



Argan Oil: A Niche Market in Finland

Market Potential, and Business Strategy.

Hassan Chakir

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ABSTRACT

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Tampere University of Applied Sciences
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HASSAN CHAKIR:
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This thesis looks at argan oil as a potential product to be introduced to the Finnish market. Knowing that Finnish people are environmentally and sustainably aware, in addition to Argan's preferred quality. The study introduces the source and history of argan oil known as the "liquid gold" produced largely by women's cooperatives in Morocco. Detailing its key features that make outstanding among other competitors, such as coconut and jojoba oils. By examining its features, argan oil leans towards the organic and eco-friendly aspect, which makes it appealing to Finnish green consumerism trends.

The research builds on existing studies to understand Finnish consumer preferences and the level of awareness about argan oil. It also reviews the necessary legal steps for introducing argan oil into the Finnish market and develops a financial plan to explore potential profitability. The findings indicate that argan oil's natural and ethically responsible production, along with its support for Moroccan women, crafts a compelling narrative that aligns well with Finnish values of sustainability and health consciousness.

The thesis proposes strategies for launching argan oil in Finland, focusing on its distinctive qualities and the ethical production practices that support community development in Morocco. The study emphasizes the importance of targeted marketing that communicates the unique story of argan oil and adheres to EU regulations to ensure its acceptance and success in the Finnish market.

Keywords: Moroccan argan oil, Niche market in Finland, Business model.

CONTENTS

1	INTRODUCTION	4
2	UNDERSTANDING ARGAN OIL AND THE MARKET.....	6
2.1	Argan Oil Key Features	6
2.1.1	Health and beauty benefits of argan oil	6
2.1.2	Global market overview for the Argan Oil	7
2.2	Consumer trends in Finland	8
2.2.1	Finnish consumer habits regarding natural, organic, and eco-friendly products.....	8
2.2.2	Potential interest in argan oil	10
2.3	Competitors and market analysis	11
2.3.1	Competing Products: Coconut and Jojoba	11
2.3.2	Challenges of Introducing Argan Oil	13
3	BUSINESS PLAN AND LEGALISATIONS.....	16
3.1	Legal steps for exporting and importing	16
3.1.1	Exporting regulations in Morocco	16
3.1.2	Import regulations in Finland	17
3.2	Business model development	19
3.2.1	The value proposition of argan oil.....	19
3.2.2	Target market in Finland.....	21
3.3	Marketing and financial overview	22
3.3.1	Marketing strategy	23
3.3.2	Basic financial estimates	26
4	DISCUSSION	29
	REFERENCES	31

1 INTRODUCTION

Argan Oil is often known as “Liquid Gold”, and it is considered to be one of the most valuable natural resources culturally and economically in Morocco. The tree of Argan grows exclusively in the southwestern side of Morocco, around cities such as Agadir, Taroudant, Essaouira, and Tiznit. (Huang 2017, 140)

The southwestern region of Morocco is known to be lived by the Amazigh (Berber) communities. For centuries, the Argan tree (*Argania Spinosa*) has been playing an essential role in the lives of the Amazigh communities, by providing them nutrition, medicine, and beauty acts. This tree has become a symbol of their cultural identity and a representation of their ecological resilience. The *Argania Spinosa* is also described as the "Tree of Life" amongst the Berbers, it is also a vital ecological buffer to desertification for them. The importance of this tree goes beyond the ecological side, as it supports the lives of about three million Moroccan people. (Huang 2017, 141-142)

Nowadays, the use of argan oil has become more organized with the establishment of cooperatives producing and selling good quantities of Argan Oil, which empowers Amazigh women, who have inherited the methods of extracting oil while improving the local economic growth. (Huang 2017, 146-147)

In 2014, UNESCO accredited as Argan oil’s source on its “Representative List of the Intangible Cultural Heritage of Humanity” because of its importance. (Huang 2017, 141) This helped to give the liquid gold a global recognition of environmental sustainability and cultural heritage. With its widespread cosmetic and culinary industries, Argan oil is amplifying its value to the point it is known to be Morocco’s natural and cultural richness. (Huang 2017, 142-143)

The objective of this thesis is to study the potential of Argan oil to enter the Finnish market in the first place, and to Scandic countries in the second place. While maintaining the sustainability value in the business model as a value proposition. Coming from the southwestern region of Morocco where the argan tree lives, and being an Amazigh (Berber), the author knows well the relevance and importance of argan oil when it comes to the traditions and cooperatives in Morocco.

Additionally, the author has spent a good amount of time interacting and understanding Finnish consumer behaviour. Therefore, the thesis discusses how Finnish consumers respond to oils that are similar to Argan, like coconut oil and jojoba oil, as they can be potential competitors in the market. The research goes deeper to cover the legal aspects and regulations from both sides of Morocco and Finland, considering certification, labelling, and health standards.

The study will be positioned to provide the basis of a business model: a platform that can integrate insights from both the cultures and the market perspectives in a direction that values ethical sourcing, sustainability and quality. The market opening for argan oil aims to provide the economic empowerment of the Berber women and some respect for the cultural heritage of the product. The following research questions will be guiding for approaching the case:

- What are the health and beauty uses of argan oil?
- Do Finnish consumers seek out natural and organic products?
- What kind of regulation and business is needed to sell argan oil in the Finnish market, for example, certificates, labelling, and imports?

The objective of this thesis is not only to study the potential of argan oil to enter the Finnish market but also to assess whether establishing a business around this product could be a feasible entrepreneurial venture for the author in the future. By analysing Finnish consumer behaviour, legal requirements, and market trends, this study aims to provide a foundation for a business model that integrates insights from both Moroccan and Finnish market perspectives, while upholding values of ethical sourcing and sustainability.

2 UNDERSTANDING ARGAN OIL AND THE MARKET

Thanks to its qualities, sustainable sourcing, and cultural heritage, argan oil has various opportunities and challenges in new markets such as Finland. This section explores its features, current consumer trends in Finland, and competitive analysis.

2.1 Argan Oil Key Features

Argan oil gained the name of “Liquid gold” for a reason. Because it’s packed with so many healthy properties and useful fatty acids, argan oil demand has been growing increasingly in the global market, especially in the European Union (EU).

2.1.1 Health and beauty benefits of argan oil

For a long time, local communities have used Argan oil as a natural tool to moisturise their skin, hair and body (Charrouf & Guillaume 2008, 602). The extracted oil from the Argan nuts is full of essential fatty acids, antioxidants, and Vitamin E, which helps to hydrate the skin as well as its healing ability. This makes argan oil, a popular choice for those with dry skin (Charrouf & Guillaume 2008, 605).

Additionally, the high volume of Vitamin E in argan oil makes suitable ingredients for strengthening hair and protecting it from external damage, especially sunlight (El Monfalouti et al. 2010, 1672). For that reason, many companies use argan oil in hair products, such as conditioners and masks, to deal with dryness.

