The challenge of early sales planning in green startups: How to sell and to whom?

A Master's Thesis submitted for the degree of “Master of Business Administration”

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Vienna, 28.06.2020
Affidavit

I, DIPL.-ING. CARLOS OMAR TREJO CABALLERO, MSC., hereby declare

1. that I am the sole author of the present Master's Thesis, "THE CHALLENGE OF EARLY SALES PLANNING IN GREEN STARTUPS: HOW TO SELL AND TO WHOM?", 81 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and

2. that I have not prior to this date submitted the topic of this Master’s Thesis or parts of it in any form for assessment as an examination paper, either in Austria or abroad.

Vienna, 28.06.2020

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Signature
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Preface

I must confess, that studying this MBA in Entrepreneurship and Innovation at the WU Executive and the TU Wien has been one of the most exciting experiences in my life, as it gave me the opportunity to meet very interesting people and learn about interesting topics. Furthermore, I am so happy to close this cycle by writing about organizations that are making our world a better place. I want that, when my son Jonathan grows up, thinks about me as a man that fought to keep a beautiful green world for him and his family and friends. I chose to write about Green Strat-ups and sales strategies because Permaculture (sustainable living systems) had taught me that there are sustainable and responsible ways to make business and that creating value must consider keeping the world beautiful for the ones you love. So here I am, with my 37 years of experience as a human-being, sharing with you, how many incredible minds are out there implementing sales strategies that are transforming our consumer-behavior by offering sustainable products and services.

Special thanks to my wife Judith Eppacher, who supported me the past two years and to my parents who support me everywhere where I go. Also, to Jonathan, because without him, such beautiful ideas about preservation and life would had never entered my mind. Finally, I send my most sincere thanks to Christian Lüthje for his support through this work and my most sincere applause to all the green entrepreneurs who supported my work, great job!

“Let’ keep businesses green to preserve the quality of life for the generations to come”

Carlos Trejo.
Abstract

Our world requires more than ever green entrepreneurs, willing to develop sustainable solutions to solve the ecological problems caused by our modern way of living. This work focuses on the major challenge of Green Startups: finding customers and generating sales. This thesis presents a clear definition for Green Startups, statistical data, as well as trends, opportunities and challenges, as well as a simplified methodology based on the Eco-Canvas for a circular economy, to analyze the value proposition of Green Startups to identify customers, implement communication and sales channels that enable to capture value.

This work presents:

1. An empirical study of Green Startups in Austria and a survey of the communication and sales channels of preference in Europe taking into account six different sectors where Green Startups operate: Green Energy, Organic Textiles, Organic Food, Raw Materials, Green Mobility, Natural Cosmetics and Household Products.

2. An analysis that leads to the formulation of useful recommendations for coming green startups when developing a strategy to attract consumers and generate sales.

The study shows that the simplified methodology based on three steps from the Eco-Canvas can be useful to analyze the social and environmental impact of the business to maximize its value proposition, locate the suitable customer segment through communication and sales channels that generate sales.

It has been found that successful entrepreneurs are supported by a network in order to generate the first sales, most of them make use of the internet to create awareness of their products and services, as well as to close sales and that are strongly supported by the word of mouth.

The customers for each sector have different channel preferences. There is a dominance of the internet as the first option for searching for products and services, with exception of the organic food, natural and household products, were the public prefers to visit local shops over all the options assessed in this work.
Chapter 1. Introduction

Our world requires more than ever enthusiastic entrepreneurs willing to develop sustainable solutions to solve the ecological problems caused by our modern way of living. At the present, our planet is home to approximately 7.3 billion people and is expected to grow up to 9.7 billion by 2050 (UNEP, 2015). According to several studies, published in the International Business Guide, since 2013 it already takes one and a half planets of the size of the Earth to provide the resources that we require and reprocess the waste that we generate in one year, and therefore managing our resources to produce more with less, while decreasing collateral damage to our environment had become a matter of survival for our species. Going beyond the natural boundaries of our planet, also called earth system, processes have converted into the biggest danger of our society (Steffen et al., 2015).

Green Startups are very important to achieve the sustainable development goals (ONU – SDGs, 2019) to improve the quality of life on our planet and to bring fundamental solutions to problems like climate change, the loss of biodiversity and water scarcity. Due to the shortage of resources on our planet (Steffen et al., 2015), it is a matter of fact that there is an increasing opportunity for start-ups for creating profitable businesses which are able to offer solutions to produce more with less resources, which also reduce collateral damage to the environment (Kuckertz and Wagner, 2010).

When reviewing the literature, it is biggest challenge to figure out how to overcome the Death Valley. Feinleb (2012) described, that most of them are not able to generate significant revenues or even enough attention from the market in order to scale their business. The work from Fichter. et. al., 2020, on Green Startups, also reports that the biggest challenge is making new customers and selling their product and/or services. As a matter of fact, Green Startups are also founded with the purpose to generate value, they require a management strategy that enables them to engage with the society and demonstrate that their business is economically viable while also socially and environmentally sustainable (Parnell, 2008). Therefore, Green Startups must find creative ways to integrate all these parts (economy, society and environment) using more holistic approaches.

So, how to introduce those green and revolutionary services and products into the market to push forward for a sustainable green economy? The goal of the current work is, to explore promising marketing & sales strategies in order to understand more about the logic behind important decisions taken by Green Entrepreneurs. The question of success factors in marketing and sales of start-ups will be investigated in a sample of start-ups in Austria by means of interviews. The work will be supplemented with the collection of information regarding the most preferred sales and distribution channels used by people in Austria. It’s
good to create green ideas, but it’s great bringing them into the market as sustainable businesses and it is the only way to keep an eye in our future!

1.1 Objectives of the Thesis:

Based on the assumption, that green startups start from a weak market position and limited resources, they are challenged by a market which is just starting to be aware of the need of sustainable products and services, this work aims to:

- Identify and analyze the sales and distribution strategies followed by green startups.
- Establish recommendations of sales and distribution strategies for Green Startups in Austria.

1.2 Structure of the Thesis

This work consists of 6 chapters:

- **Chapter 1** presents a short introduction to Green startups and the justification for the work presented in this thesis.
- **Chapter 2** presents a definition for Green Startups and useful studies on the topic, as well as the opportunities and challenges behind this organizations. The data-base used is mostly from Germany due to the fact that this country has a clear definition for Green Startups and has generated useful studies on the topic.
- **Chapter 3** presents a literature review focused on the theoretical background required to implement a simplified tool for the analysis of the sales strategy of Green Startups presented in this work.
- **Chapter 4** presents a description and justification of the empirical methods used to compile information, first in the form of interviews to green startups in Austria and secondly supplemented by a survey addressed to users, which, rather than pointing out consumption preferences, aims to find out which are the sales distribution channels most used per industry sector.
- **Chapter 5** presents the results from the interviews in form of case studies, and the results from the surveys using a quantitative approach. Furthermore, this chapter presents an analysis of the results, aiming in finding relations between the channels used by green entrepreneurs and the ones which people mostly use in order to evaluate the sales and distribution strategy of the green startups selected for matter of this study.
Chapter 6 presents a discussion which aims to compare the literature review against the results obtained, and finally a conclusion for the study, including helpful recommendations addressed to green startups when taking important decisions to set effective sales and distribution channels, which allow them to find customers and monetize their projects.

Chapter 2. Green Startups

Startups are young organizations founded by entrepreneurs who want to introduce a new solution for a specific need in the market (Ries, 2019). According to Karl-Heinz Leitner et al., 2020, their value proposition can be presented in form of information, a new technology, or a new product or a service and an innovative business model. Nevertheless, a startup doesn’t necessarily need to create something new, but can take an existing value proposition and offer it to a population who still doesn’t have it (Ready, 2011). A company can even be considered a startup, if it offers a product or service that already exists but adds an improvement to its performance, or is able to deliver faster and a more efficient ways, or is able to create value using an innovative business model, which typically disrupts the market (Ready, 2011).

Startups are considered organizations that operate in situations of high risk, due to the fact that they still don’t have customers, they still don’t know have a clear picture of their ideal customer, and don’t even know how their end product or service should look like in order to be successful (Ries, 2019). Additionally, they count with limited resources compared to well established companies (Ready, 2011). Furthermore, all startups aim for economic growth and to increase their working force (Leitner et al., 2020).

In addition to the first definition, Green Startups differ from the non-green ones for being able to introduce services, products and technologies that focus on the protection of the environment and the society. This way, they help to build a green economy (Olteanu, 2020).

In Germany alone there are approximately 21% of start-ups - 6,100 in total - categorized as green start-ups (Olteanu, 2020). In Austria, 46% of startups focus on social or ecologic goals, by developing sustainable products and services (Leitner et al., 2020). Having said that, there is not yet a clear differentiation for this category.

Boons et. al., 2013 distinguishes between three general types of value proposition based on the focus of their activities: technology, society, and organization. The first one aims to maximize the outputs by eliminating waste or substituting resources by renewable ones. Green Startups, which are working under a technological value proposition, are developing innovative products and processes. The social oriented value proposition promotes functionality rather
than ownership, by offering alternative administration methods and it can even encourage customers to self-sufficiency. Green Startups which focus on a social value proposition, offer new chances to the ones who can’t solve a determined problem by their own means. Finally, Green Startups working under an organizational value proposition achieves sustainability by changing conventional business structures, including the way in how a business can be scaled while committing to social and/or environmental interests (Bocken et al., 2014).

Table 1. The sustainable business model archetypes (Based on Bocken et al. 2014)

<table>
<thead>
<tr>
<th>Archetypes</th>
<th>Technological</th>
<th>Social</th>
<th>Organizational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groups</td>
<td>Maximize material and energy efficiency</td>
<td>Substitute with renewables and natural processes</td>
<td>Deliver functionality rather than ownership</td>
</tr>
<tr>
<td></td>
<td>Create value from waste</td>
<td>Car Sharing</td>
<td>Fair Trade</td>
</tr>
<tr>
<td></td>
<td>Low carbon production methods</td>
<td>Biogas reactors</td>
<td>Solar collectors</td>
</tr>
<tr>
<td></td>
<td>Aquaponics</td>
<td>Aquaponics</td>
<td>Green Laundry</td>
</tr>
<tr>
<td></td>
<td>Insect Farming</td>
<td>Bio-degradable plastics</td>
<td>Solar-electric vehicles</td>
</tr>
</tbody>
</table>

According to the work of Oleanu et. al. (2018 & 2020), most green start-ups in Germany are using digital business and hybrid models. Interestingly, 65% of their revenues is generated by a B2B (business to business model). In contrast, 29% of their revenues come from a business to consumer B2C (business to consumer) and 6% from B2G (business to government) model. It is interesting that in this last business relation, in comparison to the non-green start-ups, the share of income of the green ones is, on average, twice as high. This effect could be explained due to the fact that the technologies that they offer are already aligned with the sustainable requirements of the public sector in Germany.
2.1 Green Startups Most Important Industry & Sustainable Sectors

Despite the IT sector, which alone counts for already 17% of the total Green Startups in Germany, there are five leading industry sectors, which are (Olteanu et. al., 2020):

![Figure 1. Share of green startups per industry sector.](image)

2.2 Distribution of green startups across development phases

![Figure 2. Distribution of green startups among their different development phases.](image)
In Germany, Green Startups are also classified according to their developing phase as follows (Olteanu, 2020):

1. **Seed Stage**: concept development phase without revenues and no users.
2. **Startup Stage**: concept development, some revenues and/or users.
3. **Growth Stage**: strong revenues and/or growth of users.
4. **Later Stage**: established growth, financially attractive and keeps promoting a startup culture in the organization.

### 2.3 Trends and Opportunities for Green Startups

As mentioned before, there are alarming indicators that show that we are overwhelming the limits of the resources of the planet such as drinking water, forests and biodiversity. Therefore, in the coming years, companies who are able to make better use of their resources and overcome sustainable problems are going to be among the most successful and profitable enterprises. Fortunately, companies are becoming an important precursor for revolutionary solutions, creating new opportunities and new competitive advantages in the market (S. Jørgensen et al. 2018).

