

## **Appendix H: Researcher's Notes**

### **The Export Promotion Agency of Colombia Advice**

The technological factor is a very significant factor in terms of finished products this factor will be ranked 5 due to the high technology value that the German companies possess. However, an opportunity is glimpsed to export natural ingredients. This reduces the impact of this factor resulting in 4.

The technological factor is a very significant factor in terms of finished products. Colombian companies must carry out patent and formulations analysis, however the impact is not very strong or extreme because the Colombian cosmetics companies have an opportunity to export natural ingredients.

The environmental factor is a major barrier. Colombian companies must comply with high quality manufacturing standards and require certifications of responsibility with the environment. BIO, ECO, Fair Trade and good manufacturing practices are recommended.

The fulfillment of the legal requirements in the cosmetic industry is the one that most generates Colombian companies, some companies must change their production and packaging models to comply with the legal requirements of the European Union. By being a member of the European Union, Germany welcomes the policies on the marketing and use of cosmetic products of the Union.

The highest barrier for the entry of Colombian companies to the German cosmetic market is competition. The concentration of large competitors is high, and a Colombian company must invest a considerable amount of money to enter the market.

It is very difficult to negotiate prices with German drugstores, supermarkets and cosmetics stores, these buyers influence the definition of prices because they are the main distribution channels

Export modes are the most used strategy by Colombian cosmetic companies, however the export opportunity increases if companies consider exporting natural ingredients instead of cosmetic products finished. In this sense, an intermediate way of entering the market can also be taken advantage of by Colombian companies such as: contract manufacturing

### **The Representation of the Colombian Government in Germany Advice**

The social factor is not a big problem for the entrance of the Colombian cosmetics companies to the German market. Colombia has a great natural diversity. It is possible that Colombia will supplement the German trend towards natural products.

In Germany there is no monopoly but there are market players that are better positioned than the others. There are market niches to enter.

Colombian cosmetics companies do not have a high capital investment amount to enter the German market through hierarchical modes such as transactional organizations, regional centers, domestic based sales representatives, among others.

### **The Association of Colombian Exporters Advice**

German cosmetics companies have advantages over Colombian cosmetics companies in production costs, experience and knowledge of the market”.

The best strategy to enter the German cosmetic market is an export mode.