As mentioned, the oil has also some healing properties. In Morocco, it has long been used to treat small wounds and scars thanks to its cell-regenerating capacity. Argan oil’s antioxidants can combat the free radicals that contribute to ageing, preventing skin damage. Therefore, its use helps to keep the skin smooth and youthful (Charrouf & Guillaume 2008, 603).

Besides the skin benefits, the anti-inflammatory properties can calm red or itchy skin, and make it appropriate for sensitive skin or acne-prone areas. Argan oil

can soothe irritation, and may help to fade small acne scars (El Monfa-louti et al. 2010, 1671).

Overall, argan oil is a multifunctional natural product with a positive effect on skin and hair. This natural oil is a real treasure which gives many useful properties and has a lot of useful qualities which make it so valuable, to be used across the world.

2.1.2 Global market overview for the Argan Oil

Thanks to the attractive health, cosmetics, and culinary values that it presents, the global market for argan oil has been growing dramatically since the 1990s. With the high demand coming from markets with high demands, particularly Europe, North America, and Asia. Before that, Argan was used on a smaller scale only within Morocco itself. Indeed, this has been succeeded by a surge in its exportation from as low as 36 tons in 2002 to 1,387 tons in 2016, developing the product's value commercially. This development resulted in a sharp increase in export revenues, reaching approximately 298 million Moroccan Dir-hams (MAD) in 2016 from about 935,000 MAD in 2002 (Berrada & Bennani 2018, 31)

On one hand, food-graded argan oil has gained a high profile in the gourmet cuisine world due to its robust flavour profile and nutritional value, and it's usually made from roasted kernels. The one obtained from the raw kernels on the other hand, refers to cosmetic-graded argan oil, which has become one of the most important components in luxury cosmetic products all over the world (Charrouf & Guillaume 2014, 1319).

Accordingly, the high demand for argan oil induces export growth and, in the process, undergoes significant changes in its form of production. From purely manual production, the extraction of the argan oil reached semi-mechanization to enhance efficiency and reach large-scale production without compromising its quality. This transformation has meant that Moroccan cooperatives, mainly those managed by women, could reach the quality standards necessary for international markets in order to ensure the authenticity and preservation of nutritional and cosmetic properties of the oil (Charrouf & Guillaume 2018).

Beyond that, the international reputation of argan oil has resulted in protective measures such as adaptation to the Protected Geographical Indication in 2009, which guarantees its authenticity and avoids the contamination of the oil. This certification multiplied consumer trust and strengthened this oil's position in global markets (Charrouf & Guillaume 2018).

However, the market for argan oil has seen significant growth when the demand has been increasing for natural, organic, and ethically sourced products. Therefore, Morocco, being the world's main supplier of such precious oil, is benefiting from such a type of growth, while being faced with sustainability and ecosystem preservation issues (Charrouf & Guillaume 2018).

2.2 Consumer trends in Finland

Finnish consumers are increasingly leaning towards buying natural and sustainably sourced products, which shows their environmental suitability awareness. This aligns well with argan oil which is high in nutrients and minimally processed. This makes it a very strong player in the industry.

2.2.1 Finnish consumer habits regarding natural, organic, and eco-friendly products.

Because of global trends and local sustainability, Finnish consumers increasingly prefer green and natural products over the highly processed ones. The growth of 'green consumerism' in Finland in the 1990s can be explained by international and domestic environmental movements that highlighted the importance of sustainable lifestyles. Therefore, Finnish consumers started to buy environmentally friendly products, eco-labelled goods, and adapt sustainable ways of living, such as recycling, and buying better quality and more durable products (Huttunen & Autio 2010, 150). These behaviours represent how rational Finnish consumerism highlights the responsibility environmentally and sustainably.

One of the key features that Finnish green consumerism has is its focus on moderation and practicality. However, Finns keep a distance from extreme environmentalism movements and tend to make small, everyday choices that align with their cultural values of reasoning and simplicity. For example, choosing products that make less waste and have a lower environmental impact, like those made from high-quality, durable materials. This approach shows a broader cultural value of modesty and saving, which comes from Finland's farming history and is still seen in the belief in being economical (Huttunen & Autio 2010, 147).

Even though the Finnish people are more careful about the environment, it is still hard to buy eco-friendly products, mostly because of their higher price point. Additionally, Finns have a long tradition of being careful with money, which makes it tough to want to buy green products if they have to pay extra. Young people often say that the price of eco-friendly products is challenging them from buying more of them (Kähäri 2020, 93). However, younger Finns are more open to buying eco-friendly items, especially those that are healthy or organic. This suggests that the next generation might be more willing to choose eco-friendly products (Kähäri 2020, 91).

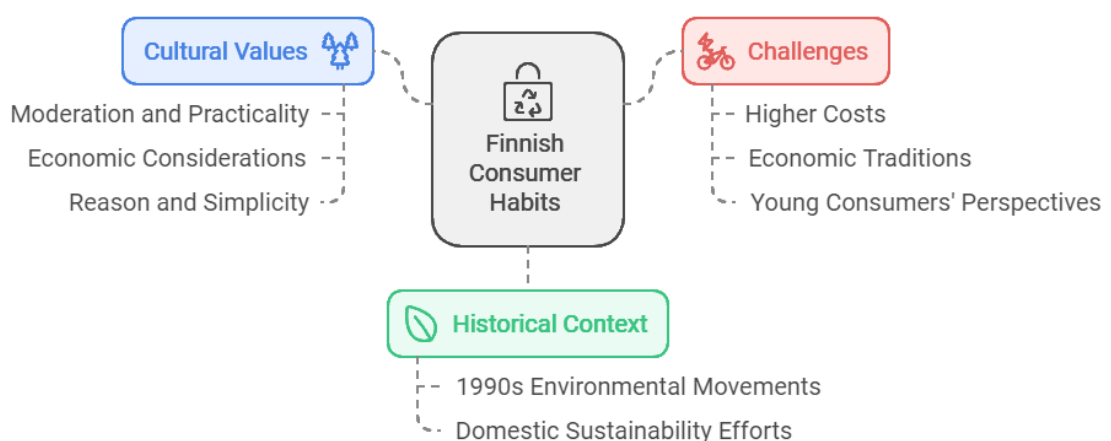


Figure 1: Finnish consumer habits. Made with the help of: Napkin. AI

Finnish consumers are starting to buy more sustainable products thanks to their environmental awareness and a long-standing cultural tradition of moderation

and rational thinking. As illustrated in Figure 1, this trend highlights the balance Finnish consumers maintain between eco-conscious choices and practical cost considerations. The picture provides a visual summary of key consumer tendencies toward sustainability. However, there is still a struggle between wanting to be eco-friendly and being practical with money, which affects how quickly and widely this change happens (Figure 1).

2.2.2 Potential interest in argan oil

The continuously growing interest in natural and organic products in Finland makes it a good potential market for argan oil. Considering eco-conscious and beauty-focused consumers could form a good niche market. These two consumer groups align well with the key features of argan oil, such as its natural sourcing, health benefits, and multifunctional properties for skin and hair care.