Globally there are five trends affecting how people consume: the millennial generation effect the digitalization of things, the outburst in the market of small brands with specialized offers, the e-commerce gorillas, and the crush of mass-distribution channels (G. Kelly, et al., 2018). It is interesting how the different generations are affecting the consumption of green products and services. In the case of the Millennial-generation, the ones born between 1980s and in early 2000, currently count for half of the employed population in the world. experimented the development of digital tools and due to this fact, they are well informed. They are much more aware about the environment than older generations and therefore prefer to consume local products and services which are fair with the environment. They believe that the newest brands are improving quality and innovation in the market. They also believe that quality requires time and dedication, and therefore good quality products should avoid mass production methods and consumption channels. (J. Kritz, 2016). It is also interesting, that this generation earns approximately 9% less than the Generation X at the same age, and therefore are much more careful with what they consume (G. Kelly, et al., 2018). Good value for money can also be fair and even premium. For many years, consumers wished to consume healthier food and to live healthier altogether, but they have just started changing their behavior. They are finding new ways for health and nutrition, and therefore pushing for new paths for fresh, natural and more alternative products, which are free of harmful chemicals used for farming and manufacturing, sugar free and even free of harmful packaging materials or even packaging at all! This new
consumption ideology is disrupting mass-retailers (G. Kelly, et al., 2018). All these trends are great for Green Startups as they are not only bringing new solutions to environmental and social problems, but they are able to satisfy in a sustainable way all these market opportunities. Small brands are attracting new customers. Due to their size it’s difficult for big companies to keep track on them. In the fast-moving consuming goods sector, most of these new companies offer premium products and therefore are highly profitable. These new companies use digital tools and are growing much faster than large companies. They are working with distribution channels which are cheap, simple to start and scalable. Low delivery costs and low regulation barriers makes these kind of models economically viable (G. Kelly, et al., 2018). Worldwide 56% of the German Green Startups integrate a digital business model. They use technologies like internet to collect and analyze data to improve their opportunities in the market. The remaining 34% use analogue methods for the manufacture of products and to provide services through stationary trading. There is a clear trend in the use of digital tools in contrast to non-green start-ups, in which only one of five Green Startups uses analogue methods (GSM, Y. Olteanu et al., 2018).

Also, Green Startups are strong influencers of the 17 goals for sustainable development of the ONU. These goals are addressed to all nation-members of the ONU and aim to encourage prosperity while safeguarding the environment. The idea behind is to include these goals in the development agenda of every country in order to achieve a green economy. In such a model, economy growth is driven through activities that help to reduce pollution while protecting the people, ecosystems and biodiversity of the planet. Paola de Bernardi el al. 2020, shows that it is possible to integrate all these goals along the value chain in order to produce food. Furthermore, the Stockholm Resilience Center published in 2016 on their website an informative figure that shows how the 17 GDs can influence the biosphere, the society and the economy. Such models show a world of new world opportunities for Green Startups, as by analyzing in deep their business, they can maximize the impact of their value proposition.

Environmental protection is increasing in relevance every year, Green Startups should find methods to incorporate these goals into their strategy in order to develop key performance indicators (KPI’s) which helps to quantify their efforts and impact to the environment and the society (Y. Olteanu et al., 2020). These KPIS’s could be very helpful in order to keep a transparent communication with the public and motivate consumption of their products and services. These KPI’s could be linked to the sales and distribution strategy in the form of improving the CO₂ emissions for the production and distribution due to the fact that the company operates regionally or using renewable resources. Another example could be that a company translate their sales in tons of packaging that the world is avoiding due to the consumption of their products. Creativity in this KPI’s can play a meaningful impact for the
success of the company and motivate other companies to keep an eye in more than just their pockets. The public is asking for value proposition and paying attention to the environment and society requirements for adding value for everybody.

Figure 3. Sustainable Development goals of the UN.
(source: https://www.un.org/sustainabledevelopment/)

Figure 4. “How food systems are connected with all the SDGs”
Source: Azote for Stockholm Resilience Center, Stockholm University (2016)”
2.4 Challenges

Eight of ten startups stop operations within the first three years, and nine in ten never achieve meaningful revenues. Typical reasons for this high mortality are going out of cash, taking wrong decisions, bringing the wrong product to the market or selecting the wrong market, investing too much in sales and marketing too soon, and even having the wrong team (D. Feinleb, 2012).

According to the work Yasmin Olteanu and Klaus Fichter (2018 & 2019) and Karl-Heinz Leitner et. al (2020), Green Startups, as well as the non-green ones, are confronting problems like developing products, raising money, hiring personal, pushing for growth, selling, and keeping their cash flow and liquidity. More interesting is the fact that the biggest challenge of all of them is establishing sales and distribution channels to find customers and sell their products. Even D. Feinleb (2012) describes that many of them are never reaching the market. The products and services are good, but the team is not able to generate revenues. Apparently, the success of a startup depends a lot on the efficiency in how they penetrate in the market and sell their products and services.

Green startups must be able to optimize the interconnection between the different business components like creating new value for the customer and implementing innovative delivery methods and tools for monetization in order to take maximum advantage of the business model in an enterprise (Bernardi et al. 2020). Also, Sveinung Jorgensen (2018) reinforces this fact, as he writes that the three basic components, that makes an enterprise successful, are:

1. the value proposition, which is basically the solution that a service or product proposes to a given problem.
2. a delivery form, which is the way in how the value proposition is delivered to the customer.
3. and capturing value, which refers to the way in how a company is able to monetize their idea.

Jorgensen (2018) also refers indirectly to the last two ones, as startups depend on establishing competent sales and distribution channels in order to generate profit.

When taking a look to the development of startups in Austria, (Leitner et. Al 2018), one realizes that generating revenues is very challenging for startups. To increase the challenges of survival, startups must find ways to find their first customers and generate revenues to keep a healthy financial situation. Furthermore, in order to find customers and establish competent sales and distribution channels, startups must find a strategy that aligns the product with marketing and sales. Finding the suitable way to recognize and attract customers is crucial to
increase sales (Schwartzfarb, 2019). Two of the biggest factors that influences the success of startups are getting enough feedback from the market, choosing the correct business model and defining the correct market (Leitner et al, 2020).

In addition, green products and services are often more expensive than the conventional ones. This situation reflects their concerns in taking care of the whole value chain, as many of them must create new infrastructures that ensures keeping their business green and sustainable. Therefore, Green Startups depend on a strategy that enables them to increase awareness in the way how consumers consume. In order to introduce products and services, green startups must work toward a green marketing, which refers to the activities followed to sell products and services based on their positive effect on the environment and society. Having said that, Green Startups must avoid market friction through the correct implementation of a green marketing strategy in order to capture value (Kaur Chopra, 2015).

![Revenue Growth of Startups in Austria](image)

*Figure 5. Revenue of startups acc. to SMA- Austrian Startup Monitor, 2018.*

As mentioned in chapter 1.3, Startups are considered organizations operating in conditions of high risk, due to the fact that they have limited resources and therefore are extremely vulnerable, as they usually start operations lacking in liquidity. Therefore, it is very important that their value proposition is strong enough to convince as fast as possible a specific group of customers to buy their products and/or services. The idea must be scalable, in other words the product or service must be available and be able to couple with the demand. Furthermore, the business must be controllable, in other words the entrepreneurs must create strategies that enables them to control the most important elements in the business, like licensing, quality
and requirements in order to increase the probabilities to success in a competitive environment (Kevin Ready, 2011).

Developing a great product or service which is able to solve a need and fits to the market is challenging, but the most challenging part of a business is starting to generate money. The first contact with potential customers in order to communicate the value proposition and convince enough customers to buy as fast and cheap as possible in order to keep cash flows and growth, is definitely the most difficult part. The sales strategy of startups is constrained by time and money. Furthermore, introducing new products and services to the market, nobody knows about them, therefore they must work on creating awareness of their brand and value proposition, while taking care of the competition. The procedure to board the suitable customers, while having limited resources, make for most startups the biggest challenge of all. The mission of Startups is to create awareness in the market and to convince customers to buy their products and services (Kevin Ready, 2011).

Chapter 3. Literature Review

The literature review aims to find useful definitions and a practical method that supports the empirical study on successful Green Startups presented in this work. To understand which are the attributes in a Green Startup that can help to develop a strategy to speed up sales of Green Startups in the early phases, the Ecocanvas has been chosen for a Circular Economy from Alain Daou et. al. (2020). The Ecocanvas is a tool that can help to discuss the positive impact of the responsible use of the natural resources in order to increase the economic output of an organization (Yong. Et al., 2020).

The Ecocanvas is a method which was developed based on the Canvas model from Osterwalder and Pigneur (2010), which is a tool widely used to describe how a business can create, deliver and capture value. The Ecocanvas is an inclusive and holistic tool which aims to develop a business model which takes into consideration social and environmental interaction (Daou et. al., 2020). The Ecocanvas adds three blocks to the original Canvas Business Model (Osterwalder et al., 2010) in order to consider economical and legal, environmental, and social factors. A Circular Economy refers to an economy that is designed to be regenerative. It refers to an economic model based in natural processes, in which waste is seen as an input for other natural and technological processes (Cerantola, 2019).
The Ecocanvas has twelve blocks, but this work will focus on the most relevant to develop a sales & distribution strategy: (1) Customer Segments, (2) Value Proposition, (3) and Communication & Sales Channels, while integrating (5) environmental & (6) social impact in each one of the blocks. The assumption is that these blocks could be used to find a simplified path to build a strategy for Green Startups to find new customers and generate sales.

In the coming pages, each one of the five blocks while also provide useful definitions and methods.
3.1 Customer Segments

Customer preferences drive the activities of every company as no one can survive in the long term without making profits (Schwartzfarb, 2019). Startups must understand that not everyone is a customer willing to buy their products and/or services. Understanding this fact, can enable startups to direct in an effective way their resources and reduce losses due to investing to attract the wrong public. The work of Schwartzfarb (2019) also claims that the definition of a customer segment should be as granular as possible. Therefore, every company must choose and focus in a customer segment (or several ones) in order to invest their resources in the most profitable one(s) and ignore the ones which are less profitable in order to minimize losses (Robert D Hirisch et. al., 2019). According to Schategger et al. (2016), the value proposition of a sustainable organization can create and deliver value by offering products and services included in their business model regenerative methods, addressed to take care of the environment and the society. Having said that, Green Startups should exploit people’s increasing awareness for health and environmental problems like the use of harmful pesticides for farming and the use of plastic for packaging, in order to attract people looking for responsible producers which are developing products addressed to take care of the health of their clients and the environment (Van Doorn et. al., 2001). One example of a customer segment is the people looking for healthy food produced with sustainable methods, as they notice that the conventional methods aren’t able to supply healthy products, are damaging the environment and even shrinking the margins of the sector (Bernadi et. Al., 2020). Another example is the market for biodegradable plastics. According to the European Plastics report from 2019, the global capacity for the manufacture of bioplastics is expected to increase from 2.11 million tons in 2019 to about 2.43 million tons in 2024.

Market Segmentation is the process that allows a market to be divided in groups according to their characteristics (Hirisch et. al., 2019). Based on this concept, there are studies, like the one from Arminda do Paco et al. (2008) that demonstrate, that there are customers who base their consumption decisions on products that takes care of the environment. Nevertheless, other consumers are more concerned about saving energy and water in order to save money, which may be another market opportunity for Green Startups. Knowing what the customer wants, he can also help to define the kind of message that must be involved in the marketing activities in order to reach that specific group. Developing concrete definitions can lead to build a business strategy around to what the customers are looking for. Amos Schwartzfarb (2019) also points out that a customer target should be measurable in order to verify the performance and demonstrate that the chosen strategy is reaching the correct customers. For example, selecting a customer segment, operating in a specific industry, should also include a definition for a determined size in revenues and the way in how this segment operates. This information
will strongly influence the channel selected, as it makes sense to select channels that are more frequented by potential customers. For example, as demonstrated in a study from the GfK Organic Study (2017), if a green startup wants to sell organic food, it could be probably more convenient to sell their products through regional or retail shops, rather than using an online-shop, due to the fact that people still prefer to buy their food in physical stores rather than online.

According to Kevin Ready (2011), knowing the market’s behavior and of your customers are critical drivers for the success of a Startup. Knowing the preferences of your customer can drive to take cost-effective and more efficient decisions. An effective tool to achieve this is the definition of Personas, which is a process to define dummy profiles that define certain customer characteristics like life age, life style and typical interests and requirements. This tool can help to align the products and the strategies required to fulfill the requirement of each type of them (Kevin Ready, 2011). On example of a successful study is the one performed by Ashley Steele (Whole Foods Market, 2016), who successfully analyzed consumer behavior in order to define 8 consumer profiles: socially conscious, sensible spenders, healthy newbies, ingredient mavens, active parents, healthy adventurers, mindful millennials and men. These profiles helped to develop specific marketing activities in order to attract each one of the customer groups. This study is interesting because leads to a customer segmentation for organic products.

The market can also be classified in the following groups: mass markets, niche markets, segmented, diversified and multi-sided markets (Osterwalder et. al., 2010):

**Mass Market:** the value proposition, as well as the distribution & sales procedures doesn’t distinguish between the different customer segments and focus on general needs and problems. In this segment most of the fast consumer goods and several electronic devices are found.

**Niche Market:** focus on a kind of customer with specific needs and problems, therefore the value proposition, distribution & sales procedures should be aligned in order to reach the desired customers. B2B business are often in this category. Some examples of green startups operating in niche markets are the fresh premium cosmetics and the production of sustainable raw materials for construction.

**Segmented:** this market segment targets diverse customers with slightly different needs and problems. Therefore, the organizations focused on these markets, must adjust the value proposition, distribution & sales procedures in order to achieve each one of the targeted customers.
Diversified: this one aims to customer segments with completely different needs and problems. One example could be a Green Startup producing food for a certain group of customers, while also providing energy by processing its waste to produce energy, which would need of a completely a different customer segment to sell its second product.

