (Sachsen, Sachsen-Anhalt, Thüringen)	24
Nord (Niedersachsen, Hamburg, Bremen, Mecklenburg-Vorpommern, Schleswig-Holstein)	27
Südwest (Baden-Württemberg, Rheinland-Pfalz, Saarland)	30
Base: 2,000 internet users aged 16+	



Nordrhein-Westfalen	25
<b>Socio-Economic Status:</b>	
ABC1	31
C2DE	24
Base: 2,000 internet users aged 16+	

**Source: Lightspeed GMI/ Mintel**

What makes the concept of Und Gretel so unusual is that unlike other organic premium niche brands the company is squarely oriented consumer demographic. Usually, an organic brand will focus on its organic heritage as the main marketing claim for buy organic toiletries tend to do so for personal health or ethical/environmental reasons. While Und Gretel treats its BDIH as the brand concept, the brand emphasises its fashion-centric character rather than the green heritage.

Germany, reasons for buying natural or organic toiletries, 2013	
They are better for my health (eg don't contain ingredients that irritate my skin)	37
They are less artificial	36
They are better for the environment	28
Organic and natural toiletries are free from unnecessary chemicals	27
They are not tested on animals	24
I prefer these products to standard alternatives	16
They smell better	14
They are more ethical	12
The brands put the environment first rather than their profits	9
I don't like buying into the big mainstream brands	6
Base: 1,419 internet users 16+ who have purchased natural or organic products	

**Source: Lightspeed GMI/ Mintel**

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## The Analyst's View

With premium prices and a very selective distribution, Und Gretel is amongst the more expensive cosmetics brands in Germany. Direct competitors in the market include Dr. Hauschka (bought by L'Oréal Paris) and Annemarie Börlind - both have slightly lower price ranges. The very selective media strategy, with carefully placed articles and interviews in leading trend and fashion publications rather than the classic organic channels, has helped Und Gretel to build a trendy brand identity.

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