9 tips for finding buyers on the European natural cosmetic ingredients market

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No matter how far away you are located from the European market, if you have a good internet service, you can find many buyers for your natural ingredients for cosmetics. If you have the budget for international travel, you can find even more buyers at trade events. The following study lists nine ways in which you can increase the number of prospects for your export business. We cannot guarantee that these suggestions will convert to sales. That will depend on your own marketing efforts, your offer, your value proposition and, ultimately, the interest of European companies.

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1. Which buyers should you target?

As part of the plan of action to find more buyers, it would be worthwhile to spend some time beforehand understanding your own business. This will help you (a) to refine your search criteria and identify buyers with whom you think there is a better match and (b) to be ready to respond to 'hot prospects' immediately. Too often, companies dive into the process of finding buyers without being prepared to respond immediately to the companies they have found, or without considering whether the company is likely to be interested in the offer. This reduces your overall effectiveness in finding buyers.

Review your company's marketing communications. For example, the following list of six short statements (adapted from Microsoft elevator speech template) is summary of your company's offer and informs your customers why they should be buying from you. It is useful to remind yourself of this before you start the process of looking for new customers.

- Summarise in one sentence what your company does or provides.
- Describe the benefits of your products. Which features differentiate your products from your competitors?
- Briefly state your company's experience.
- Identify your company's mission in one sentence.

- Describe your company's goals, objectives, or both.
- Give an example of a successful outcome from the sale of your product.

Source: Adapted from Microsoft elevator speech template

The next step is to be sure that you are clear about your offer in terms of which products you are offering for export, the annual quantities available and the type of supply chain involved. The latter is important to buyers, so that they can understand more about your traceability and what it takes to ensure traceable sources of the ingredients. Table 1 (below) can be used to highlight this information for your customer.

Table 1: Template for presenting product information

Products for export	Annual production capacity	Type of supply chain	
		(e.g. vertically integrated supply chain)	
		(e.g. products supplied by other manufacturers)	
		(e.g. purchase raw materials to process)	

Source: Fair Venture Consulting

When starting your research, be sure to record all the companies you find. You can do this in an Excel spreadsheet. Once you have found a company, perform a classification (e.g. as presented in Table 1). The objective is to find customers in the most efficient way possible. When conducting internet research, you will find many companies. Some of them will be relevant, but many of them will not. It would therefore make sense to determine whether a company is a likely customer for you before contact them.

Table 2: Classifying companies from your research

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Company name, website	Products (their own products or distributed for their principals?)	Role in chain (who are their customers?)	Do they sell/use what I sell? - same products, same category, different category, different products?	Conclusion: Customer or competitor, both, or no further action?	Your pitch New supplier, new product



Source: Fair Venture Consulting

In Column 2 of Table 2, the objective is not only to record the products that the company (whose name and website details you have recorded in Column 1) sells, but also to ascertain whether the company is a distributor for another company or is selling its own products (whether purchased or manufactured by the company).

With regard the products sold, the company could be selling ingredients for downstream processing, or it could be selling final cosmetic products.

You do not need to automatically ignore companies selling final cosmetic products. The final cosmetic products might be manufactured by the same company (under its own brand) within or outside Europe, or they might be manufactured by a third-party manufacturer, either within or outside Europe.

Box 1: Examples of classifying companies

A company that makes its own final cosmetic products in Europe might purchase cosmetic ingredients directly from a supplier in a developing country. One example of such a company is Lush. In most cases, however, European manufacturers of final cosmetic products buy their ingredients from suppliers of cosmetic ingredients located in the same country or region (e.g. Europe). Much of this information may not be published on a company's website. Further research is therefore needed, including contacting the company directly.

For a company that sells ingredients, it is necessary to determine whether the company is a distributor for a specific manufacturer or whether it is an importer selling its own ingredients. This is important, as a distributor of another company's products is unlikely to be interested in buying the same products from another supplier. In the European cosmetics industry, there are many distributors of cosmetic ingredients. They have exclusive distributor agreements with their 'principals', and there is thus no opportunity to sell the same product to them. However, there may be other products that may be of interest. For example, for some products, they might act more like an importer of their own products rather than a distributor. When in communication with such companies, it is important to show them that you have studied their business and understand their business model, the possible constraints that exist when another supplier with the same product approaches them, and the opportunity that you are presenting to them.

In Column 3 of Table 2, the objective is to include information about the likely customers of the company you have found. The following are several possible scenarios.

The company sells to:

- 1. Other suppliers of ingredients (including fragrance manufacturers);
- 2. Manufacturers of cosmetic products;
- 3. Consumers.

