

Phuong Nguyen

**THE DEVELOPMENT OF DOMESTIC VEGAN COSMETICS IN
VIETNAMESE MARKET**

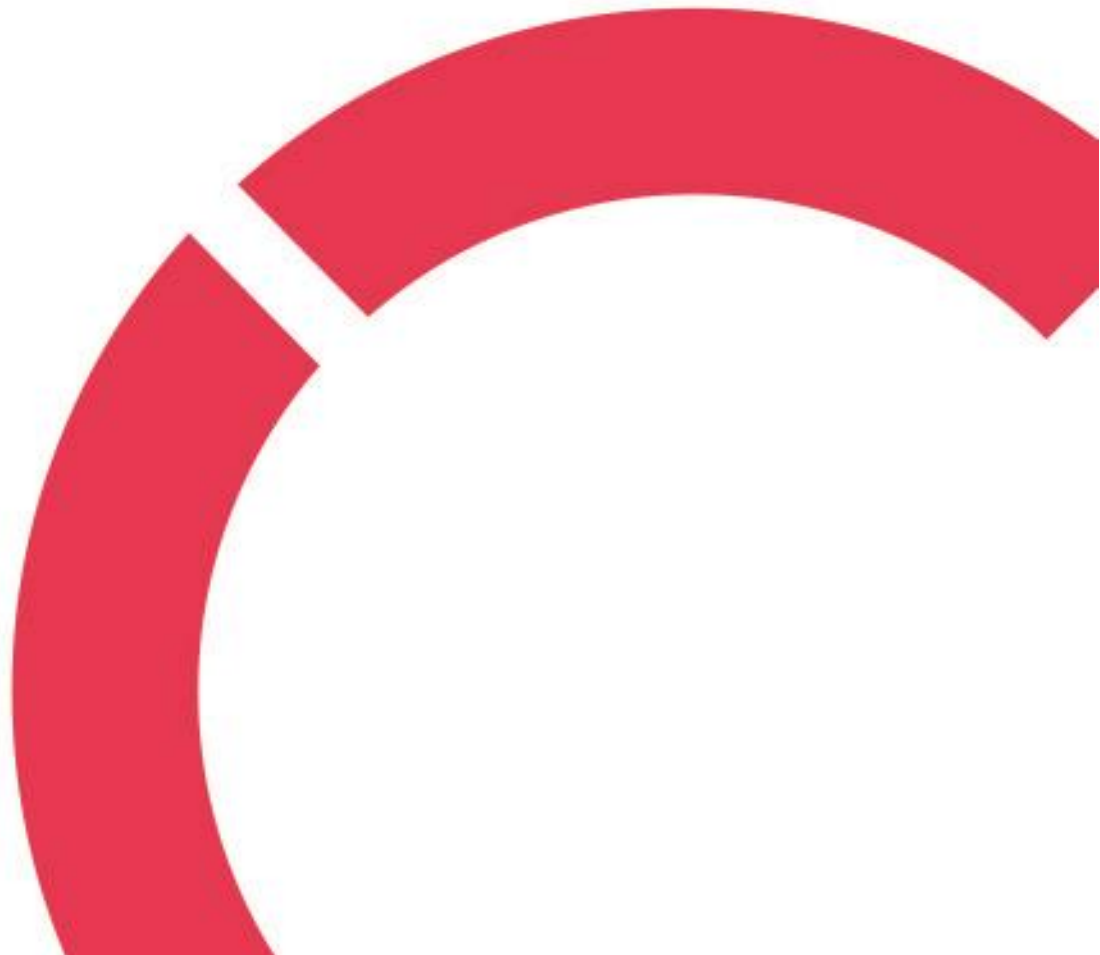
Factors that help domestic vegan cosmetic brands reach Vietnamese customers

Thesis

CENTRIA UNIVERSITY OF APPLIED SCIENCES

Bachelor of Business Administration, Business Management

February 2024



ABSTRACT

Centria University of Applied Sciences	Date 05/02/2024	Author Phuong Nguyen
Degree programme Bachelor of Business Administration, Business Management		
Name of thesis THE DEVELOPMENT OF DOMESTIC COSMETICS IN VIETNAMESE MARKET. Factors that help domestic vegan cosmetic brands reach Vietnamese customers.		
Centria supervisor Merja Vanha-aho		Pages 64 + 3
Instructor representing commissioning institution or company		
<p>The cosmetics industry is a very developed and competitive industry in the world. Not to mention the highly developed cosmetic markets such as Japan, Korea, Europe, America, Vietnam was considered a potential market with outstanding development. The trend of using natural products, not tested on animals, among young people has been gradually changing. Aware of this trend toward sustainability and with innovation, constant research and development, Vietnamese cosmetics brands were born to meet the demands of Vietnamese skin. Moreover, manufacturers are also investing more in research and developing of high-quality vegan products due to increasing consumer demand.</p> <p>The thesis was based on research, using quantitative methods to collect data and consumer behavior information about the needs and reasons for moving forward vegan products by implementing a questionnaire. The analysis's findings showed the development of the vegan cosmetics niche in Vietnam, how businesses could reach out and bring Vietnamese vegan cosmetic brands closer to customers. Moreover, the survey was related to factors that affect customers' purchasing decisions, especially how the branding of Vietnamese vegan cosmetic brands affect the above decisions.</p> <p>The research had shown that the potential for developing Vietnamese vegan cosmetic industry was huge. The Vietnamese market would not only be a consumer market but also a place where more and more vegan cosmetic products with domestic brands would be born. Due to the abundance and value of natural raw resources found in Vietnam. The thesis consisted of six sections. There is an introduction to the definition of cosmetics as well as animal testing-free and vegan cosmetics. The third chapter discussed the definition, special features, sustainability and how branding in the Vietnamese market differs from branding in general. Vietnamese vegan cosmetics market, its prospects and difficulties, especially the elements influencing customer purchase decisions were covered in chapter four. The aim of this thesis was to learn about the factors that allowed local vegan cosmetic brands reach clients and to critically analyze the growth of vegan cosmetics in Vietnam. This would help the brands promote their strengths, preserve their position in the highly competitive domestic market and reach out to the rest of the world.</p>		

<p>Key words Animal testing-free, branding, cosmetics, factors, local brand, Vietnamese, Vietnamese market.</p>
--

CONCEPT DEFINITIONS

FDA

The Federal Food, Drug, and Cosmetic Act

CGMP

Cosmetic Good Manufacturing Practice

CAGR

Compound annual growth rate

ABSTRACT
CONCEPT DEFINITIONS
CONTENTS

1 INTRODUCTION.....	1
2 COSMETICS.....	3
2.1 Animal testing-free cosmetics – Cruelty-free cosmetics	5
2.2 Vegan cosmetics.....	8
3 BRANDING VEGAN COSMETICS	11
3.1 What is branding?.....	11
3.2 Branding in Vietnamese markets compared to branding in general	14
3.3 Special features of branding cosmetics	17
3.3.1 Brand storytelling	17
3.3.2 Collaboration with famous celebrities	18
3.3.3 Keep up with trends.....	20
3.4 Sustainability in branding	21
4 THE VIETNAMESE VEGAN COSMETICS MARKET	23
4.1 Vietnamese domestic vegan cosmetic brands	26
4.1.1 The Cocoon Original Vietnam.....	26
4.1.2 BareSoul Vietnam	33
4.2 Challenges and Opportunities.....	38
4.3 The factors affect customers’ decisions to buy Vietnamese vegan cosmetics	41
5 RESEARCH METHODOLOGY	42
5.1 Research methods.....	42
5.2 Data collection	42
5.3 Questionnaire design	43
5.4 Result analysis	43
5.5 Discussion of findings.....	55
5.6 Recommendations	56
6 CONCLUSION.....	58
REFERENCES.....	60
APPENDICES	
FIGURES	
FIGURE 1. Brand affects business performance	13
FIGURE 2. Strategic brand development and the value chain	13
FIGURE 3. Time spent with social media apps.....	19
FIGURE 4. Average number of followers by platform	19
FIGURE 5. Global Vegan Cosmetics Market by distribution channel	24
FIGURE 6. Plant-based food alternatives to animal food	25
FIGURE 7. Reason(s) for choosing plant-based alternatives	25
FIGURE 8. Age group	45
FIGURE 9. Gender	45

FIGURE 10. Country of living	45
FIGURE 11. The familiar with vegan cosmetics of respondents	46
FIGURE 12. The understanding about Cruelty-free concept of respondents	46
FIGURE 13. Participants' thoughts on vegan cosmetics	47
FIGURE 14. The using of Vietnamese vegan cosmetics	48
FIGURE 15. Brand recognition through The Cocoon Original Vietnam's logo	48
FIGURE 16. Brand recognition through BareSoul's logo	48
FIGURE 17. How do you know about Vietnamese vegan cosmetics?.....	49
FIGURE 18. Vietnamese vegan cosmetic brands known to customers.....	49
FIGURE 19. Vietnamese vegan cosmetic brands are frequently purchased by customers	49
FIGURE 20. Values/messages of Vietnamese vegan cosmetic brands	50
FIGURE 21. The reason that participants choose Vietnamese vegan cosmetics.....	51
FIGURE 22. The reasons for wanting to move forwards vegan cosmetics	51
FIGURE 23. The benefits of using Vietnamese vegan cosmetics	51
FIGURE 24. The participants's impression about branding of Vietnamese vegan cosmetic brands	52
FIGURE 25. The Vietnamese vegan cosmetics brand impresses the most	53
FIGURE 26. The ranking of Vietnamese vegan cosmetics	53
FIGURE 27. The rate of branding Vietnamese vegan cosmetic brands	53
FIGURE 28. The quality and price of Vietnamese vegan cosmetics.....	54
FIGURE 29. Case question no.1	55
FIGURE 30. Case question no.2	55
FIGURE 31. The reason for case question no.2	55
FIGURE 32. Case question no.3	56

PICTURES

PICTURE 1. Leaping Bunny Logo.....	7
PICTURE 2. PETA's global "Animal Test-Free" logo	7
PICTURE 3. "PETA Approved Global Animal Test Policy" logo	7
PICTURE 4. The Vegan Trademark.....	9
PICTURE 5. V-Label logo.....	10
PICTURE 6. H&M faced massive boycott in Vietnam after its violations	15
PICTURE 7. "Rise Up Self Love" collab with Giang Oi	15
PICTURE 8. L'Oreal Paris Revitalift 1,5% Hyaluronic Acid serum	16
PICTURE 9. The famous Vietnamese influencer – Ha Linh Official	20
PICTURE 10. Maybelline Super Stay Matte Link Liquid Lipstick.....	21
PICTURE 11. Comprehensive acne skincare combo with winter melon extract	27
PICTURE 12. Rose facial skincare combo	28
PICTURE 13. Coffee-based cosmetics combo	28
PICTURE 14. Skin-brightening combo from Hung yen turmeric	29
PICTURE 15. Pomelo hair care	29
PICTURE 16. Inca Inchi hair care combo	30
PICTURE 17. Cruelty-free and Vegan certification logo.....	31
PICTURE 18. Cocoon x Suboi: Awaken the "QUEEN" in you.....	32
PICTURE 19. The well-known influencers introduce the Cocoon's products.....	32
PICTURE 20. Give away for campaign Cocoon x AAF: Join hands to end elephant ride	33
PICTURE 21. BareSoul herbal scrub & soap	34
PICTURE 22. BareSoul's body care products.....	35
PICTURE 23. BareSoul's hair care products.....	36
PICTURE 24. BareSoul's lip care products.....	37
PICTURE 25. Ingredients are publicly available on the BareSoul's website.....	38

PICTURE 26. Event: Scar of Life and Cruise of Kindness that BareSoul sponsored39

TABLES

TABLE 1. Top-of-mind brands41

1 INTRODUCTION

In recent years, the Vietnamese cosmetic industry has developed and transformed in a positive direction. This demonstrates that the trend and interest in appearance among Vietnamese women are increasing. The topic of the study is the development of domestic cosmetics in Vietnamese market, a study on branding vegan cosmetics and the impact of customers' product usage decision on vegan cosmetics. The study will concentrate on the growth of Vietnamese vegan cosmetics, how businesses brand their vegan cosmetics in Vietnamese market. Its influence on the country's economy, as well as the behavior and knowledge of local customers, is very significant. Additionally, the thesis will also point out the challenges and opportunities that Vietnamese brand businesses face. Furthermore, the study will attempt to give solutions and assist them to gain viewpoints and assessments from customers so they can improve and enhance their products. This also helps Vietnamese vegan cosmetics firms flourish and get a stronger footing.

The background of the study is founded on the reality of consumer views of environmental concerns and animal welfare. Beauty and body care are essential and natural human desires, particularly for women. This is regarded as a "spice" that enriches the attractiveness of women's lives. However, with contemporary increasing industrialization and modernization, the natural environment is progressively deteriorating. Aside from pollutants such as automotive dust and untreated manufacturing waste, the cosmetics industry's application of inventions and usage of chemical active substances have a substantial influence on the environment (Tran 2022, 4-5). Moreover, before releasing appropriate cosmetic lines to the market, product developers must test them on animals. That is why PETA has named more than 250 large and small cosmetic brands that are still using animal testing methods (PETA 2023). Thanks to the advancement of media and social networks, as well as the impact of content creators, celebrities and other influential people, consumers, particularly young generation, may now readily obtain information. Customers have begun to favor vegan products as they understand the environmental and animal challenges that are being faced. Furthermore, the unique feature that people desire in vegan products is for their own personal health and attractiveness. Consumers can prevent skin illnesses more efficiently if they use vegan goods and avoid contact with the absorption of toxic elements in cosmetics.

Vietnamese vegan cosmetic businesses established due to the mentioned client demands and needs – love nature and pursue the spirit of humanitarian beauty. Vietnam is a country with a diversity of herbs and natural ingredients that are very good for the skin and body. Along with historical recipes and

familiarity with natural ingredients, Vietnamese brands have used this to create a lines of high-quality goods. Vietnamese vegan cosmetics offer numerous unique characteristics and have seen significant growth in the cosmetic market. However, it cannot compete with the fierce competition of vegan businesses from other countries in terms of design and pricing.

This thesis aims to learn about the factors that helps domestic vegan cosmetics reach customers and to seriously analyze the development of vegan cosmetics in Vietnam. This assists the brands in promoting its strengths, maintaining its place in the intensely competitive home market and reaching out to the rest of the globe. From there, they can proudly affirming “High quality Vietnamese goods”. The goal can be achieved by answering the questions: How and why does Vietnamese vegan cosmetics develop in fierce competition? First and foremost, the term “vegan cosmetics” and “animal testing-free cosmetics” are defined in the theory section. After that, the thesis will discuss the evolution of Vietnamese brand vegan cosmetics in the Vietnamese market. In the process of introducing things to customers, there are advantages, disadvantages and problems. The last section will include a study on the influence of environmental issues on customers’ choices of vegan products. A list of questions and answers will be provided in the appendix.

The thesis’ primary objective is to learn and determine how to build the brand of Vietnamese-branded vegan products in the Vietnamese market. The data collected from the questionnaire will help better identify the factors that influence Vietnamese consumers’ decisions to buy Vietnamese vegan products, of which gen Z is the primary target customer. Especially the way the Vietnamese vegan cosmetics brand builds its brand to attract customers. This thesis will answer the question "How will branding affect customers' decisions to buy Vietnamese brand vegan cosmetics?". Besides, there are many foreign vegan cosmetic brands on the market, but why do customers still prioritize Vietnamese vegan brands? Furthermore, although the Vietnamese vegan cosmetics niche is on the rise, there is only one brand that is most recognized by customers: The Cocoon Original Vietnam. So are Vietnamese vegan cosmetic brands not really focusing on building good brands?. The thesis will provide an explanation for the switch to using vegan cosmetics as well as point out the difficulties and challenges that vegan cosmetic brands are facing. In addition, the thesis will propose some suggestions to help Vietnamese vegan cosmetics manufacturing businesses build better brands. It also highlights how building a Vietnamese vegan brand has a place in the hearts of customers.

2 COSMETICS

This chapter will define cosmetics in general and vegan cosmetics in particular, as well as what are cosmetics that are not tested on animals. In addition, this chapter will also mention the advantages and disadvantages of vegan cosmetics on the market. As a result of contemporary living, cosmetics have become a necessary product, particularly for women. In reality, we use shower gel, face cleanser, sunscreen and other products on a daily basis. All of them are referred to as cosmetics – items used for the most thorough body, hair and skin care. In addition to harmful environmental hazards, consumers pay more attention to select cosmetics. With uses such as moisturizing, anti-aging or skin protection against environmental elements such as UV radiation, dirt and so on, researchers must identify the suitable sources of raw materials and components (Barel, Paye & Maibach 2001, 1-2).

Cosmetics are considered a compound that has been researched and applied advanced techniques to help improve the skin. According to the regulations no 1223/2009 of the European Parliament and of the Council, cosmetics are defined as

“any substance or mixture intended to be placed in contact with the external parts of the human body (epidermis, hair system, nails, lips and external genital organs) or with the teeth and the mucous membranes of the oral cavity with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance, protecting them, keeping them in good condition or correcting body odours”.

The Federal Food, Drug and Cosmetic Act (FDA) describes cosmetics as follows:

“Cosmetics as articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body...for cleansing, beautifying, promoting attractiveness, or altering the appearance”.

