

GoodGuide:

The Ethical Ecommerce Guide to the Galaxy -Start, Sell, Scale, Impact

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The world desperately needs more social enterprise. Step up to the challenge, follow this guide and make your sustainable selling dreams a reality.

The year is 2020. Here comes 2021. The world is gripped by a global pandemic. The rule book's been ripped up. People all over the planet are reevaluating what matters most to them. Ecommerce is booming...

Amid the chaos, lies opportunity. Not to profiteer, but to make a real difference and generate earnest revenue. The stage is set for a new wave of ethical commerce – helping communities, promoting cooperation and treating our environment with true respect.

If you're passionate about ethical selling and sustainable commerce, and keen to make your mark, there's never been a better time to double down on your dream.

The Rise of Conscious Consumerism

Even before the pandemic heightened society's awareness of (and demand for) ethical commerce, conscious consumerism was on the rise. The buying public is increasingly concerned with supporting brands that fully align with their values.

This touches all aspects of business — from ensuring sustainability throughout your supply chain (product sourcing right through to delivery) to ethical promotion and transparency of practice.

In times of economic uncertainty, many tighten their belts. Towards the end of 2019, close to a fifth of consumers reported <u>plans to spend less than usual in the year ahead</u>. And a huge <u>73% of global consumers</u> report an intention to change their consumption habits with a view to reducing the impact they have on the environment.

Couple this with the frequent social media storms and "cancel culture" around brands caught engaging in unethical behavior, and it's clear to see that the retailers promoting truly sustainable business models are going to find themselves on the right side of history.

There's a lot to consider, but by making sure your business is truly a "for good" enterprise, you accelerate your chances of success in a rapidly expanding sector.

Step by Step Sustainable Selling

When you're inspired and driven by deeply-held beliefs, things can feel slightly overwhelming. While there's no denying the motivation to get up and running, we

know that aspiring social entrepreneurs can sometimes feel paralyzed by the amount of research, prep and technical knowledge they feel they need to get things right.

That's why this GoodGuide provides a clear and concise roadmap to ethical retail success. It will take you through each stage of the journey as you define, launch and grow your business.

It will also highlight the ethical and environmental impacts of the decisions you'll need to make along the way, helping you stay in alignment with the values that inspired you to start your business.

1. Defining Your Idea

Starting any ecommerce business takes planning — but starting a *values-led* ecommerce business requires more than most. This section will highlight the considerations that specifically apply to creating an online retail brand that has an ethical or sustainable mission at its core.

It can be hard to take a moment to pause for reflection when we're driven by a cause we feel passionately about! But this section will conclude by examining the reasons why it's so important to do some solid planning ahead of diving right in.

Store Concept vs. Impact Goal

Before you start making any firm decisions around the direction of your ethical ecommerce business, you need to ask yourself an important "chicken and egg" question. What is your first priority in this undertaking — your store's concept or the overarching impact goal?

When it comes down to your true motivation, what's putting the fire in your belly? A passion for the products you'll be selling, or the impact that selling those products will have?

There's no right or wrong answer to this question — everyone is driven differently. But it's still important that you define and acknowledge the personal driving factors behind your undertaking, so you can keep your focus and resources appropriately allocated, supporting the elements that matter most to you.

If you decide that your impact goal eclipses your store concept, this might affect the profit margins you're looking to turn. If the store concept excites you more, and you want to make sure your product is available to as many customers as possible, your focus and goals might be different.

Sourcing Your Products

Once you've acknowledged your motivations and priorities, it's time to turn your attention to your products. Some recent trends in product sourcing such as dropshipping have exacerbated the issue of murky product manufacturing practices.

The sourcing process is especially important in ethical selling. Will you be buying in, commissioning or creating products yourself? Each decision you make about stocking your virtual shelves will have an impact, whether ethical, environmental or on your bottom line.