This is useful to include as part of your research, because the company that buys from you must ultimately sell it on to the next link in the chain, whether that is another business or an end consumer. The company's own promotional materials can depend on the information you provide.

In Column 4, you analyse whether the company is already selling what you have to offer. This information is relevant, as there could be opportunities to make an offer regardless of whether the company is already selling what you are selling.

For example, you might be offering sesame seed oil, and the company sells sesame seed oil or final cosmetic

products that contain sesame seed oil. Alternatively, the company does not sell sesame seed oil, but may or may not sell vegetable oils for use in cosmetics, or it might not sell finished products with sesame seed oil.

In addition, this will probably help you learn more about the quality of the ingredient that they sell. For example, in the case of vegetable oils, the range of oils the company sells may or may not be organic certified, refined/unrefined etc. If the vegetable oil, it is important to know whether the refining is carried out by the company or by a third party.

In Column 5, you can make conclusions about whether the company is a customer, a competitor or both. A company can be both a customer and a competitor if the product it sells is the same as yours, and you could sell to the same customers they have. If the company is classified as a competitor only (e.g. if they produce the same essential oils you produce) or if there is no likelihood that they will buy your products, no further action is required.

In Column 6, you can summarise the action you will take. For example, you might act as a supplier with a product that is new to the company or as a supplier with a better value offer for a product the company already sells.

This analysis does not include information about whether the size of the company will affect the buying decision. It is generally not possible to say with any certainty that a large company will buy only from a large company and that small company will buy only from another small company. It is more important to perform the analysis, send your product offer and receive a reply from the company itself than it is to make assumptions about what you think the company might say, because you cannot know what it will say.

Tips:

Prepare an action plan before you start targeting buyers. This includes preparing an updated product offer and getting your marketing information ready.

Keep records of which companies you are targeting.

If you find a company that looks like it will be a good match for your business, contact them immediately. Do not wait until you have finished your research.

Keep an open mind about opportunities. A company that is not selling your product now but is selling a product of a similar category may be of interest.

Do not ignore or be put off from contacting either large or small companies. You cannot know whether they will or will not be interested.

2. Trade fair exhibitor catalogues

One great way to find possible buyers in Europe is to study the online catalogues published by trade fairs, and not only when you are visiting or exhibiting at a trade fair. All trade fairs publish these catalogues and, although different fairs provide for different levels of functionality, they all list at least the names of the participating companies. From this information you can then visit the website of the relevant company and perform the same type of analysis as described in the previous section.

The most important European trade fair for the cosmetic ingredients industry is in-cosmetics. With more than 800 exhibitors and 8,000 visitors, it is also the Europe's largest trade for European trade cosmetic ingredients. The fair focuses on cosmetic ingredients, as well as on technical services and some equipment.

There are also important European regional trade fairs that include exhibitors of cosmetic ingredients, and that publish exhibitor catalogues. Examples include:

- SCS Formulate: This fair is exclusively for cosmetic ingredients, and it includes a wide selection of the cosmetic ingredients industry in the UK. With more than 200 exhibitors already registered for 2023, it is definitely worth looking at, whether by studying the catalogue or by making a visit.
- CosmeticBusiness: This trade fair is held in Munich each year, and exhibitors include companies that operate across the various elements of the cosmetics industry, including ingredients, manufacturing, packaging and services. Although there is not a large number of exhibitors with ingredients, it is definitely worth reviewing the catalogue.
- BIOFACH: This fair is better known as the largest organic fair in Europe. Exhibitors in the BIOFACH section can also include exhibitors of organic ingredients for cosmetics. This is distinct from the VIVANESS section in BIOFACH, which is for exhibitors of organic-certified cosmetic products. While there might be some potential direct customers at VIVANESS, most of the participants are probably buying from European suppliers.
- SANA: Exhibitors at this trade fair in Italy are from the organic, health, wellness and beauty sectors. They include a small number of suppliers of natural ingredients.

Tips:

Review the websites and study the exhibitor lists of the trade fairs listed above.

Use the classification tool to identify potential customers.

When you find a competitor, take the time to look at their promotional materials, and consider which ideas and information you could incorporate to improve your own materials.

3. Ingredient marketing databases

An increasing number of specialised market databases are targeted at the cosmetics industry, and particularly the formulators of cosmetic products. In addition to providing information about the formulation of cosmetics and the cosmetics industry, they also provide details on suppliers of cosmetic ingredients. In some cases, suppliers must pay to advertise their products, while in other cases, website users must pay an access fee.

Two of the most popular databases are SpecialChem and UL Prospector.

You can search these databases by product name and company name to find companies that could be potential customers. Ideally, you should consider promoting your company by subscribing to these databases.