Multi-Sided Markets: serves two or more interdependent groups of customer segments. This companies depend on the interconnection of their business in order to support their value proposition. One example of this kind of green companies could be internet service applications which depend on having enough providers and consumers to keep the business working.

According to Bland et. al. (2020), there are several tools that can be used to find the correct customer target. Some alternatives are:

1. To open discussion forums in a web site or in social media in order to discuss about specific topics.
2. To create surveys to analyze and quantify customer preferences,
3. To analyze the behavior of traffic in an internet site in order to identify trends and impact on adds shown in websites.
4. To search for trends. There are so many statistics available on the internet that can help to find market trends and customer preferences.
5. A first interaction with customers done by the sales force can also bring important feedback to the organization.
6. Reviewing customer support data. This tool can be very useful to find needs and opportunities in the market. An organization could also examine problems reported by customers in order to verify if the new product or services are able to bring a new solution to current problems.

All these tools are low in cost for setting-up and to operate them, they can be performed in relative low time and can bring meaningful information to a startup.

3.2 Value Proposition

As mentioned before in chapter 1, the Value Proposition of a product or service is the characteristic or group of characteristics that allows an organization to introduce an offer into the market. The value proposition aims to satisfy a need or requirement of a particular group of customers and can create or add value to the collaborators which participate in the value chain including the company which creates it (Alexander Chernev, 2019). Additionally, to this definition, the value proposition of Green Startups includes solutions which aim to take care of
the environment and the society in all stages of the value chain (see Chapter 1.3). As described by the original business canvas (Osterwalder et al., 2010), the value proposition defines why a consumer decides to buy from a company rather than from the competition. The value proposition is a mixture of services and products that generate value for determined kind of customer (p.22).

The advantage of using the Ecocanvas as a base for a sales strategy is, that it allows Green Startups to involve social and ecological aspects in the analysis of its value proposition enabling to maximize its potential and to incorporate it in all the different aspects of the business (Alain Daou, 2020). By analyzing the impact that the business can have in the society and the environment and the other way around, the needs and challenges can lead to the creation of new opportunities and so to stronger value proposition that can improve the arguments to buy and generate sales. The table 1, from chapter 2 shows a useful tool for the classification of sustainable models (Bocken et al. 2014) that can be included in the analysis of the value proposition. As every economic activity has an impact on the environment, some authors makes reference to the nine planetary boundaries (Steffen et al. 2015) as an opportunity for Green Startups to create value by sizing the challenges and creating business models around them. Also, Dean et al. (2007) arguments that ecological failures can represent profitably opportunities that can also serve to repair the damage on the environment produced by conventional activities. One example of created value using this kind of principles, is the production of biogas from farmer’s waste and sucking CO$_2$ from the environment to produce fuels (Carbon Engineering in Canada).

### 3.3 Communication & Sales Channels

Marketing and Sales channels refers to the process in how an enterprise can start and keep connection with a targeted customer and refers to marketing assets for go-to-market like direct marketing, online resources (online shops and websites), sales force teams and shops. This process can be grouped in the following four stages (Julian Dent et. al., 2018; Alexander Osterwalder et. al. 2010):

1. Creating early awareness of a product and service in the market.
2. Influencing customers to consider buying.
3. Purchasing, which considering closing a transaction and delivering the product.
4. After Sales, which includes customer support and activities to augment customer experience in order to promote loyalty and motivate customers to keep buying.
Green Startups should keep a short-term and long-term strategy in mind, that allows them to create awareness of their offer in the market in the most effective and economic viable way and push for the first revenues, while in the long term create strategies to keep customers buying their products. As an example of a successful strategy is the one implemented by Adamah Bio Hof, which is a family company started in 1997 that offers biological fruit and vegetables. Initially the started in a B2B model and nowadays use internet to provide an Abo-Service called the BioKistl. In this model, consumers receive on monthly basis a box containing regional and seasonal fruits and vegetables. Their offer avoids the churn and keeps their sales ongoing.

The communication strategy should aim to differentiate the offer from the rest by developing a position market and a suitable structure for the business. Differentiation can be achieved through telling a short and simple story which is easy to believe and is relevant to the targeted customers. The structure of the business can also influence differentiation by creating strategies which reduce competition, like for example bringing the product or service through a channel that is available just through the startup’s business. This strategy could be implemented online, by being the first company to appear on the search machine when typing specific key words. Other methods are licensing the brand or offering special features that no one else can offer. Repeating the message to the desired audience is also very effective in order to increase awareness. Kevin Ready (2011), recommends trying different channels like sending emails including information and even a link to a video, while completing the process with a call. Communication should allow companies to be present in the mind of their customers. He also gives us a hint to start establishing a context including basic information, before pushing detailed information to the customers. If the message is too long and complicated, customers will not understand or even pay attention to the message. Viral marketing can also be very effective way to generate sales, as it enables to pass a marketing’s message along family, friends and colleges (Angela Dobele et al. 2007). Like a virus, it spreads and reach with its message a huge public creating awareness about a brand. So did Elon Musk in January of 2020 when he was presenting the Tesla-Cyber- Truck. The commercial shows Elon Musk throwing a rock and damaging his “indestructible” creation. Minutes later the world was talking and making fun about it, well done, Tesla was in the mouth of everybody! Guerrilla Marketing can be an economic way for making marketing, as well. Solveig Indregård (2015) reports in six case studies, which companies where able to shock and trap the attention of the public at relative low cost. In one of them - called Stop the wedding - an NGO published in an internet in Norway, the wedding of a 12-year child with a 37 years old man which shocked the public and triggered the people to act and support a campaign against child-marriage.
3.3.1 Customer Relationship

In order to evaluate and start the definition of the customer relationships of a business, it is practical to start by thinking about the advantages and disadvantages of developing a local versus a global business (Kevin Ready, 2011):

**Traditional local business**: This one is perfect for most of the green startups, as it matches with one of the core values: low social and environmental impact. The products and services can be delivered with a reduced emission of CO$_2$ due to the fact of low transportation activities. One of the advantages of a local business is that the message is much simpler and available for local customers than in other channels (for example online), and has the advantage that options are more limited. It also enables to establish strong relationships as entrepreneurs must meet customers in person. In this way the organization is a person rather than a brand and push forward confidence. Furthermore, less marketing is required as local people who know about the offer, come to them. It has also the advantage that the sales are predictable and less volatile as Startups are able to sell as much as the local community demands. Therefore, demand is easier to forecast and profits are more likely to achieve. The price that customers are willing to pay for the products and/or services are likely to be in equilibrium with the cost of operations. On the other hand, profits are limited and scaling the business can be costly (Kevin Ready, 2011).
In a **global business**, information is more complex and is exposed to competition and market behavior, but options are much bigger. On the other hand, there is more competition and difficulties can arise without warnings, increasing sales volatility. Nevertheless, Startups can boost their business by developing partnerships with other companies to move their goods to any part of the world. In this kind of business, they need to be careful, as they must keep enough compelling reasons to keep considered Green Startups. An example of this kind of considerations are electro cars built in Germany and justifying long transportation routes because they produce less CO\textsubscript{2} emissions for what they require along the value chain. Another example are machines and equipment to produce renewable energy built in Austria and assembled in Spain because in the long term such systems can produce cleaner energy than conventional methods. Global businesses carry the challenge of limiting direct contact with the customer and thus they depend on establishing a strong branding through marketing activities in order to acquire enough recognition in the market. On the other hand, once established, sales is proportional to the effectiveness of its marketing activities. Online tools are especially attractive in this sector, as it enables to reach customers worldwide (Kevin Ready, 2011).

Partnerships can enable optimization of profits, to reduce risk and to help acquiring resources which are important to create and deliver value to the customers (Osterwalder et. al., 2010). These partnerships can be of four kinds:

1. Strategic alliances between companies which are non-competitors
2. Cooperation between companies that compete in the same segment,
3. Joint Ventures in order to develop new products and services,
4. Buyer-suppliers in order to ensure the goals of the full value chain.

Green Startups can also look for partners in order to reduce their costs and optimize their outputs. Commonly, Startups search for partnerships to scale their businesses and reduce risks. Another important reason is to obtain access to important infrastructure that enables bringing their products and services to the market. An example of a successful partnership implemented by a Green Startup is Blün. Instead of investing one million in a new glass house for producing their vegetables, they found a partner with a glass house and they incorporated the production of fish next to it. Thus, the use the fish waste as fertilizer for the vegetables and grow them faster and in a sustainable way. There will be more exposed about their trajectory in Chapter 5, case studies.

### 3.3.2 Distribution Channel
The term distribution channel refers to the approach in how a company brings its products and services to the end customer. This can be in the form of:

1. Direct or B2C (business to customer), by using owned channels like a sales force team or own shop.
2. Indirect or B2B (business to business), by using an intermediary to distribute and resale their products and services.

![Figure 9. Different Types of Distribution Channels](image)

A distribution strategy is the process required to bring products and services from the production’s site to the customer. This process includes also the partners that contribute to the achievement of this goal. In other words, this process can succeed not only through a direct transaction between manufacturer and customer, but may involve intermediaries like distributors, sub-distributors, agents, vendors, wholesalers, resellers and retailers.

According to Livio Moretti (2019), these distribution channels can be classified in three categories:

1. Direct or tier-one,
2. tier-two,
3. multiple tiered distribution.

If a company is capable to set a distribution strategy which operates at low cost, it can keep higher profits and sustainable growth. The characteristics that should be taken into account when formulating a competent strategy are the following (Livio Moretti, 2019):

1. In order to achieve stability, the distribution strategy should operate in a healthy competitive environment. It is recommended to avoid a market of price competition.
2. Empowers commercial policies that allows short term economic returns. It is important to make a study of the costs involved in the whole distribution process like operational
expenses for logistics, working capital, marketing, after sales services, and if required
customer financing. After all these costs, what is left is the distributor’s profit.

3. Setting ideal pricing policies. It is recommended to set a convenient price, while also
leaving room for incentives and ensuring that the customer is paying a fair price.

4. Set a suitable infrastructure which allows taking decisions and controlling the
performance of the whole operations.

![Diagram of diverse kinds of distribution channels]

Figure 10. Example of diverse kinds of distribution channels.

Experienced managers recognize the main factors of commercial excellence, and therefore
the difference between concepts like sales force effectiveness, go-to-market strategy and
income management. Nevertheless, many organizations are missing the capability to exploit
the full potential of their indirect sales channels, as they are not able to translate the customer’s
requirements into its distribution strategy or fail in consolidating the market and are setting
policies that blocks capturing the full revenues potential. Also, the terms of revenue
management and yield management are often not clearly understood. The first refers to
predicting and planning according to consumption behavior, market segmentation, and pricing
policies, while the latter refers to maximizing sales through an optimal control of the way in
how goods and services are sold. There seems to be a correlation between the share of the
market achieved and the way in how a company achieves to be present with its offer in the
market. An optimal distribution channel is resilient, well-structured and has a clear rational
approach (Livio Moretti, 2019).

The first three things to do when developing a sales strategy are to understand who the
potential customer is, what is the solution that the customer is buying and why should the
customer buy the value proposition offered by the organization (Eric Ries, 2019).
Following the learnings from Kevin Ready (2011), startups should first find a niche in the market and focus its resources to grab a position in the market and push for growth and constant innovation so that when competitors notice their presence, they already got considerable advantage.

Kevin Ready (2011) points out that a business can create value through many small transactions or less but significant ones.

The following steps can drive to the selection of a distribution channel (Livio Moretti 2019):

1. Analyze the Business Model of the distribution partner to understand its strategy, goals, key factors for success and weaknesses.
2. Self-Analysis. For this point it is recommended to evaluate Strengths, Weaknesses, Opportunities and Threats (SWOT) to evaluate the characteristics of the startup that can add value to the partner, and which are the ones that could hinder value.
3. Define a Proposition that explains how the company’s business can support the channel of interest, making a careful evaluation of the advantages of cooperation against competition and how could this channel impact sales and profits.
4. A Commercial Policy, which includes a clear definition of the commercial terms and costs, internal KPI’s (key performance indicators) and the way in how the company is going to finance the proposition.
5. It is also useful to make a correlation of goals and preferences to ensure finding the best match.
6. Designing a structure for distributions based on percentage of sales per channel.

![Figure 11. Example of Distribution Strategy based on Revenues [%].](image-url)
3.4 The Sales Process

The sales process is the result of the convergence of all the three blocks from the Ecocanvas model explained above and aims to the formulation of a strategy that enables to interchange the value created for money.

Startups must connect the sales proposition with their customers in the shortest period of time, so that the organization can survive from the revenues that it generates. To do this, they must keep attention on new opportunities of how to reach potential customers. Actually, this is the core function of the sales activities, as they must ensure that the products and services match with the needs in the market, avoids as much as possible competition and find methods to connect with people and create new customers.

The sales team must pay special consideration in mechanisms that allows tracking the sales performance. The sales process must be measurable in order to keep control of it. A sales team can track the site’s performance using tools like Google Search Console, Google Analytics, Google Webmaster and diverse Social Media Tools. Green Startups can also use surveys to find valuable information regarding the market. Through direct observation, they can anonymously visit their shops and prepare reports on the experience or even track customer’s behavior by observing and quantifying their activities. This could even help to detects changes due to seasonality (Kevin Ready, 2011).