Argan oil extracted from the argan tree (*Argania Spinosa*) originated in Morocco is known for its high content of antioxidants, fatty acids, and vitamin E and therefore is considered a health and beauty product. This makes it a good match for Finnish consumers who look for products with a low environmental footprint and high heat content (Matthäus & Harhar 2013, 39). Moreover, it is produced by cold-pressed extraction, which is not harmful to the oil and is a good match for Finnish consumers who prefer goods that are minimally processed (Matthäus & Harhar 2013, 38).

Another important market for argan oil in Finland is beauty-orientated consumers, especially those looking for natural cosmetics. Argan oil is much favoured by the cosmetics industry because it moisturises the skin and increases its elasticity, both of which help reduce wrinkles and the appearance of fine lines. Finnish consumers who prefer clean beauty products, which are called that way because they are largely free of synthetic chemicals and packed with natural ingredients, are likely to be drawn to argan oil because of its benefits for skin and hair health (Adlouni & Drissi 2004, 1160). The oil is also effective for treating skin problems such as acne and stretch marks, dryness, and other issues. This also makes it a versatile addition to various beauty routines (Adlouni & Drissi 2004, 1163).

Scientifically proven, argan oil has been used to reduce stress, which is a major cause of skin ageing. In addition, argan oil has been used for its antioxidant properties in the cosmetics industry. These are some attractive features for Finnish consumers, especially women, who are more willing to spend on long-term skin health (Adlouni & Drissi 2004, 1161). The traditional use of argan oil in Moroccan beauty rituals also adds an element of authenticity that is important to appeal to consumers who are looking for exotic and effective beauty solutions (Adlouni 2020, 36).

2.3 Competitors and market analysis

Argan oil faces strong competition in the Finnish market from well-established natural oils like coconut and jojoba, which are popular due to their affordability and versatility. Additionally, argan oil's higher price and the challenge of educating consumers about its unique properties make it harder to stand out. Overcoming these challenges requires emphasising its special story, rich cultural heritage, and proven benefits to carve out a niche in the competitive landscape.

2.3.1 Competing Products: Coconut and Jojoba

In this busy market, argan oil has to compete with more popular, cheaper, and versatile oils like coconut and jojoba. It also faces challenges specific to Finland. Coconut and jojoba oils are favourites among Finnish shoppers because they fit the trend of buying eco-friendly and organic products.

Starting with coconut oil, it is probably the most popular natural oil in the world, including in Finland. Thanks to its richness with special fats (called MTCs), coconut oil has moisturizing, antibacterial and anti-inflammatory properties. The beneficial skin and anti-inflammatory effects explain the use of coconut oil in skincare. It deeply moisturises and soothes irritated skin, making it popular among those who like to use simple, natural products. Moreover, coconut oil is cheaply and easily available, which is a great benefit in a country like Finland where people tend to look for products with more functions and that are less expensive (Lima & Block, 2019).

Besides skincare, coconut oil is also famous in health and wellness. It is believed to promote weight loss and cardiovascular health, and many consume it as a cooking oil and health supplements. This, makes the coconut oil attractive in Finland, where people are keen on natural products that can do a multitude of things (Lima & Block, 2019). Since coconut oil can be consumed or used for cosmetic purposes, it competes well with argan oil, which is typically used as a beauty product in the West (Rueda et al., 2014).

Even though it is not as popular as coconut oil, Jojoba oil is also being used in cosmetics, but this one has been considered niche skincare. Because of its similarity to sebum (a natural oil that human skin produces), it is easily absorbed into the skin so as to not leave a greasy feeling, but still balances the skin. Jojoba oil is also rich in vitamins E and B, which are antioxidants that help to protect the skin from damage caused by the environment (Wisniak, 1994).

The fact that it doesn't oxidise and go out of date quickly is an appealing factor for both consumer and manufacturer. In Finland, where people prefer things to last long and to work well, this is a great advantage. It is also a challenge that more sensitive oils such as argan oil will have to overcome (Rueda et al., 2014).

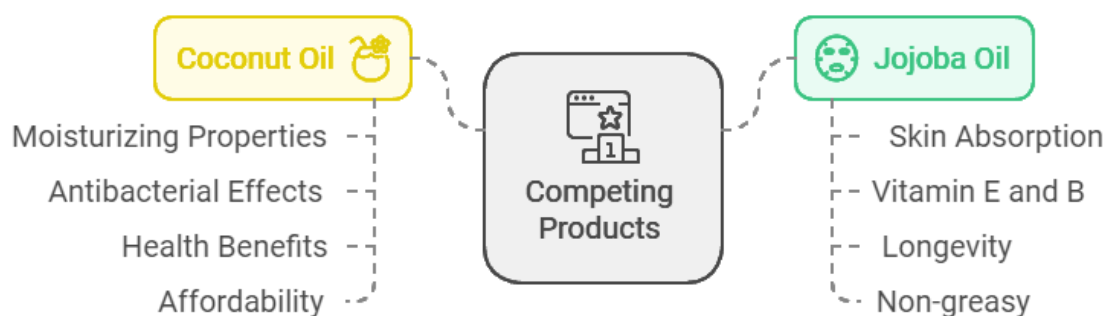


Figure 2: Argan oil competitors. Made with the help of: Napkin. AI

The combination of coconut and jojoba oils being versatile, affordable, and already trusted by Finnish consumers posed a significant challenge for argan oil. These oils have become staples in both beauty and health routines in Finland. Figure 2 provides a comparative overview of these competing oils, highlighting the distinct advantages that contribute to their dominance in the beauty and well-

ness sectors. To stand out in this competitive landscape, argan oil must emphasize its unique story, cultural heritage, and proven benefits that go beyond its chemical composition.

2.3.2 Challenges of Introducing Argan Oil

The Finnish market is very price sensitive, and when comparing argan oil to other oils, it leans more to the pricier side. This is a result of the labour intensity of the product, it needs several argan nuts to make one litre of oil, it is extracted mostly by hand by women in cooperatives in Morocco with specific techniques. Therefore, the production cost is high, and the oil is expensive to be bought for the daily routines by the Finnish consumers (Charrouf & Guillaume 2014, 1316). Things that are similar but cheaper, like coconut and jojoba oils, seem to be more appealing, unless the extra advantage of the more expensive product is clearly visible and needs to be justified.

A second limitation that is difficult to overcome is market saturation. The Finnish market is already well-stocked with natural oils, which are easy to find. Coconut oil is a multitasked, used in cosmetics, cooking and health supplements, so it is a common ingredient in many Finnish homes (Deen et al. 2020, 392). Jojoba oil, which is non-greasy and lasts for a long time, has a loyal following in Finnish beauty routines. If coconut and jojoba oils are already popular in the market, it is hard for argan oil to come in and take a significant portion of the available customers.