The US Personal Care Products Council maintains an Ingredient Buyers Guide. This is a freely accessible database that you can use to find out which companies offer a wide range of cosmetic ingredients. While most of the companies are from the United States, there are companies from Europe as well. Some of these companies could be potential buyers for you.

4. ECHA website for essential oil suppliers

One specialised source of buyers for companies in the essential oil business is the website of the European Chemicals Agency (ECHA). Under the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) legislation, the registration data are published on the ECHA website. These data include the details of European companies that have registered the chemicals that they either import or manufacture, along with the registration numbers associated with each company. In other words, these companies are importing or manufacturing more than 1MT per year of the particular chemical substance, and they are thus required to register with ECHA. You can research each of these companies to determine whether they are or are not potential customers for you.

Here are four examples of Registration Dossiers on the ECHA website. You can find out the names of all the companies that have registered their businesses as importers or manufacturers of these essential oils.

- Patchouli oil
- Tea tree oil
- Citronella oil
- Frankincense oil

Source: European Chemicals Agency

Data for other registered substances can also be found on the ECHA website. Be sure to adhere to the terms and conditions published by ECHA concerning the use of the data on their website.

5. Natural, organic, fair and ethical certification databases

Four private certification bodies that certify suppliers of natural, organic, fair and ethical ingredients for use in cosmetics publish the names of the companies that have been awarded the various types of certifications or validations. These lists are a useful source of information about potential buyers and competitors. As with all the tips for finding buyers, you should classify each of the companies to determine whether they could be possible customers and how you should pitch your offer to them. Click the links below to access the lists of companies.

Union for Ethical BioTrade (UEBT)

The UEBT certification label is awarded to companies that meet the criteria for the UEBT standard for sourcing with respect. These companies are committed to ethical sourcing of ingredients from the perspective of biodiversity and to showing respect for people and biodiversity. The origin of the UEBT standard is the Convention on Biological Diversity to conserve and sustainably use biodiversity, and to ensure fair and equitable benefit sharing.

Fair for Life standard

Fair for Life certification assures that human rights are safeguarded at all stages of production. Workers enjoy good and fair working conditions, and smallholder farmers receive a fair share of the proceeds. Fair trade improves the livelihood of thousands of smallholder farmers and workers by providing the means for social community projects and empowerment of people.

NATRUE

NATRUE is a certification scheme for natural and organic cosmetics. In addition to certification for final products, there are two categories for raw materials: Approved Raw Materials and Certified Raw Materials. The difference between the two is that approved raw materials are not organic-certified but have submitted to a documentation inspection by NATRUE. In contrast, certified raw materials are organic-certified, and the organic certification has been verified. Both categories conform to other NATRUE criteria. The product database is a useful source of companies that may be potential customers or competitors.

COSMOS

COSMOS is a certification scheme for natural and organic cosmetics. The product database is a useful source of companies that offer COSMOS-certified raw materials. These companies may be potential customers, or they may be competitors.

6. Sector associations

European sector associations are a useful source of hundreds of companies in Europe that may be potential buyers. The primary purpose of a sector association is to support the common interests of its members.

The main sector association in the European cosmetics industry is Cosmetics Europe. The members can be corporate members (typically, the largest cosmetic product manufacturers in Europe) or association members (the national associations of cosmetic companies in various European countries). Association members include suppliers of ingredients to the cosmetics industry. The links below highlight four of the association members of Cosmetics Europe whose members include suppliers of cosmetic ingredients. (Not all national associations publish their members' details).

Cosmetics Europe

- CTPA (UK) Cosmetic, Toiletry and Perfumery Association
- IKW (Germany) German Cosmetic, Toiletry, Perfumery and Detergent Association
- PACDI (Poland) Polish Association of Cosmetics and Detergent Industry
- Stanpa (Spain) Spanish Cosmetic, Toiletry and Perfumery Association
- IFRA International Fragrance Association

If you are a supplier of essential oils, you can find potential buyers amongst the members of the International Fragrance Association (IFRA). That association is the global representative of the fragrance industry. In addition to representing the interests of its members through Regular Members, National Associations and Supporting Members, IFRA publishes guidance and recommendations on fragrance safety and use for their members. This information is published on the association's website. The links below will take you the IFRA website, as well as to three national associations that publish details of their members. (Not all national associations publish their members' details.)

Regular members: These are multinational fragrance companies that make direct financial contributions to IFRA.

National associations represent companies in 24 countries. They include:

- PRODAROM France Union of Aromatic Product Manufacturers
- AEFAA Spanish Association of Fragrance and Flavours
- IFRA UK International Fragrance Association UK

Supporting Members are fragrance manufacturers in countries where there is no national association.