According to Amos Schwartzfarb (2019), matching the value of the product and service to the requirements of the market is crucial for developing a scalable sales strategy. Many products and services are launched having a specific kind of customer in mind and surprisingly their products are bought by a different kind. This situation forces startups to adjust the strategy in order to reach the correct customer segment. Understanding the real value, helps a startup to define a suitable sales strategy which enables to be present in the right place and address the correct message to the customers.

As cited below, organization must be able to measure each stage until acquisition and after sales in order to anticipate changes, realign their strategy and keep current customers buying (Schwartzfarb, 2019). Steli Efti (2020) mention up to 18 different kind of KPI's to measure the success of the sales strategy of a company, which have been summarized in the following table:
### Table 2. KPI’s to measure and track sales (Based on steli efti 2020)

<table>
<thead>
<tr>
<th>#</th>
<th>KPI</th>
<th>Description</th>
<th>#</th>
<th>KPI</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monthly sales growth.</td>
<td>increase of sales per month.</td>
<td>9</td>
<td>Customer lifetime value</td>
<td>to calculate how much is a customer worth. Allows to calculate revenues from the beginning until the end of business life cycle.</td>
</tr>
<tr>
<td>2</td>
<td>Calls and emails sent (daily, weekly, monthly).</td>
<td>tracks the volume of calls and email that a sales team makes.</td>
<td>10</td>
<td>New and expansion MRR (Monthly recurring revenue)</td>
<td>to know where new revenues are coming from. Number of paying customers multiplied by the average amount paid.</td>
</tr>
<tr>
<td>3</td>
<td>Sales opportunities created.</td>
<td>tracks the volume of opportunities created in time and tracks how many were successful, which ones are ongoing and which ones were lost.</td>
<td>11</td>
<td>Pipeline value</td>
<td>used to track deals progress and know the value of current deals.</td>
</tr>
<tr>
<td>4</td>
<td>Monthly onboarding and demo calls</td>
<td>mostly used by software companies to track number of trials downloaded.</td>
<td>12</td>
<td>Sales targets</td>
<td>to define a number of sales in a defined term of time.</td>
</tr>
<tr>
<td>5</td>
<td>Lead conversion rate</td>
<td>to measure how many leads are converted into a sale.</td>
<td>13</td>
<td>Sales by region</td>
<td>to track the revenues per region.</td>
</tr>
<tr>
<td>6</td>
<td>Sales by contact method</td>
<td>to measure and detect which is the most efficient contact method.</td>
<td>14</td>
<td>Average purchase value</td>
<td>to track how much each consumer buys on average; This KPI can help to detect the ones who are buying more and incentivize them to sell more.</td>
</tr>
<tr>
<td>7</td>
<td>Average conversion time</td>
<td>to measure the time and resources required to close a sale and take decisions. Time is money!</td>
<td>15</td>
<td>Average profit margin</td>
<td>tracks the average of net revenues generated per product and service according to each type of channel.</td>
</tr>
<tr>
<td>8</td>
<td>CAC – costumer acquisition cost</td>
<td>to measure how much it costs to acquire a new customer. Useful when calculating cost per leads to get results.</td>
<td>16</td>
<td>Retention and churn rates</td>
<td>useful to detect consumers who tried the product or service but left after a period of time. This KPI allows to detect and improve the sales strategy to increase retention of consumers.</td>
</tr>
</tbody>
</table>
Chapter 4. Methodology

In Chapter 2, a formal description of Green Startups was given. In Chapter 3, the Ecocanvas was presented and explained in how Green Startups can target four of the twelve blocks in order to take advantage of their social and environmental added value proposition to allow applying suitable communication and sales channels which develop relationships that leads to the generation of sales. Based on this theoretical background, a study was performed in order to analyze the sales strategies implemented by successful Green Startups and set recommendations for future green startups in Austria.

4.1 Data Collection

The collection of data for the analysis has been performed using two methods:

- **Interviews** with the founders of Green Startups in Austria
- **A Survey** addressed to the public in order to gather information regarding their preferences when searching for information and purchasing green products and services.

4.1.1 Interviews

1. Preparing the questions.

The questions for the interviews were chosen from the introduction of the book of Distribution Strategy, from Livio Moretti, and adapted to the value proposition of Green Startups. Livio Moretti (2019) offers a solid overview of the challenges that companies are confronting when bringing new products to the market. The questions were divided and structured in four sections:

**Section I – Introduction and objectives:**

aims to present general information about the company, a short story of its foundation, the background of the interviewee and emphasize the environmental and social principles included in its value proposition.

**Section II - Identifying customer segments:**

aims to gather information regarding the learning phase for identifying their customers and validating their strategy by generating first sales.
Section III - Sales Strategy:

aims to gather information that aligns with a more formal and structured strategy.

Section IV - Closing:

aims to document lessons learned and a summary of their strategy.

The structure and all questions for the interviews can be found in Appendix A.

2. Searching for interviewees: The criteria for the selection of the interviewees, is that they must be founders of organizations that match with the definition of Green Startups presented (see chapter 1.3) and which are at least in the Startup Stage or above (see chapter 1.6). The startups were found by watching TV programs like ‘Two Minutes, Two Millions’, the internet Site, Online events from the Entrepreneurship Avenue, the Green Rocket and by also by recommendation (self-network). Initially the aim was to achieve at least one interviewee per sector (6), but due to the lack of time due to the corona crisis it wasn’t possible. Even a Green Startup developing electric cars equipped with solar panels as secondary source and the leader in natural cosmetics in Austria were contacted without success.

3. Arranging an appointment: all interviewees were contacted first per email followed by a telephone call one day later in order to explain the motivation for the interview and arrange a Teleconference via Skype or Zoom or if possible through a personal meeting. Four of the ten interviewees didn’t accept due to lack of time or interest in the topic.

4. Preparing for the interviews: Prior each interview, a research on the story and value proposition, products and services of the startup was performed in order to cut time required for the introduction and focus as much as possible during the interviews on the communication and sales strategy of each one of the companies.

5. Performing the interviews: the introduction was kept between 15-20 minutes and the rest of the interview focused on the topics of interest for this study: communication and sales and strategies used to gain first customers and generate sales. It is important to mention that not all startups have achieved sales so far because they are still in a phase of planning and organization. Nevertheless, due to the broad experience of their founders and already strong influence of their organization in the market, they were categorized as Green Startups in the Startup Stage.
4.1.2 The Survey

The survey was addressed to common people randomly and as mentioned below, it focuses rather in consumption behavior and preferences, on finding out which are the most common channels that people instinctively think of when interested in gathering information regarding sustainable products and services. The survey focuses on the six sectors in which Green Startups are leading the market according to the Green Startup Monitor from the Boderstep Institute for Innovation und Sustainability in Germany.

The survey was performed using the Survey Monkey Platform (basic paid mode) and distributed through several groups related to Entrepreneurship and Sustainability, as well to personal contacts in Facebook, Linked-In and several contacts from the WU-Executive and TU which were contacted via WhatsApp. Furthermore my family helped to forward also the survey to their contacts. In this way the survey achieved people from a broad range of ages, education background, income and interests.

The first four questions aim to classify consumer preferences according to gender, age group, employment information and income.

The questions included in the survey are:

1. **What is your gender:** (1) male; (2) female
2. **What is your age group?** (1) 18 – 24; (2) 25 – 34; (3) 35 – 44; (4) 5 – 54; (4) 55 and over; (5) I prefer not to respond.
3. **What is your current employment status?** (1) Self-employed; (2) Employed; (3) Unemployed; (4) Student; (5) Retired
4. **What is your gross salary per year?** (1) Less than Eur 20,000; (2) Eur 20,000 to Eur 50,000; (3) Eur 51,000 to Eur 74,000; (4) More Eur 75,000; (5) I prefer not to respond.
5. **If you want to find a suitable supplier for green energy,** where do you start your research? (1) Internet sites; (2) Social Media; (3) Newspapers, newsletters & magazines; (3) I visit exhibitions; (4) I inform myself through family and friends; (5) I look forward to talk to an expert on the topic
6. **If you are looking for fair, and/or ecological textiles,** where do you start your research and/or buy them? (1) I search on the internet and I buy directly from internet retailers like Amazon & Zalando; (2) I search on internet and I buy directly from provider’s web-shop; (3) I do the research on social media; (4) Newspaper, magazines & newsletters; (5) I visit and exhibition or fashion trade show; (6) I inform myself through family and friends; (7) I go to a big retail-department store; (8) I visit a green-fashion shop.
7. **If you are looking for biologic or organic food, drinks, and food supplements where do you look for alternatives and/or buy products?** (1) I search on internet and I buy directly from internet retailers like Amazon & e-Bay; (2) I search on the internet and I buy direct from provider’s web-shop; (3) I use social media (Facebook, Instagram); (4) Newspaper, newsletters & magazines; (5) I assist to exhibitions; (6) I inform myself through family and friends; (7) I visit retail shops like Billa, Spar, Hofer, Lidl, Penny, Merkur; (8) I visit a premium bio-shop like Denn’s; (9) I visit a local shop or farmers market

8. **Alternative raw materials. If you want to avoid the use of plastics such as packaging, or other harmful materials for the environment (like for construction), where do you research on the topic?** (1) Internet sites; (2) Social Media; (3) Newspapers, newsletters & magazines; (4) I visit exhibitions; (5) I inform myself through family and friends; (6) I go to a shop and I speak to an advisor; (7) I talk to an expert on the matter; (8) I check the information’s label of the things I buy

9. **If you are looking for green mobility (buying a vehicle, renting, public transportation), where do you search?** (1) Internet sites; (2) Social Media; (3) Newspaper, newsletters & magazines; (4) I visit exhibitions; (5) I inform myself through family and friends; (6) I visit a shop, or an agency and I talk to a salesman; (7) I talk to an expert on the topic.

10. **If you are interested in buying natural cosmetics and bio-degradable household-cleaning products like detergents, where do you look for alternatives and buy them?** (1) I search on internet and I buy directly from internet retailers like Amazon, e-bay; (2) I search on internet and I buy direct from provider’s web-shop; (3) Newspaper & magazines; (4) I look up in my received newsletters; (5) I go to exhibitions; (6) I inform myself through family and friends; (7) I go to a pharmacy; (8) I go to a retailer drugstores like DM & Bipa; (9) I go to a local shop.

### 4.2 Report

The information gathered through the interviews was reported in form of study cases following the following structure:

- **The Company**, which was written with information of the first block of questions and aims to give an overview of the company, value proposition and general information of the company.
- **The Story**, aims to tell a short story of the foundation of the company and the founder, as well as values and motivations.
• **Customer Segment**, which aims to document the customer or market segment or segment in which the company focuses its activities.

• **Sales Strategy**: in case that the startup is not generating sales yet, the strategy of sales will be documented in this section. If the startup is generating sales already, the story of how they achieved will be documented through “First Sales” section.

• **First Sales**: depending on Startups grade of maturity aims to document the strategy and justification for sales and distribution or the story of how the first customer were acquired and first sales generated.

• **Sales Growth & Current Strategy**, aims to record a formalized strategy for sales and distribution

• **Goals**, if available, aims to document how the startup plans its goals for sales and further development.

• **Market Trends**, aims to document the market trends that the founder thinks that will support the development of the company.

• **Alignment with the Sustainable Development Goals of the ONU**, aims to justify the Startup as a Green Startup by following the goals established by the ONU for the development of a green economy.

• **Lessons learned** aims to documents the failures and lessons learned during the Startups journey regarding their sales and distribution strategy.

• **Summary of Sales Approach**: aims to summarize the consolidated strategy of the startup according to the founder words.

**Chapter 5. The Case Studies**

In the following pages, the results from the interviews will be presented in form of Case Studies:

1. Blün
2. Heliovis
3. Göttin des Glücks
4. Immker, Honig & mehr
5. Sirup Ur Gut
6. Der Kastl Greissler
5.1 Blün

Interviewee: Michael Berlin (CEO)

Figure 12. Left: Michael Berlin; Middle: Company’s Logo; Right: some of the organic products produced by Blün.

The Company

Blün is a successful Viennese startup, which moved by the motto “local, transparent and eco-effective”, is in fact the first commercial plant in Austria for the production of organic vegetables and fish using a sustainable method called aquaponics. Aquaponics is an indoor closed-loop farming technique, in which fish are raised in tanks, and the waste created by them is used to fertilize plants. In counterpart, the plants purify the water for the fish. One of the extraordinary advantages of this unconventional method is that the plants take their nutrients from a fluid media, avoiding the competence with adjacent plants for resources. This condition allows to plant more plants in a reduced area, to grow them faster with less water waste because the plants take just what they need, and parallel allows the production of organic fish for human consumption. All this without using a single drop of fossil energy to move heavy tractors which compact the soil, reduces oxygenation and kills beneficial bacteria and organisms in the ecosystem.