The brands that take the time to ensure exemplary product sourcing are in a very strong position. A great example of a business excelling in this area are GoodCarts member HoonArts. Founded in 2014 by Rikki Quintana (who was so passionate about the opportunity that she came out of retirement to set up the business), HoonArts position themselves as "a purveyor of fine handcrafted offerings from Central Asia that serve as a bridge to empower our artisan partners, span the cultural divide and build a shared future together."

The whole supply chain is fully transparent with no middlemen, giving maximum benefit to the artisans crafting the shop's wares. As verified Fair Trade Federation members, they exemplify the highest standards of fair trade business practice.

Think carefully about each step of your product supply chain from manufacturer to wholesaler. If you can obtain recognized certification for best practices, as HoonArts have done, seek this out.

Storytelling

When selling to the conscious consumer market, it's vitally important that you communicate the story of your business, your products and your mission. People want to know exactly why and how your products are making a difference, so be sure to offer plenty of clarity here.

Your website should help you tell this story, so be sure to factor this into your design. Whether you're taking a little more care over product description pages, imagery that helps communicate your story, or an About page that gives a well-written and appealing overview of the ambition and history of your brand, it all helps to show your customers the real heart and driving motivation of your store.

Learning From Others

What is one of the wonderful things about brands working in the ethical commerce space? We all have a common and collective goal. Leaving the world a better place unites social entrepreneurs, and while competition obviously exists, there's also a general willingness to collaborate, educate and mentor.

Learn from others. Seek out inspiration, <u>podcasts</u>, <u>online groups</u>, and research the backstories of the ethical brands you most admire and support. Find their founders on social media and follow them for daily insights. They all started from square one, and have many valuable lessons to share.

2. Lay Practical Foundations

This section will cover the practicalities of getting your store up and running. Sometimes this can feel like the biggest hurdle, especially if you're less familiar with the technical side of the world of ecommerce. It will address the core decisions you need to make when creating your store and in managing your ongoing business. As well as giving helpful practical tips, it will cover the ethical and environmental factors behind the choices you make, from a low carbon digital footprint to ethical funding.

We'll round things up by examining the importance of laying solid foundations on which to build your brand. You can have the best, most inspiring mission — but if your store isn't set up correctly, you'll struggle to succeed.

Financing

How you finance your operation is a deeply personal decision, based on a range of factors and circumstances that will look different for everyone. However you choose to fund things while you're getting off the ground, you'll need real clarity and a solid business plan. There are also some ethical decisions to factor in.

If this is a side hustle, what resources do you have access to until you reach an operating profit? It's important to consider resources in terms of money *and* time if you're also working another full-time job. You may have boundless passion for your cause, but everyone needs to sleep at some point. Over the long term, your business should be viable in its day-to-day operations, as well as financially. Is your end goal to make this a full-time gig? If so, at what point will you know you're ready to make the leap?

If you're throwing everything behind a new venture and committing to it full-time, be realistic about what (and when) you'll need to get into a profitable zone. When running an ethical business, we're often driven by real passion and willing to make a few sacrifices along the way, but you need to know that you'll be able to keep your business running into the future so you can make the biggest and most lasting impact.

If you're seeking investment to help get things off the ground, your sources matter. Even well-established ethical brands can stumble here, and public scrutiny is intense (as <u>Oatly recently found to their cost</u>). If you're keen to steer clear of traditional sources of capital, then by operating in the ethical or environmental sector you benefit from increased opportunities to seek successful crowdfunding — this may be an option you want to consider.

The buzz words are "impact investing." While that movement's connection to consumer products and retail is embryonic (compared to renewable energy for example), check out <u>CASE Smart Impact Capital</u>, these <u>links from Cause Artist</u>, and join the <u>Impact Entrepreneur</u> and <u>Impact Investing</u> groups on LinkedIn.