In the Modernization of Cosmetics Regulation Act of 2022, cosmetic product was also mentioned:

“A preparation of cosmetic ingredients with a qualitatively and quantitatively set composition for use in a finished product”.

As a result, cosmetics have many different definitions depending on the organization and legislation. However, to describes simply, cosmetics can be a cream or a liquid containing chemical elements that are applied to the face, body and other areas to improve appearance (Cambridge Dictionary).

Currently, on the market, based on a variety of factors, cosmetics will be classified such as purpose, gender, age group - skin type and ingredient.

Classified based on intended usage: Depending on each individual's intended usage, cosmetics are classified in a variety of forms. Nowadays, there are many cosmetic brands on the market. In general, there will be the following purposes. Cosmetics made specifically for facial skin, such as Ritual's skincare product set. In addition, when it mentions to face skin, there will be other product lines aimed at other demands such as makeup products. Moreover, cosmetics are also body cleansing and fragrance products, deodorants, body lotions and so on. Additionally, as previously mentioned in the definition of cosmetics, nail and hair care products are also considered cosmetics. It is clear that nail polish, shampoo, conditioner and so on are all popular beauty goods.

Classified based on gender: Because men's skin structures differ from women's, cosmetic components will need to be adjusted to fit the skin's requirement. Male skin, on both the face and the body, has specific features that distinguish from female skin and because of constant shaving, it is frequently treated differently. Therefore, men benefit from a tailored approach to skincare to help keep their skin its natural best (Eucerin). In fact, men's skin is thicker and contain more oil than women's. Because of its higher collagen concentration, men's skin seems firmer. Moreover, along with other factors such as hormones, age and so on, men and women's skin will have different cosmetic products. Cosmetic businesses also rely on these elements to produce separate products for men and women.

Classified based on age group - skin type: Due to many factors such as environmental effect and skin texture, there will be different types of cosmetics for different age and skin type. Along with the natural skin aging process, the influence of the external environment such as dust, pollution, sunshine and so on causes damage and harm to the skin. People of all ages, from babies to elders, need to use cosmetics to protect their skin. Choosing cosmetics to care for and nourish healthy facial skin is crucial. Babies can use shower gels and lotions to nurture and protect their thin and sensitive skin. However, for babies and children, parents must check extreme caution with the ingredients. They will select reputable, long-standing cosmetics brands with natural components for their children. In addition, classifying skin types in cosmetic production is essential. There will be three major skin

types: oily, dry and sensitive skin. Within these three main types, there will be combination skin types. Thus, manufacturers must research and develop products that are appropriate for each skin type.

Classified based on ingredients: In cosmetic market, there will be product lines with natural ingredients or with chemical ingredients. Choosing between natural cosmetics and chemical cosmetics is also a difficult problem. Each product has its benefits and drawbacks. However, customers will frequently carefully read and study the ingredient list based on personal demands. The categorization of these two product lines is also precise. Some cosmetics require a dermatologist guidance because the chemical components will cause some skin irritation. Therefore, usually, products containing chemical ingredients will be more selective because it will easily cause irritation to the skin.

Up to now, the cosmetics business has expanded significantly. Along with the technological development and the outstanding improvement of scientific study, new active ingredients are discovered and integrated into cosmetics. Researchers must make modifications and adjustments to the constituents and doses of active substances. This will assist businesses in providing cosmetic products that satisfy market demands. In contrast, the addition of active chemicals into cosmetics must be carefully studied in advance to minimize negative consequences. Of course, no customer would like to utilize a cosmetic brand that has too many problems with their skin. Therefore, cosmetics that have been launched on the market must be researched, tested and improved to ensure that they are safe and effective on the consumer's skin. However, the active compounds are not always available and its use is much more complicated (Barel et al. 2001, 2). Occasionally, there will be undesired side effects with certain batches. Indeed, cosmetic businesses have frequently had to send product recall notices because of problematic shipments.

2.1 Animal testing-free cosmetics – Cruelty-free cosmetics

With the growing demand of cosmetics, businesses are always searching for and adding new active ingredients as well as combining formulas into the same product. Cosmetics that are researched and initially manufactured have several risks and limitations. Therefore, using too many active ingredients in cosmetics will require testing on physical skin. Most cosmetic companies will choose methods testing on animals such as rabbits, mice, hamsters and so on. This is an experimental method with unresolved controversy.

First and foremost, let's define the term "animal testing". Animal testing is an experimental procedure that uses living animals to explore disease and basic biology. This approach will evaluate the efficacy of the new product or medicine (Humane Society International). As defined by Cruelty Free International, animal testing is experimentation in which living animals are made to experience reactions that are likely to inflict pain or long-term injury. Laboratory animals are given medications or chemicals and are frequently killed at the end of experiment (Cruelty Free International). In general, this testing will help researchers detect potential issues so that the active components may be adjusted more appropriately. According to estimates, countries around the world use more than 115 million laboratory animals. The most prevalent species are mice, fish, rats, rabbits, hamsters and so on. However, this figure is inaccurate and may be higher than estimated because some nations have not provided enough statistics (Humane Society International). Thus, it can be seen that cosmetics, personal care or household liquid that are not tested on animals are considered as "Cruelty-free".

In general, testing on animals is a cruel behavior that affects the animal's life process. According to the Federal Food, Drug, and Cosmetic Act (FDA), they do not expressly require animal testing of cosmetics and household products. In the article "Animal Testing & Cosmetics", FDA mentioned the following

"We also believe that before using animals, consideration should be given to the use of scientifically valid alternatives to whole animal testing" (The Federal Food, Drug, and Cosmetic Act, 2022).

"FDA supports the development and use of alternatives to whole-animal testing as well as adherence to the most humane methods available within the limits of scientific capability when animals are used for testing the safety of cosmetics products. We will continue to be a strong advocate of methodologies for the refinement, reduction, and replacement of animal tests with alternative methodologies that do not employ the use of animals" (The Federal Food, Drug, and Cosmetic Act, 2022).

Therefore, up to now, there have been various organizations such as PETA, FDA or Humane Society International issuing propaganda against animal experimentation. Besides, they also have research expert teams, programs and certificates to ensure that cosmetics are not tested on animals.

Mentioning about “Cruelty-Free” certifications, currently, the world has two large and reputable organizations providing it: PETA and Leaping Bunny Program. Firstly, PETA stands for People for the Ethical Treatment of Animals. It is one of the largest organizations that has publicly spoken out against animal cruelty. Since their founding, they have brought to light the truths that take place behind the walls of animal laboratories (PETA). After PETA, the Leaping Bunny Program is the second largest animal protection organization in the world. Established from eight major animal protection organizations in the United States and Canada, Leaping Bunny Program has made crucial contributions to research, knowledge and providing evidence animal testing (Le 2019, 17). As a result, Leaping Bunny Logo (PICTURE 1) and PETA’s global “Animal Test-Free” (PICTURE 2) are the two most trustworthy logos. However, because there are differences in labeling laws in Europe, PETA specifically created “Animal test-free” logos for nations in this region (PICTURE 3).



PICTURE 1. Leaping Bunny Logo (adapted from Leaping Bunny Program)



PICTURE 2. PETA’s global “Animal Test-Free” logo (adapted from PETA)



PICTURE 3. “PETA Approved Global Animal Test Policy” logo (PETA)

Thus, the question has emerged “why do many cosmetic businesses still choose to test on animals?”. Animal testing is a traditional and long-standing method. It has become a well-known form of laboratory testing. Until now, there has been support for alternative approaches of research and advocacy efforts by organizations to stop animal testing. However, data, information as well as knowledge about non-using animals are still not widely known to everyone. Hence, Humane Society International said as following

“We are leading efforts globally to encourage scientists, companies and policy-makers to transition away from animal use in favour of 21st century methods. Our work brings together experts from around the globe to share knowledge and best practice, improving the quality of research by replacing animals in the laboratory” (Humane Society International).

According to Leaping Bunny Program, nowadays, more and more companies are joining their program. They boast more than 2,000 companies, including well-known names as Burt’s Bee, Method, YesTo and Seventh Generation. From the above information, we can see that more and more businesses, especially the cosmetic industry, are starting to pay attention to animal issues.

2.2 Vegan cosmetics

In recent years, the trend of natural beauty and the use of vegan cosmetics have been also increasingly popular. The term “vegan” is also becoming more widely known around the world. This is no longer just a diet and a belief; it has become a lifestyle that many people choose. People who follow the “green” lifestyle trend will use vegan cosmetics and not tested on animals. In addition, due to the irritation that cosmetics containing chemical ingredients cause, many customers prefer vegan and natural alternative cosmetics. Even though there are no official legal definitions for veganism in the EU or worldwide scale, many organizations attempt to standardize vegan products in order to offer a safe option for the vegan community (Le 2019, 16).

According to Chrissy Callahan, vegan cosmetics are the products that eliminate animal-derived substances when creating formulas (Callahan 2019).

In L’Officiel magazine, Neringa Šimkutė said as following

“vegan cosmetics are made without materials of animal origin or their traces. Conventional materials of animal origin, such as honey, beeswax, lanolin, collagen, elastin, etc., are replaced by materials derived from plants or materials” (Šimkutė 2021).

The V-Label also mentioned about the “vegan” products as the products are not of animal origin, nor are animal-related ingredients or additives used during the process of making the products (V-Label International). Besides that, cosmetics are recognized as vegan when they fulfill the criteria of The Vegan Society or The V-Label. The Vegan Society is an organization that established by Donald Watson in 1944. Thanks to The Vegan Society, the term “vegan” is more widespread and well-known around the world. Current cosmetics with natural ingredients and vegan are all registered for certification and received the Vegan Trademark from this organization (Le 2019, 16). The Vegan Trademark (PICTURE 4) was launched in 1990. This is the crucial seal that allows businesses prove that their products meet international vegan standards. According to statistics from The Vegan Society, there have been 30,000 cosmetic products registered with The Vegan Trademark (The Vegan Society). Along with The Vegan Society, V-Label is also the Switzerland’s best-known and reputable organization for vegan certification. Their logo (PICTURE 5) was registered in 1996 and internationally recognized around the world (V-Label International). Until now, there are more than 50,000 products including cosmetic, food, household and so on that have registered licensees and carried the V-Label (V-Label International).



PICTURE 4. The Vegan Trademark (adapted from the Vegan Society)



PICTURE 5. V-Label Logo (adapted from V-Label International)

Based on the definitions of both terms above, “vegan” cosmetics do not imply “cruelty-free” cosmetics and vice versa (Ethical Elephant 2023). Although vegan cosmetics do not use animal ingredients or animal-derived, it still can be tested on animals in the laboratory before launching market. In contrast to vegan, cruelty-free cosmetics don’t allow any form of animal testing during the production process but it can contain animal ingredients. However, cosmetics can be both vegan and cruelty-free that are not tested on animals, made from plant-based. On the cosmetic packaging, customer can find the certification of both vegan and cruelty-free logo if the businesses registered it with the mentioned above organizations.

3 BRANDING VEGAN COSMETICS

Nowadays, specifically for the cosmetic industry, branding is an extremely crucial step. To be able to compete with competitors in the market, business must build their own brand. Of course, branding has never been easy for all businesses. It must converge many different aspects from coming up with ideas, logo designing for brand and so on to create an impressive brand with customer. With increased demands and standards, today's consumers prefer to choose products with familiar or well-known brands. In this chapter, thesis will discuss about the definition of branding, how vegan businesses reach out to their customers. In addition, the thesis will also compare how to build a vegan cosmetic brand in Vietnam with branding in general.

3.1 What is branding?

Since ancient times, craftsmen made products and used their own trademarks or special symbols to mark them to assert ownership and differentiate themselves from the products of others. The Western world is the epicenter of the brand boom. At the place of trading and exchanging goods, similar products gradually appeared here, so merchants began to find ways to build their own brands to create differences and unique marks for their products.

In the book “Myths of Branding”, Bailey and Milligan mentioned as following

“As long as people have been producing goods for sale or exchange they have been endorsing them and leaving their mark on them.” (Bailey & Milligan 2023, 2-3)

Hence, branding has existed since ancient times. For a century, branding has gradually become vital and indispensable in business. Combined with the growth of technology in the 4.0 era, many businesses have successfully established their brands and positions in the marketplace thanks to branding.

Bailey et al. said in their book “Myths of Branding” about the branding as

“Brand owners in turn have sought to vest their assets with a distinctive meaning that helps to build appeal and saliency with their customers; this process of creating and managing brands is often referred to as branding – the uniquely challenging mix that is the art and science of brand building.” (Bailey et al. 2023, 1).

Branding is a long-term strategic process that comprises actions ranging from product creation to marketing communications (Bonnici 2014). Branding is a system of marketing strategies that maintains clients' interest to a business and its products.

Thus, branding is a process that businesses must carry out throughout to keep their position from the beginning. With growing demand as well as customer awareness of the brand, there is also a change. For the cosmetics industry in particular, customers have more selective options. They will only purchase cosmetics with reputable companies that are suitable and safe for them. At this point, branding no longer stops at a typical slogan or a logo, it must include all elements. Businessmen must put into the product the content and meaning contained within, highlighting its features. By utilizing all of the factors that branding requires, businesses may make consumers aware of their brand via products or when mentioned. As McGraw-Hill mentioned in “The essentials of branding”,

“the purpose of branding is to ensure that your product or service is the preferred choice in the minds of your key audiences (whether customers, consumers, employees, prospective employees, fans, donors or voters)” (McGraw-Hill 2010, 1).

Effective branding will assist customers understand what message that the brand would like to convey, whether that information is relevant to what customers are looking for and increase customer brand perception. From there, the brand affirmed its position and gained a place in the hearts of customers. The issue of branding has a significant impact throughout the business process of the enterprise. Based on “Brand affects business performance” diagram that McGraw-Hill mentioned (FIGURE 1), it can be seen that the first step of the process that businesses need to identify is coming up with brand idea. Coming up with ideas for their brand will allow companies to determine the company's direction, the customer base they are targeting and so on. When introducing new products to market, businesses need customer reviews or feedback about product experiences. Thereby, companies can develop a brand position in customer perception. Based on consumer behavior, the corporation adjusts their branding to suit the market situation while still maintaining its “unique quality”. In a short, if the first step of the process is not obvious or relevant to the consumer, the subsequent phases are likely to be ineffective.

Therefore, the brand will have little or no impact on the business performance of the enterprise (McGraw-Hill 2010, 1).

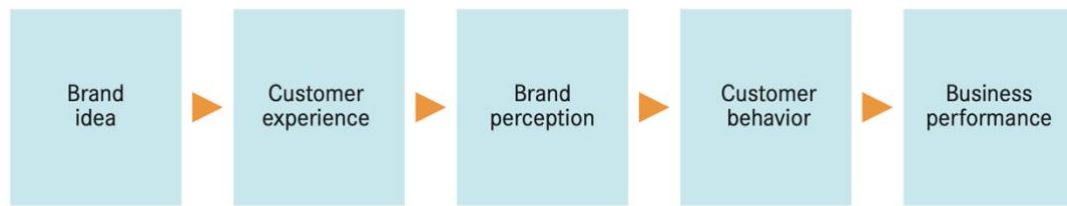


FIGURE 1. Brand affects business performance (adapted from McGraw-Hill 2010, 2)

Indeed, when branding is effective and achieving results as planned by the business, the brand will receive the attention of many potential customers thanks to a group of loyal customers. They will tend to buy products from a well-known brand that receives many positive reviews from loyal customers rather than a completely new brand. This is also one of the ways to help determine which brands are successful in the market thanks to good strategic branding. Additionally, to build a brand in a long term, a combination of product innovation and marketing communication are required (Bonnici 2014, 1). In figure 2, it can be seen that to develop a long-term brand strategy, businesses need to innovate product lines and designs. Additionally, it is also necessary to arrange plans to strategize prices and distribution channels accordingly. This will help brands connect with customers in the most efficient and effective way. Marketing communications are also extremely crucial. “Communications are designed to create a consumer mindset where brand awareness, associations and attitudes are formed” - Bonnici said. Combining these elements businesses can effectively build their brand, placing their brand in a competitive position in the market. Finally, as mentioned above, branding is not just a logo and brand name, it is a combination of elements such as packaging design, symbols, pricing, distribution strategies, etc. and marketing communications.

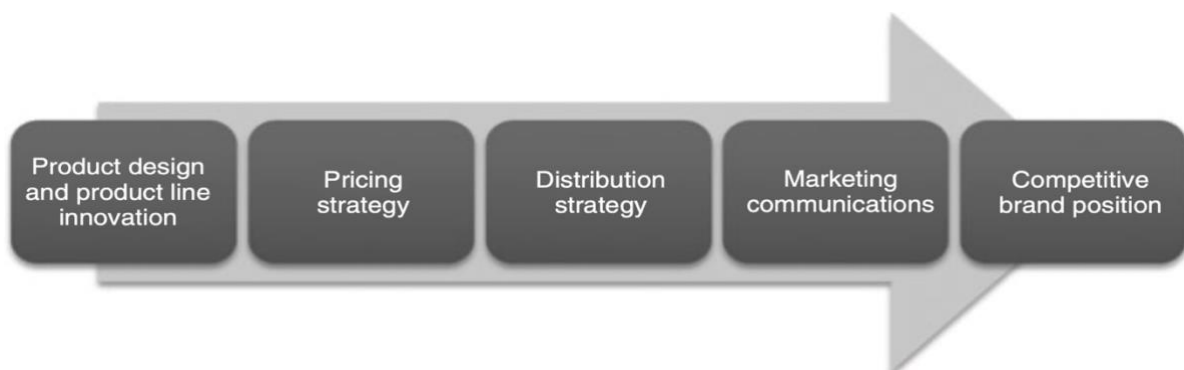


FIGURE 2. Strategic brand development and the value chain (adapted from Bonnici 2014)

3.2 Branding in Vietnamese markets compared to branding in general

Brand building in general and branding in Vietnamese market both have similarities. Businesses need to outline plans and strategies as well as explore new markets to have an approach for branding. Vietnam is a youthful and vibrant emerging market. In this nation, the young population is high and dynamic, they always keep up with trends and spread them through social networking sites very quickly. Therefore, building a brand in Vietnam is a potential direction. Despite its dynamic, branding in Vietnamese market has certain characteristics that international businesses must research carefully.