The Story

Mr. Berlin was inspired to find a greener farming method after visiting Russia, where he realized how harmful is the fossil footprint left behind the production and distribution of food using conventional methods. Once he came back to Austria he talked to a passionate gardener, Gregor Hoffman. Motivated by making the world a greener place by reducing the use of fossil energy for production and transportation of food, they received the required instruction and started immediately with the project. The start-up is owned by 4 partners and they have 3 employees. Blün operates since October 2016.
Customer Segment

As they focus their offer in a premium quality segment, they sell their products to the gastronomy with strong focus in renowned restaurants which offer high quality menus. They also sell their products to customers willing to pay for quality and for whom is important to buy products that are produced taking care of the environment.

First Sales

Trusting in their experience in farming and strong network, they achieved their first sales using a B2B approach by contacting restaurants owners interested in premium ingredients to offer their products. The first customers were so satisfied, that the first customers recommended them to new ones and so on.

Sales Growth

As soon as their production grew, they approached sales partners and retailers to sell their products. Later they created their own distribution channels (B2C) by opening their on-site shop (direct at production) and online shop. Interestingly, the marketing and online shop was subcontracted and wasn’t very successful at the beginning, as most of the sales came from the B2B channels, but the online shop proved to be very effective during the corona virus lockdown and helped to keep sales running. This hybrid method of distribution and sales had proved to be resilient in difficult times by allowing to keep the company growing further.

Sales Strategy

The urban-farming-startup has a very resilient sales and distribution model which combines a B2B and B2C model. They follow the B2C model by selling their fish (African catfish & brook trout), vegetables (diverse types of tomatoes & eggplants) and own produced products like ketchup to local consumers direct in shop in “blün ab-hof verkauf”, and through their online shop www.blün.at. Furthermore, they maximize their sales potential by selling diverse regional products like trout fish, salmon trout and mushrooms which are also produced by the Blün partners in non-aquaponic systems. They also take advantage of the internet site to commercialize other regional products like marmalades, chili sauces, butter, pasta and other biological and organic products.

They follow a B2B model by selling their products through shops like Meinl am Graben, LKV Gärtnerschäftl and even already a retail premium shop, Merkur. They sell also their products to high quality restaurants in Vienna like the Palais Coburg or the Heuer on Karlsplatz.
They work forward to build a strong brand in Austria by keeping people informed through social media like Facebook and Instagram. They also keep people informed through a newsletter which they send to their customers via email.

Figure 13. Two of their B2C distribution channels:
At the top in-site shop; down: view of the online shop.

They measure their success by keeping track on sales, Facebook statistics and google analytics. To keep their customers buying, they are planning to launch a plan where customers are able to purchase a basic package of products per month.

Blün is also using the following IT-tools to support their business:

- Ready2order – cash register system
- Shopify – E-commerce
- Mailchimp – marketing tool to boost sales and find new customers

Goals

Currently they are selling over 12 tons of Viennese fish per year, while they anticipate an increase in sales volumes to three to four times by the end of 2020. This green start-up achieved break even in just two years and is now planning to build a new plant at the southern end of Vienna for the production of local food, and expand this way their market while keeping a small fossil footprint on the planet.

Market Trends
The market trends which they think that will promote the growth of Blün are:

- That people’s increasing willingness to eat healthier and invest in premium food.
- Increase in people’s awareness regarding the environment.

Alignment with the Sustainable Development Goals of the ONU:

1. Good health and well-being.
2. Clean water and sanitation.
3. Decent work and economic growth.
4. Industry, innovation and infrastructure.
5. Sustainable cities and communities.
6. Responsible consumption & production.
7. Climate action.
8. Life below water.
9. Life on land.
10. Partnership for the goals

Lessons Learned

Their biggest mistake so far was, wanting to sell the wrong product to their customers: tilapia fish, nobody was willing to buy it. This situation produced some investment lost and delays. He also considers that investing more in sales and marketing would had been very convenient.

Summary of Sales Approach

Blün has a very diversified and resilient sales approach as they distribute and sell their products using a B2B and a B2C model:

- B2B - they have successfully used their network to sell their products using a B2C strategy by selling their products to several important restaurants in Vienna, and lately through distribution and retails shops like Merkur.
- B2C – they have successfully established an online shop, which in fact helped to keep the sales during the corona crisis.

The business is also profiting from cooperation between the different companies from the owners. This allows them to have more products diversity and also to reduces their costs per sales. Interestingly the glass house where they are producing the vegetables was already owned by one of the partners, reducing in this way Eur 1 million in investments!

People consume their products because they believe in their ethics and values surrounding their business model.
Mr. Berlin summarized the success of their sales and distribution strategy in the following points:

- Finding the correct B2B team: one which fits to the customers, is enthusiastic and reliable.
- Building a strong branding.
- To have a facility which is as close as possible to their core customers.
- To have an online shop, even when it takes longer.

### 5.2 Heliovis

**Interviewee: Wolfram Krendlesberger (CFO)**

**The Company**

Heliovis is an Austrian Green start-up, active since 2009 in the field of renewable energies. This start-up offers an innovative technology for capturing solar energy in order to convert it into highly pressurized steam which is able to provide heat or geed generators electricity. Basically, the technology consists in an inflatable cylindrical concentrator made of plastic and mirror films, called the HELIOtube®, which is able to heat transfer fluids running in an internal pipeline at a temperature from 90°C to even 550°C. Their value proposition is to create solar thermal power systems which are less complex and expensive than conventional collectors. Heliovis aspires to provide clean systems capable to produce energy at competent prices, while strengthening regional markets by providing know-how, local content and new employment, while providing clean energy at price competent levels.

**The Story**

The founder, Johannes Hoefler realized that there has been several efforts in innovating thermal systems, power blocks like steam turbines and solar thermal power (STP) plants, but that there have been minor innovation in the for glass mirror-based parabolic collectors. Therefore he and Felix Tiefenbacher founded the company in 2009, with sole purpose to decrease the cost of solar collectors. In 2011 they built their first prototype in Austria and since 2013 they are operating a pilot system in Spain. Currently they had built a strong international network and are working on their market entry.
Market Segment

Their three green fields of application are:

- Industrial process heat to replace the use of fossil energy in factories (production of food & beverages, pulp & papers, chemicals, textile & leather).
- Water desalination by using renewable solar energy.
- Solar thermal cooling to reduce cooling costs.

The company is managed by Mr. Tiefenbacher (CEO) and Mr. Krendlesberger (CFO) and has 20 employees. Their technology is oriented to regions where the sun shines through blue sky for at least 200 days per year. Due to the intensive investment required to reach the economies of scale implied with this technology. The start-up focuses on customers who are working in energy demanding sectors and require several of HELIOtubes in order to make the manufacturing process profitable. Currently they operate a demo system which supplies heat and electricity to a thermal energy demanding plant used for an agricultural production in Spain. Its technology is also perfectly suited to store the thermal energy generated after sunset in order to keep the system running for up to 24hrs. per day using 100% renewable energy.

Sales Strategy

The start-up is currently investing in research and development and doesn’t generate revenues yet but is fully financed by private investors and grant agencies.
The start-up focusses its efforts for sales through a B2B strategy. Originally, they conducted a market study to locate potential customers operating in one of the demanding energy processes described above. For this initial approach, not having so many competitors in the field it was easy to identify first potential customers. Usually they approach customers directly by formalizing a meeting to talk personally about their technology. They are also very active visiting renewable energy trades like the SolarPACES, which every year is organized in a different country. They also publish information in magazines and internet sites focused on solar energy in order to keep potential customers informed about the status of their projects and achievements. Interestingly, the recommendation strategy is working well as 30% of new potential partners who approach them were recommended by current ones.

Being in the industry of energy generation, a capital-intensive business, still conservative and innovation-resistant, they depend on building strong partners in order to keep their projects ongoing. Power plant projects are planned in middle terms (min. 10 years) and long terms (≥30 years). Therefore, market entry is difficult for a small engineering company offering a new technology proven with a first and comparatively small demo plant for 2 or 3 years. All these difficulties make their sales plan an important tool to start projects while probably even more prone to various risks than in e.g. consumer goods industries. In other words, their success depends in keeping a strong network and a lot of perseverance as this business tends to run slow due to long decision processes. Big energy projects are also strongly influenced by political environments and regulations.

**Market Trends**

The market trends which could support the growth of Heliovis are:

- Renewable energy generation
- Energy storage systems
- Energy efficient systems and smart grids
- Clean production of fresh water and brine management
- Clean mobility technologies

**Alignment with the Sustainable Development Goals of the ONU**

1. Clear water and sanitation.  
2. Affordable & clean energy.  
6. Climate Action.  
7. Life below water.
3. Industry, innovation and infrastructure.

4. Sustainable cities and communities.

5. Responsible consumption & production.

Lessons Learned

What they had learnt in their sales and distribution journey is, that due to the fact that decision take a difficult and long process in companies. Therefore, they must focus their efforts in starting for at least in a second hierarchy level in enterprises.

Summary of Sales Approach

They summarize their strategy as “being present at every moment”.

5.3 Göttin des Glücks

Interviewee: Lisa Muhr (Co-founder)

The Company

Göttin des Glücks (GdG) is a well-known Austrian eco-fair brand which was active in the fashion scene from 2005 and until 2018. Today, the Göttin des Glücks association with headquarters in Vienna, exploits the trademark’s reputation, know-how, experience and well established network to assist partners in southern countries which want to introduce ecological products to Europe. The resurrected brand is currently managed by Lisa Muhr, her business partner & co-founder Oliver Gothe and one more employee, responsible for content marketing and design. Together, they target to support new partners to introduce textiles, cosmetics and every kind of products that aligns with the values of the brand. The new Göttin des Glücks aims to license its trademark to companies who are willing to keep the highest social and ecological standards along the entire value chain.

The Story

The interviewee, Lisa Muhr, is an expert in green economy and experienced serial entrepreneur, who focuses in bringing sustainable and fair products to the market. Being co-founder from the very beginning of the brand in 2007, she points out that ethical economic
activities are possible through transparency and fairness through the entire value chain. She believes that the ethics of a green economy are beyond the interests of profit and growth and is crucial for the future of our existence. She wants people to open their eyes and realize that in the way how we consume textiles, we can only enjoy the products we buy at low cost, by abusing of somebody else and harming the environment. In other words, in order to get our garments, somebody works in inconvenient conditions, is paid unfairly and/or manufacturers implement harming processes for the environment. Garment mass processing is one of the most unsustainable activities worldwide. Its harming and still very unregulated processes are polluting the water and soil, while keeping many employees living in poverty and very unhealthy situations.

The startup was delayed by the corona crisis and is expecting to launch the first lines of product lines in autumn 2020, which includes:

- Cosmetics like skin & hair soaps, face and lips care, body care & care accessories.
- Intimate products like menstruation cups and condoms made from certified natural rubber, as well as massage oils.
- Wellness products like yoga mats, yoga-pillows and warm-flasks also made from certified natural rubber.
- Underwear made from bio-certified cotton.

**Market Segment**
Her company focuses in organic fair products addressed to a public interested in high quality products which are developed taking care of the environment and the society. Most of their customers are in their forties. As they are planning to launch several lines of products, they have been using Personas in order to define each one of the customer targets and address the correct strategy to each one of them.

**Sales Strategy**

The company is not generating revenues yet but it has already very interested potential customers waiting for the release of their products. Their customers relate the brand as synonymous of quality & fair trading.

The company focuses fully in an online strategy for sales and distribution. They have their own online shop and it will also sell through sites like www.avocadostore.at. Thanks to its very well established network, Göttin des Glücks is capable to reach approximately 12,000 fans on Facebook and have additionally up to 6000 e-mail contacts to whom they actively send their newsletters. They are also very active in the press through internet sites like Biorama, Genossenschaft für Gemeinwohl and several other online magazines and newspapers where they spread the word about their products and values. In a second phase they will also sell their products through small distributors and stores which they already know and which align with the values of the brand.

As this time the company is not producing itself but is helping partners to enter into the market, they are approaching them, or vice versa by using their well stablished network. Basically, they know producers in Africa and Latin America and they talk to them, or as the brand is pretty well known, the producers approach them, looking forward for support to bring the products in the market. The support relates to activities like licensing the brand, marketing, adapting designs to the European market, establishing distribution channels, obtaining the GOTS and Fair-trade certificates.

GdG profits from the vast experience of their founders and it was professionally prepared with a business plan. They are even working with Personas and count with tools to track their success and customer’s interests with tools like Google Analytics. They recognize in social media a pillar for their success in the sector. Lisa explained how important it is to keep their customers informed about their activities, as she learnt that by keeping transparency, customers keep enthusiastic about the brand and they keep buying and recommending their products. She finds in the word of mouth an effective and agile way for promoting their products and values, as every time a customer is satisfied, this customer recommends to his/her friends
and family, and the chain grows further. She noticed that their customers appreciate when they keep their customers informed with the truth and live with authenticity their values.