EFEO European Federation of Essential Oils

The European Federation of Essential Oils aims to represent producers and traders of essential oils and related products within Europe. It protects and promotes their interests and acts in defence of these products at relevant national, European and international levels. It also publishes guidance on relevant European legislation for the essential oil sector.

Aromatherapy Trade Council

The aromatherapy sector is growing rapidly as consumers seek to increase their use of natural therapies for their well-being. The Aromatherapy Trade Council (ATC) is the trade association for the specialised aromatherapy essential oil trade, and it represents manufacturers and suppliers of aromatherapy products, as well as the interests of consumers in the United Kingdom.

ATC publishes a list of members, who range from importers of essential oils to aromatherapists and online and high-street retailers of aromatherapy products.

European Federation for Cosmetic Ingredients (EFfCI)

EFfCI is the European Federation for Cosmetic Ingredients, a trade association that brings together European

manufacturers of synthetic and natural ingredients for the cosmetics and personal care industry. Its members include both companies and association members in Spain, France, the UK, Italy, Switzerland and Germany.

Direct Members: 140 major ingredient manufacturers across Europe

National Associations

- The British Association for Chemical Specialities
- TEGEWA (Germany)
- ASPA-INGRECOS (France)
- AEIC (Spain)
- HCI (Switzerland)
- Federchimica (Italy)

Tips:

Develop a plan to contact the most interesting companies that are members of the sector associations in Europe.

If you are a member of a sector association in your country, ask the association to contact the sector associations in Europe as part of their promotional activities.

7. Visiting or exhibiting at trade fairs

A guidance document on tips for finding buyers would not be complete without addressing how to visit or exhibit at trade fairs. As mentioned above, studying the lists of exhibitors at a trade fair (as published on the trade fair website) is a good way to find potential buyers. The advantage of face-to-face meetings, however, is that they allow you to have instant feedback on your offer. Potential buyers will either request more information, samples etc., or they will say that there is no immediate interest.

The recommended trade fair to visit or to exhibit at is in-cosmetics global. As mentioned above, this is the largest ingredient trade fair in Europe. Many exhibitors could be potential buyers. Meeting these companies could therefore enhance your search for potential buyers. When visiting a trade fair as a supplier rather than as a buyer, it is important to find staff members at the exhibits who are responsible for purchasing. The staff members at the stand may sometimes decline to meet with you. Be sure that you have prepared for the meeting and, especially, that you have identified the opportunity for the exhibiting company to buy your products.

You might also consider exhibiting or visiting cosmetic ingredient trade fairs in your own country or region. These are often attended by European companies. in-cosmetics has trade fairs in Brazil, Thailand and Korea. By visiting or exhibiting at these trade fairs, you will meet European companies offering their ingredients to the cosmetics industry in those countries, in addition to building your local and regional contacts.

In Africa, the trade fairs for the cosmetic industry focus on final products. The trade fair organisers target international companies as exhibitors. By visiting these trade fairs, you will meet these international companies, and you may find some who are interested in your ingredients.

Trade fairs in Africa that might be interesting to visit include Beauty West Africa and Beauty Kenya.

Tips:

Remember that the immediate objectives of an exhibitor are to increase sales and meet new customers. At the same time, purchasing managers attend trade fairs to meet with their current suppliers and find new suppliers.

Write to the purchasing managers of companies you would like to meet 6-8 weeks before the trade fair and request an appointment.

Scan the list of exhibitors to find potential customers.

Use a QR code as your electronic business card with your contact details.

8. Promoting your company

Finding buyers is a critical activity for any business. On the other hand, it is always satisfying when buyers find you (i.e. when you receive an enquiry from a potential buyer). You should thus also invest in promoting your company so that you can be found.

Obvious ways to do this are to have a website and work with a website designer and IT specialist to ensure that your website meets current design expectations, in addition to complying with data protection regulations. You should also create your company profile on LinkedIn, Facebook and Instagram.

To ensure that you can be found more quickly during an internet search, work with a search engine optimisation (SEO) specialist. In addition to the use of keywords, this also includes using social media to promote your company through videos, and publishing news updates and reports of events you are attending.

As mentioned above, marketing databases (e.g. SpecialChem, UL Prospector and the Personal Care Product Council Ingredient Buyers Guide) can be used to find buyers. At the same time, you should consider advertising your company in these databases. Follow the links above to visit these databases and learn which companies are promoting themselves this way.