First and foremost, the cosmetic businesses should pay attention to the features of national culture and indigenous traditions. Vietnam is a country with a deep and rich historical tradition spanning thousands of years. Up to now, although society has developed a lot, the beautiful old cultural features are still maintained and enter people's lives. In addition, each region will have different customs and traditions. Therefore, branding in Vietnam must be analyzed carefully. Vietnamese consumers are extremely sensitive about their culture and national sovereignty. Building a brand that is associated with local culture will be a huge plus in their eyes. Customers will choose brands that integrate Vietnamese cultural elements and ethical standards into their products. On the other hand, if the brand is not built wisely and has a negative impact on any aspect of Vietnam, the brand will cause a wave of indignation and may even be boycotted. For instance, during April 2021, H&M faced a wave of criticism and boycott from the majority of Vietnamese youth (PICTURE 6). This fashion brand shared an image of China's previously drawn nine-dash line on East Sea sovereignty. This map has been an act of infringement of Vietnam's territorial rights and must be harshly condemned but H&M had moved to share. For this reason H&M is gradually no longer favorable in the eyes of Vietnamese consumers. Upon receiving that information, according to Hanoi Times newspaper, spokesperson Le Thi Thu Hang of Vietnamese Ministry of Foreign Affairs said following

“Vietnam requests that businesses to respect Vietnamese sovereignty over the two archipelagos of Hoang Sa (Paracel) and Truong Sa (Spratly) and sovereignty rights and jurisdiction over some waters in the East Sea (referring to the South China Sea)” (Hanoi Times 2021).



PICTURE 6. H&M faces massive boycott in Vietnam after its violations (Hanoi Times 2021)

The second problem is taking advantage of social networks to easily reach and build brands. Vietnam is still a country with a large number of young people. They usually use phones to access social networking sites and quickly catch up with trends. Therefore, taking advantage of this, businesses will have advertising, marketing or propaganda campaigns via social networking sites. From here, customers can recognize the brand as well as products. Thus, branding in Vietnamese market has initially made positive progress. Additionally, businesses can collaborate with young, influential and respected content creators in Vietnam to build their brands. The Body Shop is an excellent example of using social media engagement and influence from young content creator – Giang Oi (PICTURE 7). Through the “Rise Up Self Love” campaign, The Body Shop had been very successful in bringing the brand closer to consumers, especially Vietnamese youth. In addition, The Body Shop has also conveyed the message of self-love thanks to their representative.



PICTURE 7. “Rise Up Self Love” collab with Giang Oi (adapted from The Body Shop Vietnam)

The third difference, businesses developing brands in the Vietnamese market should learn about prices, customer demands as well as present the product values. A brand with competitive prices,

suitable for budgets and requirements as well as customers who understand the value of product will succeed. Along with that, businesses must still prioritize maintaining quality performance. Vietnamese customers will favor choosing brands with reasonable cost while still keeping the the original product quality and value. As the product of L’Oreal Paris when building brand in Vietnam, in addition to being based on customer demands, they always offer a competitive price but still ensure quality (PICTURE 8). It is the same moisturizing serum product containing Hyaluronic Acid (HA) but at L’Oreal, customers can look into the product’s value, applications and ingredients. Furthermore, this is a product that is easy to find at supermarkets and cosmetic stores at an reasonable cost. Thus, it is cleat that L’Oreal has been highly successful in both building its brand and finding place in Vietnamese market.



PICTURE 8. L’Oreal Paris Revitalift 1.5% Hyaluronic Acid Serum (adapted from L’Oreal Paris Vietnam)

Last but not least, prioritize strong emphasis on reliability and relationships when building a brand in the Vietnamese market. Vietnamese business culture will be a little different about building relationships. Before launching business and building a brand in Vietnam, organizations should make sure that they have prepared relationships. Strongly focusing on surrounding relationships will help businesses become somewhat more favorable in growing their brand. Besides, respecting the partner’s hierarchy and comprehending the contexts are also an advantage. Almost all enterprises in Vietnam are organized based on rank and seniority. Therefore, you should thoroughly study related issues to make it easier to address and create sympathy with your partner. Finally, branding in the Vietnamese market must be thoroughly researched in all aspects. In particular, businesses must pay closer attention to

Vietnamese culture and traditions. Along with that, they need to understand about how social networks function as well as influential content creators to better build their brand.

“Well-managed branding would give great advantages for manufacturers to complete Vietnam’s biggest markets and set a desired expectation of quality or price” (Nguyen 2012, 12).

3.3 Special features of branding cosmetics

Cosmetics is an extremely competitive market with so many brands being emerged. This does not take into account for the fact that there are long-standing cosmetic enterprises with decades of experience, possessing exclusive beauty formulas or technologies. Therefore, a cosmetic brand that wishes to stand out in this market must make itself memorable in the eyes of its customers. In this section, the thesis will point out some special features of branding cosmetics.

3.3.1 Brand storytelling

The first feature is brand story and value. Each beauty brand will have its own story and value. To enter the cosmetics industry, business owners must have a unique story that makes their brand stand out. In the book Michiel Maandag and Liisa Puolakka have said

“There is nothing better than a true brand story, because it is unique and it is yours. Your story is about why you do the things you are doing. It is the essence behind what you are selling.” (Maandag & Puolakka 2014, 107).

The story must be associated with the brand, somehow, when customers hear or mention the story, they will immediately think of the brand name. It requires leveraging storyline to create an emotional connection between brand and consumer. Therefore, brand stories have become one of the effective branding methods in bringing customers closer to the business. It is no surprise that storytelling deserves more recognition from marketers, used by brands to communicate value statements, character, identity and increasing awareness (Barbosa, Simões & Leal 2022, 2). For each cosmetic brand, the story behind it can create a source of motivation, inspiration and spiritual value for each

customer. Sometimes, hidden behind cosmetic brands is the story of the founder and how that brand was formed. For example, when mentioning Estée Lauder, consumers will classify it as high-end cosmetics with expensive prices. However, behind that name is a story about the efforts, continuous development and smart, ingenious business directions of its founder - Estée Lauder. In a nutshell, exploiting brand stories in cosmetic branding is no longer new. However, this is an crucial and indispensable step if a business wants to develop sustainably. When selecting cosmetics, consumers will always be interested in the story behind the brand name as well as the authenticity that the company promotes. Creating a connection between customers and businesses via storytelling and values as well as a commitment from the business owner will build the foundation for long-term development.

3.3.2 Collaboration with famous celebrities

The next features is the collaboration with famous celebrities, influencers or content creators. Nowadays, with the development of social networking sites, cosmetic brands can easily reach users through influencers or celebrities. Customers will tend to acquire knowledge through observing others and experiencing reality. The feedback they receive will impact future actions (Hahl 2023, 16). It is not difficult to come across images or videos from influencers or celebrities introducing cosmetics on social networking platforms such as Facebook, Instagram, etc. Due to its rapid spread and widespread use, branding in conjunction with famous celebs/influencers has become a popular form and an important factor in enhancing cosmetic brands in customer's eyes. Sini Hahl also mentioned in the thesis

“The most common form of collaboration is sponsored feed posts or stories in the influencer's own profile where the influencer presents brand's products or services to her or his followers” (Hahl 2023, 19).

In particular, in the last five years, Tiktok has arisen and become a major interaction platform for young people. On this channel, there are content creators with millions of followers. As a result, companies will always take advantages of this potential to expand their by establishing brand channels themselves and through influencers. In 2022, according to the report of We are social (FIGURE 3), Tiktok is one of the social networks with the most popular. Compared to social media apps such as

Youtube, Facebook or Instagram, Tiktok was born later but users have spent an average of 19,6 hours per month accessing it.

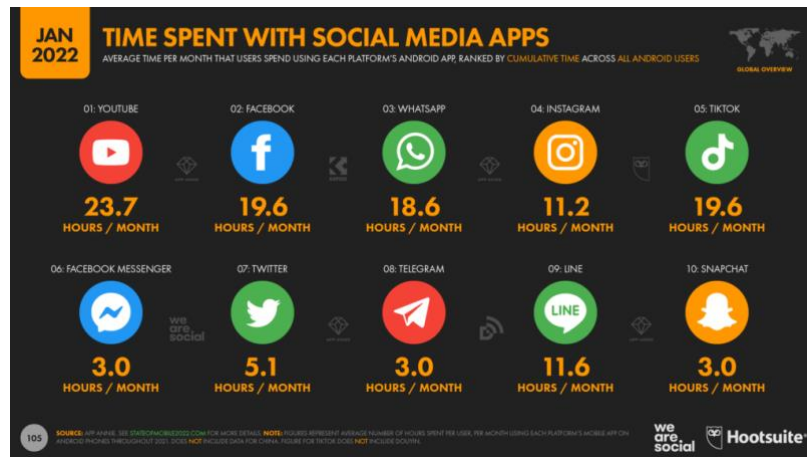


FIGURE 3. Time spent with social media apps (adapted from We are Social 2022)

According to the report 2022 of Upfluence, from 18 may to 26 August, beauty influencers on Tiktok had the highest number of followers with 767,651, followed by Instagram and Youtube, with 431,310 and 417,134 respectively (FIGURE 4). Additionally, Tiktok is the place where young people access and catch up with trends the fastest and most numerous. With this advancement, influencers (also known as content creators) have created a place for themselves. Based on the current actual situation, brands will emphasize collaborating with influencers. This will bring the brand closer to customers. Additionally, this cooperation will boost revenue and help the brand develop more smoothly.

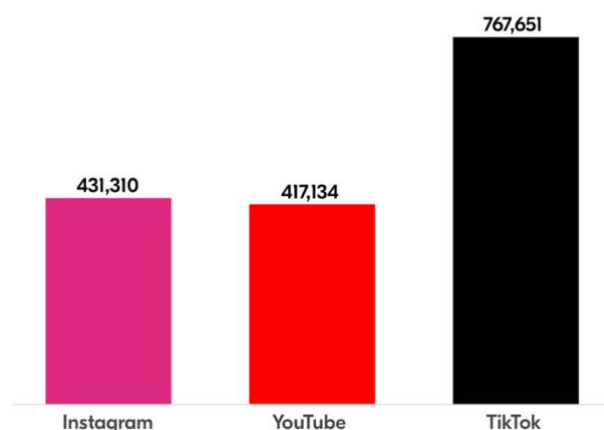


FIGURE 4. Average number of follows by platform (adapted from Upfluence 2022)

As picture 9 below, this is the famous Vietnamese influencer in Tiktok with 4 millions followers – Ha Linh Official. She has a huge knowledge and experience about the cosmetic. Based on that, she can

experience the product and give an objective opinion about the product. Most customers in Vietnam trust and consider making product purchasing decisions based on her reviews. In summary, it can be said that especially for cosmetic branding, collaborating with influential people is extremely successful strategy. Many brands have recognized the power and influence of content creators. Businesses are also proactively engaging them in their marketing activities (Hahl 2023).



PICTURE 9. The famous Vietnamese influencer – Ha Linh Official (adapted from Tiktok)

3.3.3 Keep up with trends

Keeping up with trends and diversity product lines are a trait that cosmetics branding sets apart. Consumer demand is growing with the fluctuating economy and their tendency to choose cosmetics is also changing. Businesses must create cosmetics with unique formulas and special ingredients that resonate, leading the trend is an advantage. For instance, in the Korean market, toner pads – product that hydrate the skin or products containing anti-aging ingredients such as bakuchiol – have become a beauty trend that are sought after by the beauty customers. However, not everyone can buy and experience such products because of the price. People frequently say that quality always goes hand in hand with price. The following trend mentioned is product diversification in the context of competitive pricing, when new product lines are launched at ever-lower prices (Łopaciuk & Łoboda 2013, 1081). This trend is formed according to consumer demands. Łopaciuk et al. also added that customers are increasingly aware that some of the products in the drugstore segment can offer quality comparable to premium products, especially among color cosmetics and skincare products. In particular, the hustle and bustle of life forces people to do everything as quickly as possible. To save time, customers will often tend to choose for products that are integrated or long-lasting. This will help them save time on beauty treatments (Łopaciuk & Łoboda 2013, 1081). A typical example is Maybelline’s long-lasting

lipstick line – Maybelline Superstay Matte Ink Ambitious (PICTURE 10). With high color retention, up to 16 hours, customers will not need to apply products too many times. This allows clients to maintain their beauty during the work process.



PICTURE 10. Maybelline Super Stay Matte Link Liquid Lipstick (adapted from Maybelline New York)

3.4 Sustainability in branding

Currently, the environment and natural resources are two important issues that consumers are most concerned about when choosing to buy beauty cosmetics in particular. Cosmetics production consumes too many natural raw materials and factories also release a huge amount of waste into the environment. This causes many phenomena and unpredictable consequences for the environment as well as ecological imbalance. The greenhouse effect, water sources, polluted soil environment, etc. are serious consequences that people will continue to face if there are no remedial measures. Recognizing this, cosmetic manufacturing businesses have made commitments to amend and act responsibly in the environmental cosmetic production process. The switch to vegan cosmetics production by cosmetic brands is a new step that contributes to minimizing the impact on the environment and animals.

Today, branding will go hand in hand with the with the sustainable marketing that organizations are striving for. Sustainable marketing will help businesses minimize and resolve environmental problems in the most optimal way. Moreover, as more and more individuals concerned about the environment and their health, this will help businesses connect with more customers. From there, the company's brand in the eyes of customers will have more positive modifications. In Sandra Horling's article, Gabriela Alvarez's quote is mentioned as follows

“Sustainability is about collaborating, learning, creating, implementing, assessing and constantly evolving.” (Horlings 2019, 26)

Businesses today always emphasize sustainability throughout the branding process. Because each customer segment they target cares about the problem. The trend of "green" living is gradually growing, so customers will always prioritize sustainable brands. In the current time, when the environment is affected so much, sustainability should be incorporated into businesses throughout their business processes, branding and marketing strategies (Horlings 2019, 27). Also according to Aleksandar Grubor and Olja Milovanov (2017), sustainability is considered one of the most valuable strategies. It certainly appears first in branding plans as well as business in general. Applying sustainability throughout the branding process emphasizes a business's responsibility towards environmental issues. Besides, this is also an action to ensure and reaffirm to customers the sustainable commitment that cosmetic businesses always aim for in branding. Improving reputation and gaining customer trust is the biggest advantage in affirming and building a vegan cosmetics brand in Vietnam. In today's market, especially the cosmetics market, businesses always mention sustainability. This has attracted many customers with special attention to sustainability. It can be seen that customers are willing to pay higher amounts of money to own the product. As long as it is suitable for that individual and that business ensures sustainable actions as committed. Sustainability in branding will help increase the value of the vegan cosmetic business in the longer term while also minimize harmful effects on society and environment. This involves ethical business principles that put sustainability first at all levels of the organization. Determining sustainable goals and objectives in branding is the most important step. This forces businesses to consider and identify environmental challenges such as carbon emissions, greenhouse effects, etc. From there, the company can propose options and incorporate it in branding strategies.

4 THE VIETNAMESE VEGAN COSMETICS MARKET

Nowadays vegan cosmetics are gradually creating a position in the competitive cosmetic market thanks to special attention from customers. With increasingly modern life, environmental and health concerns as well as humanitarian awareness, customers are becoming more conscious of vegan cosmetics. This is an emerging niche market but full of potential, promising to explode even more. Based on Grand View Research, in 2021, the worldwide vegan cosmetics market is continually predicted to expand at a compound annual growth rate (CAGR) of 6.3% from 2022 to 2030. Also according to website, due to trends and demands as well as awareness against animal cruelty, the cosmetics market has had a push and small changes for vegan cosmetics to take over. Therefore, in recent years, the vegan cosmetics market has become vibrant all over the world. Prophecy Market Insights conducted a research about the development of vegan cosmetics. Accordingly, in 2019, the global vegan cosmetics market accounted for 14.3 billion USD. The analysis also showed that it is estimated by 2029, this figure will be expected to grow to 25.3 billion USD, reach a 5.9% compound annual growth rate. Alternatively, the MarketGlass platform also predicts that in 2027, the vegan cosmetic industry will reach value of 21.4 billion USD. This also indicates a 5.2% increase in an overall CAGR. The platform also mentioned that the growth of care cosmetics will rise by 5.6% (Vegan food and living 2021). Based on research and surveys, Marketing Week reported that the number of vegan cosmetics launching the market has increased strongly – 175% over the past five years.