![Figure 16. View of GdG's internet site.](image)

**Market Trends**

The market trends which they think that will promote the growth of their business are:

- **Digitalization**, as people go online more than ever before to find what they want.
- **The corona crisis**, as people had time to get aware of many things and to wish for a better and more sustainable future. Furthermore, crisis are always pushing changes faster.
- **Worldwide interest in leaving the use of petroleum and the use of alternative sources.**
- **She finds that the textiles industry is extremely influenced by climate change and that this industry is not going to be any more capable to keep producing if they don’t change to sustainable methods.**
Alignment with the Sustainable Development Goals of the ONU:

1. No poverty.  
2. Zero hunger.  
3. Good health and well-being.  
4. Gender equality.  
5. Clean water and sanitation.  
6. Decent work and economic growth.  
8. Reduced inequalities.  
10. Responsible consumption & production  
11. Climate action.  
12. Life below water.  
13. Life on land.  
14. Peace, justice and strong institutions.  
15. Partnership for the goals

Lessons Learned

Their biggest mistake that Lisa Muhr wants to share along her trajectory is being not fast enough in the development and leaking in resources to keep growth of the former GdG. She also thinks that the company could had invested more in marketing. She also shares that their strategy leaked in efficiency to keep the flux of certified materials in their production lines. All these factors kept them behind the growth rate of other competitors.

Summary of Sales Approach

The business model will focus on an B2C approach using Online Marketing and also plans to sell their products through small distributors and shops which align with the values of the company.

Lisa summarizes their new sales and distribution strategy by following the guidelines of the ONU:

“Keeping economically active without damaging the future of coming generations, through truthfulness and integrity”
5.4 DIE IMKEREI, Honig & mehr

Interviewee: Florian Peterstorfer (Founder)

Figure 17. Left: view of Die Imkerei’s internet site, showing Florian Peterstorfer working with his bees. Right: picture of some of the products in his online shop.

The Company

Die Imkerei, Honig & mehr is an Austrian Green Startup founded in 2015 by Florian Peterstorfer and has its production site in Wels. His Green Startup is dedicated to the breeding of bees in order to produce high quality honey and innovative products derived from the same product. His value proposition is an ecologic, social and economically viable business which takes care of the bees and protects them from extinction while producing honey according to high and strict organic principles. His pallet of products includes blossom honey, forest honey, cream honey, propolis capsules, honey wine, honey gin and he is always looking forward to innovating more!

The Story

Florian Peterstorfer is an experienced salesman who worked internationally selling technical equipment for video and sound. In 2014 he noticed the drastic situation of the bees, since the use of pesticides is harming its habitat and making it difficult for them to find food. Eventually, he quit his sales job, reduced his living expenses by half and started his bee’s adventure. First, he learnt to be a beekeeper, lured more and more colonies of bees to get experience, and eventually he founded DIE IMKEREI.
Florian Peterstorfer found out that Fifty percent of the honey consumed, is produced in Austria and the is being rest imported from other countries. He believes that Austria has great chances for increasing the capacity of production and eventually avoid importing the missing 50%. On the other hand, being a product that everybody likes to consume which is nutritious and with health benefits, he thinks that the products that he sells have a perfect market fit as he hasn’t struggled until now to sell, but rather to produce enough to fulfill his increasing demands.

Customer Segment

His products demonstrate a great market fit and therefore Florian Peterstorfer hasn’t thought in any kind of segmentation. His products have a fair price and are addressed to everybody (mass market).

First Sales

He believes that honey is a product that everybody likes to consume and therefore he hasn’t invested time on this topic. He believes that people of every gender and every age enjoy his products. He mentioned that his biggest challenge is increasing his production, not selling his products!

Being a great networker, Florian Peterstorfer started offering his first products to his family and friends, which also helped him by recommend his products (word of mouth). On a later stage, he offered his products to the companies where he worked, as they used to send Christmas presents to their customers, and honey is a great present for that occasion. Once he increased his production, he started offering his products to regional shops in a B2C model.

Sales Growth & Current Strategy

Since Florian Peterstorfer started beekeeping as a hobby, he didn’t develop a business plan at the beginning. But when he noticed that his honey was being sold very well, he thought about the basic points to develop his business. First, he thought about developing an attractive and modern design/glass. The sale should take place on the farm and in local shops (organic farm shops). From the very beginning he wanted to collaborate with companies interested in projects which aim to protect the bees and the environment and achieve a secondary income.

Furthermore, product innovation was very important for him right from the beginning. He didn’t want just to sell honey. That’s why he included it in the company’s name: “Honig & mehr” (Honey & more).
Later, motivated by the people surrounding him, he stepped on the scene of ‘Two Minutes, two Million’ show from Pulse 4, and thanks to his charisma and ecological value proposition, he was able to obtain financial support from all investors. Thanks to the publicity acquired, thanks to the TV show, he also achieved a dramatic increase of sales. Thanks to this great opportunity, since the 25th of April of the present year he has also successfully achieved to enter into the retail shops through Hofer, which is offering his products, through his line of sustainable and regional products. He also decided to invest in his online shop, and in just few weeks of operation his sales accounts already for up to 25% of his total revenues. It is important to mention that he still keeps his on-site store, direct at his farm. He is also using Instagram and has already about 800 followers. Therefore, he is planning to strengthen his presence on social media. He also shared that he is preparing his newsletter to start an email marketing strategy.

**Goals**

Currently, his company has already two employees and in 2020 the company is expecting revenues which are three and a half higher than in 2019. He thinks that his sales will grow much faster than the quantities that he can produce. It is very inspiring to mention, that he is much more worried about the well-being of his bees and their environment than the potential of the market. The authenticity in how he follows his values and his serenity is making him an important leader in the branch in Austria.

**Market Trends**

He believes that people are increasing their ecological awareness and he is pushing the market for better and more sustainable products.

**Alignment with the Sustainable Development Goals of the ONU:**

1. Good health and well-being.  
2. Decent work and economic growth.  
3. Industry, innovation and infrastructure.  
4. Sustainable cities and communities.  
5. Responsible consumption & production.  
6. Climate action.  
7. Life on land.  
8. Peace, justice and strong institutions.

**Lessons Learned**
He thinks that he could have invested sooner in his homepage and probably that he should had started two years earlier. Nevertheless, he is very satisfied with his path and thinks that if he would start again, he would probably follow the same path again.

Summary of Sales Approach

Florian Peterstorfer offers top quality organic, delicious and healthy products addressed to all the public and which value proposition focus on the protection of the bees and its environment.

His company commercialize his products using the following channels:

- B2C - Direct Sales at his production farm and online shop.
- B2B – Sales to companies, small distributors and retail shops.

It must be mentioned that his business has been boosted thanks to the promotion on TV (for free) and the additional financial support from investors.

5.5 La Garbancera - Sirup Ur Gut

Interviewee: Arturo Castañeda Martinez

The Company

La Garbancera is a Viennese Green Startup founded by Arturo Castañeda in 2017, which under the trademark of ‘Sirup Ur Gut’, focuses in the production of natural syrups which are used for preparing soft-drinks and cocktails, for dressings in the preparation of premium gastronomical dishes and even in the patisserie. Some of the highlights of his products are that they don’t contain artificial preservatives or colorants and are suitable for the vegan market. Furthermore, his products can stay fresh up to two months after opening if kept under refrigeration. ‘Sirup Ur Gut’ is produced in a broad variety of seasonal blends and can even be customized according to customer requirements.

The Story

Arturo Castañeda was inspired since he was a child by his family to prepare drinks using fresh ingredients, as they used to do so every day at lunchtime. Years later, he started working as a barman at the Mexican Caribbean Coast and he started innovating receipts to prepare his own cocktails and soft drinks using his own ingredients. His idea was to offer his customers
something new, healthy and natural. Nine years ago, he moved to Vienna and worked as barman for several years at some of the most prestigious bars in Vienna and started doing the same as in Mexico. Suddenly in 2017, bored of his job and motivated by his friends, he decided to start his own business. From 2017 to 2018 he was able to double his sales and from then his sales are growing at a pace of 30% per year. Currently he is still working alone but outsources some work to two friends and he is planning a strategy to scale his company.

Figure 18. Left, a photo of Arturo Castañeda and the logo of his company, La Garbancera; Right, some consumption possibilities with his product ‘Sirup Ur Gut’.

Customer Segment

Arturo Castañeda saw in the gastronomy an opportunity to sell his products. He understood that not all restaurants are his customers and therefore focus on the ones willing to pay a little bit more in order to offer high premium quality products. Currently he is studying how to sell his products to the public. For this step he is planning to sell his products through small shops that align with the values of his product: organic, healthy and regional.

First Sales

Using the network that he built while working as barman in Vienna, Arturo Castañeda offered and sold his first syrups to people active in the gastronomy. This first customer recommended him (mouth propaganda) and so he acquired new customers. From that moment on, he understood that his business should focus on the gastronomy sector.
Sales Growth & Current Sales Strategy

After some years of experience, he learnt that offering to taste his products for free can make him new customers, but he must prepare accordingly. Thanks to his experience in the gastronomy, he chooses a blend that can match to the location, atmosphere, food and people visiting each restaurant, and based on that he prepares a degustation for his potential customers, which is in this case a form of definition of Personas. Currently he is selling his syrups to 26 restaurants in Vienna. He is marketing his products by appearing in several news media like the Falstaff.at, meinbezirk.at and the newspaper Wiener Bezirksblatt. During the lock-down due to the corona crisis he launched his internet site and took time to re-evaluate his strategy. Gastronomy, thus also his business, has been deeply affected by this situation. He understood that when the lock down stopped, many businesses will not have the monetary capacity to hire the entire crew in order to cope with all the tasks. Therefore, he offered his products together with the service of preparing the menu for drinks and teaching the owners how to prepare delicious drinks with his products by using simple and quick steps. He also understood that working together with his customers is the first way to learn from the market and develop new blends that suitable to his customers. He avoids the chunk by offering seasonal blends, personal service and the customization of blends.

At the moment the gastronomy accounts for up to 70% of his sales, 20% to shops and the remaining 10% through his internet site. He is also looking forward entering into retail shops addressed to the gastronomy sector, like Metro.

Goals

His sales plan is based on setting a goal to sell a certain quantity of liters per month and also to achieve a certain number of new clients every three months.

Market Trends

He believes that people are asking for fresh and more healthy products. Furthermore, he thinks that online sales and retail shops are going to keep growing as a distribution channel for restaurants.

Alignment with the Sustainable Development Goals of the ONU:

1. Good health and well-being.  
4. Sustainable cities and communities.
2. Decent work and economic growth.  5. Responsible consumption & production.

3. Industry, innovation and infrastructure.  6. Partnership for the goals

Lessons learned

One of his biggest mistakes was investing in a Wine Exhibition, it was too costly, and he didn’t achieve the same results as contacting his clients in person or via email.

Summary of Sales Approach

His business focuses on a B2B strategy of sales addressed to the Gastronomy. His strategy includes giving a close customer service and being present in internet and social media.

5.6 Der Kastl Greissler

Interviewees: Markus Wegerth (founder),

Christoph Mayer (business partner)

Gerald Gross

Figure 19. Left: view of one of the container-shops; middle: photo of Markus Wegerth (founder); right: interior of one of the shops.

The Company

Der Kastl Greissler is a Green Startup founded by Markus Wegerth, originally under the name of Moso-Kastl in 2016 in Lower Austria. His company currently operates also under a franchising model and offers self-service shops build in containers to sell regional products.
and other basic articles for daily use in rural regions. The idea is to cover areas that lack in local suppliers. It is also very attractive that the shops are able to operate up to seven days a week. He finds in his business concept a way to create attractive, flexible jobs and bring the products of local producers to customers avoiding long logistics chains.

The Story

Having several years in the food industry, Markus Wegerth understood that farmers must sale up to half a million euros per year in order to keep profitable. He also noted that many consumers drive to the supermarket to buy basic articles for daily use in small quantities. Therefore, he saw an opportunity in creating regional shops that cover this need and also support local farmers to sell their products. In 2016 under the name of Moso-Kastl, he developed a container shop where customers can find basic products and close the transactions themselves using a self-service method. Since 2016, Markus Wegerth successfully operates ten shops in the Weinviertel area. Now under the new name of Kastl Greissler, he began to expand his business under a franchising model which aims to attract people who want to be self-employed. His business model allows a single person to operate up to ten containers and get an attractive income. Basically, the customer makes a single payment for the franchising rights and for each container. The container-shop is delivered with all the required furniture, an air conditioner, the payment system and a surveillance system, as well as the first products. The customer is responsible for finding a location and acquiring the permission, but they receive support from the franchise during the process. Furthermore, there is a monthly payment of 150 Eur to cover the services of marketing, IT-systems and support. Once stablished, the customer is responsible for finding new local products and operation of each one of the shops.

First Sales

As described before, Markus Wegerth operates already ten shops in the Weinviertel. His shops are well known in the communities where the shops operate and generate already a stable income.