Finally, when it comes to the operational finances of your ecommerce business, think carefully about the organization that you choose to bank with. You'd choose a sustainable supplier for energy within a brick and mortar store, and the same logic should extend to banking — <u>look for solid ethics and investing practices</u>.

Select Your Channels

This is a big decision — where will you sell, and how? From marketplaces such as Etsy through to commercial ecommerce platforms like Shopify and giants like Google Shopping, there's never been more choice when it comes to getting goods into consumers' hands.

There's no perfect answer to this question — each solution has its own advantages and drawbacks, and every business model will have different requirements. As always though, ethical considerations need to be factored in. Don't undo all your hard work building a sustainable brand by choosing a method of selling that opposes your values.

While marketplace selling is incredibly popular, the big players like Amazon often come under fire for their working conditions, tax avoidance and treatment of competitors. Amazon's new <u>Climate Pledge Friendly filter</u> is a new option if your products are on Amazon and certified by one of their partners like Fairtrade International. Ethical marketplace alternatives such as <u>The Etho</u> and <u>DoneGood</u> are gaining popularity, but will take time to grow to help you in theory reach millions of potential consumers.

Ecommerce platforms offer a fast, convenient way to get up and selling quickly, and many are upping their game when it comes to sustainability. Shopify, in particular, is taking <u>big steps towards carbon neutrality</u> and has also made free offsetting a feature of its <u>new Shop app</u>.

Ultimately, choosing your sales channels will be a balance of convenience and conviction. Don't rush a decision — find the option that marries the functionality you need with the sustainability you're aspiring to.

Professional Help

If you have the resources, you might want to consider investing in consultants and other experts in the sustainability and ethical selling space, to help get you off to a flying start.

Again, with a values-led business model, you have two core considerations: creating a truly "for good" brand, and creating a store that is technically fit for purpose and optimized for your continued success. Niche experts can help you in both instances.

When it comes to the nuts and bolts of your store, you'll be amazed at what a few carefully considered integrations and expert tweaks can do. While the baseline, native functionality of most ecommerce platforms today is excellent, third parties can significantly elevate your customer experience (and bottom line).

If you have the ability to work with an agency or freelance expert who's able to ensure that your store is correctly set up and optimized for real impact, it's likely to prove a very smart investment.

Most ecommerce platforms have their own marketplace ecosystem of experts ready and willing to help out in getting the technical side of your store off to an amazing start — and helping you avoid costly mistakes and time sucks. The Shopify Experts Marketplace is a great resource and enables you to hire help on an ad hoc basis, keeping overheads low. WooCommerce, Magento and BigCommerce also operate partner directories.

If working with a professional is beyond your current capabilities, the social entrepreneurship space is well connected and helpful, so don't hesitate to reach out to those who you admire for advice or mentorship. You never know what help will come your way. Free <u>online communities</u>, such as <u>Mindful Commerce</u>, also exist with a view to connecting like-minded businesses and tech solutions.

Fine-Tune Your Stack

Whether you choose to work with a tech expert or not, do research the "bolt-ons" that could benefit your online selling success. Ecommerce platforms are especially well set up in this area. You can easily search for a range of apps and integrations that will extend the functionality of your store.

If you're going with Shopify, carve out some time to really explore their thriving app ecosystem. Consider the areas in which you think you might benefit from a little extra capability — from marketing through to merchandising, you'll find assistance in every area. Many offer free plans or trials, so you can ensure you're getting the extra help exactly where you need it.

Ask yourself a few questions when making your selections:

- Where do I currently feel restricted by my platform's native functionality?
- What would have the biggest impact on my sales (better SEO, retargeting, multilingual capacity?)
- How can I make the running of my store easier (in terms of labeling, logistics, inventory management etc.)?
- What's my budget for these improvements and what's an acceptable ROI?
- Which apps align with my own values?

There are many recommendations online for "starter packs" of apps to give you a boost from day one. Shopify has a great run-down of <u>25 totally free apps</u> that will give you a lift from day one. Pushowl, one of the apps featured in the list, also has its own <u>helpful guidance on choosing apps</u>, which is well worth a read.