Plus, access to vegan cosmetic brands or lines is gradually becoming easier for customers. They can see products at both large and small supermarkets and hypermarkets, cosmetic stores or e-commerce channels (Grand View Research 2021). According to figure 5 below, the cosmetic stores segment accounted for the most with 35.7% in 2019. This can be explained as follows – customers today still prefer to see cosmetics in physical store. The stores will display a variety of cosmetics, including vegan cosmetics (Grand View Research 2021). They can read the ingredients and test the products directly using samples. This will provide customers with an overview as well as recommendations from sales specialists. Additionally, consumers will have the opportunity to receive various discounts and vouchers for next purchasing. The second largest market share of global cosmetics by distribution channels is supermarkets representing 24.8%. Most supermarkets or hypermarkets are located near heavily populated regions and they always have separate areas for cosmetics depending on their size. Therefore, distributing cosmetics here will be more convenient for clients. They can choose cosmetics while shopping for food (Grand View Research 2021). It is expected that from 2022 to 2030, e-

commerce will reach at an 8.8% CAGR. Using social networks and e-commerce sites to sell has become popular. Customers can also access more easily because of the increasing internet penetration rate.

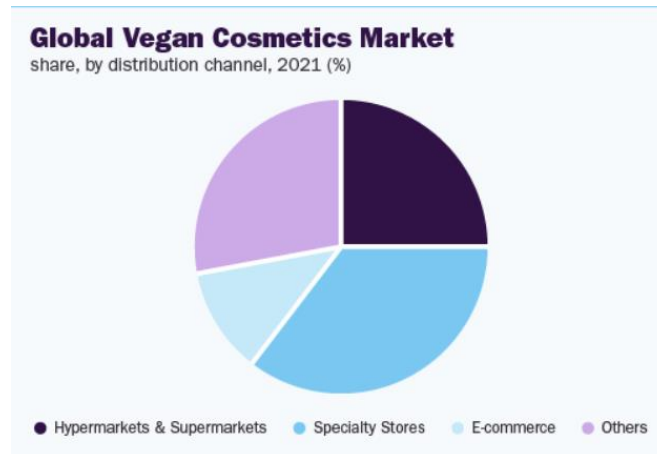


FIGURE 5. Global Vegan Cosmetics Market by distribution channel (adapted from Grand View Research 2021)

The world cosmetics market is constantly getting more vibrant. Leading the market is Europe. As the vegetarian trend becomes more and more popular and widespread, customers are also starting to switch to experience and trust in using vegan cosmetics more. According to a Marticolous Research survey, the number of vegetarians in Europe has doubled from 1.3 millions to 2.6 millions. Thus, the figure has risen significantly to 3.2% of the European population. At the same time, England is a country with a higher proportion of vegetarian and vegan cosmetics consumers than other regions. According to Cosmetify, up to 9% of British women always buy vegan beauty products with 47% doing so more than previously. However, 39% of that total are non-vegetarians. This problem also has a strong influence on various regions including Asia-Pacific, North and South America, Africa and South Africa, Australia and New Zealand (The Vegan Society). Among them, the Asia-Pacific market is a potential market and will have more breakthroughs. This area has many developed countries in the cosmetic industry, represented by Japan and Korea. These are two nations that are leading the industry and trends in the beauty world.

As for Vietnam, this nation is considered a promising market for the development of vegan cosmetics. In terms of the trend of being vegetarian or using pure plant-based foods, according to a survey by Rakuten Insights (2021) (FIGURE 6), Vietnam is the country with the highest consumption of plant-based foods, at 86% among Asian countries region. There are many reasons to explain this problem

but among them, 61% of respondents believed that plant-based products are good for their health. 40% were concerned about animal welfare issues in production. Those who ate vegan food because of a vegetarian diet or religious belief account for 38% (FIGURE 7). Thus, it is clear that the trend of using vegan food for health and animal welfare is increasingly popular in Vietnam, particularly among young people. This demand is also spread and implemented through the use of cosmetics.

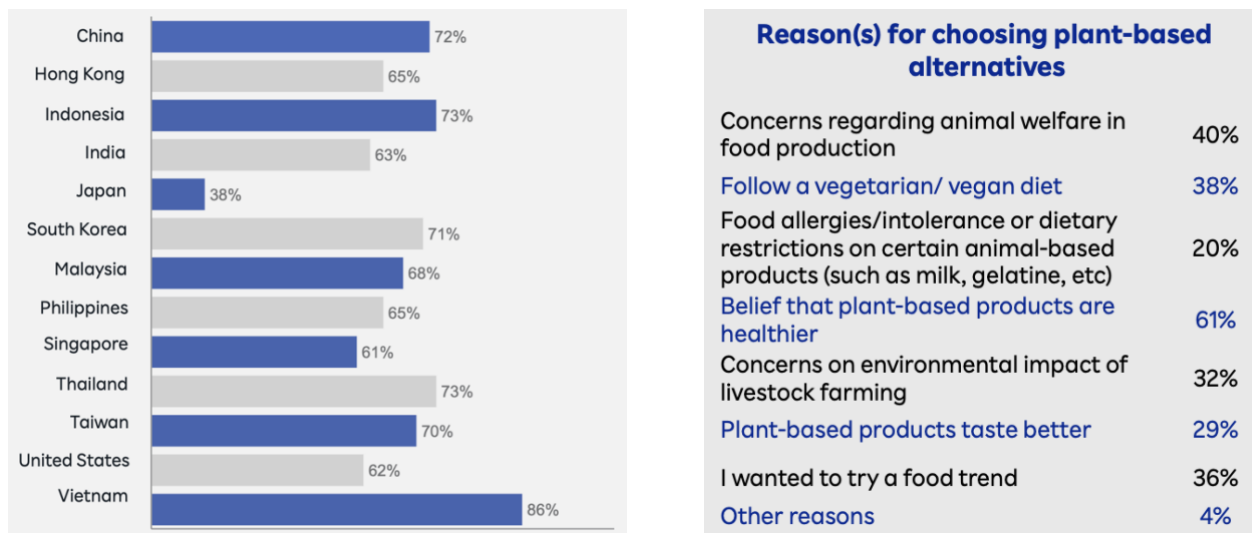


FIGURE 6. Plant-based food alternatives to animal food (adapted from Rakuten Insight 2021) (left)
 FIGURE 7. Reason(s) for choosing plant-based alternatives (adapted from Rakuten Insight 2021) (right)

In terms of vegan cosmetics, Vietnam is a diverse country with natural herbal ingredients. Beauty methods from natural components have been used since ancient times. When the environment was not yet contaminated, Vietnamese women used herbs to take care of their face and body, such as washing faces with rice water, washing hair with contrary locust and grapefruit peel and so on. However, with the development of society and the introduction of chemical cosmetics, such natural products have been gradually forgotten.

With increasing living standards and needs along with polluted air, Vietnamese women are returning to learn and use natural products. Even more people are concerned about vegan cosmetics. This illustrates that Vietnamese consumers, in addition to concentrating on beauty, are significantly more interested in humanitarian values and environmental friendliness. This is truly good news for the Vietnamese vegan cosmetics.

4.1 Vietnamese domestic vegan cosmetic brands

In this chapter, the author will analyze and provide the introduction as well as the information about two domestic vegan cosmetic brands in Vietnam. Additionally, challenges and opportunities that these businesses face will also be discussed in section 4.2. Furthermore, based on the survey, information about factors affecting customers' decisions to purchase vegan cosmetics will be analyzed and mentioned in section 4.3.

4.1.1 The Cocoon Original Vietnam

The Cocoon Original Vietnam is widely known as a Vietnamese domestic vegan cosmetics brand. Although newly established in 2013, Cocoon has achieved great strides in building and positioning its brand in the Vietnamese market. According to Cocoon Vietnam, the term "Cocoon" is the ideal "home" to take care of skin, hair and help Vietnamese women become more attractive. Taking advantage of the raw materials that nature has favored for Vietnam, Cocoon has launched products that are benign and suitable for Vietnamese people. With the mission of promoting healthy skin and hair from simple and familiar substances, Cocoon has combined natural ingredients and scientific understanding to bring safe and effective products to the market. Their products all bring value and demonstrate a very high Vietnamese spirit, through the use of raw resources such as Ben Tre coconut, Dak Lak coffee or Tien Giang cocoa butter. All are carefully researched and developed by Cocoon with a commitment to quality that fulfills the CGMP requirements of the Ministry of Health (Vu 2023, 22). All of the raw materials they use are transparent and have testing certificates proving their safety and benignity. Up to now, Cocoon has been on the market for 11 years with product lines concentrating on four categories: hair care, body care, lip care and facial skin care.

The products that Cocoon develops that are suitable for all customers. Grasping the psychology of Vietnamese clients, Cocoon provides many product lines with different prices and volumes depending on the product to meet consumer demands. Cocoon has researched and developed four product lines for facial skin. The first and one of Cocoon's two most well-known and best-selling product lines are winter melon extract products (PICTURE 11) such as winter melon makeup remover, winter melon moisturizer, winter melon dark spots and acne spray for back and so on. This line is suitable for acne-prone and oily skin types - responsible for the most intensive acne skin care, cleaning dirt, excess oil,

unclogging pores, providing clean and gentle skin. Besides, Cocoon has combined with other main elements such as pennywort, squash, tea tree essential oil, ect.



PICTURE 11. Comprehensive acne skincare combo with winter melon extract (adapted from The Cocoon Original Vietnam instagram)

The second is the product line from Cao Bang roses (PICTURE 12) - especially suitable for dry, dehydrated skin, because it has a moisturizing effect, with ingredients such as rose, HA, vitamins and other components. The reason Cocoon launched this product line is because the skin is subjected to several environmental and internal factors as age, which will cause the skin to become dehydrated and dull.



PICTURE 12. Rose facial skincare combo (adapted from The Cocoon Original Vietnam instagram)

The third is a product made from Dak Lak coffee grounds (PICTURE 13) - Cocoon's famous and best-selling product line. This is a combination of Dak Lak coffee beans and Tien Giang cocoa butter to help clean dead skin, making skin bright, smooth and even-toned. Both of the above primary

ingredients are outstanding agricultural products of these two provinces. Along with that, the coffee lip scrub combo with hand-roasted Dak Lak coffee beans, cacao butter, tamanu and macadamia oil helps exfoliate dead cells on the lips, combined perfectly with lip balm. Ben Tre Cocoon coconut oil includes natural ingredients such as coconut oil, shea butter and vitamins to create plump, soft, rosy and moisturizing lips.



PICTURE 13. Coffee-based cosmetics combo (adapted from The Cocoon Original Vietnam instagram)

Finally, there is a skin whitening product line that contains turmeric extracts from Hung Yen (PICTURE 14). With the effect of helping to lighten dark and dark skin, it has a good effect on dark spots and red marks left by acne. In addition, turmeric extract is also recognized for its antioxidant effects that help prevent skin aging and enhance the skin's surface, making it smooth and shiny. This product line is appropriate for skin that needs an even and bright white color.



PICTURE 14. Skin-brightening combo from Hung Yen turmeric (adapted from The Cocoon Original Vietnam instagram)

Hair care products from Cocoon contain important ingredients such as pomelo peel, locust bean, coconut oil, and inca inchi oil with all kinds of shampoos, conditioners, hair serums, hair masks and hair tonics (PICTURE 15). Depending on each person's needs and hair condition, consumers can select the appropriate product. In particular, Cocoon always commits to making all of its hair product lines 100% four-free (alcohol-free, sulfate-free, mineral oil-free, paraben-free). Cocoon's two product lines below have "stirred up" the beauty hair care community. Pomelo peel essential oil has cleansing and highly oxidizing properties, combined with vitamin B5, the active compounds Xylishine, Baicapil, Bisabolol to help boost hair growth and health.



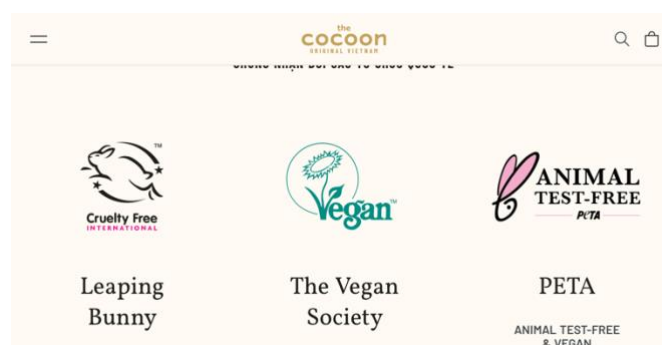
PICTURE 15. Pomelo hair care (adapted from The Cocoon Original Vietnam Instagram)

Inca inchi hair repair serum and hair tonic (PICTURE 27): The main ingredients include vitamin E, inca inchi oil and holy basil (tulsi) essential oil. Aimed at those with weak, dry, damaged hair caused by using chemicals or working in dusty environments. This product line helps effectively protect hair from heat and UV radiation, keeping hair stay soft, silky and full of vitality. Besides the above outstanding ingredients, Cocoon also launches shower gel products, back acne spray, and exfoliating products. They all contain ingredients that are very familiar to Vietnamese customers such as eucalyptus leaves, mint, palm sugar, etc.



PICTURE 16. Inca Inchi hair care combo (adapted from The Cocoon Original Vietnam website)

The Original Cocoon Vietnam has left its mark in branding with a packaging that designed mainly in brown, blue and yellow tones, made of eco-friendly paper. All types of bottles and jars containing products are recyclable. The natural ingredients that Cocoon uses in cosmetics are purchased from local farmers combined with vitamins and active substances. Another significant plus point that helps Cocoon expand and win the heart of consumers is that it does not test cosmetics on animals, making optimal use of Vietnamese herbal products and plant-based active substances. This humane act not only communicates to the public, but also does not harm innocent animals. Grasping the common psychology of beauty lovers about “vegan cosmetics”, Cocoon was born and is one of the brands pioneering the vegan cosmetics trend. Although at that time, Cocoon was still a relatively new name in the market, Cocoon created a lot of “resonance” when seriously combining commitments with actions. Cocoon officially became the first Vietnamese cosmetic brand approved by Cruelty Free International's Leaping Bunny program and does not test on animals by PETA (PICTURE 17).



PICTURE 17. Cruelty-free and Vegan certification logo (adapted from The Cocoon Original Vietnam website)

On the journey to accompany Vietnamese beauty, Cocoon has investigated and taken advantage of natural resources in Vietnam to incorporate into its cosmetics. This has helped Cocoon become completely different and successful in the modern market. Both the aroma and the name are distinctly Vietnamese, making it impossible for users to mistake it with any other cosmetic brand. In addition, Cocoon asserts itself by publicly disclosing detailed ingredient lists on each product and their website. This is something that not every brand is able to accomplish. Besides, all of Cocoon's products such as cleanser, toner, exfoliator and so on have common, clear promises and are printed on the packaging to enhance practical value for users. To build a strong brand in a competitive market, Cocoon must create an impressive product image with customers. The images are carefully invested by Cocoon but realistic, imbued with the natural essence of nature. Cocoon has had great success in developing product images, creating sympathy and attracting customers' attention to the brand.

With today's coverage of social networking sites, Cocoon also does not miss the opportunity to collaborate and build its brand with celebrities and influencers. Cocoon has created projects to promote beauty values or send messages of love. For example, the COCOON x SUBOI: ĐÁNH THỨC CHẤT “QUEEN” TRONG BẠN (COCOON x SUBOI: AWAKEN THE “QUEEN” IN YOU) project with two product lines of body and lip scrubs (PICTURE 18). Through this project, Cocoon wishes to send the message that regardless of who they are, whatever their situation or they do for a living, they all have their own "QUALITY" inside – “Be confident, show it off and shine with it”.



PICTURE 18. COCOON x SUBOI: Awaken the “QUEEN” in you (adapted from The Cocoon Original Vietnam instagram)

Additionally, Cocoon also sends its products to content creators or influencers that have a high number of followers to try. If they feel satisfied with the product, they will create content to promote/introduce

the product to their followers (PICTURE 19). It is not too difficult to come across reviews and ratings for Cocoon products on e-commerce sites or social networks. This shows that Cocoon has put all its heart into its products. Every process from research to promoting Cocoon product image has been done very well. Thanks to that, Cocoon has built a very successful brand and still stands firmly in the vegan cosmetics market today.



PICTURE 19. The well-known influencers introduce the Cocoon's products (adapted from The Cocoon Original Vietnam instagram)

Last but not least, Cocoon has built a connection between the brand and customers through the creation of minigames. This will promote Cocoon to gain more interactions and new customers by steps such as sharing, liking photos or tagging customers' close friends/acquaintances. In addition, Cocoon also creates special give aways when there is a campaign to give customers its products with a humane message. A typical example is a give away gift set consisting of three types of scrubs and a storybook about a Vietnamese domestic elephant. This is a campaign that Cocoon cooperates with AAF, titled “CHUNG TAY CHẤM DỨT CỬỖI VOI” (it means “Join hands to end elephant ride”) (PICTURE 20). Through the give away, customers will understand the pain and consequences that elephants must face to serve human tourism. Along with that, customers can experience the product for free.



