

2021

ETHICAL COMMERCE



How to stand together with
your customers

Thinking Juice



Retailers and customers that make a stand together stay together. That's a big, bold claim. But stick with us. We've got the evidence to back it up. This isn't just lofty thinking dreamt up on a marketing whiteboard. The evidence is all around us that customer loyalty is being won (and lost) on higher ground than experience or price.

Now, more than ever, consumers care about what brands stand for, say and do. We're putting the emphasis on the do here because just saying

"love us because we love the planet" won't cut it. Consumers don't want empty phrases. They will judge you by what you do, not just by what you say because, in the words of [Shakespeare](#), talk is "mere prattle without practice". Customers are choosing retailers that share their sense of purpose, values and beliefs. They care about the impact a brand is making on the world. And retailers need to show they care too. The pandemic has made sure of that.

"Customers are choosing retailers that share their sense of purpose, values and beliefs."

THE RISE OF THE CONSCIOUS CONSUMER



Grey economic skies usually mean that consumers change their buying behaviour. Priorities change and they reduce spending on 'green' products and services. But these are not normal times. The Coronavirus crisis has been a black swan event that has profoundly changed customer behaviour and perceptions of what's important in our lives. The pandemic has accelerated two big shopping trends that were becoming dyed in the wool long before the crisis broke: digital and shopping sustainably. Retailers that are out of step on ethical, environmental and social causes will be out of step with their

customers. Tackling climate change and a renewed focus on environmental resilience is critical to brand planning for the recovery ahead.

What does the data tell us about changing customer behaviour?

PwC has been taking the consumer pulse during the pandemic, and its latest research tells us that between October 2020 and March 2021 consumers had become even more digital and eco-friendly (they also said they shopped more price-consciously, healthily and locally).

1.

50% of consumers said they were more eco-friendly

Meanwhile, 39% said there was no change and just 9% said they were less eco-friendly. ([PwC](#))

2.

35% of UK online shoppers want to shop responsibly and 31% prefer to buy from brands that are perceived as 'green' and use eco-responsible packaging in their deliveries.

More than a third (37%) are actively seeking to reduce their carbon footprint by ordering locally or within the UK ([Empathy.co](#))

3.

'Eco actives' are worth £281 billion to FMCG brands.

Brands that communicate their environmental credentials beyond packaging sell well and command a premium. Meanwhile, consumers expect FMCG manufacturers to lead on reducing environmental damage ([Kantar](#))



Out of necessity, we've all changed the way we shop—beyond digital. We've shopped locally and tried stores that we previously would have just passed by on the way to work. We've eaten at local restaurants and bars that put a premium on everything from the provenance of their produce to the way they work with local suppliers, to the sustainability of the materials they use. Local shopkeepers and communities have come together for the greater good. They have been setting the bar on what an ethical CX looks like. Now, after spending the best part of a year-and-a-half indoors, many consumers have money in their pocket to spend. Being an ethical retailer is a powerful differentiator to convince them to spend with you.

THE LOYALTY FACTOR

Businesses that connect with customers on a shared sense of purpose, value or belief tend to build hard-to-break bonds because their customers are also emotionally invested in doing the right thing. The most effective marketers use 'emotional branding' to build these relationships by provoking an emotional response. They use content and messaging that tap into the part of the brain where our core values and beliefs live – in the subconscious.

In a saturated, volatile market retailers that focus on messaging and products that maximise emotional responses will be rewarded because an emotionally connected customer tends to:

- Spend more
- Make more repeat purchases
- Be less price-sensitive
- Trust your brand and follow your advice
- Make more positive word-of-mouth referrals

“13% of consumers would pay up to 50% more for your products or services if they thought that your business was making a positive impact on the world.”

- CUSTOMER THERMOMETER



The science of customer emotions

Consumers have highly emotional reactions to retailers big and small. But understanding what triggers these reactions is not so easy. For most brands building these connections is more guesswork than science. Their marketing teams have little idea about what works and whether they have achieved what they set out to do. To give them answers, the researchers at [Harvard Business Review](#) (HBR) put on their lab coats and turned to the appliance of science to find out which feelings drove buying behaviour.

HBR described these feelings as 'emotional motivators'. It went as far as asserting that these motivators were a better gauge of a customer's future value than any other metric, including brand awareness and customer satisfaction. It was a breakthrough moment. The research team discovered that it was possible to rigorously measure and strategically target the feelings that drive customers' behaviour.

Hundreds of 'emotional motivators' were discovered. HBR distilled its list down to a top 10.