Furthermore, the average Finnish shopper knows little about argan oil compared to its competitors. The consumer might not be aware of the specific features of argan oil, such as a high content of vitamin E and other components that make it an excellent choice for taking care of health and the environment. While argan oil is a well-known product in North Africa and in parts of Europe, in Finland it is not as common. Therefore, educating or informing Finns about the argan oil and its benefits remains one of the necessary steps to introduce this product into the market (Charrouf & Guillaume 2014, 1317).

Challenges in Introducing Argan Oil to Finnish Market

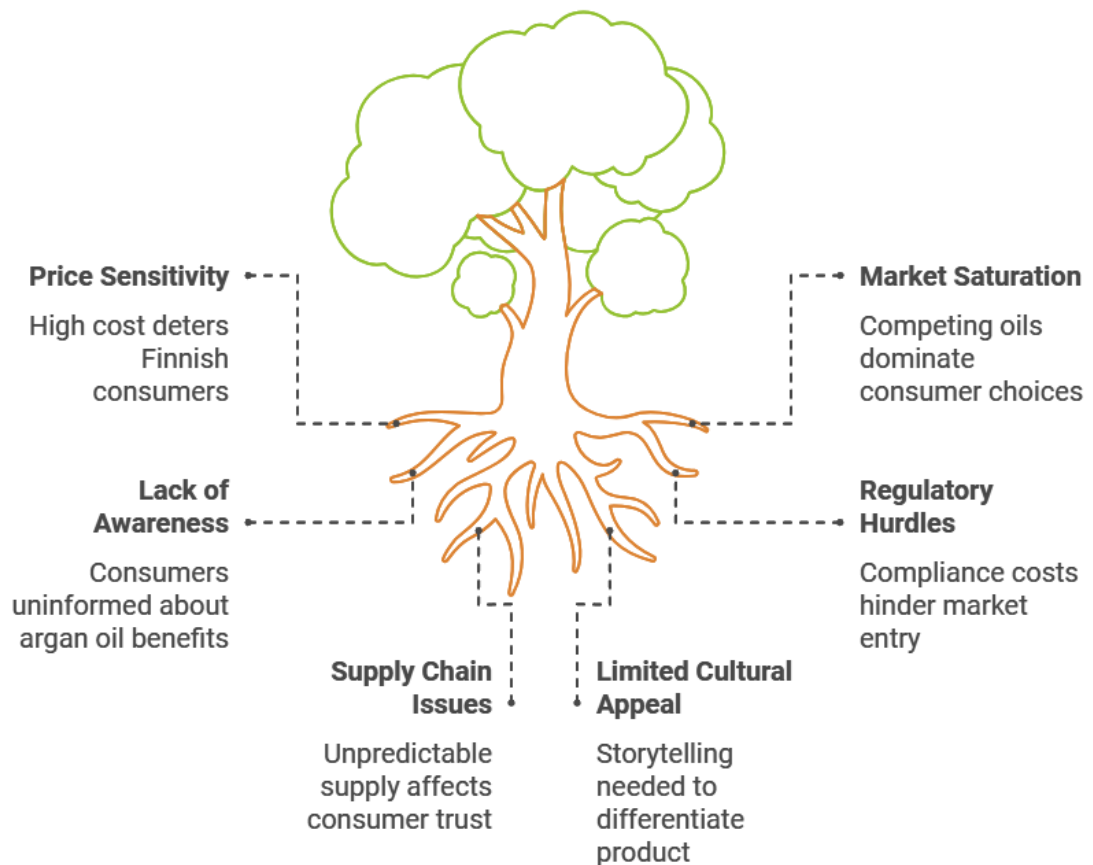


Figure 3: challenges in introducing Argan oil to the Finnish Market. Made with the help of: Napkin. AI

As noted in Figure 3, introducing argan oil to Finland involves multiple challenges, including price sensitivity, market saturation, lack of awareness, supply chain issues, and regulatory hurdles. These challenges underscore the importance of storytelling and cultural connection. For example, argan oil's cultural narrative, produced by women's cooperatives in Morocco as part of sustainable development, can appeal to eco-minded Finnish consumers and help carve out a niche for the product. This rich cultural story differentiates argan oil from competitors like coconut and jojoba oils, which lack similar social and cultural resonance (Matthäus et al. 2013, 40).

Moreover, there are regulatory and supply chain issues. Argan oil has to meet the rules of the European Union (EU) in order to sell in Finland, including complying with organic certification, cosmetics safety standards and product labelling requirements. All of this can be time-consuming and costly, especially for smaller

brands. Argan oil also limited production region in Morocco, which can result in unpredictable supply and fluctuating prices over time. If the supply chain does not provide a consistent and high-quality product, consumer trust can be undermined, and disruption in supply can damage the brand's reputation in Finland (Charrouf & Guillaume 2014, 1320).

In spite of these obstacles, argan oil has a distinctive profile that may allow it to succeed in the Finnish market. Its moisturising properties, high percentage of vitamin E and essential fatty acids make it particularly suited to dry and ageing skin. Argan oil's anti-ageing assets could appeal to Finnish consumers who purchase natural products that help to protect against environmental damage and the effects of ageing. The product could be positioned as a luxury, ethically produced product and sold to a niche market of eco-conscious and socially responsible consumers (Charrouf & Guillaume 2014, 1320).

Telling the story of where argan oil comes from, how it is traditionally extracted and how Amazigh (Berber) women are empowered by cooperatives, could appeal to those Finnish consumers who want to know the story behind the products they buy, and how they are ethically sourced. Storytelling could help argan oil to find a niche in the market, distinct from coconut and jojoba oils, which might be identical in their chemical makeup, but lack the cultural and social resonance attached to them (Charrouf & Guillaume 2014, 1319).

Overall, although its introduction to the Finnish market is not without challenges, the unique qualities and cultural heritage of argan oil present opportunities. By addressing the challenges of price-sensitive consumers, industry saturation, and educating consumers about the product, it can create a niche for itself in Finland by emphasising ethical and sustainable practices.

3 BUSINESS PLAN AND LEGALISATIONS

Ensuring compliance with Moroccan and Finnish regulations, including certifications and labelling, is essential. Additionally, building a business plan that highlights the product's unique value proposition and targets eco-conscious consumers can set the foundation for market entry. Effective marketing, focused on storytelling and sustainable practices, alongside strategic financial planning, will help overcome initial costs and establish argan oil as a desirable product in Finland.

3.1 Legal steps for exporting and importing

In order to have a smooth entry for the argan oil into the Finnish market, it is necessary to get the hang of the regulations when it comes to exporting from Morocco and importing into Finland. Additionally, compliance with these rules is vital for building consumer trust and avoiding legal hurdles, ensuring that the argan oil reaches the Finnish market in a reliable and transparent manner.