PICTURE 20. Give away for campaign Cocoon x AAF: Join hands to end elephant ride (adapted from The Cocoon Original Vietnam instagram)

4.1.2 BareSoul Vietnam

BareSoul was born in 2015 – is a cosmetic brand with three criteria: benign - effective - versatile, sought after by many women. Nowadays, with the hustle and bustle of life, everything in life is as simple and convenient as possible. Especially for women, they have to balance social life, social relationships and taking care of their families and individuals. However, this is not an easy thing to do when there are many things for them to worry about. Understanding that, BareSoul was born and developed vegan cosmetic lines with all three criteria above. “Beautiful in your own skin” is the message that BareSoul wants to bring to customers. With BareSoul, moments of self-care should be a happy and exciting experience every day. Therefore, the above message serves as a reminder and is also what BareSoul aims to do – create suitable products, helping women have the most complete moments of self-love. BareSoul has been inspired by the phrase "Bare your soul", which means expressing your deepest thoughts and wishes to someone you trust. This is also the meaning that the founders of the BareSoul brand hope their products will become the soul mate of modern women. BareSoul was born with the mission of spreading the value of beauty, spreading positive energy, confidence every day and bringing modern women the best products. With the goal of becoming a close friend, BareSoul Vietnam is constantly researching, listening and improving product lines to better suit Vietnamese skin.

At the moment, Baresoul is concentrating on four key product categories, including skin care, hair care, lip care and beauty accessories. In term of skin care product, BareSoul herbal scrub and soap is

the best-selling product and always "sells out" rapidly (PICTURE 21). The product is made with 15 natural ingredients and has two parallel functions: exfoliating to minimize acne, nourishing and lightening dark spots. BareSoul also ensures that the product's ingredients are 100% natural, environmentally friendly, and contain no palm oil. In addition, for exfoliating product lines, the business has replaced microplastic particles with shredded coconut to exfoliate the skin. With a unique design of two separate but compact bars of soap, customers can conveniently use it in the same bath.



PICTURE 21. BareSoul herbal scrub & soap (adapted from BareSoul instagram)

Three more skin care product lines that are sought after by many people from BareSoul are FREE and BLISS body and hair scrub; OMG underarm serum; JUICY body gel for oily and acne-prone (PICTURE 22). This is considered the perfect combo for modern women. Containing natural ingredients such as sea salt, ginger essence, tamanu oil, bran oil, etc., these two exfoliating lines help body skin and scalp smooth skin, clear pores and prevent diseases. Particularly for the BLISS line, BareSoul has combined with AHA to gently exfoliate, support brightening and prevent aging. This is a product line with a two-in-one function, as it can both exfoliate the body and gently remove dead cells on the scalp. Furthermore, understanding the importance to beautify, moisturize and brighten the skin of the body and under the arms, BareSoul has introduced body lotion and serum for the underarm area. Combining natural ingredients as well as active substances such as Niacinamide, vitamin C, AHA and so on to help soothe and nourish bright, smooth skin.



PICTURE 22. BareSoul's body care products (adapted from BareSoul instagram)

In addition to the two exfoliating product lines BLISS and FREE mentioned above, BareSoul launches the following hair product lines: BareSoul WOW dry shampoo; BREEZE hair and scalp serum and DARE body & hair nourishing oil (PICTURE 23). With environmental pollution and exposure to heat, styling and bleaching chemicals, hair gradually becomes thin and weak. Understanding this problem, BareSoul researches and develops hair support product lines. Dry shampoo is a new product that has emerged in recent years when life is too busy and hot weather causes hair to quickly secrete a lot of oil. Therefore, BareSoul has introduced the BareSoul WOW dry shampoo product line. BareSoul's serum and balm with natural ingredients combined with active substances help instantly moisturize, strengthen bonds and elasticity. Thereby, hair is protected from damage, oxidation and breakage due to the effects of chemicals, temperature and the environment. These two product lines will help nourish the scalp and hair follicles effectively, support new hair regeneration, increase hair density and make hair stronger and smoother. The scalp is balanced in moisture, limiting dryness, itching and dandruff.



PICTURE 23. BareSoul's hair care products (adapted from BareSoul instagram)

LIPS DECODING - this is the slogan that BareSoul uses to promote lip care products. BareSoul's desire is to bring plump, soft lips with benign natural products to Vietnamese customers, especially women.

The special feature that BareSoul brings to customers is the product's multi-functionality. Most products are made from natural ingredients with two uses in one product. BareSoul Sweet Talker Lip Scrub products; Lip Balm & Mask; Lip Tint & Cheek Plus was born with the hope of turning dry, flaky lips into smoother and fresher (PICTURE 24). Still with the criteria of taking advantage of benign raw materials, lip care products can also be used as blush. Moreover, to meet market and customer demands, BareSoul has also researched and launched women's care products such as cleaning solutions, volumizing and styling hair foam or accessories such as shampoo combs. Because of sensitivity and safety, BareSoul's solution products are carefully researched and researched for ingredients. Finally, all BareSoul products on the market today are researched and selected with the best herbs and most suitable for Vietnamese skin. Therefore, it can be seen that no matter what product, BareSoul always applies the three philosophies of benign - effective - versatile. BareSoul has affirmed that they are not simply a cosmetics brand, but a philosophy of life, a mission to understand and accompany modern women on their journey to best take care of themselves.

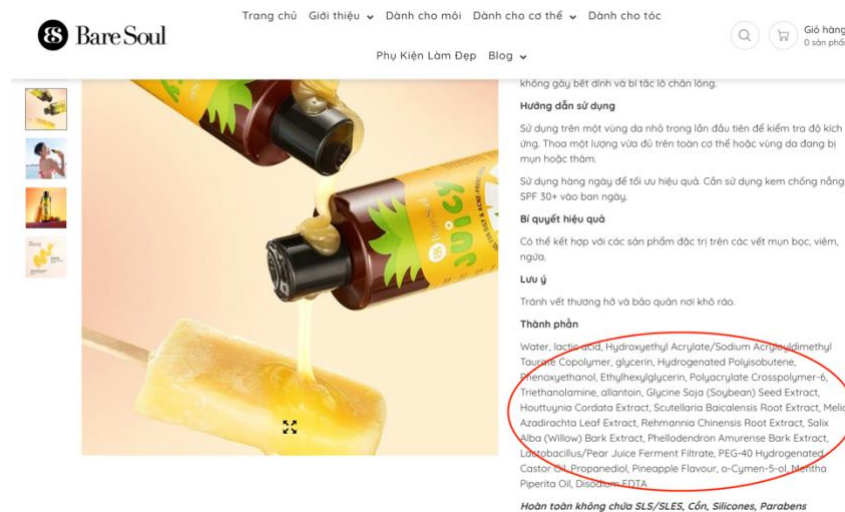


PICTURE 24. BareSoul's lip care products (adapted from BareSoul instagram)

After the Covid-19 pandemic, many businesses became unstable, but BareSoul is still a steady business and has a position alongside Cocoon. With fluctuations in cosmetic trends and customer awareness, BareSoul has surveyed the market, customers and continuously updated tastes. Market researching has helped BareSoul have an overview of the market situation, competitors, consumer trends, alternative solutions and other factors that can impact the business. This has helped them

comprehend the actual needs of customers, thereby developing suitable products and marketing strategies to build brand more effectively.

Specifically, right from the starting point, BareSoul has recognized the demanding schedules of modern women. Since then, 2-in-1 product lines such as herbal scrub & soap or body and hair scrub and so on have been born. These kinds of products help customers save money and time on shopping while still taking care of themselves. It is thanks to this point that BareSoul creates difference and sets itself apart in the competitive market. These products with unique packaging also assist BareSoul create brand value and increase product competitiveness. Additionally, BareSoul's website design is also very eye-catching, making it easy for customers to find and choose the right product. In addition, special products that make a name for themselves or new products are placed on the homepage by BareSoul. Similar to Cocoon, BareSoul is a vegan cosmetics brand with benign criteria as top priority. This brand has clearly disclosed the ingredients in each product, creating trust for shoppers (PICTURE 25). Moreover, the plants used in their cosmetics have been researched and tested. Thus, throughout the process of branding, to achieve a position and customer segment like today, BareSoul has made significant investments in all aspects.



PICTURE 25. Ingredients are publicly available on the BareSoul's website (adapted from BareSoul website)

Furthermore, BareSoul has built its brand through community contribution activities. Born in 2015, up to now, BareSoul has brought its brand to participate in humanitarian organizations and projects. For instance, below are two of outstanding events that BareSoul has participated in (PICTURE 26). Scar of Life - an auction program to create a new life for children with congenital heart disease. To date, the

program has supported 451 children. Or like the "Cruise of Kindness" event - a scholarship fund to support difficult learning situations. This is considered a non-profit organization with the mission of nurturing talented young generations. Thanks to this presence, the brand has created more relationships and received many potential customers. Thereby, it can be seen that BareSoul has succeeded in building a beautiful brand in the eyes of customers.



PICTURE 26. Event: Scar of Life and Cruise of Kindness that BareSoul sponsored (adapted from BareSoul facebook)

4.2 Challenges and Opportunities

The vegan cosmetics market is a potential niche in Vietnam. With the advantage of abundant plant and herbal ingredients, Vietnamese vegan cosmetic brands can take advantage and develop. The potential for developing vegan cosmetics in Vietnam is quite high because there are not many organic cosmetic products. Moreover, after the COVID-19 pandemic, the demand for natural cosmetics is increasing. With the "Vietnamese people use Vietnamese products" policy issued by the government, Vietnamese vegan cosmetics businesses have many opportunities to develop. Because the Vietnamese government will have policies to support domestic businesses. With the motto "high quality Vietnamese products", the vegan cosmetics market will have many opportunities if it researches and develops quality products. With the target customers being students, offices, etc., the vegan cosmetics niche is gradually

having the opportunity to reach more of them. Last but not least, the e-commerce business trend becomes popular, quick and convenient in shopping.

In addition, more and more businesses are becoming more aware of sustainable development and green marketing. This has become a global trend and is gradually being adopted by many companies as part of their commitment to sustainability. Applying green marketing and building a sustainable brand early not only helps businesses increase competitiveness compared to competitors but is also a way for businesses to develop sustainably (Vu 2023, 20).

Although there are many opportunities for the vegan cosmetics market, there are also many challenges. In “History of Natural Ingredients in Cosmetics” article mentioned as follows

“Consumer products companies in the personal care industry are under increasing pressure to develop sustainable products that do not harm the environment. As a result, product development programs increasingly require that a large percentage of the formula’s ingredients come from natural sources. However, there are many challenges when trying to meet the same level of efficacy that is provided by conventional ingredients. There is still a lot of activity in the personal care product development arena in the quest to develop green preservatives, surfactants, hair styling agents, sunscreens and many other ingredients. ” (McMullen & Dell’Acqua 2023, 26).

Thus, for vegan cosmetics, the source of raw materials is extremely important. Cultivation of plants and herbs must be done with strict procedures and careful care. Besides, maintaining raw material sources to meet the production process is also a difficult problem that businesses must consider in advance. In addition, safety must be ensured when combining herbal ingredients with active ingredients in the product.

The second challenge that the Vietnamese vegan cosmetics market faces is consumers' negative view of Vietnamese cosmetics. The appearance of a cosmetic called "mixing cream" and the consequences it leaves on Vietnamese skin are so great that it has affected the psychology of customers. When the Cocoon and BareSoul brands launched on the market, they were subjected to harsh views and negative reviews about their products. The products of the two brands were once considered "mixed creams" that are harmful to the skin and of poor quality. Because of this, Vietnamese vegan cosmetics face many challenges when building their brands in the Vietnamese market. Moreover, although

Vietnamese consumers clearly understand sustainability and building a "green" brand, not everyone supports it. Because in the cosmetics market in general, there are still many deceitful and dishonest businesses that do not carry out "green" actions as committed (Vu 2023, 21). In order to earn good profits as well as many customers, many businesses make sustainable commitments but do not take action. This leads to loss of customer trust in the brand name.

The cost of vegan cosmetics is quite high from the perspective of many customers. The high price can be explained as follows. Herbal raw materials must be carefully cared for and cultivated to produce the highest quality ingredients. Along with that, to ensure quality, farmers and businesses need to ensure quality throughout the process from nursery to harvest. The effort and time they spend on a product is too much. Therefore, the price of vegan cosmetic products will often be slightly higher. The current Vietnamese market is also dominated by cheap brands from China such as Perfect Diary, Focallure, etc. The prices of the brands are suitable for the income level that Vietnamese people have (Vu 2023, 21).

Last but not least, the vegan cosmetics market share in Vietnam is too small. Looking at reality, it can be seen that the cosmetic brands that customers use come from abroad. Vietnamese customers prefer to use famous and reputable cosmetics rather than domestic cosmetics. In table 1, according to research on the Vietnamese cosmetics market in 2019 by Q&Me, most of the brands appearing and named in the table are from abroad. Although, at this time, Cocoon and BareSoul had already launched on the market and had products that resonated.

TABLE 1. Top-of-mind brands



4.3 The factors affect customers' decisions to buy Vietnamese vegan cosmetics

Actually, customers' purchasing decisions are affected by many different factors. Researching consumer purchasing behavior is a challenging problem, requires careful planning and preparation. However, understanding this issue is an extremely important task in building a brand and coming up with marketing plans to attract customer attention, especially for vegan cosmetic brands. In terms of products, vegan cosmetic brands must show customers the quality, diversity and design of their products. To remain competitive in the cosmetics market, product-related characteristics are one of the crucial elements that impact customers' product purchasing decisions. The second concern raised is the cost of the product. Depending on the ingredients, properties and related factors, vegan cosmetic brands can offer different prices. On the other hand, for customers, they often have the mindset of "you get what you pay for" and they believe that price determines the quality of the cosmetics they buy. Therefore, although Vietnamese vegan cosmetics cost slightly more expensive than other brands, customers still decide to buy it for use.

Furthermore, increasing vegan cosmetics distribution channels at retail locations will help Vietnamese brands reach closer to customers. Nowadays, the great majority of consumers will go to shopping malls, supermarkets or cosmetic stores and so on to experience and have a better overview of the product. Therefore, putting Vietnamese vegan cosmetics on store shelves in places like this will increase the opportunity to be seen, felt, experienced the quality as well as brand value and directly impact customers' purchasing decisions. Last but not least, Vietnamese vegan cosmetic brands in particular will always have activities related to sustainability, advertising and promotions to attract attention and boost the purchasing ability of customer. A typical example is the promotions that Cocoon offers such as buy 1 get 1 free promotions or product price reductions during sales or holidays on the e-commerce platform. In addition, exchanging old packaging for new products is also a good branding method to help Cocoon achieve success in promoting customers' purchasing decisions.

5 RESEARCH METHODOLOGY

In this section, the thesis will provide an overview of qualitative research methods. Here, the goals, methods and questionnaire design for the survey related to the thesis topic will be stated. Furthermore, the analysis of the results is also mentioned in section 5.4 to clarify the causes, assess the level of customer understanding and interest in building a Vietnamese vegan cosmetics brand. Thereby, the results of the survey will be reviewed and discussed.

5.1 Research methods

Quantitative research is a method of using surveys to obtain information and statistical data from customers who have used, are using and will use the product in the future (QuestionPro 2022). This is considered a relatively high method in terms of safety, speed and effectiveness. Through the survey, the data collected from the responses will be analyzed further on what factors impact customers' decisions to buy Vietnamese vegan cosmetics. Furthermore, by using quantitative research methods, the data shows why customers are switching to using Vietnamese vegan cosmetics while other cosmetic brands also have the certain advantages. This survey took the opinions of 54 participants, of which Gen Z is the main customer group that the thesis focuses on in order to deeply analyze the decision to buy Vietnamese vegan cosmetics. There were a total of 22 questions asked in the survey, revolving around customers' understanding of the vegan and cruelty-free knowledge base in general and issues related to Vietnamese vegan beauty in particular. Questions are asked in the form of multiple choices and a rating scale.

5.2 Data collection

As QuestionPro (2022) mentioned that adaptive or open-ended methods are used in qualitative research to collect the required data. Here, the article also stated that methods such as interviews, focus groups, observations and content analysis will be used throughout the data collection process (QuestionPro 2022). Thus, the survey was conducted to determine what factors affect customers' decisions to buy Vietnamese vegan cosmetics. In addition, this survey also highlights the reasons why consumers switch to using Vietnamese vegan cosmetics and whether it has any characteristics that

make customers switch to using Vietnamese vegan cosmetics. With 100% of participants, survey has provided for the thesis with different viewpoints on vegan cosmetics. Furthermore, they have provided objective perspectives as well as positive feedback about Vietnamese vegan cosmetics.

5.3 Questionnaire design

Data for the thesis was collected through an online survey. The survey is divided into four parts to dig deeper into customer insights and opinions. In the first part, there will be requirements to determine age, gender and country of residence. This section was set out to determine the coverage of vegan cosmetics among different target groups in terms of age, gender and country. The second part includes a set of questions about survey respondents' understanding and opinions about vegan, cruelty-free cosmetics. In this section, through the question “How do you think about vegan cosmetics?” to get customers' opinions and objective perspectives on vegan cosmetics. From there, they delve into the next part of the thesis, which is their understanding of Vietnamese brand vegan cosmetics. In part 3, there will be a choice of brand identity through images. In addition, questions like “Why do you choose Vietnamese vegan cosmetics?”, “What benefits do you get when using vegan cosmetics?” aim to emphasize the reason why customers switch to using Vietnamese vegan cosmetics and the benefits it has brought to customers. In the final part, questions are asked to determine the branding success of Vietnamese vegan cosmetic brands. In the final part, questions are asked to determine the branding success of Vietnamese vegan cosmetic brands. Here, in addition to questions about branding of Vietnamese cosmetic brands, survey respondents will also rate on a scale of 0-5. In addition, customers will also answer situational questions related to Vietnamese vegan cosmetics such as “If you had to choose one between Vietnamese vegan cosmetic and international brands, which one would you choose?”.