Customers are inspired by the desire to:

¹ **STAND OUT FROM THE CROWD**

² **HAVE CONFIDENCE IN THE FUTURE**

³ **ENJOY A SENSE OF WELLBEING**

⁴ **FEEL A SENSE OF FREEDOM**

⁵ **FEEL A SENSE OF THRILL**

⁶ **FEEL A SENSE OF BELONGING**

⁷ **PROTECT THE ENVIRONMENT**

⁸ **BE THE PERSON I WANT TO BE**

⁹ **FEEL SECURE**

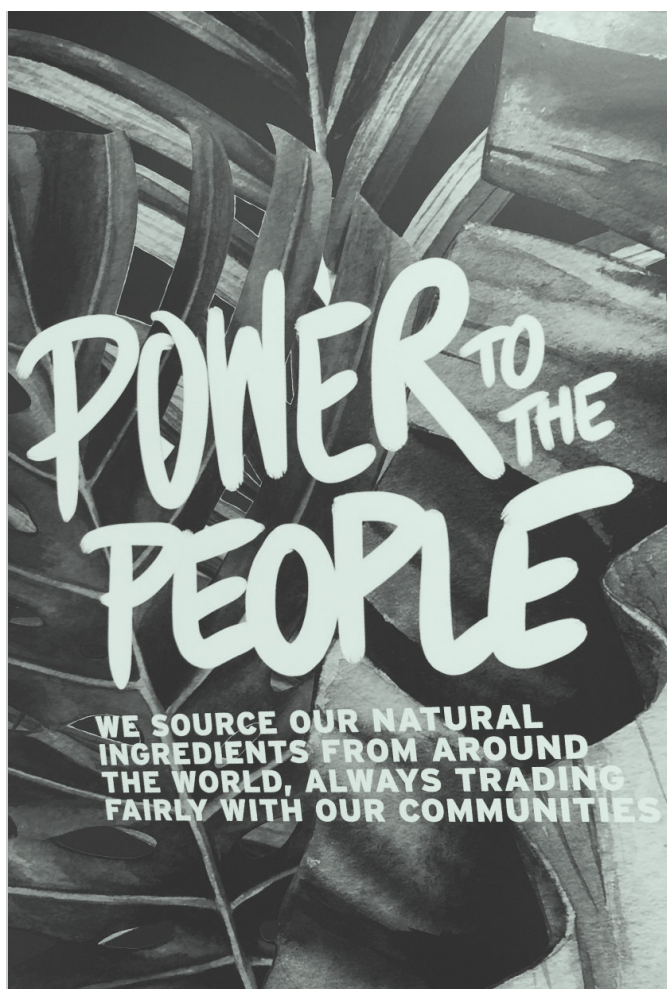
¹⁰ **SUCCEED IN LIFE**



So far, so good. But you're probably now thinking what happens when your competitors sharpen their tools and they also become experts at using emotionally triggered marketing? How will you stand out? The answer lies in the rational side of our brains. Being ethical and doing good in the world is an emotional thing. But the solutions are rational. So, should rational branding also be part of your marketing strategy? The answer is a resolute yes.

In the stampede to build emotional connections, retailers could be missing an opportunity to engage shoppers on a rational level, too. As brands increasingly become experts at emotionally triggered marketing, then technicalities – product attributes, features and facts – are important, as is the way you do business. Consumers want to see an ethical red thread running through everything you do. The list is long of retailers that have been called out for unethical practices.

THE RISE OF THE ACTIVIST BRAND



Changemakers such as The Body Shop and Selfmade Candle were built around purpose, values and beliefs (more on this later). It's in their brand DNA.

Some retailers were late to the game and had to shift their brand positioning to better align with changing customers. But, regardless of the route taken, the companies that are most successful in building emotionally committed relationships have one thing in common – they never stand still. They regularly rethink their branding, visuals, messaging, content and actions to make sure they are consistently communicating their purpose, values and beliefs as they evolve. They build a purposeful narrative through storytelling to build long-term relationships with customers.

Some retailers are among the best storytellers out there.

Sharing purpose through brand stories

In the SEO gold rush, retailers have rightly focused on optimising their content and algorithms so that they rank highly on search engine results pages. You will want to make it easy for Google's algorithm to pick up the SEO signals that your content is high quality and answers their users' search intent.