Sales Growth & Current Strategy

Markus Wegerth has been working with Rocket Green to raise money from investors and scale his company under the franchise model. He was also very lucky to stand up in the scene of the TV show “2 Minuten, 2 Millionen” in Pulse 4, where he got support from one of the investors
and took advantage of the time to publish his offer. Shortly later many other sites and magazines talked about his business and this situation helped to increase awareness of his business. The way in how they contact potential customers is through an internet site. People interested in the franchise can request a meeting and the meetings are arranged via Zoom or Skype. His site also publishes the products available in every one of the shops. It is very interesting to mention that his business model was very successful during the corona crisis, because consumers saw in his self-service shops a way to buy their products and avoid the risk of infection by visiting a supermarket.

Sales Goals

Until 2021 they want to achieve the opening of 20 shops, and until 2024 they aim to gain 40 franchise holders and up to 150 shops operating in Austria, Germany and Switzerland.

Market Trends

There is a growing interest in buying fresh and regional products. As proved during the corona lock-down, this kind of business can offer a sustainable and resilient alternative to keep supplies in small towns avoiding the risk of infection. Furthermore, the business model follows the trends in digitalization of the things. There is also an increasing awareness in people to take care of the environment. By selling regional products, the activities for distribution are local and therefore the carbon emissions much lower than the ones used by retail shops.

Alignment with the Sustainable Development Goals of the UN:

1. Good health and well-being.
2. Decent work and economic growth.
3. Industry, innovation and infrastructure.
4. Reduced Inequalities
5. Sustainable cities and communities.
6. Responsible consumption & production.
7. Climate Action
8. Life on Land
9. Partnership for the goal
Lessons learned

We have learnt that consumers actually appreciate regional products most. These regional products are also an extra reason to visit a Kastl Greissler. Producers increasingly approach Kastl Greissler to become partners in order to create an additional distribution channel for their products. More and more municipalities are becoming aware of Kastl Greissler and want to give priority to the local supply for their inhabitants.

Summary of Sales Approach

The franchise focuses on a B2B sales strategy addressed to customers interested in self-employment and regional products. The strategy of the Kastl Geissler focuses on building strong regional networks and supports its operations by the use of digital tools.

5.7 Survey - Results

5.7.1 General Information on Population

Gender & Age Group:

A total of 146 people answered the survey. From them 66 (45.21%) are women and 80 (54.79%) men. The survey shows that most of the people who answered the survey are between: 35-44 years old with 64 people, the next bigger group is between 25-34 years old with 38 people, and the third biggest one is between 45-54 years old with 22 people.

![Figure 20. Analysis of the population according to gender and group age](image-url)
As the survey was launched to a broad public of all ages, the people who answered could be related to how much interest is showing each group depending on their maturity. It is interesting to mention that the group of 35 to 44 belongs to the Millennial-generation. As mentioned in the chapter 1.7 Trends and Opportunities, is the population which accounts for 50% of the working population worldwide and is most interested in the consumption of green products and services.

**Employment Status**

According to the survey:

1. 95 (65.52%) of the people who answered the survey is employed,
2. 29 (20%) of the people is self-employed.
3. The rest 21 (14.48%) are students, are retired or unemployed.

![Employment Status](image)

*Figure 21. Analysis of Population according to gender and employment status.*

**Income**

Asking about income is a sensitive question that not everybody likes to answer, 22 (15.75%) people preferred not to answer. The data shows that most of the people interested in such kind of topics are earning more than Eur 75,000, followed slightly by the group of Eur 20,000 -Eur 30,000 and Eur 51,000 to Eur 74,000.
Even when it is not scope of this study, it is interesting to mention that the analysis shows the inequality of income between men and women. When hiding the number of people who didn’t answer and recalculating the following trends were found:

- Most of the people who answered the survey (30.08%) are earning more than Eur 75,000 per year and this group is dominated by men.
- The second biggest group is earning between Eur 20,000 and 50,000 per year (29.27%).
- The third biggest group is earning between Eur 51,000 to 74,000 per year (21.95%).
- The fourth group is earning less than Eur 20,000 (18.70%) per year.

The next questions allowed to select up to three responses each:

### 5.7.2 Green Energy

For the question: If you want to find a suitable supplier for green energy, where do you start your research? I managed to gather 240 responses. The data shows a clear dominance of the internet as the channel of preference when looking for green energy. The data has been arranged using a solar pictogram by organizing the information per importance. The second most important choice was talking to members of the family and friends, followed by talking to an expert. This shows that users often speak about this issue with the people they know and even experts before making a choice. As family and friends often talk about values, a
recommendation that can be taken out of this analysis, is that Green Startups operating in this sector should focus in delivering messages through internet that strongly refers to the benefits to the environment and the society. The data shows that Green Startups could also work towards the formulation of a roadmap in order to reach new customers: First by delivering messages by internet, then by producing that current customers talk with other potential people about the value proposition and finally by sending experts to the field to clarify open questions and close the sales.

As learnt in the study case #2, the strategy of Heliovis (interview with Mr. Wolfram Krendlesberger), focuses on B2B and their presence on the internet is very reduced. The question is, if there is an opportunity by making more use of the internet as a tool to wake up the interest of the public in order to promote their technology up-stream. As a matter of fact, eventually the end consumer is the one who moves the market and according to the survey, people are searching this kind of topics on the web.

![Figure 23. Number of answers per response Option regarding green energy question.](image)

5.7.3 Organic Textiles

To the question regarding fair trade and ecological textiles, the survey gathered 245 responses and the data shows a clear dominance for the use of internet to gather information and even
closing sales. The first channel matches one to one with the sales strategy of Gottin des Glücks presented in the case study thanks to the interview to Lisa Muhr. Apparently, people’s increasing attention on this topic is helping Green Startups operating in this sector to generate sales using less expensive channels like internet, as this is the channel number one for people interested in consuming fair and ecological textiles.

![Image of Figure 24](image)

*Figure 24. Number of responses per option for the question addressed to green textiles sector.*

### 5.7.4 Organic Food

Regarding the question addressed to channels for finding and buying biologic or organic food, the survey shows that the public’s preferences are more diversified. Out of 269 responses, it was found, that with 79 responses most of the people are visiting a local shop or a farmer’s market. The second option with 50 responses is visiting a retail shop, while the third one is a premium bio-shop like Denn’s and very near with 41 responses is internet and online shops. Being a very diversified market, the survey proves that the strategies from Blün (study case #1 – Michael Berlin) and Imker Honig & Mehr (study case # 4 – Florian Peterstorfer) have a clever and resilient response to the market in order to generate sales by being present in the market through several channels. Maybe there are also good chances for ‘Sirup Ur Gut’ (case study #4 – Arturo Castañeda) for looking for more sales channels to serve not only the gastronomy sector, but also by selling his products directly to consumers. Finally, in such a diversified market in which consumers are looking forward for options to consume regional and biological
or organic products, the Kastl Greissler (case study # 6 – Markus Wegerth et al.) has good possibilities to achieve customers in a different way and boost its sales through his shopping concept.

![Graph](image)

**Figure 25. Number of Responses per Channel regarding bio- and organic food**

### 5.7.5 Raw Materials

The question addressed to raw materials is quite wide as it refers to alternative materials used for packaging, construction and every kind of products. This is a quite new topic in the industry. Rather than confusing the audience, the question aims to create awareness and identify through which the channels people would research about the topic. This question received 258 responses and 97 of them refer to internet sites as the most used channel to gather information.
on the topic. The second choice with 52 responses was checking the label of the things they buy. The third option with 27 responses refers to the word of mouth (talking to family and friends). Unfortunately, there wasn’t possible to interviewee any Green Startup working in this area to compare the results of the survey.

![Image of a pie chart showing the number of responses per channel regarding green materials.](image_url)

**Figure 26. Number of responses per channel regarding green materials**

### 5.7.6 Green Mobility

From 256 responses obtained, in this sector there is a clear influence of the internet over all the other channels. In the case of a customer wanting to buy a car, which is such a costly decision, that customer will surely look first for options and then eventually talk to a sales expert. Taking this into account, this information could drive to the definition of roadmaps that aim to approach the appropriate customers and to find ways to close a sale. Nevertheless, not all products are so costly, and some customers buys electro scooters and e-bikes through the
internet. For other services like car sharing, internet is the channel number one. Also, for booking a ticket and checking their routes, consumers use internet. Unfortunately, it wasn’t possible to arrange an interview with a Green Startup operating in this sector.

![Bar chart showing preferred channels for green mobility](image)

**Figure 27. Preferred Channels regarding green mobility.**

### 5.7.7 Natural Cosmetics & Bio-degradable Household Products

Similar to the food sector, the natural cosmetics and household products sector are pretty well diversified. From the 250 responses obtained, 60 responses show that online shops are the most dominant channel, followed by the retailer shops with 50 responses and the local shops with 37 responses. In addition, with 33 responses it can be seen that the word of mouth plays a strong role as many talk to family and friends to get information on such topics. Interestingly based on 30 responses, it can be seen that many chose to go the pharmacies. Finally, it is clear that people are paying less attention to print media like newspapers and magazines. Apparently, the world is going fast in direction to digitalization.
Chapter 6. Interpretation of Results & Discussion

In Chapter 1 a justification has been provided for the current work, as well as a short introduction including the objectives and structure of the current work.

In Chapter 2 a wide definition for Green Startups has been provided. There has been explained how their value proposition focused in positive impact for the society and the environment differentiates them from typical Startups. In this chapter a review of the most meaningful sectors has been presented in which they operate and some useful statistic data to understand the stage of development of such organizations. On a later stage, trends and opportunities for Green Startups had been discussed, as well as the challenges they confront to enter into the market.

In Chapter 3 the Ecocanvas from Alain Daou et al., 2020 have been presented. From this tool six out of twelve blocks have been selected in order focus on the blocks that can help to develop a simplified strategy for Green Startups to find costumers and generate sales. The selected blocks where: customer segments, value proposition and communication and sales channels, closely influenced in the analysis of the impact to the environment and society. Based on those blocks, several useful definitions have been presented and discussed, in order to strengthen the theoretical background of the recommended tool.

In Chapter 4 the methodology for the empirical study has been presented. In order to collect data regarding the operations, with focus on sales activities, there have been conducted...
interviews with founders from Green Startups in Austria and in order to complete the loop regarding communication and sales channels, a survey has been conducted addressed to people living in Europe in order to compare the strategies from Startups and consumer’s preferred channels.

In Chapter 5 the information from six interviews have been presented in form of case studies. The case studies set strong focus on the description of the value proposition and the values of the interviewees. Furthermore, it documents the story of foundation, first sales and current strategy, while also provides a short section for lessons learned. The idea is to show how strongly these green values are involved with the sales strategy. Words like sustainable, regional, transparency and fair are part of their strategy. Later on, the results from the survey has been presented by describing the population that took part in the survey and then analyzing each one of the six sectors in which Green Startups are mostly active. There has been found very interesting data regarding on the age of the population that answered the survey, as it matches pretty well with the profile of the Millennial-generation (G. Kelly, et al., 2018), described in Chapter 2 (Trends and Opportunities for Green Startups). This generation, the ones born in the 80s, seems to be aware of the environment, it is economic active and is in fact interested and actively searching for new and better solutions. It is also very interesting that most of the Green Startups interviewed are matching pretty well with the channel preferences from potential consumers. But now, in Chapter 6, the six modules from the Ecocanvas will be used in order to provide a deep and practical analysis of the data collected through this journey.