5.4 Result analysis

In the first section, respondents will be asked to answer about their age group, gender and country of residence. In Figure 8, the age group 18-25 accounts for the highest proportion of 50%. This is also the primary age group that the thesis prioritizes because they belong to generation Z - the potential generation for the explosion of Vietnamese vegan cosmetics. Besides, two age groups making up 2/5 of the survey are from 25-30 and over 30. However, the age group with the lowest proportion (9,3%) is

in the 30-35 group. The majority of survey respondents were female, the remaining 25,9% were male (FIGURE 9). The majority of survey respondents live in Vietnam, 38,9% are living and working in Finland and 16,7% live in other countries such as Italy, the US, and France (FIGURE 10).

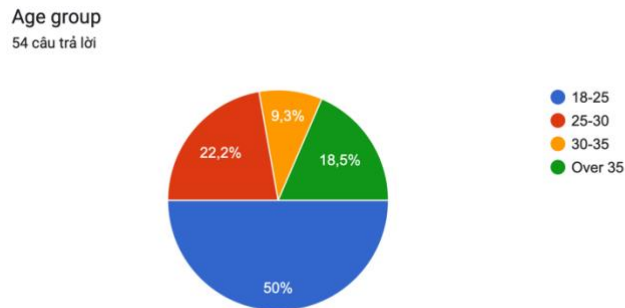


FIGURE 8. Age group

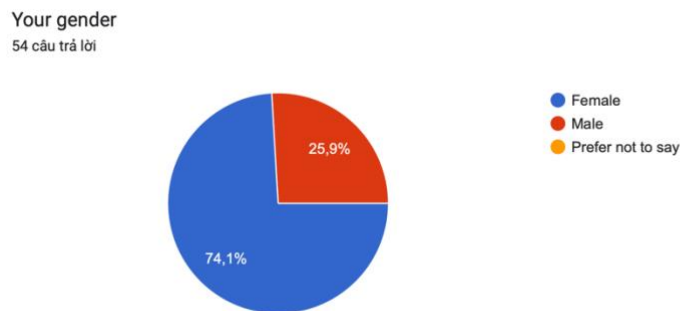


FIGURE 9. Gender

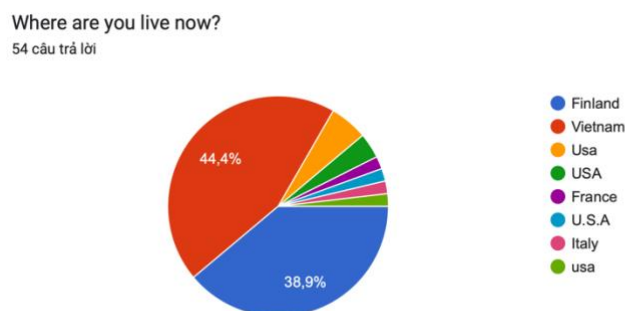


FIGURE 10. Country of living

In the second part, respondents must answer questions related to their identification of the concepts "vegan", "cruelty-free" through yes-no answers, for instance, "Are you familiar with vegan

cosmetics?” (FIGURE 11), “Do you know about the concept of animal testing-free (Cruelty-free)?” (FIGURE 12). Through the survey, the majority of respondents knew about vegan and cruelty-free cosmetics, 61,1% and 72,2% respectively. The number of people who do not know about these two concepts is slightly less, accounting for 22,2% and 20,4% respectively. Meanwhile, less than 20% of people answered that they may or may not know it through hearing it mentioned a lot but have never learned about it. Moreover, through the question “how do you think about vegan cosmetics?”, it can be seen that the proportion of participants who believe that cosmetics are vegan are ethical, eco-friendly with animal and sustainable alternatives to traditional cosmetics accounts for 79% of the total customer perspectives on vegan cosmetics. Opinions about vegan cosmetics say that it is "high quality, effective" and "uses natural ingredients, which are beneficial to health because it eliminates chemicals and allergens", 51,9% and 27,8% respectively. Meanwhile, only the remaining 1,9% said that although vegan cosmetics are environmentally and animal-friendly, they are not good enough quality to use (FIGURE 13).

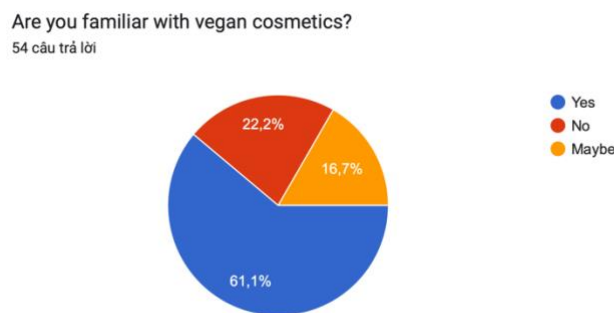


FIGURE 11. The familiar with vegan cosmetics of respondents

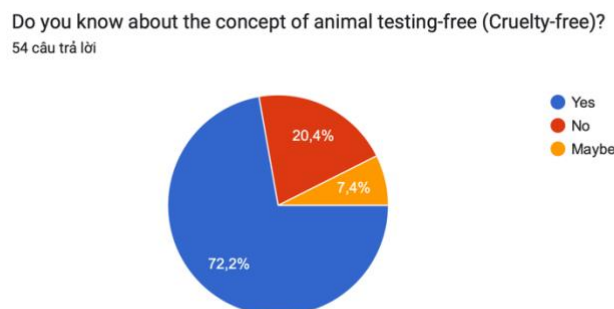


FIGURE 12. The understanding about Cruelty-free concept of respondents

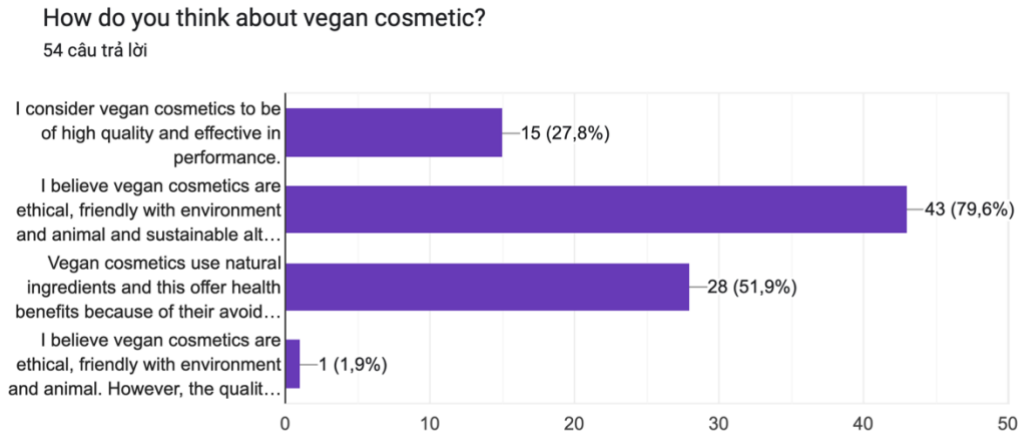


FIGURE 13. Participants' thoughts on vegan cosmetics

In this third part, questions will focus on why participants switched to using vegan cosmetics and the benefits it brings to customers. Additionally, there will be a brand recognition question based on the logo attached to the survey and the assessment of them about the Vietnamese vegan cosmetics. More than 50% of participants answered that they use Vietnamese vegan cosmetics, 33,3% said they do not use them and the remaining 13% answered that maybe the products they use are Vietnamese vegan brands (FIGURE 14). For The Cocoon Original Vietnam, up to 68,5% of participants know their brand through the logo image. Besides, 13 out of 54 participants (24,1%) said they did not know which brand this logo belonged to and the remaining participants answered that they did not remember the exact brand name through this logo (FIGURE 15). Thus, Cocoon is also quite successful in building its brand in the eyes of customers. With just a distinctive logo, many customers recognize their brand name. However, the BareSoul brand has not achieved very positive results in terms of brand recognition through logo – 64,8% of people who do not know can identify the brand through the logo image, 11,1% of survey participants are not sure and only 13 people, accounting for 24,1%, know the brand name through logo images (FIGURE 16).

Do you use Vietnamese vegan cosmetics?
54 câu trả lời

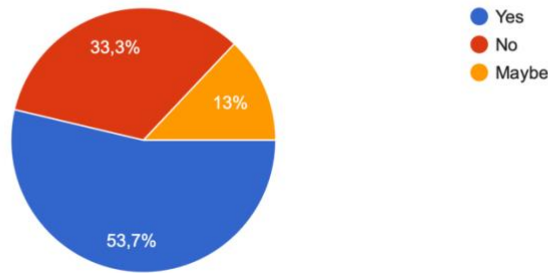


FIGURE 14. The using Vietnamese vegan cosmetics

Do you recognize the Vietnamese cosmetic brand through the logo below?
54 câu trả lời

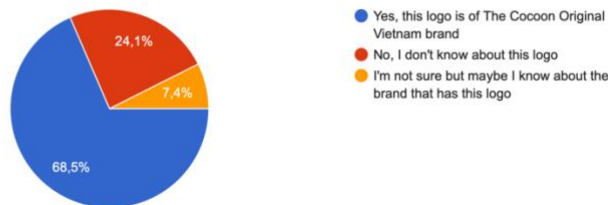


FIGURE 15. Brand recognition through The Cocoon Original Vietnam's logo.

Do you recognize the Vietnamese cosmetic brand through the logo below?
54 câu trả lời

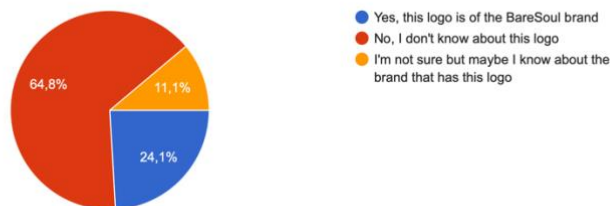


FIGURE 16. Brand recognition through BareSoul's logo.

Vietnamese vegan cosmetics are known through social networks, accounting for the highest percentage (79,6%). Participants knew through suggestions from friends, family, etc. and at beauty stores/e-commerce platforms accounting for 46,3% and 33,4%, respectively. The rest (14,8%) know through articles and blogs (FIGURE 17). When it comes to Vietnamese vegan cosmetics, the Cocoon Original Vietnam is the most known (81,7%), followed by BareSoul (20,4%) and Giot Lanh (18,5%), and finally Herb n' Spice with a rate of 11,1% (FIGURE 18). In FIGURE 19, Cocoon continues to lead

in the percentage of customers who regularly buy products (70,4%), BareSoul and Herb n' Spice have quite low purchase rates, both 3,7%, Gioi Lanh has a slightly higher rate of 5,6%.

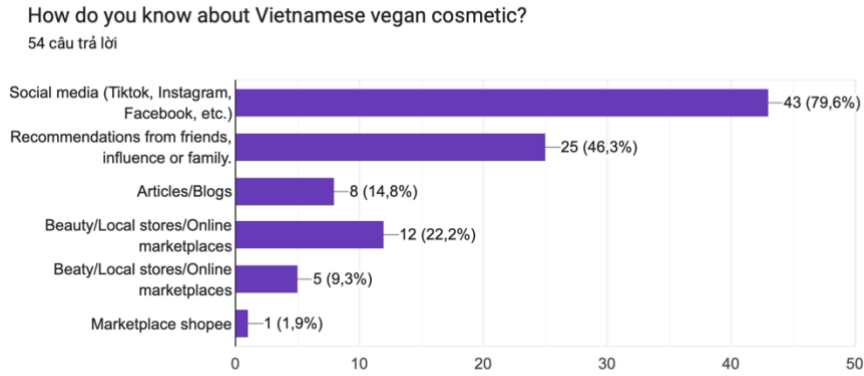


FIGURE 17. How do you know about Vietnamese vegan cosmetics?

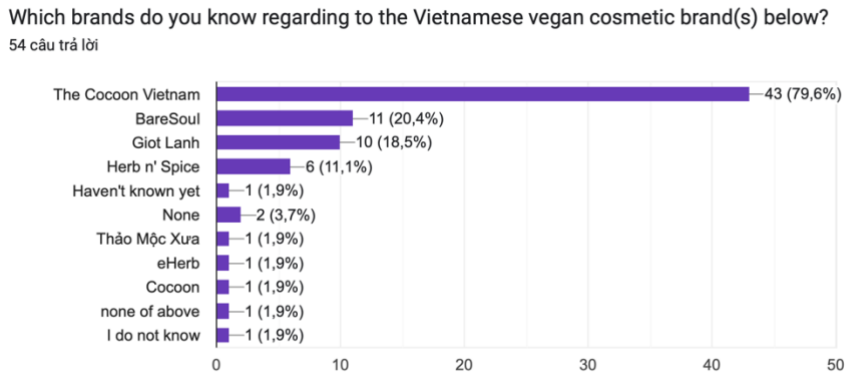


FIGURE 18. Vietnamese vegan cosmetic brands known to customers.

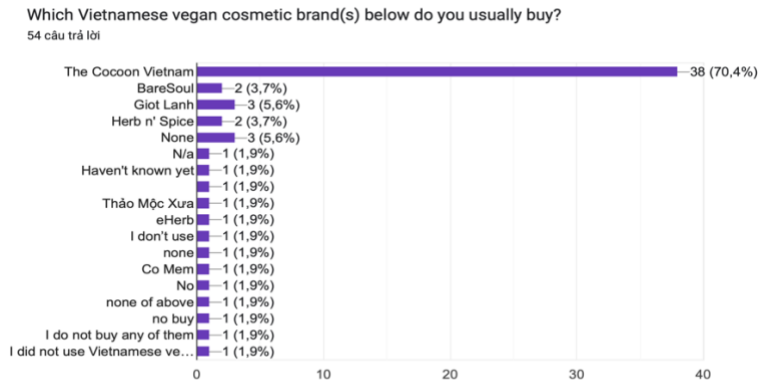


FIGURE 19. Vietnamese vegan cosmetic brands are frequently purchased by customers

The messages "eco-friendly" and "the plants of Vietnamese" were chosen the most by participants, 46,3% and 44,4% respectively, "vegan and benign" accounted for 37% while "cruelty-free" and "four free" along with accounting for 22,2% of the total votes (FIGURE 20). So, why do participants choose Vietnamese vegan cosmetics? There are three main reasons raised in this survey question. The majority of participants chose reasons to support Vietnamese brands and the economy (79,6%), 55,6% chose reasons related to the environment and ethical, and the remaining 33,3% chose vegan cosmetics due to health reasons (FIGURE 21). Besides, there are many reasons that motivate customers to switch to using vegan cosmetics. Of these, 38,9% of participants converted for humanitarian reasons, 35,2% because of concerns about the impact on the environment. Two reasons related to irritation with chemical ingredients and belief and religion both account for 24,1% (FIGURE 22). Figure 23 found that 25,9% of the benefits that participants received were helping to take environmentally friendly actions. "Significant and benign effect on the skin" and "suitable for animal welfare and vegan lifestyle demands" are two benefits that customers get when using Vietnamese vegan cosmetics (16,7%). Other participants reported no irritation to ingredients in Vietnamese vegan cosmetics (5,6%). The remaining 31.5% all received the above benefits from using Vietnamese vegan cosmetics.