3.1.1 Exporting regulations in Morocco

Exporting argan oil from Morocco involves a regulated process designed to maintain its quality and authenticity, ensuring it meets international standards. This oil, extracted from the nuts of the Argan tree, is highly valued worldwide for its culinary and cosmetic benefits. Due to growing demand, Morocco has put in place strict rules to manage argan oil exports, protect local jobs, and preserve the oil's heritage.

Moroccan exporters must acquire licences to export argan oil. In 2022, it has become necessary to acquire a license in order to export bottles larger than 5 liters. The license can be granted by Morocco's Portnet, it is a digital system designed to simplify trade operations (Rahhali 2022). On one hand, this regulation aims to control the export quantities. On the other hand, it helps many Moroccans to keep their job, especially those working in the bottling process.

Additionally, Moroccan argan oil production is regulated by the National Office for Food Safety, and the United Nations Industrial Development Organization

(UNIDO) has worked with the Agricultural Development Agency to prepare guides to help Moroccan producers comply with international hygienic and safety standards (UNIDO n.d.). This initiative is part of a larger program that supports small rural producers, helping them increase productivity, achieve certifications like the Protected Geographical Indication (PGI), and access premium markets (Moroccanoil n.d.).

For international markets, certification is the key. Argan oil is often certified as organic and given the PGI to guarantee both the oil's Moroccan origin and to protect the characteristics that derive from its traditional production process, which in turn reflect the cultural heritage linked to Moroccan argan forests. This is important, as many consumers are looking for products, they know the origin of, especially European Union countries (Moroccanoil n.d.).

Beyond its market value, the entire cycle of exportation is rooted in the argan oil's heritage in Moroccan culture. Traceability and certification help consumers identify the product's origins, and the integrated journey from Morocco's forests to world markets, followed with sustainable practices, is representative of a new value chain. With the support of the state, the exportation process has provided local communities, and especially women working in cooperatives, with a steady income and empowerment (Faouzi 2024).

In conclusion, the organised export of argan oil from Morocco manages to preserve its quality and authenticity while adapting to the requirements of the global marketplace. As world demand for this product increases, Morocco's licensing, safety and certification procedures will be even more important to protect the brand image of this noble product for the benefit of local communities, and for the growing pool of responsible consumers worldwide.

3.1.2 Import regulations in Finland

In order to put argan oil on the market in Finland, importers must follow certain rules regarding labelling, packaging, and safety, which conform to both EU regulations and specific Finnish regulations such as the Food Act and those outlined by the Finnish Food Safety Authority (Finnish Food Authority 2020) . These rules

are in place to protect consumers and guarantee truthful information on food products sold on the Finnish market.

All information needs to be clear, honest, and complete. Finnish labels on argan oil products, as with all other food products, must contain the product name, ingredient list, potential allergens, net quantity, expiration or “best before” dates, and nutrient declarations. They should also include the name and address of the food business operator responsible for the product. As the Finnish language is the main spoken language in Finland, labels must be in Finnish first and then Swedish as a second language (USDA Foreign Agricultural Service, 2011) . This requirement applies to prepacked food products, while non-prepacked foods have more flexible requirements but still need to provide consumers with basic information at the point of sale.

Finnish laws restrict all packaging materials to ensure they do not contaminate the enclosed food. The packaging of argan oil, like that of all food products, must maintain purity, keep the contents fresh, and prevent any harmful substances leaching into the product. These standards align with EU laws designed to protect consumer health and food purity (USDA Foreign Agricultural Service, 2011) .

Regarding health and safety, argan oil must be free of substances in quantities that could harm the consumer. Finnish authorities apply strict safety checks to any product they believe could be at risk, especially items like fresh meat and seafood. Although argan oil is less likely to be contaminated, it must still be free of harmful chemical contaminants or residues (Finnish Food Authority 2020) .

Interestingly, argan oil can be marketed as both a food product and a cosmetic. Cosmetic products usually don't have to follow the same labelling rules as food, but if argan oil is sold as food, it must respect EU food labelling regulations. However, if sold as a cosmetic, it does not need food labelling. In cases where it contains hazardous substances, labelling under the EU “Classification, Labelling, and Packaging” (CLP) Regulation might be required (Klaschka 2012) .

Moreover, importers must prepare essential documentation proving that their products comply with all Finnish and EU rules. Important documents include

health certificates, certificates of origin, and organic certification (if applicable). Along with careful paperwork, which can help enter the Finnish market (USDA Foreign Agricultural Service, 2011) .

Importers need to ensure that labels meet language requirements, include all mandatory product information, and that the packaging is suitable for food products. Finnish authorities routinely audit and inspect imports, so familiar with these regulations is crucial. Provided that health, safety, and consumer information requirements are met, the product is allowed into the Finnish market (Finnish Food Authority 2020) .

3.2 Business model development

Building a business model is a mandatory step in order to introduce argan oil to the Finnish market, this model involves presenting argan's unique proposition and identifying the target audience. The unique value can be presented by the sustainable production cultural heritage, and social empowerment. The target audience can vary between environment friendly customers and health-oriented individuals, which can be a very niche selection.

3.2.1 The value proposition of argan oil

Argan oil is distinctive in the global market both because of the quality of the products, the cultural history it represents, and the environmental sustainability of its origins. It is harvested from the *Argania Spinosa* (argan tree) that is native to southwest Morocco, and it is produced almost exclusively by women's cooperatives that preserve the traditional harvesters' methods while maintaining a social sustainability. The authenticity of the product, its organic certification and cultural history are the core of its appeal to consumers who want ethically sourced and environmentally sustainable products (Perry 2020).

At the same time, argan oil's authenticity is tied up with its Moroccan provenance and the traditions of its production. Women's co-operatives that use labour-intensive, hand-pressed extraction methods help protect the oil's purity and quality,

protecting local knowledge and giving rural women who make it, a way to earn a living. PGI certification guarantees the oil's authenticity and, in the marketplace, helps to distinguish it from mechanised, mass-produced fakes. This commitment to tradition and authenticity ensures a high-quality product while also helping to maintain a historical cultural practice (El Maouardi et al. 2023).

