



# BULB



## Entry Form '07

Name of business idea or team:



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### Personal Details

(If you are applying as a team, please give the following information for all team members; teams of up to 5)

	Title	First Name	Surname	Team leader (please tick)
1.	Mr	Jonathan	Melhuish	Yes
2.				
3.				
4.				
5.				

## University Information:

	Undergraduate or Postgraduate	Course	Year	Department/School
1.	Undergraduate	BSc Artificial Intelligence and Computer Science	3	Computer Science

## Your Idea

*(Use the following headings to outline your business idea. Please use no more than 1200 words in total)*

### The Business Idea

The aim of this social enterprise is to support ethical consumerism by providing free and easy online access to trustworthy ethical information. This includes information on environmental effects, human and animal rights.

Consumers face a multitude of problems when trying to shop ethically:

- product certification schemes (e.g. Organic, Fairtrade) have narrow scope
- it is difficult to judge the truth and significance of manufacturer-provided information
- it is time-consuming to find relevant information from independent sources (e.g. media, NGOs)

The development of the site will be in two major phases:

**Version 1** of the service seeks to allow the ethical consumer to quickly retrieve relevant, trustworthy ethical information during the online shopping or research process.

**Version 2** additionally seeks to capture and aggregate the opinions of a community of ethical consumers about manufacturers, in order to construct a comprehensive set of ethical ratings. This will allow consumers to view ethical information about a manufacturer at various levels of detail, from a single overall score through performance against specific criteria, down to the relevant supporting documents.

As we are primarily concerned with the ethical performance of manufacturers, we are free to influence our users' choice of online retailer, without compromising our reputation. This should provide sufficient income to sustain the enterprise.

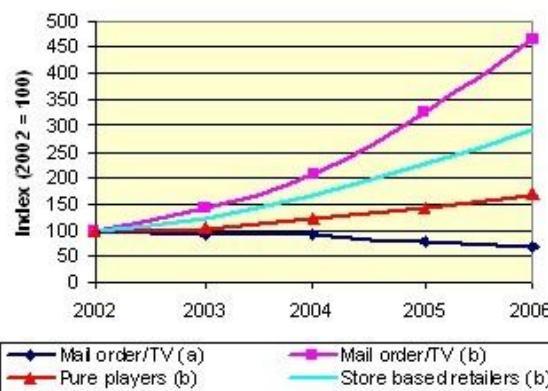
NB: For brevity, we will use “products” to indicate both products and services, and “manufacturers” to also mean service providers.



## The Market

Our market is ethical consumers, a segment that is rapidly expanding to include an ever-greater proportion of shoppers: 64% now consider ethical issues<sup>1</sup>. Ethical consumerism was worth £29.3 billion in 2005, over twice as much as in 2001<sup>2</sup>.

We will initially target purchases made on the Internet, as it is technically easier to integrate with the online shopping process. Initial interviews with ethical retailers indicate that they would be happy to display our ethical ratings on their web site. This would link through to our web site for a more detailed breakdown and further information, and hence would act as a natural point of introduction for new users. The online shopping market continues to grow, with 41% of UK consumers buying online in 2006<sup>3</sup>.



Lines denoted by (b) are online sales.

Source: Mintel, 2006

The user is more likely to follow a link to our site if they are aware of some ethical issue surrounding their purchase, and that their choice will have make a difference. The three ethical issues which are of most widespread concern amongst consumers are:<sup>4</sup>

- The need to recycle (68%)
- Climate change (53%)
- The use of child labour (48%)

None of these issues are easy to evaluate, requiring considerable research to assess accurately – a significant effort that the vast majority of consumers will understandably not make.