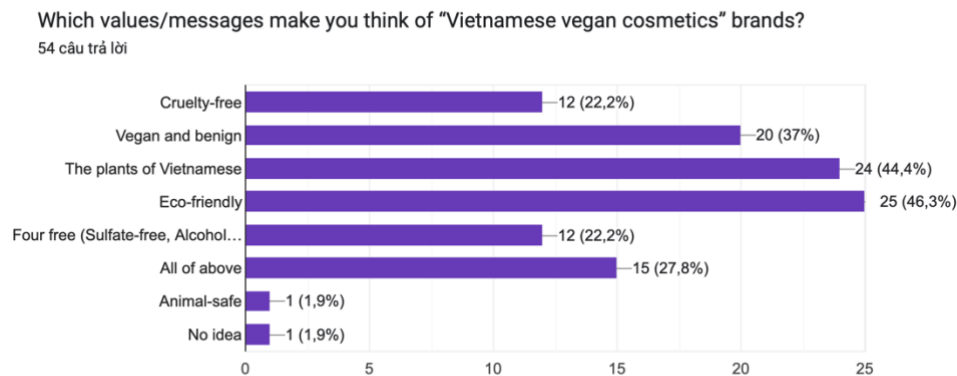


FIGURE 20. Values/messages of Vietnamese vegan cosmetic brands

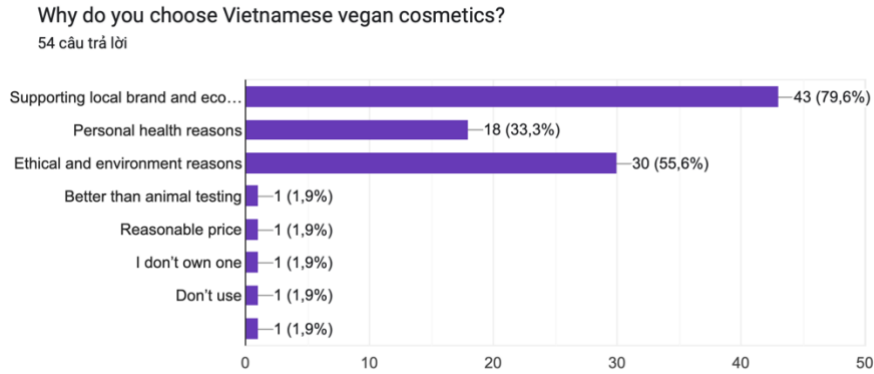


FIGURE 21. The reasons that participants choose Vietnamese vegan cosmetics

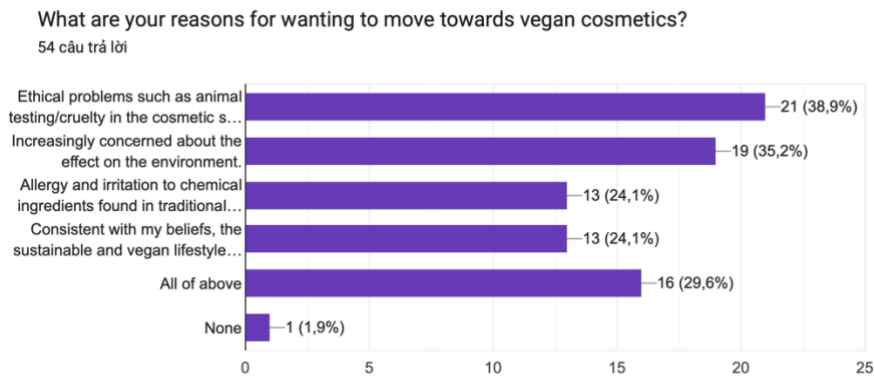


FIGURE 22. The reasons for wanting to move towards vegan cosmetics

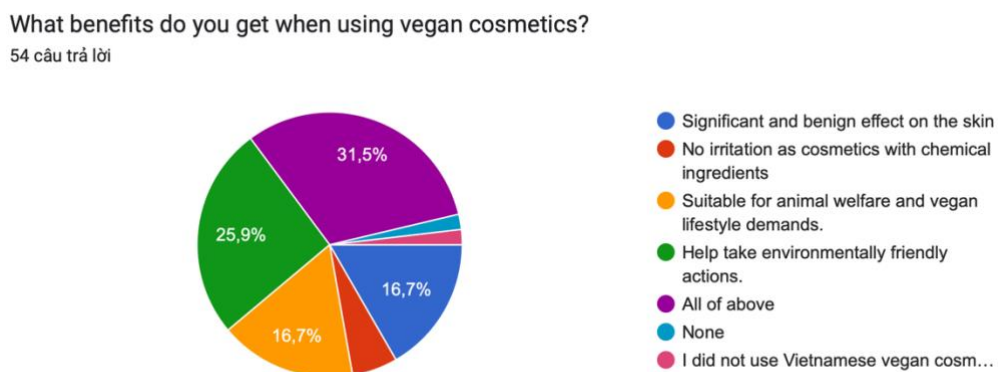


FIGURE 23. The benefits of using Vietnamese vegan cosmetics

Is the branding of Vietnamese vegan cosmetic brands enough to impress customers? The answers given in the survey were quite positive. While 51.9% of people admitted that building a Vietnamese

vegan cosmetics brand made a strong impression on them, the remaining 48.1% said that it was not very impressive or did not impress them at all (FIGURE 24). Once again, Cocoon is a Vietnamese vegan cosmetics brand that makes a strong impression on customers through their branding (87%). Herb n' Spice, BareSoul and Giot Lanh are three brands that have not yet made a strong impression on customers, accounting for a ratio of 5,6%, 3,7% and 3,7% respectively (FIGURE 25). According to a 5-point scale, participants rated Vietnamese vegan cosmetics at a relatively high level (levels 3, 4, 5) (FIGURE 26). The way Vietnamese businesses build brands for their vegan cosmetic brands is also rated relatively well by survey participants (points 3, 4 and 5 account for 37%, 33,3 % and 22,5% respectively) (FIGURE 27). In term of price and quality, 51,9% respondents present that the price of the product is suitable for their income level, along with high quality. Along with that, 18,5% participants show that Vietnamese vegan cosmetics have a quite high price compared to non-vegan products but the quality is good and suitable for them. However, 13% of the total number of customers said that the price of Vietnamese vegan cosmetics is too high but the product quality is not commensurate with that price and the remaining 9,3% do not care about price, only focus on the product they receive (FIGURE 28).

Does the branding of the Vietnamese vegan cosmetic brands impresses you the most?
54 câu trả lời

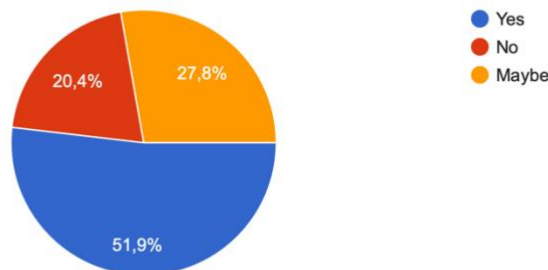


FIGURE 24. The participants's impression about branding of Vietnamese vegan cosmetic brands

Which Vietnamese vegan cosmetics brand impresses you the most?
54 câu trả lời

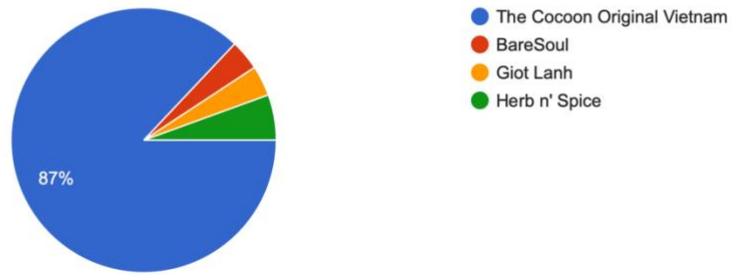


FIGURE 25. The Vietnamese vegan cosmetics brand impresses the most

On the scale of 0-5, how do you rank Vietnamese vegan cosmetics?
54 câu trả lời

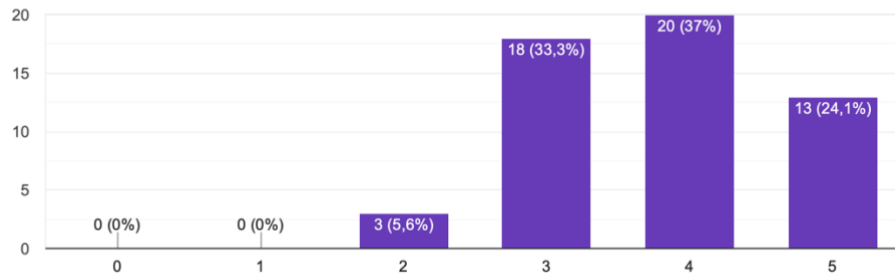


FIGURE 26. The ranking of Vietnamese vegan cosmetics

On a scale of 0-5, how much do you rate the branding of Vietnamese vegan cosmetic brands?
54 câu trả lời

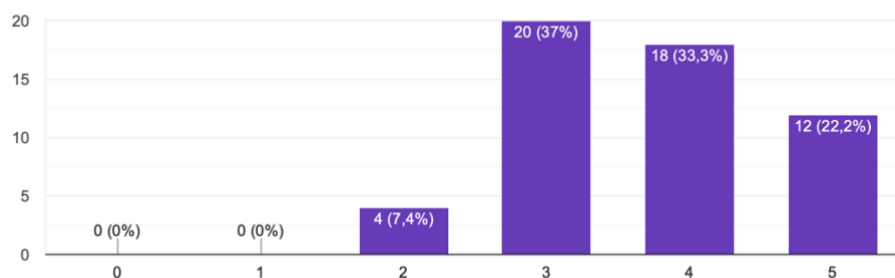


FIGURE 27. The rate of branding Vietnamese vegan cosmetic brands

In terms of price, compared to other cosmetic brands in the Vietnamese market, how do you evaluate the quality and price of Vietnamese vegan cosmetics?
54 câu trả lời

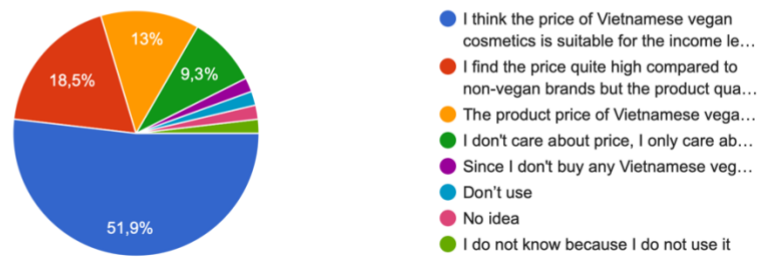


FIGURE 28. The quality and price of Vietnamese vegan cosmetics

In the last part, survey participants were asked to answer questions related to hypothetical situations. In the first situation, between Vietnamese and international vegan cosmetic brands, they will only be able to choose one and which is the brand they prioritize. The results in figure 29 show that 74,1% of people choose Vietnamese vegan cosmetic brands, 25,9% of people choose international vegan brands. In case question number 2, the question asked to participants was whether they would recommend Vietnamese vegan cosmetics to international friends. The results show that 63% of people are willing to recommend brand vegan cosmetics to international friends, 33,3% of people will consider it if the product is good and suitable for their needs, and 3,7% of people think that there are many other better international vegan cosmetic brands to recommend (FIGURE 30). If the answer is "yes", then those 34 participants will continue to give more reasons why they recommend vegan cosmetics to international friends. The reason for the highest rating is the natural ingredients, suitable for the lifestyle, skin and needs requested by their international friends (55,6%). They also want to let international friends experience the unique cultural characteristics integrated into a Vietnamese vegan cosmetics (50%) and the price of these products is not too high but the quality is good compared to other vegan brands (42,6%) (FIGURE 31). The final case question asks what factors or information help survey participants make a decision to buy vegan cosmetics. Twenty-two respondents selected all factors such as cruelty-free certification, all-natural ingredients, packaging, brand and price as helping them make the decision to purchase Vietnamese vegan cosmetics. However, there are still groups that individually select key factors. In this last survey, it was shown that 24,1% of people said that completely natural ingredients and not tested on animals influenced their decision to buy the product. Affordable prices, cruelty-free certification, famous brands, and eye-catching packaging were all chosen by 13%, 11,1%, 3,7%, and 1,9% respectively (FIGURE 32).

If you had to choose one between Vietnamese vegan cosmetic and international brands, which one would you choose?

54 câu trả lời

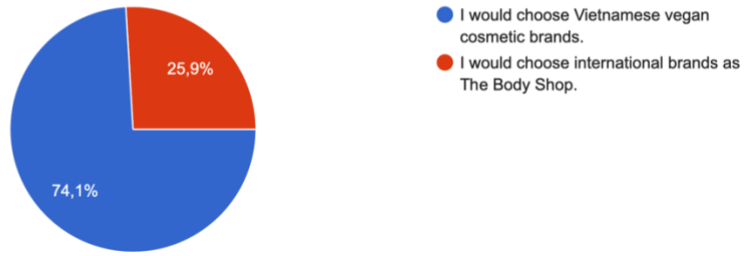


FIGURE 29. Case question no.1

If your international friends ask about vegan cosmetics, would you recommend Vietnamese vegan cosmetics?

54 câu trả lời

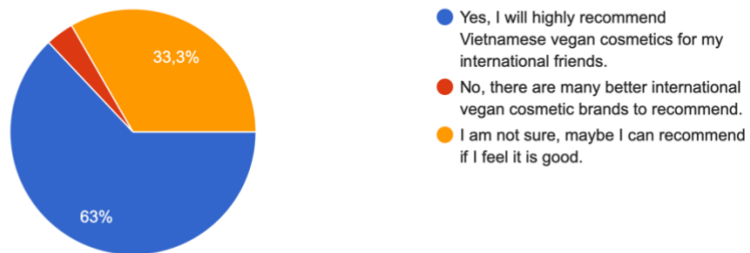


FIGURE 30. Case question no.2

Could you give the reason why you would recommend Vietnamese vegan cosmetic brand(s) for international friend, please?

54 câu trả lời

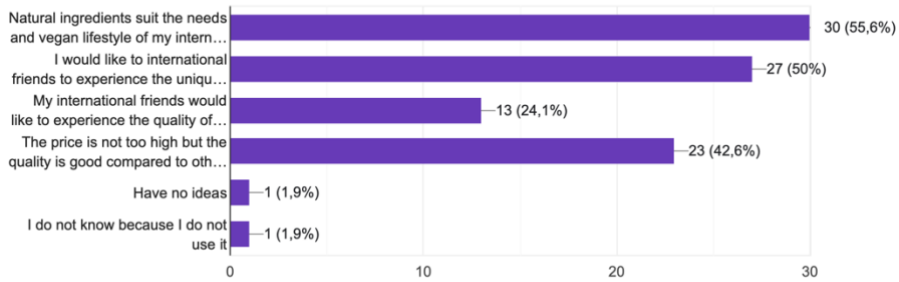


FIGURE 31. The reason for case question no.2

You are research and want to purchase vegan products, which information/factors below help you make a purchasing decision?

54 câu trả lời

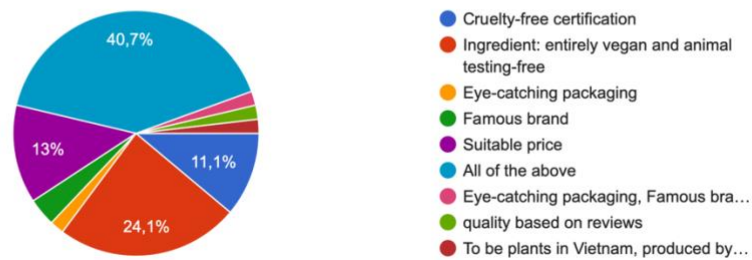


FIGURE 32. Case question no.3

5.5 Discussion of findings

As mentioned at the beginning, the main goal of this research is to show the development of the Vietnamese vegan cosmetics niche and the factors that influence customers' purchasing decisions through branding methods of Vietnamese vegan cosmetics brands. Hence, there are a number of notable issues that require more detailed analysis here. The first problem is that the majority of participants know the concept of "vegan" (61,1%) and use Vietnamese vegan cosmetics (53,7%). Thus, this proves that Vietnamese vegan cosmetic lines are very popular and widely known regardless of gender or age. In addition, it is also gradually being covered in countries other than Vietnam and Finland

The second issue is about identifying and building vegan cosmetic brands of Vietnamese companies. Up to now, The Cocoon Original Vietnam is most widely known through its brand image and logo. It is shown by the percentage achieved in the survey which is 68,5%. This is also a brand that many people frequently buy continuously, with 70,4% of choices and is the brand that has impressed customers the most with a rate of 87% of the total. Besides Cocoon, BareSoul is also said to be a quite strong brand and has a relatively strong foothold, competing with Cocoon in the market. However, the results received regarding BareSoul's recognition and branding were not very positive, when up to 64,8% of participants did not know the logo and name of this brand. Furthermore, only 3,7% of people regularly use products from BareSoul, lower than the votes of Giot Lanh brand (5,6%). Even BareSoul is not the brand that made the strongest impression in the rankings, with only 3,7% of voters. Thus, the

branding of some Vietnamese vegan cosmetics brands is not really uniform or stable, especially during this period of economic fluctuations as nowadays.

The third problem analyzed in more detail is the reasons why participants decided to choose and switch to using vegan cosmetics. When asked about the reason why they choose vegan cosmetics, 79,6% of participants expressed the opinion that they want to support the Vietnamese economy and vegan cosmetic brands. In addition, 55,6% of participants gave reasons related to environmental issues and humanity. Meanwhile, switching from regular cosmetics to vegan cosmetics had two main reasons that participants chose. The first reason and the highest percentage (38,9%) is ethical problems. The second reason the percentage is not less is concerning increasingly about environment, with 35,2%. This shows that consumers, especially young people today, are gradually becoming more concerned about environmental and animal issues in the cosmetics they buy. This awareness is being spread and widely spread in society, through products close to consumers such as vegan cosmetics.

5.6 Recommendations

Vietnamese vegan cosmetics are still a new product niche in the Vietnamese cosmetics market. According to the research and survey above, it can be seen that besides Cocoon, there are still a number of Vietnamese vegan cosmetics brands that have not built a strong brand. Thus, vegan cosmetic businesses need to clearly outline new options for their brands. Businesses can consider proposing options for diversifying product lines with different prices, creating compact samples to create opportunities for customers to experience their products. Diversifying product designs needs to go hand in hand with ensuring and improving quality. Market research and listening to customer opinions are also important issues in building and developing a brand.

Organizing events or planning promotions during the holidays is also a way to attract customers' attention. Setting up promotional programs such as buy 1 get 1 free or product discounts on special holidays will be an effective solution to reach closer customers. Furthermore, Vietnamese vegan cosmetics businesses should also have activities or cooperate with organizations related to environmental and animal protection. Such activities will spread positive messages through programs or campaigns. Thanks to that, customers will know, learn and make decisions to try Vietnamese vegan cosmetics.