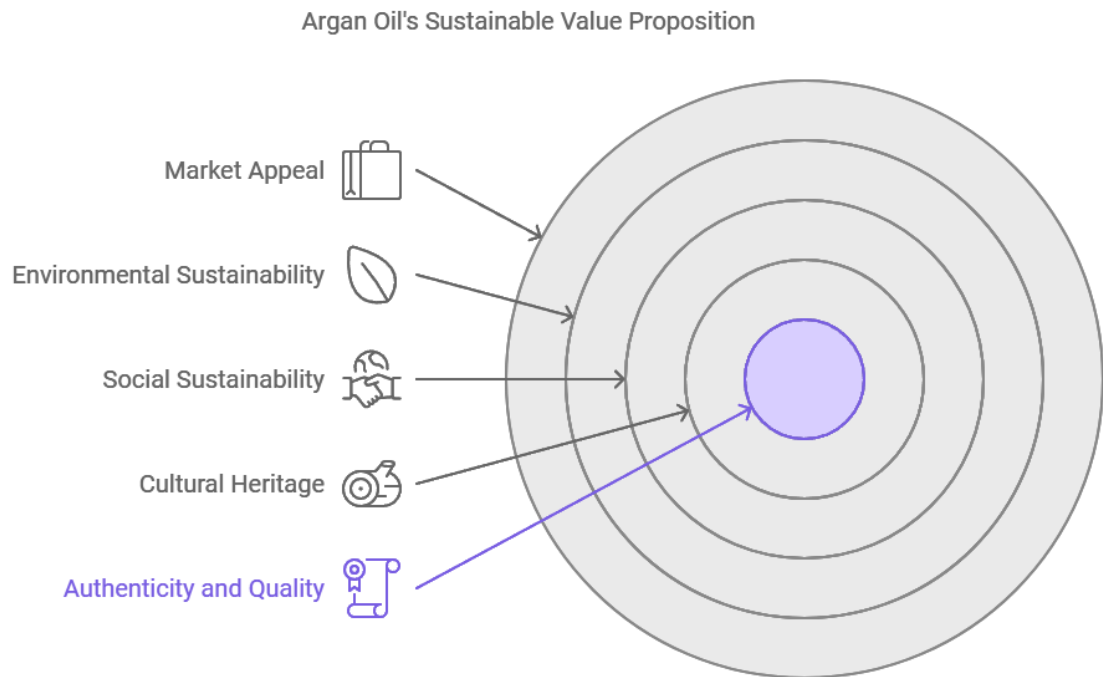


Figure 4: Argan oil's value proposition. Made with the help of: Napkin. AI

Certified organic production of argan oil can go a long way in helping to build trust with consumers, particularly environmentally conscious ones. Organic certified foods are free of artificial chemicals and grown in a manner that encourages sustainable agriculture. The value proposition of argan oil, as seen in Figure 4, is based on environmental, cultural, and social sustainability, which is a cornerstone of the market. Finnish consumers, for example, say they are willing to pay a 37% premium for organic-certified products due to their health and environmental advantages (Salo 2014). This accreditation improves the oil's market position, especially in areas where sustainability and production transparency are paramount.

The carbon footprint of argan oil production is relatively low, and when produced by traditional methods, even lower. Given that most of the processes are manual, and require less energy. Therefore, less carbon to produce this oil (Bayssi et al.

2024). Over the past few years, many producers and exporters of argan oil have been taking steps to make the process even more environmentally friendly. In some cases, solar power is used to further reduce the carbon footprint, while keeping in mind to make the overall production process more sustainable. Furthermore, the argan trees themselves are a source of carbon-sequestration, helping to mitigate climate change. (Bayssi et al. 2024).

3.2.2 Target market in Finland

To successfully launch argan oil into the Finnish market, a clear consumer base and the best distribution channels need to be identified. There is an increasing demand for natural and organic products in Finland, which is driven by the rising consumer awareness of sustainability and the ability of eco-friendly products to promote good health. The changing trend in Finland reflects the favourable market conditions for argan oil, as it fits with the consumer's preference for responsibly sourced and more environmentally friendly products.

Eco-conscious consumption represents an important segment of the Finnish market, and consumers are often strongly committed to environmental sustainability and ethical consumption, which influences their buying behaviour. Consumers favour products that are organic, ethically sourced and produced with a low environmental footprint. In this regard, the story behind argan oil production is just as important as the product itself, and consumers would be willing to pay a premium item that is fair trade, environmentally friendly, and socially sustainable. And women's cooperatives produce argan oil using traditional and environmentally sustainable methods (Ratajczak et al. 2023).

Finnish consumers, especially those in urban centres such as Helsinki, Turku and Tampere, have shown a growing interest in products that contribute to the sustainability of global production. The interest in eco-labelled and fair-trade products in Finland can be explained by reference to international environmental movements as well as to enhanced consumer awareness in general (Matthäus & Harhar 2013). Finnish consumers often prefer cosmetic products with a guarantee of sustainability, for instance, through eco-certifications and a clear ethical narrative

behind them. Argan oil fits perfectly into this market because it is not only having cosmetic benefits but also contributes to the sustainability of global production (Charrouf & Guillaume 2014).

The second most important target group of beauty and health-conscious consumers in Finland are those who are interested in products that offer health benefits to skin and hair, and who are searching for natural products. 'Clean beauty' products, which are free of synthetic chemicals and contain ingredients that are natural or derived from natural sources, are increasingly popular in Finland as part of a broader wellness and self-care movement that is sweeping the globe. Beauty and health-conscious consumers are interested in the moisturising, anti-ageing and regenerative properties of argan oil, which are due to the high concentration of antioxidants, vitamin E and essential fatty acids in the oil (Matthäus & Harhar 2013).

Finnish women aged between 25 and 45 are constantly looking for products that are good for health and the environment. Its benefits of skin elasticity, reduction of wrinkles and repairing of hair damage will appeal to a domestic market where people are increasingly concerned about the long-term health of their skin. It is this 'anti-ageing' property that appears to make argan oil so attractive (Ratajczak et al. 2023).

Urban professionals, and particularly 20s- and 30s-year-olds, are an important new market group for premium beauty and wellness products, and they are digitally clever (following global trends) and often looking for niche, high-quality products that represents exclusivity (Matthäus & Harhar 2013). This group is also interested in products that are beneficial not just for themselves but for society and the environment as a whole. A beauty enhancer as well as a product of sustainable, ethical production, is poised to attract them. Finally, this group is accustomed to convenience and accessibility, so online retail is a key channel for them (Ratajczak et al. 2023).

3.3 Marketing and financial overview

Achieving the goals of launching argan oil in Finland needs a comprehensive financial outline and a marketing strategy. Effective marketing should leverage storytelling that highlights the cultural heritage of the oil, its sustainable production, and its benefits for skin and hair. Additionally, budgeting for these expenses and planning for economies of scale can enhance profitability.