Hence, we will initially target consumers of products where:

- the product is frequently purchased or researched online
- there is widespread awareness of ethical issues involving this product
- customers believe that some available options may be more ethical than others
- customers feel their information needs are not satisfied by other sources

A few examples of product types that meet these requirements are listed below, along with the commonly-considered ethical issues surrounding them:

Product category	Key concerns
Electronics	Power consumption, recyclability
Motor vehicles	Fuel consumption, Fuel compatibility
Clothing	Worker's rights, Child labour
Food	Food miles, G.M.O.s, Animal rights, Overfishing, Packaging recyclability, etc.
Toys and baby products	Toxicity, safety

1 UK adults aged 18+, Source: GfK NOP/Mintel, 2006

2 Source: *Ethical Consumerism Report*, The Co-Op, 2005

3 UK adults aged 15+, Source: BMRB/Mintel, 2006

4 UK adults aged 18+, Source: GfK NOP/Mintel, 2006

## The Competition

What existing products or services will compete with your idea, emphasise the Unique Selling Points of your idea and explain why yours is better?

Key competitors, i.e. alternative sources of ethical information are:



### Product labelling

Although ethical concerns are widespread, so too is scepticism about companies' motives: 59% of consumers feel that it's important that a company acts ethically<sup>5</sup>, but 80% believe ethical claims are nothing more than pretence designed purely to boost sales<sup>6</sup>.

This explains why consumers have widely embraced products that conform to externally-verified ethical standards, with 31% of consumers buying Fairtrade products and 24% buying Organic<sup>7</sup>. However, the scope of the Fairtrade and Organic schemes is necessarily narrow, and consumers may not be aware of the meaning or necessity of labelling concerning other ethical issues.



### Advertising and Press Releases

Consumers are not equipped with the knowledge and understanding to effectively critique each company's ethical claims, hence the widespread scepticism mentioned above.



### Existing Ethical Consumer Guides

Organisations such as the Ethical Consumer Research Association offer print (magazine) and online ethical consumer guides. However, paid-for services will only ever reach the most dedicated of ethical consumers will access this information. Also, due to the costs involved in employing professional investigators, these guides will never be particularly comprehensive or up-to-date. *Gooshing.com* seeks to integrate the ECRA ethical ratings with a comparison shopping service, but the site is difficult to use and offers only a simplistic ethical “check-list” for each manufacturer.

### Investigations by Non-Profit Organisations and the Media

Due to their independent nature, consumers place more confidence in news from journalistic and charitable sources. However, it is generally difficult to find this information at the time of purchase, and hence information about particular companies or products is unlikely to have a great effect on purchasing decisions. The first goal of our service will be to solve this problem.

<sup>5</sup> UK adults aged 18+, Source: GfK NOP/Mintel, 2006

<sup>6</sup> Source: Ipsos MORI survey, quoted by Brand Republic 14-09-2007.

<sup>7</sup> UK adults aged 18+, Source: GfK NOP/Mintel, 2006

## The Financing

*How much do you need? How will you raise the necessary finance? Would you commit your own families' money to this idea?*

### 2008

One programmer is already working on building the first version of the service, with an aim to have a Version 1 operational and in active testing by the middle of the year. At around the same time, the author will join the project part-time and begin work on Version 2. The involvement of both participants will be self-funded. Donations of time or money will also be actively sought to further speed development.



### 2009

By early 2009, we hope to publicly launch Version 1, and start beta testing of Version 2. At this point, we will start to involve a small number of retailers, both to promote the site and as a source of click-through commission: alongside ethical information for a product, we will advertise online retailers who sell this product (and meet certain ethical minimum standards). As the majority of users are primarily interested in the morality of manufactures rather than retailers, this financial sponsorship does not conflict with the impartiality of our core function. We will approach investors at this stage.

In the longer term, we seek to integrate better with offline shopping, perhaps through barcode-scanning kiosks in ethical retailers (sponsored by the stores themselves) and a mobile web version, which could carry advertisements for nearby stores selling ethical alternatives.



## The Objectives

*Bullet point your short term goals/objectives (First 12 months)*

- **Mid-2008:**
  - Begin testing Version 1 (the ethical search engine) with beta testers, and evolving the system based on their feedback
  - Start work on Version 2.0 (the online ethical ratings community)
  - Seek time and financial donations from activist community
- **Late 2008:**
  - Inaugurate charity
  - Improve integration of search engine with the online shopping process.
- **Early 2009:**
  - Public launch of Version 1, with Press Release
  - Begin beta-testing of Version 2