6 CONCLUSION

The thesis was conducted with the aim of emphasizing the development of Vietnamese vegan cosmetics through the branding of Vietnamese vegan cosmetic companies. Thereby, the thesis also identifies which factors help Vietnamese vegan cosmetics reach closer to customers in Vietnam. The studies mentioned above looked at the branding success of vegan cosmetics brands. Through a survey with the participation of 54 respondents, the research also aimed to clearly identify which businesses have successfully built their brands in the eyes of customers and which have not. Along with that, the research also shows why customers choose to trust vegan cosmetics and what factors make them switch to using vegan cosmetics. The results of the survey are relatively positive for Vietnamese vegan cosmetics businesses. However, there are still a few businesses that receive unsatisfactory results in recognizing their brands and products. This also means that the branding of these vegan cosmetic businesses is not really good. In other words, the business owner does not have a new direction or focus on researching this niche market or listening to customer opinions. This has a huge impact on reaching the customer segment they target. Because most customers will always choose to buy familiar, reputable and well-known vegan cosmetic brands.

This study has clearly shown the importance and influence of branding on the development of Vietnamese vegan cosmetic brands. By investing and developing marketing strategies, packaging, product quality as well as offering promotions, businesses have created their names and brands in the eyes of customers. In addition, organizing activities or associating with influencers and organizations related to environmental and animal protection has promoted customers' favorable view of the brand. Such activities emphasize the commitment that the Vietnamese cosmetic brand set out from the beginning to be safe, benign and not containing ingredients or products from animals. Furthermore, the survey shows that Vietnamese customers always want to recommend Vietnamese vegan cosmetics to international friends for any reason, as long as it is suitable for them.

Although the study was limited to Vietnamese people, it can be seen that no matter where the customers live and work, Vietnamese vegan cosmetics are always welcomed and widely introduced. Thus, besides potential opportunities, Vietnamese vegan cosmetics businesses also need to identify and outline clear plans for challenges. This will help businesses gain an objective view and overcome challenges if they want to get closer to customers as well as expand the market.

REFERENCES

- Animal Testing & Cosmetics*. 2022. The Federal Food, Drug, and Cosmetic Act. Available at: <https://www.fda.gov/cosmetics/product-testing-cosmetics/animal-testing-cosmetics>. Accessed 15 February 2024.
- About Leaping Bunny*. Leaping Bunny Program. Available at: <https://www.leapingbunny.org/about/about-leaping-bunny>. Accessed 15 February 2024
- Animal testing*. Europe: Humane Society International. Available at: <https://www.hsi.org/issues/animal-testing/>. Accessed 15 February 2024.
- Barel, A., Paye, M. & Maibach, H. 2014. *Handbook of Cosmetic Science and Technology*. 4, new edition. Boca Raton: Taylor & Francis Group.
- Bailey, S. & Milligan, A. 2023. *Myths of Branding: Dispel the misconceptions and become a brand expert*. 2, new edition. Great Britain and the United States: Kogan Page Limited.
- Bonici, T. 2014. *Brand and branding*. Available at: <https://www.um.edu.mt/library/oar/bitstream/123456789/21686/1/brand%20and%20branding.pdf>. Accessed 23 February 2024.
- Bauer, H., Heinrich, D. & Schäfer, D. 2013. The effects of organic labels on global, local, and private brands: More hype than substance?. *Journal of Business Research*, 66, 8, 1035-1043. Available at: <https://doi.org/10.1016/j.jbusres.2011.12.028>. Accessed 01 March 2024.
- Callahan, C. 2019. What is vegan skin care and is it better for you?. Available at: <https://www.today.com/style/what-vegan-skin-care-it-better-you-t151466>. Accessed 20 February 2024.
- Cosmetify. 2019. *Over a Third of British Women are More Interested in Buying Vegan Beauty Products than Being Vegan*. Available at: <http://nhiepanhdoisong.vn/xay-dung-thuong-hieu-quang-ba-thuong-hieu-phuong-phap-toi-uu-cua-doanh-nghiep-13125.html>. Accessed 12 March 2024.
- Ethical Elephant. 2023. *Cruelty-Free vs. Vegan: Understanding the Differences and Why They Matter*. Available at: <https://ethicalelephant.com/cruelty-free-vs-vegan/>. Accessed 20 February 2024.
- Gupta, A. 2018. The skincare ingredients you should look for, according to your skin type. *Vogue India*. Available at: <https://www.vogue.in/content/the-skincare-ingredients-you-should-look-for-according-to-your-skin-type>. Accessed 06 February 2024.
- Grand View Research. 2021. *Vegan Cosmetics Market Size, Share & Trend Analysis Report*. Available at: <https://www.grandviewresearch.com/industry-analysis/vegan-cosmetics-market>. Accessed 7 March 2024.
- Grubor, A. & Milovanov, O. 2017. Brand strategies in the era of sustainability. *Interdisciplinary Description of Complex Systems*, 15(1), 78-88. Available at: <https://hrcak.srce.hr/file/259878>. Accessed 20 March 2024.
- Hahl, S. 2023. *Perception of uncredibility in influencers' paid social media marketing collaborations*. Aalto: Aalto University School of Business. Master's Degree Programme in Marketing. Master of

- Science in Economics and Business Administration. Available at: <https://aaltoodoc.aalto.fi/server/api/core/bitstreams/ca433504-37f0-4fe6-8c94-e8ae6c27b449/content>. Accessed 28 February 2024.
- Hammett, E. 2019. Vegan beauty: How conscious consumers are driving innovation in ethical cosmetics. *Marketing Week*. Available at: <https://www.marketingweek.com/how-conscious-consumers-are-driving-vegan-beauty/>. Accessed 10 March 2024.
- Horlings, S. 2009. Bridging the gap between branding, sustainability and consumer demands. *Best Practice Series*. Utrecht: Initiatief Duurzame Handel, 3-31. Available at: <https://www.saiplatform.org/uploads/Library/IDH006-06SustMarketing.pdf>. Accessed 20 March 2024.
- Is It a Cosmetic, a Drug, or Both? (Or is it Soap?)*. 2024. The Federal Food, Drug, and Cosmetic Act. Available at: <https://www.fda.gov/cosmetics/cosmetics-laws-regulations/it-cosmetic-drug-or-both-or-it-soap#:~:text=The%20Federal%20Food%2C%20Drug%2C%20and,%22%20%5BFD%26C%20Act%2C%20sec>. Accessed 15 February 2024.
- Le, T. 2019. *Vegan trend in consumer buying behavior*. Oulu: Oulu University of Applied Sciences. Bachelor's Degree Programme in International Business. Bachelor's thesis. Available at: https://www.theseus.fi/bitstream/handle/10024/261114/LE_THUY_VEGAN_TREND.pdf?sequence=2&isAllowed=y. Accessed 16 February 2024.
- Łopaciuk, A. & Łoboda, M. 2013. *GLOBAL BEAUTY INDUSTRY TRENDS IN THE 21st CENTURY*. Croatia: International Conference 2013. Available at: <https://toknowpress.net/ISBN/978-961-6914-02-4/papers/ML13-365.pdf>. Accessed 10 March 2024.
- Leaping Bunny Program. *Myth & Facts*. Available at: <https://www.leapingbunny.org/news-resources/myths-facts>. Accessed 16 February 2024.
- McMullen, R. & Dell'Acqua, G. 2023. History of Natural Ingredients in Cosmetics. *Cosmetics*, 10, 3, 1-31. Available at: <https://doi.org/10.3390/cosmetics10030071>. Accessed 7 March 2024.
- McGraw-Hill. 2010. *The essentials of branding from The Big Book of Marketing*. Landor. Available at: https://wppstream.com/-/media/sharedwpp/readingroom/marketing/essentialsbranding_landor.pdf. Accessed 24 February 2024.
- Maandag, M. & Puolakka, L. 2014. *The only brand book you will ever need*. Finland.
- Nguyen, D. 2021. Firms must respect Vietnam's sovereignty. *Hanoi Times*. Available at: <https://hanoitimes.vn/firms-must-respect-vietnams-sovereignty-spx-tells-fashion-brands-316967.html>. Accessed 28 February 2024.
- New report indicates global vegan cosmetics market worth \$21 billion by 2027*. 2021. Vegan food and living. Available at: <https://www.veganfoodandliving.com/news/report-global-vegan-cosmetics-market-21-billion/>. Accessed 10 March 2024.
- Nesterak, J. & Ziębicki, B. 2023. *Knowledge – Economy – Society. Increasing business performance in the digital era*. Poland: Institute of Economic Polish Academy of Sciences. Available at: <https://www.researchgate.net/profile/Janusz->

[Nesterak/publication/378261357_Knowledge_Economy_Society_Increasing_Business_Performance_in_the_Digital_Era/links/65d85bbbe7670d36abd3c883/Knowledge-Economy-Society-Increasing-Business-Performance-in-the-Digital-Era.pdf#page=44](#). Accessed 18 March 2024.

PETA. 2023. *Companies that do test on animals*. Available at: <https://crueltyfree.peta.org/wp-content/uploads/companies-do-test.pdf>. Accessed 05 February 2024.

PETA's "Global Beauty Without Bunnies" Program. PETA. Available at: <https://www.peta.org/living/personal-care-fashion/beauty-without-bunnies/>. Accessed 15 February 2024.

PETA's History: *Compassion in Action*. PETA. Available at: <https://www.peta.org/about-peta/learn-about-peta/history/>. Accessed 15 February 2024.

Prophecy Market Insights. 2020. *Global Vegan Beauty Products Market is estimated to be US\$ 25.4 Billion by 2029 with a CAGR of 5.9% during the forecast period*. Available at: <https://www.globenewswire.com/news-release/2020/07/09/2060099/0/en/Global-Vegan-Beauty-Products-Market-is-estimated-to-be-US-25-3-Billion-by-2029-with-a-CAGR-of-5-9-during-the-forecast-period.html>. Accessed 10 March 2024.

QuestionPro Editors. 2022. *Quantitative Research: What It Is, Practices & Methods*. QuestionPro. Available at: <https://www.questionpro.com/blog/quantitative-research>. Accessed 10 May 2024.

Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products. 22.12.2009/1223. Available at: https://health.ec.europa.eu/system/files/2016-11/cosmetic_1223_2009_regulation_en_0.pdf. Accessed 06 February 2024.

Rakuten Insight. 2021. *Plant-based food alternatives. Future or Present?*. Available at: https://insight.rakuten.com/wordpress/wp-content/uploads/Report_Plant_based_food.pdf. Accessed 13 March 2024.

Šimkutė, N. 2021. What Exactly are Vegan Cosmetics?. *L'Officiel*. Available at: <https://www.lofficielusa.com/beauty/what-are-vegan-cosmetics-beauty-makeup-products>. Accessed 20 February 2024.

Tran, H. 2022. *The impact of green marketing on customer purchasing behavior in cosmetic industry in Vietnam*, 4-5. Jyväskylä: Jyväskylä University of Applied Sciences. Bachelor's Degree Programme in Logistics Engineering. Bachelor's thesis. Available at: https://www.theseus.fi/bitstream/handle/10024/786534/Thesis_Trان_Hoa.pdf?sequence=2&isAllowed=y. Accessed 05 February 2024.

The Vegan Trademark. The Vegan Society. Available at: <https://www.vegansociety.com/news/media/statistics/vegan-trademark>. Accessed 20 February 2024.

Understanding skin – How does male and female skin differ?. Eucerin. Available at: <https://int.eucerin.com/about-skin/basic-skin-knowledge/male-and-female-skin>. Accessed 10 February 2024.

Upfluence. 2022. *Beauty brands*. Available at: <https://www.upfluence.com/industry-reports/beauty>. Accessed 7 March 2024.

Vietnam Cosmetic Trends Report 2020 by Q&Me: Vietnam. 2020. Iris. Available at: <https://marketreport.io/vietnam-cosmetic-trends-report-2020-by-qme>. Accessed 14 February 2024.

V-Label International. 2019. *International label for products and services: Manual for licensees*. Available at: <https://www.v-label.com/wp-content/uploads/2022/09/v-label-manual-for-licensees.pdf>. Accessed 20 February 2024.

What is animal testing?. Cruelty Free International. Available at: <https://crueltyfreeinternational.org/about-animal-testing/what-animal-testing>. Accessed 15 February 2024.

What PETA REALLY Stand For. PETA. Available at: <https://www.peta.org/features/what-peta-really-stands-for/>. Accessed 16 February 2024.

World's Leading Vegan & Vegetarian Trademark. V-Label International. Available at: <https://www.v-label.com>. Accessed 21 February 2024.

We are social. 2022. *Digital 2022: Another year of bumper growth*. Available at: <https://wearesocial.com/au/blog/2022/01/digital-2022-another-year-of-bumper-growth/>. Accessed 27 February 2024.

Worldwide growth of veganism. The Vegan Society. Available at: <https://www.vegansociety.com/news/media/statistics/worldwide>. Accessed 12 March 2024.

APPENDIX 1

Questions	Answer
1. Age group	18-25 25-30 30-35 Over 35
2. Gender	Female Male Prefer not to say
3. Where do you live?	Vietnam Finland Other
4. Are you familiar with vegan cosmetics?	Yes No
5. Do you know about the concept of animal test-free?	Yes No
6. How do you think about vegan cosmetic?	<ul style="list-style-type: none"> • I consider vegan cosmetics to be of high quality and effective in performance. • I believe vegan cosmetics are ethical, friendly with environment and animal and sustainable alternatives to traditional cosmetics. • Vegan cosmetics use natural ingredients and this offer health benefits because of their avoidance of certain chemicals and allergents. • Other:
7. Do you use Vietnamese vegan cosmetics?	Yes No
8. Do you recognize the Vietnamese cosmetic brands through the icons below?	Yes No
9. How do you know about Vietnamese vegan cosmetic?	<ul style="list-style-type: none"> • Social media (Tiktok, Instagram, etc.) • Recommendations from friends, influencers or family. • Articles/Blog • Beauty/Local stores/Online marketplaces • Other:
10. Which brands do you know regarding to the Vietnamese vegan cosmetics below?	<ul style="list-style-type: none"> • The Cocoon Vietnam • BareSoul • Lemonade's collection • Other:
11. Which Vietnamese vegan cosmetic brand(s) below do you usually buy?	<ul style="list-style-type: none"> • The Cocoon Vietnam • BareSoul • Giot Lanh • Other:

<p>12. Which values/messages make you think of “Vietnamese vegan cosmetics” brands?</p>	<ul style="list-style-type: none"> • Cruelty-free • Vegan and benign • The plants of Vietnamese • Eco-friendly • Four free (Sulfate-free, Alcohol-free, No mineral oil, no paraben) • All of above
<p>13. Why do you choose Vietnamese vegan cosmetics?</p>	<ul style="list-style-type: none"> • Supporting local brand and economy • Personal health reasons • Ethical and environment reasons • Other:
<p>14. What are your reasons for wanting to move towards vegan cosmetics?</p>	<ul style="list-style-type: none"> • Ethical problems such as animal testing/cruelty in the cosmetic sector. • Increasingly concerned about the effect on the environment. • Allergy and irritation to chemical ingredients found in traditional cosmetics. • Consistent with my beliefs, the sustainable and vegan lifestyle I aim for. • Other:
<p>15. What benefits do you get when using vegan cosmetics?</p>	<ul style="list-style-type: none"> • Significant and benign effect on the skin • No irritation as cosmetics with chemical ingredients • Suitable for animal welfare and vegan lifestyle demands. • Help take environmentally friendly actions. • Other:
<p>16. Does the branding of the Vietnamese vegan cosmetics brand impress you?</p>	<ul style="list-style-type: none"> • Yes • No • Other:
<p>17. Which Vietnamese vegan cosmetics brand impresses you the most?</p>	<ul style="list-style-type: none"> • The Cocoon Original Vietnam • BareSoul • Giot Lanh • Other:
<p>18. On a scale of 0-5, how do you rank vegan Vietnamese cosmetics?</p>	<p>0 1 2 3 4 5</p>
<p>19. On a scale of 0-5, how much do you rate the branding of Vietnamese vegan cosmetic brands?</p>	<p>0 1 2 3 4 5</p>

<p>20. In terms of price, compared to other cosmetic brands in the Vietnamese market, how do you evaluate the quality and price of Vietnamese vegan cosmetics?</p>	<ul style="list-style-type: none"> • I think the price of Vietnamese vegan cosmetics is suitable for the income level combined with high product quality. • I find the price quite high compared to non-vegan brands but the product quality is good and suitable for me. • The product price of Vietnamese vegan cosmetics brands is high but the quality is not better than normal brands in the Vietnamese market. • I don't care about price, I only care about product quality. • Other:
<p>21. If you had to choose one between Vietnamese vegan cosmetic and international brands, which one would you choose?</p>	<ul style="list-style-type: none"> • I would choose Vietnamese vegan cosmetic brands. • I would choose international brands as The Body Shop.
<p>22. If yes, could you give the reason, please? (optional)</p>	
<p>23. You are researching and want to buy vegan products, which information/factors below help you make a purchasing decision?</p>	<ul style="list-style-type: none"> • Cruelty-Free Certification • Ingredient: entirely vegan and animal test-free • Eye-catching packaging • Famous brand • Price • All of the above