All content should be written with an SEO mindset. But people won't buy into your brand just because you rank on page one of Google. People will buy into your brand because of the stories you share in the content that they find on the page (we hope). These stories should move them emotionally and give them a compelling reason to connect and remain loyal. It sounds simple enough. But finding a consensus on what brand storytelling actually means is more difficult. We like this definition from Kaitlin Loyal at [Scribewise](#):

“Brand storytelling is using narrative to connect your brand to customers, with a focus on linking what you stand for to the values you share with your customers.”

There's a lot to unpack here, so let's stick with how Kaitlin breaks down the key elements:

1.

Narrative

“By narrative, we mean storytelling elements. A story includes characters, setting, conflict, rising action, climax and dénouement. Creating these points allows your audience to easily follow along with a story – and remember it.”

2.

What you stand for

“By what you stand for, we mean the essence of your brand. It's not the product you sell, and it's not to make money.”

3.

Values

“Values are the character traits of your company that define it.”

DON'T BUY THIS JACKET



It's Black Friday, the day in the year retail turns from red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.

Because Patagonia wants to be in business for good long time—and we want to be a role model for our kids—we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else.

Environmental bankruptcy, as with corporate bankruptcy, can happen very slowly, then all of a sudden. This is what we face unless we slow down, then reverse the damage. We're running short on fresh water, topsoil, fisheries, wetlands—all our planet's natural systems and resources that support business, and life, including our own.

The environmental cost of everything we make is astonishing. Consider the F&W jacket shown, one of our best sellers. To make it required 120 liters of water, enough to meet the daily needs (three glasses a day) of 40 people. Its journey from its origin as 100% recycled polyester to our Reno warehouse generated nearly 30 pounds of carbon dioxide, 34 times the weight of the finished product. This jacket left behind, on its way to Reno, two-thirds its weight in waste.

And this is a 100% recycled polyester jacket, knit and sewn to a high standard; it is exceptionally durable, so you won't have to replace it so often. And when it comes to the end of its useful life we'll take it back to recycle into a product of equal value. But, so is true of all the things we can make and you can buy, this jacket comes with an environmental cost higher than its price.

There is much to be done and plenty for us all to do. Don't buy what you don't need. Think twice before you buy anything. Go to patagonia.com/CommonThreads or scan the QR code below. Take the Common Threads Initiative pledge, and join us in the 10th "N" to reimagine a world where we take only what nature can replace.

COMMON THREADS INITIATIVE

REDUCE
We make useful gear that lasts a long time.
YOU don't buy what you don't need.

REPAIR
We help you repair your Patagonia gear.
YOU pledge to fix what's broken.

REUSE
We help find a home for Patagonia gear you no longer need.
YOU sell or pass it on.

RECYCLE
We will take back your Patagonia gear that wears out.
YOU pledge to keep your stuff out of the landfill and incinerator.

REIMAGINE
TOGETHER we reimagine a world where we take only what nature can replace.

patagonia
patagonia.com



Your brand story is the reason your business was set up. It's your past, present and future. It's about your history, purpose, values and beliefs and the way these still drive your mission today.

Brand storytelling is gaining traction as a marketing tactic. It's a strategy that's backed up by the scientists - because as [HubSpot](#) points out, "the human brain is wired to respond to well-crafted narrative". We all want stories. When you consider that 81% of consumers expect companies to be environmentally aware in all their advertising and communications, according to [Getty Images](#), retailers that master the craft of storytelling will cut through.



WHAT'S YOUR BRAND'S PURPOSE

Every retailer has a story and a purpose. What's yours? The first step in finding out is to (re)define what you stand for. This is ground zero. Everything will flow from here.

As we mentioned earlier, ethical commerce is a powerful way for retailers to stand out and grow through the loyalty of an impassioned customer base that wants to join the movement, shout about the brand and come back time and time again.

But retailers looking to join this not-so-quiet revolution beware. Customers will sniff out inauthenticity, virtue signalling, over-hyped or made-up campaigns, inferior products or business practices that fall short on the

standards promised. Loyalty will be lost and reputations damaged.

Marketing teams that are asked to come up with campaigns showing their environmental and social credentials will need to prove to customers that the business is walking the walk. So before you can run, you'll need to figure out what this walk is – your purpose.

It's this purpose (and your values and beliefs) that are the compass that guides your brand story, actions, behaviour and decision-making. You've heard a lot about 'purpose' and brands that are 'purpose-driven'. But what do we mean? Here's a succinct definition from Econsultancy (no existentialism required).

“Brand purpose is the reason why a company or brand exists. It goes beyond making money, allowing businesses to connect on an emotional level.”

