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Consuper®

Make greener buying decisions possible

Proposal on Consuper®

The app that truly empowers consumers to change the world

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Contents

I. Background and Prospects

Climate Change is the single biggest humanity challenge, according to the Millennial project. Almost twenty years ago, Princen[1] has already pointed out that, "consumption or, more precisely, overconsumption, ranks with population and technology as a major driver of global environmental change."

Current carbon emission regimes under the UN-led Paris Agreement put state heads and manufacturers at the center stage, where consumers are very passive. The model's notorious failure is due to the competitive nature of nation states. This problem only exacerbates under the growing animosity between the US and China, and their alliances.

States may never be able to strike the hard balance between immediate self-interest (GDP) and long-term common good (that our generations to come can have a bright future).

Central to our application, Consuper® aims to provide a solution to this by falling back on the power of people.

Beyond and above the famous "invisible hand" analogy for free market economy, Adam Smith also suggested that people have motives besides self-seeking, such as sympathy, passion and adherence to social norms.

As a disruptive force and game change, Consuper® seeks to empower consumers with carbon emission information of their services and products, so they are free to make responsible buying decisions.

The unique primary "why"

- In the face of threat of climate change, consumers want to make better buying decisions for the environment, but what they can do is very limited. The current e-commerce platforms (Amazon, eBay, Rakuten) have not made any mileage in this regard, with their sight set firmly on getting consumers the quickest, cheapest, and most convenient product solutions ONLY.

Why now

- According to a recent McKinsey report, the COVID-19 crisis has led to dramatic shifts in consumer behaviour. Digital-first and omnichannel retailers are clearly gaining new upper hand over those who rely on physical stores and face-to-face engagement.

  Thus, there is a spiking need for a e-commerce platform that can help older and smaller brands navigate this new consumer market normal.

[1] [1]Princen, T. (1999) Consumption and environment: some conceptual issues, Ecological Economics, 31, pp. 347–363.

II. Recent Research used in this Proposal

1. McKinsey & Company. (2020, May 14). Adapting to the next normal in retail: The customer experience imperative. (full report)
2. Nielsen. (2018, October 4). Why small brands are stealing the spotlight. (full article)
3. Producer-centric carbon emission calculation/regulation & related anomaly (full analysis)
4. News search for the period of 2019, October 16 - 2020, October 15. (full clips)

III. Competitors

We have investigated two types of platform we believe will be of reference value to Consuper®.

Bigger e-commerce platforms: Amazon and eBay

- How it works: Amazon and eBay are e-commerce platforms open to any brands and individuals to list their products and find buyers over the platform
- Mainstream brands usually offer their products at standard retail price, running promotions and discounts at times. There are also all sorts of other sellers, including intermediaries and small private sellers.
- Buyers have responsibility of their seller and product choices
- Pricing: More complicated pricing, with different sellers offering different quotes for same products. Shipping fee varies with sellers' geographies and order size.
- Key differentiation: Transparent pricing with different sellers and quotes available for buyers to make buying decisions.

Specialist e-commerce platforms: iHerb

- How it works: iHerb offers mainstream brands that can be found at also other retail or online channels. All products are stored and shipped exclusively by iHerb, which is free of 3rd party sellers.
- Pricing: Simple pricing. Free shipping at small order ($USD20). It may not be the cheapest hub for most listed products, but as one-stop-shop for organic, herbal and healthcare food and products, customers are attracted by the convenience.
- Key differentiation: Customers go to iHerb for its brand and product collection/selection

IV. Market Analysis

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Strength
- Consuper® is UNIQUE
  o No one is even close to attempting this concept or direction or even discussing it
  o The big companies and MNCs naturally tend to play ball to help governments meet GDP goals and are not likely to go into carbon emission disclosure.
- Current norm, paradigm and news narrative on populism and climate change provides strong tailwind for Consuper® and our publicity campaign.
- There are obvious free press opportunities for Consuper to champion narrative on major business and national news channel, such as Bloomberg, Reuters, CBC, etc.
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Weakness
- Consuper® is not focused on competing with other e-commerce platforms on price and convenience, which are the two biggest considerations for consumers

- The e-commerce market is very overcrowded and dominated by a few mainstream players

<u>Takeaways</u>: We still see the success of specialist platforms if they have an edge, for example iHerb. In the below section on “Detailed description of our solution,” we will outline our strategy on how to hack into the market, quickly gain market share and achieve economy of scale.
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Opportunity

- According to a recent McKinsey report, the COVID-19 crisis has led to dramatic shifts in consumer behaviour. Digital-first and omnichannel retailers are clearly gaining new upper hand over those who rely on physical stores and face-to-face engagement.

Buy online, PICK UP IN STORE (BOPIS) GREW 28 PERCENT year-over-year in February compared with 18 percent in January
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Threat
- Since Consuper®’s carbon emission calculation may rely on new and combined data from different providers and standard setters. There may be controversies (or even malicious attacks by supply chain players with conflicting vested interests)

<u>Takeaways</u>: We will proactively engage authorities and the entire supply chain.

A proactive media relations program will be launched alongside to answer potential criticisms before they arise. For example,

“Before Consuper®, there was NO major platform to cut down the environment expense consumers cost to the earth. Relying on consumer power, what Consuper® does provides incentives for producers to protect our planet earth above and beyond what current regulations require. We are not perfect today, but as we join force with more businesses, I believe we will get there.”
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V. Detailed Description of Our Solution

The major objective of this app is to match environment conscious buyers with products with low carbon footprint. As a result, we hope to create a domino effect and incentive for producers to lower carbon emission throughout the entire product lifecycle, including post-consumption recycling and waste management.