Another way to promote your company is to subscribe to the Supplier Ethical Data Exchange (Sedex) database. The reasons for subscribing to Sedex are primarily to demonstrate your credentials as a responsible supplier. Sedex is a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains. More than 60,000 companies subscribe to Sedex, ranging from retailers of cosmetic products to suppliers of cosmetic ingredients. Many importers of cosmetic ingredients expect their suppliers to subscribe to Sedex. Once you have completed the Sedex self-audit questionnaire you can choose to publish your data to the members of Sedex at the Buyer or Retail level. With subscriptions starting at £110, this is a low-cost way to promote your business.

Here are two examples of company websites that stand out for promoting their businesses:

Based in Kenya, Fairoils supplies a wide range of essential and vegetable oils. The website clearly promotes the company's positioning as a supplier of pure, natural, ethically produced oils. The website is easy to navigate, and the content is well laid out, with an excellent mix of text and images. You can quickly find products, information about the company's certifications or its social and environmental standards, as well stories about the supplying communities and the benefits of working with Fairoils.

PT. Mignon Sista International, based in Indonesia, supplies a wide range of essential oils. The website is easy to navigate in order to find the company's products, as well as its certifications and affiliations. The product pages are also easy to navigate. Mignon Sista is also a member of Sedex and the Indonesian Essential Oil Council. Using different search terms relating to Indonesian essential oils (e.g. Indonesia essential oil, Indonesia essential oil manufacturer and Massoia bark oil Indonesia, clove oil) brings Indonesia Mignon Sista on to the first page of the search engine (as tested on 30/11/22).

Tips:

Create a social media calendar to plan out the videos, news articles and other events you will publish across your social media throughout the year.

Study the websites of your customers and potential customers, as well as those of your competitors. What great ideas could you incorporate into your own website?

Consider advertising your company in different ingredient marketing databases.

Subscribe to Sedex, as it could support both your ethical credentials and your promotional activities.

9. Contacting organisations that can provide support

In many countries around the world, you will find organisations whose mission is to help companies like yours to be successful in international markets. The generic name for these entities is business support organisations (BSOs). They include local and international export development and export promotion organisations, chambers of commerce, trade attaché offices in embassies and sector associations. As part of your research to build up your database of potential buyers, you should contact the BSOs in your country and request access to their own databases, along with any other resources for exporters like you.

The following international organisations help exporters in developing countries to be successful in the international market.

Figure 1: International organisations









Source: Various

Centre for the Promotion of Imports from developing countries (CBI)

CBI strengthens the social, economic and environmental sustainability of small and medium-sized enterprises (SMEs) in developing countries. CBI does this by connecting SMEs to European and regional markets. The organisation works in 13 sectors, and it has been working in the cosmetic ingredient sector since 2004. Its programmes include export coaching, BSO development and market information.

Swiss Import Promotion Programme (SIPPO)

SIPPO supports BSOs in 11 partner countries to expand the export-promotion services they offer to its export-

ready member companies through innovative and targeted export-promotion services. The organisation facilitate market access and exports, with a focus on Switzerland, the EU and regional markets. SIPPO works in six sectors, including natural ingredients for cosmetics.

Import Promotion Desk (IPD)

IPD assists companies in its partner countries to enter the European market, to increase their innovative capacity, generate added value and improve their competitive position internationally. In this way, IPD contributes towards strengthening the economic structures in partner countries. It works with companies that offer a range of natural ingredients for cosmetics and foods and healthcare products.

International Trade Centre (ITC)

ITC offers an array of trade-related practical training, advisory services and business intelligence data to small businesses, policymakers and BSOs in developing countries. It helps micro, small and medium-sized businesses become more competitive, in addition to helping to create better regulatory environments for trade. ITC has a range of market data and analytical tools, as well as publications and programmes in a wide range of sectors. It also partners with SIPPO to offer the Trade Promotion Academy for BSO staff.

United Nations Industrial Development Organisation (UNIDO)

UNIDO helps countries to industrialise in ways that foster digital and green transitions and that accelerate progress with the Sustainable Development Goals. Its three priority areas are reducing hunger, stopping climate breakdown and supporting sustainable supply chains. For the latter priority, UNIDO works within the cosmetics sector, and it has initiated programmes that improve technical services and supply chains for cosmetic ingredients and finished products.

Tips:

Visit the website of CBI and other support organisations to find more useful information for your business. For example, the CBI study 10 tips for organising your exports to Europe that provide a good understanding of practical matters, including customs, tariffs, transportation and documentation.

In addition, read the CBI study 10 tips for doing business with European buyers, which highlights the European business culture and provides tips for becoming a successful exporter to the European market.

This study was carried out on behalf of CBI by Fair Venture Consulting.

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