There's a lot to unpick here, too. Let's look at purpose first. Consumers expect retail brands to use their power for good purpose. Here's the thing, though. Few brands have a clear sense of how their purpose can be used as a force for good beyond their products and services. Let's get back to Kantar on this. It found that while 76% of marketers believe their organisation has a defined purpose, only 10% say this purpose goes beyond their product/service promise to include a societal commitment.

If you need to rethink your purpose, here are a few questions to think about:

- **What do we stand for and how do we want to make a difference in the world?**
- **What are our core values and what do we believe in?**
- **How can we bring our mission and values to life?**
- **How can we encourage and inspire people to join our movement?**

Once you have a clear purpose, you then need to work out who you are sharing your stories with.

Revisiting your customer personas

Are your customers the same customers that you had before the pandemic? All the evidence points to the answer being no. New customer archetypes, habits and priorities have emerged. As we start to drop the new from normal, some of these new behaviours and habits will stick. You'll need to create new customer personas. Before we get onto this, let's pause and take a look at some of the research on how behaviour is changing and the wider impact of ethical concerns on buying decisions.

Research by **Retail Economics** gives us an insight into how consumers' buying behaviour has signed to form four groups:

- **'Unfazed'** – this consumer group has not changed their behaviour (36%)
 - **'Reverters'** – these shoppers have changed but will go to back to old habits after the pandemic (27%)
 - **'Part shifters'** – this group has changed some buying habits (18%)
 - **'Fundamentals'** – spending behaviour among this group has changed across the board (18%)
- The study then characterises spending habits for 2021 into four further groups:
- **'Confident'** – this group will spend more (8%)
 - **'Undeterred'** – spending will remain the same (49%)
 - **'Cautious'** – these shoppers will cut back on spending and wait (31%)
 - **'Hibernators'** – this group will cut down on all non-essentials (13%)



The ethical stance a retailer makes will have a big impact on the way people will spend their money. Concerns about the planet and society are growing stronger, despite the impact of Covid. For example, 8 out of 10 consumers say they are changing their behaviour and purchasing preferences based on brands' social responsibility, environmental impact and inclusiveness, according to [Capgemini Research Institute](#).

[Garnier](#) reports that 73% of UK consumers want to be more sustainable this year, and a quarter have already made changes to their actions and behaviours due to the pandemic. When asked about why they thought it would be easier to make a 'green' resolution now, compared with previous years, 29% reported that Covid had made them re-evaluate their priorities.

What do consumers care about?

The visual media company discovered that consumers thought recycling was the best way to make a positive impact on the planet at 70%. This was followed by stopping the use of single-use plastic (60%) and using eco-friendly products (58%). There are also some interesting insights into how brands are responding in their visual storytelling. Getty also shared that it had seen sharp increases in customer searches on its platform for "reusable water bottle" and "recycling".

Here are just some of the ways that these changes are playing out in behaviour and attitudes.

- **Increased expectations that retailers are transparent about their ethical and social practices**
- **A holistic approach to wellness and healthy, sustainable living**
- **Food and the way we farm has come into sharp focus**
- **Diets are becoming more plant-based**
- **A move towards zero waste**
- **A growing love for local**
- **Readiness to try new brands**

All of these changes have broken down habitual loyalty. The challenge is on to find new ways to build trust and loyalty. To do this you'll need to get to know your 'new' customers. What are their priorities? What percentage of your customers are hibernating or ready to spend? Where do they stand on making ethical choices? Your personas, and the insights they are built on, will most likely need a refresh. You'll need to roll up your sleeves and do your research to find out what has, and what hasn't, changed to create new archetypes.

SHARING YOUR BRAND STORY



The best brand storytellers give themselves a cameo role. They make their customer the hero of the story. You've done your homework on who your customers are. You'll then need to work out how to give your customers a reason to listen, to care and join the cause.

Infuse your purpose, values and beliefs into your branding, visuals (logos, imagery, typography and creative design), your messaging (tone of voice and brand identity) and your content and copy. Be consistent in everything you create. You want people to not only instantly recognise your brand but you also want to make a memorable connection on a deeper level so they remember you for next time, tell their friends about you and get involved.

“Presenting a brand consistently across all platforms can increase revenue by up to 23%.”

- FORBES

Share your story across your website content, brand/look books or catalogues, social media posts, product descriptions, packaging, digital ad campaigns or offline on the side of a bus or in the train or tube station.

EXAMPLES OF

COMPELLING

ETHICAL BRAND
STORYTELLING

First up, here are three brilliant examples of storytelling from changemakers that are synonymous with their founders and built on purpose, values and beliefs: Selfmade Candle, The Body Shop and Barbour.