We will proactively target merchants who are already tracking their carbon footprint using standards such as SAP. Priority merchants/products are those producing the biggest environmental problems, notably **consumer electronics**.

Most important data: product attributes

- Category name
- Subcategory name
- Brand name
- Product name
- Carbon price equivalent & rating

Entire product lifecycle	**CO2 $**
Production	
Logistics (during production, from production to end-consumer)	
Recycling	
Non-recyclable waste processing	
Product CO2 $ Total	

Product CO2 $ Total	**Rating**
<10X average	5
<5X average	4
<average	3
>2X average	2
>5X average	1

- Retail price
- Description
- Product image

Secondary data: merchant accounts

- Company Name
- Email
- Password
- Role (supplier, forwarder, pick-up location provider)
- Phone
- Address

Tertiary data: consumer accounts

We target to have lean consumer data at registration stage (with optional Facebook login)

- First name
- Last name
- Email
- Password

Additional data will be collected as consumer place their first order:

- Address
- Phone number
- Order and carbon footprint history
- Payment details

Application platforms and role of social media

Since consumers nowadays spend most of their time surfing information and shopping on mobile phones. Thus, our platform priority is listed in order as follows:

- UX/UI fitting smartphone browsers and apps - Bootcamp to take care of compatibility of common browser versions

- UX/UI fitting PC browsers - Bootcamp to take care of compatibility of common browser versions

Social media will also be used in the promotional campaign to attract new users:

- YouTube infographics, infomercials with analytics targeting consumers

In addition to digital/social media, we feel that the key to determine success of this app will be to connect the online and offline experience seamlessly.

- Offline advertising and promotion campaigns will be rolled out to drive early shoppers onboarding

How we measure success

1. Website traffic volume and route, number of registered merchants, listed products, merchant enquiries, registered customers, customer demographics, successful orders - we will capture these data through backend together with Google Analytics.

2. Visibility and conversion rate- we will optimise our metadata and SEO, and measure visibility through backend data captured, as well as the ad impression and hit rate data of the social media campaign.

    - Combining the data captured through the backend and media campaign, we will be able to analyse the conversation rate and optimize the social media strategy.

    - From the data we can also identify any major UI steps that stop users from moving forward and improve our UI/UX.

3. Word of mouth - we will monitor user comments and dialogue on social media for coverage volume, tone and trending topics to make improvements on the UI/UX and media campaign.

Technical considerations

1. With our primary focus being the most popular versions of iPhone and Android smartphones, we will test the app against most used/latest browsers/OS to make sure we cover the latest/most used versions. This is to correspond to our key target audience who are middle-class and young people.

Growth trajectory

The concept of Consuper® is thought-provoking (and provoking in a way) to the existing supply chain ecosystem.

Exposing the different "environmental footprint" of popular brands is expected to help us get consumer awareness and onboarding quickly. We do not expect, or more precisely we do not need, to have all the merchants/producers willingly come to us listing their products with carbon footprint on day one.

We only need a small base of products to start and succeed. Because as soon as Consuper® exists, merchants and products not listed on Consuper® will raise questions on their carbon friendliness.

We target to roll out Consuper® in a few select North American and Asian hub cities at first. Once Consuper® gains traction, we will repeat our success in other markets to achieve optimal economy of scale. (EU has a much more convoluted regulatory regime, therefore, we will not consider entry until we have thorough confidence in navigating it.)

In the long run, we target to become a world leading hub of product carbon footprint data. The data, when reaching certain threshold, will become a product itself for us to sell or license to other businesses and organizations for profit.

VI. Timeline

Click here to download the EXCEL spreadsheet

Milestone Description	Deadline
Proposal and Pitching	
Proposal	27/10/2020
Research and analysis, idea and solutions, project timeline	
Getting feedback	
Refine the proposal after getting feedback	
User Experience	
Initial wireframe sketches detailing major flows and main functional areas	17/11/2020
Initial wireframes describing content, visual and functional features (both JavaScript and PHP)	
- First draft	
- Refined versions based on user interviews/tests	
Other documents to describe how the concept will look like and how the data or technology flows together	
Design	
Design Elements	17/11/2020
Overall design concept	
Assets (images, graphics, audios, videos)	
Prototype (finalized design content)	8/12/2020 (internal)
Refine and finalize assets	
Frontend Development	
Prototype (include views, layout components and functional annotations for all pages and components)	8/12/2020 (internal)
Semantic HTML structure	
Navigation items ready for users with different states of the application	
All pages and URLs are detailed including server processing pages	
CSS to layout content boxes	
Roughly 80% of JavaScript functional	
Version 1.0 launched (100% complete HTML, CSS, JS)	16/12/2020
Final testing, debugging and troubleshoots	
Backend Development	
Database Schema	17/11/2020
A description of tables and relationships	
An exported .sql file of the application database	
Prototype (include views, layout components and functional annotations for all pages and components)	8/12/2020 (internal)
All pages and URLs are detailed including server processing pages	
Roughly 80% of PHP/MySQL should be functional	
Version 1.0 launched (100% complete PHP)	16/12/2020
Final testing and troubleshoot	
User Acceptance Testing	
Proposal stage	
User interviews on competitors and initial concept of app	
Initial wireframe stage	
User interviews on initial wireframes	
Prototype stage	
User acceptance interviews/testing	
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