Getting smart when it comes to your store setup can give you a real edge — and that's crucial when you're competing with brands which *aren't* focused on the "triple bottom line" of profit, people and planet.

*** Check out GoodCarts' <u>The Guide: 13 Shopify Apps to Boost Sales and Your Impact</u>
Mission [PDF] ***

Delivering the Goods, and Your Promise

Ecommerce may exist in the digital realm, but there are some very practical, physical considerations to factor into your planning. It's very important to consider the implications of how you will store, pack and ship your products.

This planning stage goes beyond simply thinking about what's kindest to the environment. You also need to be considering how you will clearly communicate the thinking behind these choices to your customers.

Making sustainable shipping (both <u>packaging</u> and carbon neutrality) a priority that you shout about is vital. Conscious consumers will actively seek out stores that have put thought and care into these details, and many will hold back from making a purchase where there's a lack of clarity. <u>Lush</u> is fully transparent and packaging choices often feature in the brand's content and social media. As a result, <u>many</u> consumers share and amplify their message.

GoodCarts member Nepal Tea has made its packaging a part of the brand's unique offering. Its beautiful, fresh tea comes wrapped in handmade, bamboo pouches. Not only do these make use of bamboo growing on the tea plantations, Nepal Tea provided training to enable farmers to create the pouches themselves, providing additional income and a broader skill set. As well as eliminating extra shipping emissions, this also means the packaging is fully biodegradable.

When it comes to carbon offsetting, a range of great apps exist to help facilitate this. We've featured a few of our favorites in <u>The GoodGuide: 13 Shopify Apps to Boost Sales and Your Impact Mission [PDF]</u>.

3. Spread the Message

So you have a brilliant business concept, and a solid online store. This section will get you thinking about the next step — how to let everyone know! We'll explore the best channels for promotion, and offer some tips on how to achieve higher conversion rates by leveraging social proof, user-generated content (UGC) and reviews.

We'll also look at the great advantage that ethical brands have over their mainstream counterparts — many more people who feel inclined to share and advocate for them!

Social Media Engagement

Fast, accessible, cheap. There's a reason growing brands throw everything they have into their social media. Often this is the first place a new customer will encounter your brand, and it's great for this top of funnel "discovery" phase.

Because of the role that social media plays in terms of providing a window into the heart of your brand, it's important to get strategic. You only get one chance to make a first impression, so ensure your profiles are consistent, on-brand and communicate a clear message of ethical practices and sustainability. GoodCarts' member Dean's Beans are a great example of a friendly, ethical brand creating a wonderful connection with their customers through thriving social media accounts.

Many people choose to "wing" their social media, but if you can apply a bit of structure and strategy, even as you're starting up, it will pay dividends. Map out a <u>content calendar</u>, even if it's very basic, committing to post on a regular basis. Many busy startups like to batch their content (i.e. create and schedule a week's worth of

content in one sitting). This keeps you in the creative zone, means that your messaging tends to be clearer, and stops any distraction throughout the week as your posts are ready to roll out automatically. Explore some options for <u>software to help here</u>.

Of course, you'll want to start growing your following. <u>Hashtags</u> are your friend here, so do some research into what's trending in your particular space and leverage these accordingly. You're working within a niche, and this is a real advance over traditional, generic commerce when it comes to using trending hashtags.

As an example, check out #sustainablefashion on Instagram, Facebook, Twitter, and LinkedIn in real-time. While the first three tend to be product focused for consumers, LinkedIn gives you insights on the sustainable fashion business trends.

You can also explore tactics such as working with influencers, account takeovers and content swaps. Get creative and don't lose sight of the "social" element of social media — if you want to see engagement on your own accounts, be sure to comment on, like and repost others' content. You'll see the favor returned and the algorithm will reward you for it.