WEBSITE CONTENT

SELFMADE CANDLE

Selfmade Candle is a new candlemaker on the block. It shares its brand story on a dedicated 'Our story' page. "Wellness has never smelt so good," says founder Ricki. She is immediately on first-name terms with her customers. The candlemaker's ethical credentials are clear in the page titles - "Proud to be Vegan Friendly, Eco-Conscious and Made in the UK".

At the end of the page, Ricki invites customers to join the reduce, re-use and recycle movement by planting the seeded labels that come with each candle.



"Selfmade Candle embodies this with our dual product focus. Not only do you get wellness candles that smell ahh-mazing, but you also get the opportunity to give them a new lease of life by planting the seeded labels in the same jar."



Ricki also explains how the brand was born out of her own personal experiences of the pandemic in 2020 and the Black Lives Matter movement: “During the height of the BLM, as a black woman dealing with my own experiences of overt and covert racism, I felt that there was something I needed to do. Some way in which I needed to help. This was how the CONSCIOUS candle was born.”

The candlemaker donates £5 to the Black Minds Matter UK Charity for every CONSCIOUS soy-wax scented candle – which help with stress, anxiety, sadness, fatigue, and tension – that customers buy.

BRAND BOOK AND WEBSITE CONTENT

THE BODY SHOP

It's been more than four decades since Anita Roddick opened the doors of her little green shop in Brighton. A born changemaker, Anita knew that she wanted to create a business that was a force for good. That was her belief then and it's still the brand's belief now. It's brand purpose is clear and unshakeable on its website:

“The Body Shop exists to fight for a fairer, more beautiful world. This is our purpose, it drives everything we do.”

This is the foundation that the business was built on all those years ago. It's still the beating heart of the business.

The retailer is still the UK's best loved 'cruelty-free' brand. So much has changed over the years for this iconic Bcorp but its values haven't. The brand's cruelty-free credentials run through it like a stick of Brighton rock. The retailer wants to empower women to be their own force for good and set up their own business with The Body Shop at Home™. See how our [design and digital team](#) worked closely with the The Body Shop at Home™ team to give their new brand book a new look and bring to life its values on its pages.

The retailer also wants women to be the superhero of their own stories, supercharged with their own superpower - self-love.



BRAND BOOK AND WEBSITE CONTENT

BARBOUR

With **Barbour Wax for Life**, Barbour wears its purpose, values and beliefs on its sleeve. Literally.

“Since 1894 we have been a family business built proudly upon our roots in the British countryside. We believe in acting responsibly and minimising our impact on the environment, so that it can be enjoyed by generations to come.”

Steeped in heritage and family tradition, the brand creates lifestyle clothing that is built to last. “Barbour remains true to its core values as a family business that espouses the unique values of the British countryside and brings the qualities of wit, grit and glamour to its beautifully functional clothing,” the British heritage and lifestyle brand explains on its [Our history](#) page.

Barbour’s wax cotton jackets and coats were born a century ago but they are still an iconic purchase for the 21st century consumer. Built

to last, the brand is celebrating 100 years of sustainability. As part of its Barbour Wax for Life services the brand offers a Barbour Repair and Re-wax service. MyBarbour customers are able to customise and build their own Barbour Bedale to make their jacket every bit as individual as they are. And when the time comes for a new jacket, customers can hand in their jacket in exchange for a £50 voucher.



As part of the celebrations for its Re-waxing century the brand is offering passionate creatives the chance to design their own Barbour Re-loved jacket.

And with a full lifestyle wardrobe, Barbour empowers customers to write their own life stories. Watch the brand film [here](#) to see how we developed a strategic and creative direction for its Barbour Way of Life campaign.

IT'S A WRAP



That's plenty to think about for now. You've seen how three brilliant brands share their stories. We hope you find these insights, tips and examples helpful in working how to stand together with your customers on the ethical, environmental and social issues that you are passionate about.

Ethical commerce is about doing the right thing to change people's lives and the world we all live in. Share the good things you do, your history, purpose, values and beliefs through brilliant stories that provoke an emotional response.

Rethink your customer knowledge and take a deep dive into your data to make decisions that are based on evidence. Create content that makes your customers the hero of the story and help them be their authentic selves – and the change they want to be – through your products, services and campaigns. Be consistent, authentic and true to your brand and your people. Your customers will love you all the more for it. What do you stand for? How will you share your stories?