6.1 Interpretation of Results

The following chart contains a summary of learnings from collected data. For each one of the topics at the left column (S = Section), a code has been defined according to each one of the three blocks selected from the Ecocanvas (A – C), while also including sections with important information regarding how each startup achieved first sales (D), survey findings (E) and recommendations (F) have been included in the chart. It is important to mention that the section of the value proposition has been divided into 5 sub-sections (B1-B5), in order to present the value proposition in sub-categories according to the archetypes of Bocken et al., 2014 described in table 1 and reinforce the categorization of this Startups in the category of Green ones. Furthermore, a section for learnings and the number of UN SDGs (Sustainable Development Goals of the UN) which are useful to analyze and improve value proposition have been included.
<table>
<thead>
<tr>
<th>S</th>
<th>Blün</th>
<th>Heliovis</th>
<th>Göttin des Glücks</th>
<th>Die Immerei Honig &amp; Mehr</th>
<th>Syrup Ur Gut</th>
<th>Kastl Greissler</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Premium food sector, premium gastronomy, responsible consumers.</td>
<td>Producers operating high consuming energy processes in regions were the sun shines in clear sky at least 200 days per year.</td>
<td>Responsible consumers.</td>
<td>No segmentation</td>
<td>Premium Gastronomy. Focus in quality, diversity and experience rather than price. Vegan market.</td>
<td>(1) Consumers looking for local, mostly for daily use. (2) Farmers and people looking forward for self-employment. (3) Investors.</td>
</tr>
<tr>
<td>B</td>
<td>Production of organic food using a closed loop method called aquaponics which saves water and produces food with reduced CO₂. First producer using aquaponics in Austria.</td>
<td>Offers an innovative technology for capturing solar energy to produce highly pressurized steam which is able to provide heat or move generators to produce electricity.</td>
<td>(1) To producers from developing countries to expand their market to Europe. (2) Delivering premium organic and fair-trade products to the public and increase awareness of consumption. Innovative products like honey, nutritional supplements, honey-wine and spirits.</td>
<td>Premium organic products produced according to high standards which aim to the protection of the bees.</td>
<td>Innovative syrup blends produced with fresh ingredients and no added conservatives or colorants.</td>
<td>Self-service shops offering regional products. Self-employment opportunity. Close the gap between conventional retail stores and consumers requiring basic products which don’t require a long drive to the supermarket.</td>
</tr>
</tbody>
</table>

A = Customer Segments; B = General description of the value proposition
<table>
<thead>
<tr>
<th>S</th>
<th>Blün</th>
<th>Heliovis</th>
<th>Göttin des Glücks</th>
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<th>Syrup Ur Gut</th>
<th>Kastl Greissler</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Maximize Material and energy efficiency. Higher output than conventional methods. Creates values from waste as it uses the fish excrement as fertilizer.</td>
<td>Substitution of conventional methods for the production of energy with renewable sources.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Maximize Material and energy efficiency by creating shops that don't require employing staff and integrating efficient logistic systems.</td>
</tr>
<tr>
<td>B2</td>
<td>Awareness on consumers, supports transparency and offers healthy products.</td>
<td>Clean energy sources.</td>
<td>Stewardship role by focus in creating awareness on consumers. Fair trade: strong focus in transparency &amp; fairness (well paid workers, low ecological impact) along value chain.</td>
<td>Creates awareness on consumers, supports transparency and offers healthy products.</td>
<td>Heathier products and without harmful additives; use of seasonal ingredients</td>
<td>It creates a stewardship role by enabling people in areas of low work opportunities to self-employment. Support to farmers.</td>
</tr>
<tr>
<td>B3</td>
<td>Regionality. Regional, less CO₂ impact due to reduced transportation. Healthy food. Transparency.</td>
<td>Cooperation with partners.</td>
<td>Strong organizational support to build sustainable and profitable businesses that reduces harm to the environment and the society.</td>
<td>Partnership with retail shops to scale the business.</td>
<td>Partnership by working close to customers and customizing products acc. to requirements.</td>
<td>Scale up solutions through franchising and partnership. A regional organization reduces low carbon footprint.</td>
</tr>
</tbody>
</table>

B1 = Technical Archetype; B2 = Social Archetype; B3 = Organizational Archetype (acc. to table 1 based on Bocken et al. 2014)
<table>
<thead>
<tr>
<th>S</th>
<th>Blün</th>
<th>Heliovis</th>
<th>Göttin des Glücks</th>
<th>Die Immerei Honig &amp; Mehr</th>
<th>Syrup Ur Gut</th>
<th>Kastl Greissler</th>
</tr>
</thead>
<tbody>
<tr>
<td>B5</td>
<td>10</td>
<td>9</td>
<td>15</td>
<td>8</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>D</td>
<td>They used their network to achieve the first sales. They approached premium restaurants in Vienna to offer their products and it worked. Later on, they sold their products through in-site shop.</td>
<td>N/A - just cooperation projects until now.</td>
<td>N/A - not yet with well-known brand in new business.</td>
<td>Networking: family, friends and ex-employers.</td>
<td>Networking: friends and ex-employers.</td>
<td>Self-costumer. The founder tried his own shops and owned several of them before starting the franchise. Then he scaled his franchise through TV and information media.</td>
</tr>
</tbody>
</table>

B4 = Trends, external influencers; B5 = UN Sustainable Development Goals; C = Communication & Sales Channels; D = First Sales.
<table>
<thead>
<tr>
<th>S</th>
<th>Blün</th>
<th>Heliovis</th>
<th>Göttin des Glücks</th>
<th>Die Immerei Honig &amp; Mehr</th>
<th>Syrup Ur Gut</th>
<th>Kastl Greissler</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>The strategy matches very good with a diversified market.</td>
<td>People is looking in internet for renewable energies.</td>
<td>Their strategy matches very good with the survey findings as people search often in internet for such kind of solutions.</td>
<td>The strategy matches very good with a diversified market.</td>
<td>Opportunities for digitalization, presence in internet and diversification.</td>
<td>Indirectly it points out, that this kind of business (less known in Austria) can be a good opportunity in a well-diversified market.</td>
</tr>
<tr>
<td>F</td>
<td>Introducing an Abo-Sales Method (regular delivery of products at home). Increase diversification (see Kastl Greissler). Applications to learn users about recipes.</td>
<td>To be present also in internet sites and social media to push a business down-up tactic and use the power of public in their favor.</td>
<td>Increase investments in digitalization like applications which increase awareness through well implemented transparent methods.</td>
<td>Use of Personas for better identification of consumers interested in innovation.</td>
<td>Applications to learn users about recipes. Examination of SDGs' in order to take advantage of the offer and increase quality. B2C sector. More digitalization.</td>
<td>Financing for franchising rights. Implementation of RDIF technologies for control of inventories and introduction of insurance packages. Increase in marketing to accelerate awareness.</td>
</tr>
</tbody>
</table>

E = Survey Findings; F = Recommendations to boost sales.
Also, from the data from the survey has been carefully analyzed and organized in the following table:

Table 4. Analysis of Survey acc. to for most popular responses per sector

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Responses</th>
<th>Internet</th>
<th>Online Shops</th>
<th>Online Retailers</th>
<th>Social media</th>
<th>Family and friends</th>
<th>Consultant / Salesman</th>
<th>Local Shops</th>
<th>Retail shops</th>
<th>Bio Premium Shops</th>
<th>Information Label</th>
<th>Newspaper, newsletters &amp; magazines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Energy</td>
<td>130</td>
<td>15</td>
<td>38</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic Textiles</td>
<td>0</td>
<td>81</td>
<td>50</td>
<td></td>
<td>34</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic Food</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw Materials</td>
<td>97</td>
<td>27</td>
<td>45*</td>
<td>50*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geen Mobility</td>
<td>117</td>
<td>23</td>
<td>77*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Cosmetics &amp; Household</td>
<td>64**</td>
<td>33</td>
<td>67**</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: some of the sectors, due to the similarity of the responses, the values have been added together: *Raw materials & Green Mobility: shop advisor + experts = consultant /salesman
**Green Mobility: pharmacy + local shops = local shops.

6.2 Discussion of Results and Recommendations

As seen below, a tool used for the structuring and classification of information allows to detect new opportunities. Therefore, the first recommendation to Green Startups is to use a method to structure and analyze their sales strategy. A deep analysis on the five blocks from the Ecocanvas cited in this work will allow entrepreneurs to explore their value proposition including the ecological and social dimensions to maximize their value.
proposition, locate the correct customer segment and settle communication and sales channels that attract customers and generate sales.

From the case studies analysis it has been learnt that all Green Startups, with exception of Heliovis, have a strong **online presence**. The survey also shows that potential buyers are widely using internet to gather information. Probably Heliovis should follow these trends in order to increase awareness in the market and push sales from the base up. Even if the final consumer will never be able to purchase such expensive systems, talking openly about the technology on the web could help to discover new clients and business opportunities. Following the learnings from Schwarzfarb (2019), entrepreneurs should ask themselves of how to sell to somebody else if they are always targeting the same kind of core customer. On the other hand, online tools are economically viable and allow to reach a wide public relatively fast (G. Kelly, et al., 2018). The survey proves this assumption for most of the sectors assessed.

When generating first sales it is interesting that most of the Green Startups consulted for this work made use of their **network**. In the case of Götting des Glücks, the company makes use of their former branding awareness to secure its new entrance in the market. Green Startups should find ways to grow their network as fast as possible. The personal experience of the present author proves that visiting events and being present in conferences where entrepreneurs can talk about their business is very effective to attract consumers and to discover new opportunities. Eric Ries (2019) also reinforce this assumption, by mentioning in his book that the value of a network is proportional to the square of the number of people in it, as every new contact has other contacts which increase the size of the network and with it its potential.

Also, all the interviewees confirmed that the **word of mouth** is an important tool to get new clients, generate sales and keep current clients buying. The word of mouth is also a way of networking, as current customers or people who identify with the value proposition of the company recommends them to a family members and friends. Geoffrey A. Moore (2014) mentions that one of the keys for success when entering in new markets is creating a strong word of mouth reputation within its consumers. He documented several situations in which specialists talk to other ones in order to know more about specific topics and buy. Lisa Muhr from Göttin des Glücks explained, that the word of mouth can be a way to keep transparency and keep customer interested in their products. She dedicates a lot of effort to keep her network informed about their activities, mainly via social media channels. She also sends Newsletters and many of the interviewees are working forward to launch their own newsletters via e-mail.
Also, the use of Personas seem to be a useful tool to customize the offer and optimize the marketing activities addressed to each customer segment. Even when only Lisa Muhr is making formal use of them, the story of Arturo Castañeda were he chose specific blends for degustation depending on the local’s profile, seems to be working according to the principles of Persona approach. It is very recommendable to take a look to the work of Ashley Steele (Whole Foods Market, 2016) to understand how successful could be applying this kind of methods to improve sales. This work is especially interesting because it is specifically addressed to the segmentation inside the fast consumer goods inside the organic sector.

Finally, the quantification of UN Sustainable Development Goals, presented in this work, demonstrates that there is a big potential in Green Startups to incorporate Green Key Performance Indicators in their strategy to create awareness in their business and generate sales. The only companies that are actively using them in this work are Blün (C02 footprint and resources per kilo of fish produced) and Göttin des Glücks (at least in its former textiles GOTs certified company). It is recommended to quantify and publish their results.

From the surveys it has been learnt, that for each sector different channel preferences exist. For the Green Energy, Organic Textiles, Raw Materials and Green Mobility sectors, the public prefer to use the internet to research and purchase products and services. In counterpart, for the organic food, natural cosmetics and household the first preference are local shops. The information provided by the survey can help Green Startups to select the most suitable channels and even create roadmaps to approach their customers.

### 6.3 Conclusion

The theoretical and empirical studies presented in this work show that Green Startups can generate sales by exploiting the maximal potential of their value proposition (included added environmental and social value), addressed to the correct customer segment and establishing communication and sales channels that allows to contact potential consumers. The surveys showed to be a powerful tool to learn from the market and compare it with the channels used by successful entrepreneurs. The methodology showed in this thesis enables to detect patterns in the strategies used by successful entrepreneurs, discover new opportunities and set recommendations to improve the sales strategies of the Green Startups consulted in this work and helpful hints for coming ones.

The methodology proposed in this work is a useful tool that could help Green Startups to define the value proposition, select the correct market segment and set suitable channels to find
customers and close sales. It has been found that Green Startups strongly depended on their strong network in order to generate the first sales. Furthermore, the word of mouth seems to be a power tool to make new customers and keep the current ones buying. It is very recommendable to create a strong online strategy to increase awareness. As cited before, if an online strategy is smartly conceived, can be relative economic and can reach a wide range of potential consumers in a short period of time. It is recommendable to define Personas to improve and customize the marketing strategies and increase success when trapping the attention of customers in several segments. The author of the present work strongly recommends living as authentic as possible and with transparency, the environmental and social values, by building them into its full value chain. The quantification of sustainable goals, learns that Green Startups have a big potential to include Green KPI’s in their sales strategy in order to boost interest in consumers, increase credibility and generate sales.

Green Entrepreneurs should collect data from the market and analyze it in order to establish a sales strategy that helps them to attract the correct customers by establishing effective channels that drives them to boost their sales.
Appendix A – Structure and Questions for Interviews

Introduction & Objectives

- What is your background?
- What is the business and the products/services of your company?
- What is the value proposition of your company?
- Please tell me about the story of foundation of your company. (motivation and values, when did you started testing, when did the company started official operations)
- How many partners are you and how many employees do you have?
- How much revenues does the company generates? / Alternative: What is your success and growth rate?

Identifying Customer Segments

- Who were your first customers and how did you approached them?
- How did you close your first sales?
- Did you performed a study to identify your target customer?

IF YES
- How did you performed your analysis, what was your criteria?
- Which kind of information did you collected and how did you performed your analysis?
- Did you used Personas to identify your target group?
- How did your Personas steered your marketing and sales activities?

IF NOT
- How did you find the right customers for your product/service?
- Was it a question of luck and coincidence?
- Do you think that you succeeded thanks to your network? Probably they helped you to address the right customers.
- Or maybe the right customer approached to you?

IF YES
- How did they know about you?
- Or you just engaged in trial-error?

IF YES
- What did you learn from the wrong customers and/or how did you learn to find the right customers?
Sales & Distribution

How did you start to sell your products/services and how did you distribute them?

Did you engage in a systematic channel strategy?

IF Yes

Can you tell me more about it?

What is the percentage of sales per distribution channel?

Which distribution and sales activities do you consider to be a failure and what did you learn?

Did you have a sales plan?

Did you conceive sales campaigns?

How did you tracked and analyzed your first sales?

Did your first customers helped to get new ones?

IF YES

Did you quantified this effect?

Did you try to enhance the number of referrals and recommendations?

How do you keep your customers re-buying?

Closing

What trends do you think that you should follow in order to increase your sales in the future?

Can you summarize your market and your sales and distribution strategy in few clue points?
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