As your social accounts grow, they offer a fantastic opportunity for channel selling and can add additional revenue streams to your operation. What's more, if your target audience is younger, there's a growing demand from Gen Z for social shopping.

Social Proof

Social proof (reviews, testimonials, customer photos etc.) offers some really magical benefits for online retailers. Essentially playing on the basic human desire to avoid missing out on a great resource, we trust the opinion of our peers far more than we will ever trust the carefully crafted words of a marketer. 84% of consumers say they trust online reviews as much as they trust their friends – and 91% of people go out of their way to read them.

Working in the ethical commerce space, you have a great story for your customers to tell, and they're more likely to want to share their thoughts on their purchases. They'll spread the word and do even more good by association.

Aim to maximize the UGC (user-generated content) you have available to leverage from the outset of your business. Reviewing software can help you to automate the process, sending polite requests and reminders after a purchase has been made, and helping you get as many reviews as possible. Don't be put off by the idea of a negative review — as long as you're responding quickly, authentically and positively, these are an opportunity to learn, improve and showcase your excellent customer service.

Customer images can be a really effective way to build out your social media content, or even to integrate into showcases on your main store. These are especially helpful for brands that are still at the early stages of their growth, without a big budget for professionally styled or modeled product shots. Embrace the creativity, passion and talent of your audience!

What's more, if you're looking to get really savvy, you can dig into the extra data that a review gathering partner can provide, and use these insights to get your customer campaigns smartly segmented. This means a much more personalized approach to your direct marketing — and the results will speak for themselves.

Digital Advertising

Of course, you might also want to leverage advertising that goes beyond the organic reach of social media. From pay per click through to social platform advertising, it's important to keep track of the impact you're seeing. Most digital marketing is an ongoing experimental process, so if you're dipping your toe in the water, be sure to keep iterating, tweaking and fine-tuning your strategy as you go. This shouldn't be a "set it and forget it" affair.

You should carefully research your audience — what channels will offer the best access to them? What form of messaging could you use to really stand out? Set a clear budget and documentation to help you track your success and impact. <u>Hubspot offers a really nice free calculator to help you set budgets here</u>.

Dabble with advertising to bring back potential customers before you seek to reach and convert people who have never heard of your brand before. Remarketing/retargeting is also an important tool in your advertising arsenal. It helps you reconnect to consumers who have previously interacted with your brand online, following up on their initial interest with well-timed, carefully worded offers or information.

Google Ads enables huge reach here, via their massive Display Network (millions of sites allowing Google Ads to be displayed within their pages). Setting up tracking pixels with major digital ad services now is best, even if you don't plan advertising for many months. Again, you'll want to make your own decisions around the partners that you're happy to work with in this space, ensuring value alignment at all times.

Other Channels

Many other marketing options exist, both paid and free, so take some time to decide which you'll look to take advantage. Working in the ethical or sustainable niche sets your business apart to a certain degree, and this is a bonus when it comes to engaging with affiliate or influencer marketing. You'll be able to approach people

whose audience is closely aligned with your own brand values, so there's potential for real success here.

It is worth pointing out that the <u>gazillion ethical brand "directories"</u> are powered by <u>affiliate marketing services</u> like Share a Sale. In this case, the source website, like a <u>sustainable fashion influencer's blog</u>, links to your store with a link that gives them a commission if it results in a sale on your store.

You can also explore apps that can help spread your message. <u>GoodCarts</u> offers a fantastic opportunity for free, perfectly-targeted marketing activity. The concept is <u>simple but incredibly effective</u> — offer promotional coupons to customers of other mission-driven businesses, after they make a purchase. Not only are you incentivizing them to explore your offering, you're also cross-promoting to a prequalified consumer segment.

The app itself is installed in minutes, which means you can start reaching new customers immediately. With no contracts, fees, or lock-in periods and absolutely no cost, you have everything to gain.