3.3.1 Marketing strategy

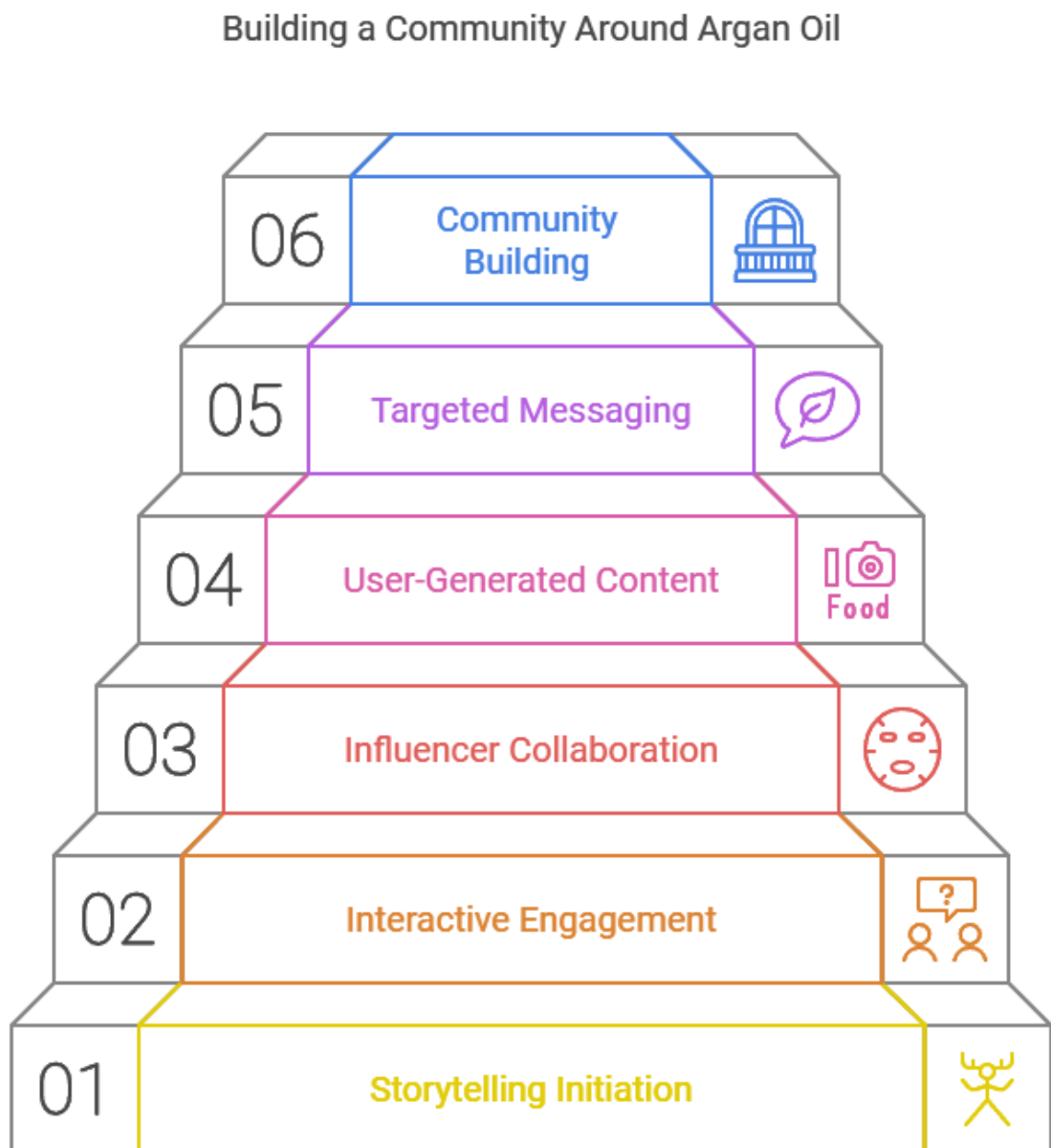


Figure 5: Argan oil marketing strategy. Made with the help of: Napkin. AI

In this digital age, brands use social media to gain an advantage by engaging consumers on a more personal and intimate level. In the beauty and wellness

field, storytelling significantly influences consumers, and Instagram is a particularly effective platform for this purpose. For argan oil, being a naturally visual product, its brand can showcase not only the product but also tell the story of its origin, a place with exotic landscapes and a culture deeply connected to its production (Gani et al. 2023).

Brands can employ interactive methods to build a real community around the product, as outlined in Figure 5, which emphasizes storytelling initiation, influencer collaboration, and interactive engagement as key steps in marketing strategy. For example, live Q&A sessions allow consumers to ask questions about argan oil's benefits for skin and hair or its sustainable sourcing, fostering real-time engagement. Studies indicate that such interactions enhance customer loyalty, making consumers feel noticed and valued (Lauwrence et al. 2024). Additional tools like polls or surveys in social media stories further involve users, enabling them to voice their preferences. For instance, followers might vote on whether they use argan oil for hair or skin care, creating a sense of participation in shaping the brand's direction (Kuntara et al. 2024).

Another effective social media tactic involves collaborations with influencers and promoting user-generated content to introduce authenticity. When influencers focused on natural lifestyles share their real experiences with argan oil, followers perceive the product as more authentic and relatable. This strategy leverages a network of trust, making it easier for potential customers to envision the product in their routines, which is more convincing than traditional advertisements (Gani et al. 2023). Encouraging customers to share their own before-and-after photos or unique ways they use argan oil contributes to a shared community experience, inspiring others to try the product, while fostering a sense of belonging among existing users.

Social media targeting capabilities allow brands to address niche audiences, such as eco-conscious consumers. By targeting these segments with messages that highlight the brand's natural, ethical, and eco-friendly credentials, brands can use marketing resources more efficiently, focusing on audiences that are already inclined to be interested. Combining targeted ads with organic storytelling

strengthens connections with these segments and makes marketing efforts more meaningful (Menon et al. 2024).

Storytelling elevates a product from utility into a meaningful experience, allowing brands to engage customers on an emotional level. For argan oil, the story is rich in cultural heritage, reflecting traditional Moroccan practices and sustainability values. A campaign sharing argan oil's journey from Moroccan women's cooperatives to beauty routines worldwide, transforms it from a beauty product into a symbol of heritage and ethical consumption. This approach resonates particularly with Finnish consumers who value natural beauty and ethical sourcing, providing them a meaningful connection to the product's origins and purpose (Menon et al. 2024).

One creative storytelling method might feature the lives of the Moroccan women behind argan oil production, shared through short video documentaries or day-in-the-life posts. By personalizing the product's backstory, the brand can make consumers feel invested in its values and mission. This approach not only adds authenticity but also elevates the product as a symbol of empowerment and sustainable practices, inviting consumers to "meet" the creators virtually. This level of storytelling fosters a connection that goes beyond aesthetics, making each purchase feel like an investment in positive change.

Involving customers in the brand's story further enhances engagement. Brands can encourage users to share their personal routines with argan oil, illustrating its impact on their lives, skin, and wellness. This strategy is inspired by brands that successfully harness user-generated stories to make the brand feel accessible and relatable (Kuntara et al. 2024). The users might share how they use argan oil for dry winter skin, while another might describe using it in a hair mask. By resharing these stories, the brand co-creates its narrative with customers, helping them feel part of a larger community.

Another idea for creative storytelling is an "Argan Oil Journey" series on social media, where users can follow the oil's path from harvest to bottling through weekly posts, videos, and even livestreamed moments from Morocco. Each week, a new part of the process could be revealed, allowing followers to feel as

though they are travelling with the product, learning about the people, landscapes, and processes that make argan oil unique. This storytelling approach not only promotes the product but also builds an experience and emotional connection, encouraging consumers to value argan oil not only for its beauty benefits but also for its ethical and cultural significance.

