Consumer Demand Drives Bioeconomy Chemicals Brands

Marketing as Essential Service in LEC Toolbox

MarketChemica Inc.



Abstract

► VIRIDISOL®, ecoXTRACT® and GreenFlame® are examples of recent B2B brands supporting the use of new biobased products in large B2C markets.

- ► These B2B brands are aligned with powerful B2C brands in markets as divers as pharmaceutical, cosmetics and hearth & patio industries.
- ldentifying upfront the ultimate consumer target market segment and aligning the B2B brand to consumer demand is critical for commercial success
- Strategic marketing and market communications services are therefore just as important as other technical, regulatory and legal services offered by LEC



Agenda

- Brief Intro: Lee Enterprises Consulting Inc.
- Consumer Values Drive Demand for Bioeconomy Speciality Chemicals
- Marketing as Critical Tool for Sustainable Solutions
- Conclusions



Brief Intro Lee Enterprises Inc.

The One Stop Consulting Resource for the Biobased Economy





- Expertise: World's largest bioeconomy consulting group covering all areas of the bioeconomy
- Resources: Over 100 subject matter experts and SME's specialist organizations
- **Product Focus:** From commodities to specialty chemicals
- Functional Focus: End to end coverage from marketing to regulatory and technical services
- Approach: Project driven interdisciplinary teams manned by world class experts
- Savings: Manage complex projects with one agreement and single point of contact

