

BIO-ECONOMY

STUDY CASE :
Carlsberg Cosmetics : ethic ?

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HISTORICAL APPROACH

- The concept of bio-economy has existed since 1925, but emergence in the 70s and real consideration in the 2000s
- From a theoretical point of view, the bio-economy is an economic theory developed by Nicholas Georgescu-Roegen at the beginning of 1970s. This theory uses the principle of the entropy to analyze economic processes. The bio-economy emphasizes the biological or natural basis of all the economic processes and thus the human problems associated to the depletion of our natural resources.

DEFINITION

- "The concept of bio-economy covers the agricultural industry and all manufacturing sectors and their respective service areas, which develop, produce, process, reprocess or use them in any form biological resources such as plants, animals and microorganisms. Thus, it achieves a variety of industries such as agriculture, forestry, horticulture, fisheries and aquaculture, plant and animal breeding, food and beverage, wood, paper, leather, textile, chemical and pharmaceutical industries up to branches of energy industry."

GOALS

- The goal is a more innovative, low-emissions economy which reconciles demands for sustainable agriculture and fisheries, food security and the sustainable use of renewable biological resources for industrial purposes, while also ensuring biodiversity and environmental protection.
 - The underlying question is to find a new environment-friendly model favoring the economic growth.
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SLIDE CONCEPTS

- Protection of the environment
- “Sustainable development is development that meets the needs of the present, without compromising the ability of future generations to meet their own needs.”
- The concept of sustainable development can be interpreted in many different ways, but at its core is an approach to development that looks to balance different, and often competing, needs against an awareness of the environmental, social and economic limitations we face as a society.

A EUROPEAN WILL

- In February 2012 the European Commission announced its “Strategy for a sustainable bio-economy to ensure smart green growth in Europe”. The strategy and action plan was called “Innovating for Sustainable Growth: a Bioeconomy for Europe”. The objectives are :
 - reinforcing European leadership and creativity in the biosciences;
 - • optimizing innovation and the systems for knowledge transfer;
 - • research into safe, nutritious and affordable food;
 - • making rural and coastal economies more sustainable;
 - • improving the efficiency of agricultural, food and industrial production and distribution systems;
 - • maintaining the competitiveness of European industry and agriculture;
 - • building low-carbon industries;
 - • reducing emissions of GHG and waste.
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ISSUES

- The sector of the bio-economy in the EU would already represent a turnover of about 2 000 billion euros and would employ more than 22 million people, that is 9 % of the total working population.
 - Save and preserve the planet
 - Prepare the future
 - Mission statement for the firms
 - Real challenge for the firms
 - New business models
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OPPORTUNITIES FOR THE FIRMS

- Communications tool of companies
 - Essential argument to attract the new talents (For the human resources, it could be tool of motivation and development of worker's loyalty)
 - Dominating marketing argument
 - Answer to consumer expectations (safe and healthy food, environmental protection, ...)
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CASE : CARLSBERG COSMECTICS

- The Carlsberg Group is a brewing company founded in 1847 by J. C. Jacobsen. The company's first headquarters were located in Copenhagen, Denmark. Since Jacobsen's death in 1887, the majority owner of the company has been the Carlsberg Foundation. The company's flagship brand is Carlsberg Beer (named after Jacobsen's son Carl) but it also brews Tuborg, Kronenbourg, Somersby cider, Russia's best-selling beer Baltika, Belgian Grimbergen abbey beers, and more than 500 local beers.
- After merging with the brewery assets of Norwegian conglomerate Orkla ASA in January 2001, Carlsberg became the fifth largest brewery group in the world. After a failed takeover attempt by Orkla, Carlsberg became the sole owner after purchasing Orkla's share in the brewery in 2004. It is the leading beer seller in Russia with about a 40 percent share of the market. In 2009 Carlsberg ranked fourth worldwide, and employed around 45,000 people.

A NEW SECTOR

- Beer maker Carlsberg has put down the tankard for its latest innovation – partially, at least.
- Tapping into the cosmetics industry for the first time in its 168-year history, Carlsberg teamed up with Copenhagen-based cosmetics producer Urtegaarden to create a range of male grooming products made from beer. In keeping with Carlsberg's tongue-in-cheek brand persona, the packaging warns users to 'groom responsibly'.
- When creating the range, Carlsberg kept a recent survey by Epinion in mind. The survey revealed that 65% of men in the UK are daily groomers. Zoran Gojkovic, Director of Research, Carlsberg Laboratories, said: “People sometimes say that men don't care too much about grooming, but the survey tells a different story. Men do care about looking good, but they often seem to lack alternatives to the more female-friendly beauty options available. And what better way to give them just that, than to introduce a grooming series made from beer?”

BEER AS BEAUTY PRODUCT

- Key ingredients in the three products – Body Lotion, Shampoo and Conditioner – include barley, hops and yeast, which are known to be rich in Vitamin B and silicium for hair and skin benefits. Each product is said to contain 0.5l of real Carlsberg beer.
- Carlsberg Brewmaster Erik Lund explained the process behind using beer in the products. He said: “The beer is freeze-dried into a powder and then mixed with organic ingredients in order to create a unique series of products: shampoo, conditioner and body lotion.”
- The limited edition products are being sold as a set for €63 on.

A REAL OPPORTUNITY

- Some Fun Facts about Men and grooming:
 - The survey is conducted among UK men age 18-40
 - 65% of UK men are daily groomers.
 - 98% of UK men groom at least 1-2 times a week.
 - 58% of UK men spend more than 15GBP a month on grooming products
 - 23% of UK men spend more than 35GBP a month on grooming products
 - 40% of UK men use their girlfriends'/wives' grooming products on a weekly basis
 - 43% of UK men who drink Carlsberg miss grooming products made especially for men
 - 67% of UK men who drink Carlsberg would buy grooming products made from beer

ADVERTISING : FAIR AND ETHIC ?

- <https://www.youtube.com/watch?v=-KjURW5LS0g>

CASE STUDY

- **Economic approach**

- Can you say that such cosmetics products are really stemming from the bioeconomy?
 - Do you think that they match the stakes of the bioeconomy ?
 - What could be the risk(s) for the environment ?
 - According to you, what are the main interests in the company Carlsberg to develop such a range of products?
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CASE STUDY

- Ethical approach
 - What is the commercial target of this range of products derived of an alcoholic drink?
 - The commercial which you saw does not it seem to you too accommodating with the consumption of beer?
 - Believe you not that the launch of this new activity is not that a way(means) to incite people to drink some beer Carsberg in bigger quantity?
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