3.3.2 Basic financial estimates

Since Finnish consumers are financially cautious, it is necessary to pay attention and plan carefully for funds to introduce a product like argan oil to the market. The costs can vary between initial expenses on one hand, such as sourcing, packaging, and distribution. On the other hand, long-term costs, like marketing, rent, and personnel salaries. Starting with argan oil itself, and its price depends on the quality and exclusivity of the product, especially when referred to as “liquid gold”. Due to its high demand and traditional extraction process (Degen 2023). A litter of argan oil typically costs between \$30 and \$50. For a small batch of around 100 litters, the costs of the oil alone would be approximately between \$3,000 and \$5,000.

Besides protecting the product during transportation, packaging also impacts consumers' first impressions. Packaging prices differ based on the type of bottle. Simple bottles could cost between \$0.50 and \$3.00 per bottle. Assuming each litter of argan oil produces four bottles (250 ml each) and 100 litters of oil are produced, approximately 400 bottles would be required, with packaging costs ranging from \$200 to \$1,200 depending on bottle choice (Elame et al. 2022).

Distribution involves logistics and shipping costs. In Finland, Posti's standard shipping fee for a small parcel up to 2 kg is about €7.90. With eight bottles fitting in one parcel, the total number of parcels needed for 400 bottles would be 50, resulting in an estimated shipping cost of €395 (Posti 2024).

The initial estimated cost to enter the Finnish market with argan oil thus comprises \$3,000 to \$5,000 for sourcing the product, \$200 to \$1,200 for packaging, and approximately €395 for distribution. This breakdown aids entrepreneurs in

budgeting and preparing the market entry process to ensure that all logistical bases are covered, setting the stage for a smooth launch of argan oil into the eco-conscious Finnish market.

Cost Component	Description	Estimated Cost	Notes
Argan Oil Sourcing	Cost of purchasing argan oil	\$30 - \$50 Per litter	Cost varies by quality and quantity; bulk discounts may apply
Packaging	Bottles, labels, boxes, etc.	\$0.50 - \$3.00 Per unit	Cost varies based on design complexity and materials
Distribution	Logistics and transportation via post	€7.90 Per package	Cost depends on the package size and destination within Finland
Initial Inventory	Stock of raw materials and finished goods	Depends On scale	Important for meeting initial demand without delays
Storage Facilities	Rental costs for warehouse space	\$100 - \$1,000 A month	Varies significantly depending on location
Regulatory Compliance	Testing, certifications, legal fees	\$500 - \$3,000	Necessary for market entry, varies by region

Table 1: Cost estimation for argan products

The Finnish market is cash-strapped, so the launch of argan oil needs to be carefully orchestrated to balance price and value. While sourcing, packaging, distribution and compliance would be initial costs, one takeaway is that the costs should be on par with what the market expects in high-quality, environmentally responsible goods.

For instance, the following breakdown explains how much it would cost to produce a 250 ml bottle of argan oil:

- To buy the oil: \$30 per litre (\$7.50 for 250ml)
- Packaging: High-grade environmentally friendly packaging only costs about \$2 a bottle.
- Marketing: The shipping for a single bottle in Finland costs around €1.50 (\$1.60).

- Compliance and marketing: Consolidated per unit fees, such as certifications and branding, cost around \$1.90.
- Retail price per 250 ml bottle: \$13.00 to \$15.00, depending on the size and distances of shipment.

In retail, the product might cost €29.99 (\$31.50) to remain competitive while evoking the artisan quality of argan oil. This pricing meets the expectations of Finnish consumers who seek out quality, ethically sourced products and offers a margin of approximately €15 per bottle.

As stated earlier, Finnish customers value eco-friendly products, but they are extremely price-conscious (Kähäri 2020). This situation means that the price of argan oil should show its high quality while also meeting customers' expectations for value. Earlier discussions highlighted how versatile argan oil is, which allows it to be seen as an investment instead of just a luxury product (Charrouf & Guillaume 2014).

Also important is the cultural and ethical story of the Moroccan women's cooperatives that produce argan oil. This story aligns with Finnish consumers' preference for products that are ethically sourced and made sustainably (Huang 2017). These factors can be explained in a way that brands will be able to connect emotionally with their customers, which in turn, could warrant a higher cost.

Buying in larger quantities will be crucial for making products more affordable. Purchasing raw materials in bulk and improving logistics can lower production costs while still maintaining quality (Elame et al. 2022). Additionally, allowing smaller, affordable trial packs will allow first-time consumers to sample the product's benefits before making bigger purchases, helping them get comfortable with the market.

In conclusion, the financial estimates provide a good starting point for entering the market, but they need to be supported by a clear pricing and marketing plan. By focusing on Finnish consumers' values and addressing their concerns, the plan can ensure a strong market entry. This approach gives argan oil a chance to stand out as a sustainable and ethical choice in the Finnish market.

4 DISCUSSION

There seems to be an opportunity for argan oil in Finnish market, where high quality natural products are highly valued, even though this product can be pricy. Often described as “liquid gold”, argan oil is a natural, healthy oil that can be used in beauty products especially for moisturizing. Consumers around the world want to look younger, and argan oil is very useful in anti-aging products. Additionally, Finnish consumers, who are increasingly drawn to natural and environmentally friendly products, most will be welcoming to argan oil. However, introducing it to the market means considering the financial investment, from production and packaging to distribution and ongoing costs, such as marketing and rent. Planning the budget carefully will help anyone aiming to establish themselves in the Finnish market stay on the right path to a sustainable outcome.

One of argan oil’s biggest advantages is its cultural and ethical value. Imported from Morocco and produced by women’s cooperatives, it contributes to the well-being of local communities and helps maintain traditional customs, a feature that Finnish consumers are likely to appreciate. Emphasizing the product’s origins, the preservation of traditional methods, and the community support it offers can add to its appeal. In a market already filled with competing oils, like coconut and jojoba, argan oil’s unique background helps it stand out in its own niche.

In a regulated market like Finland, clear and informative packaging helps ensure transparency and compliance. Using functional, attractive packaging with clear labelling on argan oil’s benefits aligns with Finnish consumers’ preference for simplicity and readable information. Beyond protecting the product, packaging provides essential information about argan oil’s health benefits, verified by independent organizations, and its environmental and ethical standards.

Social media is another powerful way to connect with Finnish consumers, who are active users of social media platforms. By sharing how argan oil is created and its benefits, brands can build a personal connection with consumers. Interactive elements, like Q&A sessions or polls, let consumers engage directly with

the brand, reinforcing its authenticity and trustworthiness. Social media also provides the perfect tools to target a niche audience that will have higher interest in the product.

In conclusion, argan oil will need a well-thought-out marketing strategy and careful planning to find a place on Finnish shelves and in Finnish homes. However, the product has much in its favour. With strong claims in health, beauty, sustainability, and ethics, along with a compelling story, argan oil has a good chance to stand out from the competition. By budgeting wisely, adhering to regulatory standards, and educating consumers, brands can make argan oil not only a new choice but the right choice for eco-conscious Finnish shoppers.

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