If you'd like to learn more about how your business can get in front of thousands of ethically-minded conscious consumers, we'd love to have you join us. Installation for Shopify stores is instant, and our post-purchase offers roll out automatically, for total ease and peace of mind.

4. Scale Successfully

You've perfected your concept, crystalized your mission, set up a technically sophisticated ecommerce store and stocked it with the most sustainable products. Marketing is falling into place and you're starting to gain some real traction. It's time to think about how you scale... After all, as a mission-led business, the more people you can reach, the more good you can do in the world.

This final section will help to show you what's possible as you look to grow your business successfully. As your confidence and bottom line grow, you may even want to consider expanding beyond the realm of ecommerce to take your message and mission to as many people as possible.

Physical Stores: Pros and Cons

One of the most natural inclinations held by the owners of successful ecommerce businesses is to open a brick and mortar store. There's something about having a physical presence that suggests success — a brand that's really made it. Of course, plenty of online-only brands turn much larger profits than their on-the-street counterparts, but if having a tangible, physical storefront feels like an exciting evolution for you, there are plenty of positives to consider.

As a mission-led business, being able to connect on a personal level with your customers might feel important. A store could also act as a community hub for similarly minded individuals, amplifying the impact of your mission. Having a real-life shop gives you greater control over the way people experience your brand, and can act as a powerful promotional tool as you look to share your outlook with others.

Of course, you need to consider the impacts a physical presence can have on your sustainability goals. Stores will require plenty of power, heating, lighting, water and other resources. People will likely drive to visit you. You'll still require stock to be shipped, warehoused and stored on your behalf. A physical shop is a considerable expense, and you'll need to be certain of its ability to pay its way, if it's not going to decimate your profit margins.

Make sure you do some number crunching before you decide the time is right to take the plunge into offline retail. Be clear on your reasons for having a store, and define what success is going to look like. Consider dipping your toe in the water with inperson sales at marketplaces or pop-ups, to get an idea of whether these types of sales and sales experiences are truly important to your evolving business.

Considering Wholesale and Dropshipping for Others

If, after careful consideration, you decide that your own store isn't an option, think about getting your products in other people's stores. Setting yourself up for B2B sales can add a profitable extra stream to your income, and gives you a whole new market for promoting your business.

Selling wholesale necessitates a few tweaks to your ecommerce set up. Customers will expect bulk pricing, customer accounts, flexible payment options and a decent level of customer support.

<u>Shopify's wholesale channel</u> enables you to set up a password-protected, separate storefront, enabling you to offer customized pricing, order processing and more.

Your brand might also consider making your product available to be dropshipped when sold on the websites of other stores. Dropshipping in-country with shipping within a week has a much brighter future than products from far away. Here are where some <u>ethically oriented store's seek leads on product sources</u>.

Keeping Things Truly Sustainable

When we talk about building a sustainable business, this should mean sustainable in its own right, as well as for the planet. It's important to track time capacity, cash flow and anticipated costs as you grow. Give yourself time to settle into the pace of your business, learn about seasonal profit and traffic that will come and go. It's important not to overstretch yourself in your eagerness to increase the impact your business is having on the world.

Finally, Keep Working on Yourself

As your ethical ecommerce business grows, you'll be busy, but don't forget to keep investing in yourself. There are many different professional networks to join and learn from — the <u>Fair Trade Federation</u>, <u>Social Enterprise Alliance</u>, <u>REDF</u>, and <u>Artisan Alliance</u> to name a few. Education never stops, so be sure to set dedicated time aside to keep yourself on the cutting edge, and mindful of the reasons that you started your business in the first place.

The journey toward impact through retail need not be taken alone. Let's grow together.

- Ready to get your values-led ecommerce business promoted to the perfect audience for free? Install GoodCarts to get up and running in minutes.
- Join our free <u>Impact Retail newsletter</u> for inspiration and tactical news.

Feedback Please

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