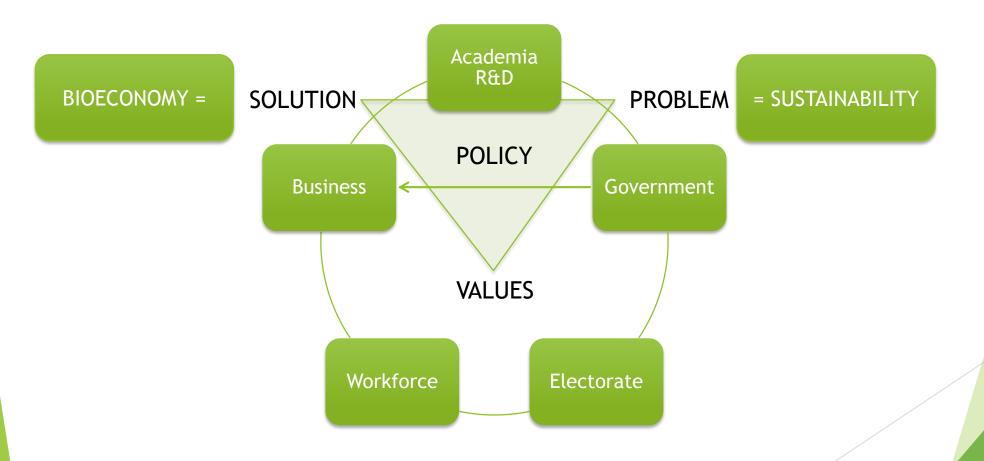


Consumer Values Drive Demand for Bioeconomy Speciality Chemicals

Sustainable Products Are Here to Stay

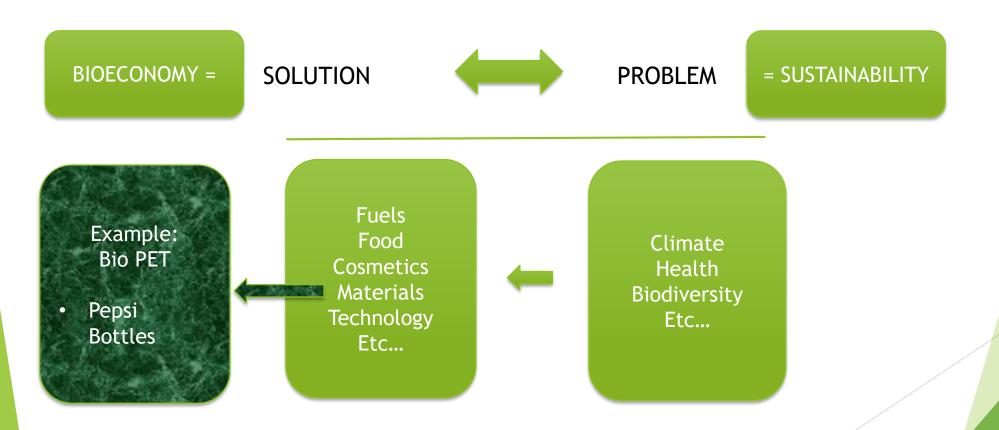


Sustainability Is a Long Term Driver Anchored in Societal Values not Politics





Bioeconomy Provides Solutions to Long Term Sustainability Problems e.g. BioPET





Marketing as Critical Tool for Sustainable Solutions

LEC Strategic Marketing & Communications for the Biobased Economy



Consumers Wants & Needs Drive B2C Brands' Value Propositions

- Beauty & Personal Care*
 - Environmentally friendly:
 - product (43%)
 - process (36%)
 - raw materials (36%)
 - packaging (26%)
 - Free from:
 - Oil based chemicals
 - e.g. paraben (21%)
 - Perfume (20%)

- Cosmetics and food
 - Healthy and safe
 - Clean label
 - Free from...
 - Organic label
 - Fair Trade
 - Environmentally responsible
- Packaging materials (e.g. the Pepsi Bottle)
 - Biobased
 - Recyclable
 - Biodegradable



B2B Must Align Own Brands to B2C Brands: GreenFlame®

Kingsford Charcoal

- EcoLight™
- Biobased alternative
- Lights quickly
- Stays lit
- Always works

Green Biologics

- GreenFlame
- Natural Charcoal Lighter Fluid
- Clean burning
- Odour free

- Green Biologics, Inc. agreed to supply in 2018 their patented GreenFlame® biobased charcoal lighter fluid formulation exclusively to Kingsford Charcoal
- The licensing agreement builds on the successful 2017 introduction of GreenFlame®, a natural USDA BioPreferred® certified, clean-burning charcoal lighter fluid based on Green Biologics' proprietary advanced fermentation process
- Kingsford markets GBI formulation under their new brand EcoLight™, sold in retail chains across US the market





VIRIDISOL®: Supporting Pharmaceutical Industry Image

Pharma Industry

- Lower Carbon Footprint
- Introduction

Pennakem LLC

- VIRIDISOL® M
- Biobased alternative to fossil based THF
- Superior yield
- Easier to recycle

- Pennakem LLC launched in 2018 the VIRIDISOL® range of solvents offering a biobased alternative to fossil based solvents
- Pharmaceutical industry needs to reduce its carbon footprint due to use of large amounts of solvents in multistep synthesis; the consumer image of pharma companies is tied directly into the social responsibility aspect
- VIRIDISOL® M reduces the solvent specific consumption by comparison to oil based THF due to its biobased nature as well as easy recycling
- Its brand positioning is consistent with the pharma industry desired public image





ECOXTRACT®: Supporting eco-friendly extraction requirements

Pharma Industry

- Lower Carbon Footprint
- Introduction

Pennakem LLC

- ECOXTRACT® M
- Biobased alternative to fossil based THF
- Superior yield
- Easier to recycle

- Pennakem LLC also launched in 2018 ecoXTRACT®, a biobased alternative to hexane, a solvent used in the extraction of lipophilic moieties for F&F and cosmetic industries
- Various cosmetics and F&F brands have a need to differentiate their offering to consumers by using a natural, biobased solvent instead of the oil based hexanes





Strategic Marketing Identifies Business Direction and Ensures Profitability



- Charcoal lighter fluid market in US is one of many potential markets for GreenFlame® a biobutanol based formulation
- Pharmaceutical solvent market for VIRIDISOL® M or cosmetics market for ecoXTRACT® are not necessarily obvious choices either
- Strategic marketing identifies specific market segments that are large and profitable enough to meet the required ROI
- Branding translates strategic marketing decisions into efficient market communications programs

Conclusions



Conclusions

- Bioeconomy is one of several answers to the sustainability problem
- Sustainability is anchored in societal values, not passing political choices
- Sustainability responds to multifaceted consumer needs and the whole supply chain from raw material to B2C delivery must sustain this desiderate
- ▶ B2B manufacturers can identify the most productive market niches for their B2B products by reinforcing their strategic marketing capabilities
- ▶ Bioeconomy manufacturers need to align their brand positioning to support the end of chain B2C brands
- ▶ LEC has the capability to support clients with best in class strategic marketing and communication through various member organizations



THANK YOU

- Contact for support with your strategic marketing and communications needs
- ► <u>Lee Enterprises Consulting Inc.</u>
- **(501)** 833-8511

- Further interest in GREENFLAME®, VIRIDISOL®, ecoXTRACT ®?
- ► MarketChemica Inc.
- **(416)658-2968**

