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GoodGuide Puts Brands' Ethical Claims to the Test

Site Scrutinizes 75,000 Products to Expose Those Who Overhype

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BATAVIA, Ohio (AdAge.com) -- The hype and puffery of 21st-century ethical marketing may finally have met their match: a small band of venture-funded academics who have set out to systematically rate thousands of consumer products and their manufacturers on how good they really are.

In the two years since Berkeley environmental policy professor Dara O'Rourke led a handful of academics off the University of California campus to launch [GoodGuide.com](#), it's rated about 75,000 consumer products and counting, distilling dozens of facts from public and private databases to score each on a 10-point scale for health, environmental and social impact. Each brand is scored on each measure individually and then given a collective rating.



Dara O'Rourke

The success of such a venture will rely, in part, on consumers finding out about it, but there's evidence that's happening already -- millions have already visited the ad-free site, and more than 100,000 have downloaded the GoodGuide iPhone app. The group is using web analytics to continuously tweak the site to make it more relevant and easier to use.

GoodGuide is also getting noticed by big marketers such as Clorox Co., which has been talking to Mr. O'Rourke about how to improve its ratings. It has had enough inquiries from marketers that it's planning to open a separate portal early next year to show them how to improve their scores.

Meanwhile, GoodGuide is in talks with three big offline retailers about incorporating its ratings into their stores, said Mr. O'Rourke, as well as three online retailers who are planning to make the ratings available to shoppers on demand.

Crowd control

GoodGuide already has its ratings on the TheFind.com, and links from GoodGuide to purchase at Amazon have conversion rates that are five to 10 times those of the giant retailer's norms, Mr. O'Rourke said.

While GoodGuide has user ratings too, it focuses on applying science and its own research to objectively vet products and companies.

Crowds are involved in shaping the site's content and user interfaces. GoodGuide has tapped web-analytics firm Unica's NetInsights system to constantly monitor how people use the site, what information is important to them and what sort of customization makes sense.

The overarching finding, said Mr. O'Rourke, is that people care most about health. But it's also hard to generalize, so the site has a drop-down menu that lets users screen products for their own purposes.

The web and mobile analytics show that people are increasingly focused on very specific ingredients, he said. "We have a lot of our users click down and look at, are there any parabens? Are there any chemicals of concern I've read about in my newspaper or e-mail list?"

Tailored scores

Right now, there's a one-size-fits-all rating. Eventually, the site may make it possible for each user to get individual ratings based on the weights they assign to various factors.

Ratings are based on remarkably detailed analyses -- including 99 data points for a variant of Pantene shampoo. While health matters most, corporate scores make a big difference.

For example, Clorox Green Works toilet bowl cleaner gets a middling 5.4 rating despite its 7.0 rating on health, pulled down by the parent company's record on environmental compliance, corporate disclosure policies and workplace conditions.

"We're highly supportive of GoodGuide's developing a comprehensive source of information for the health, environmental and social impacts of a product," said Aileen Zerrudo, director-corporate communications for Clorox, who's been working with GoodGuide on the Green Works rating. "We think it could evolve into a tool that is truly meaningful and intuitive for the consumer."

But, in an e-mail statement, she said Green Works should score higher. "We have been in discussions with GoodGuide about some of the gaps with respect to Clorox's corporate social information."

"We've had some very positive conversations with Clorox about our ratings," Mr. O'Rourke said. "I would expect to see them improve their performance on a company level over the coming years."

Brand distinctions

Burt's Bees, now a subsidiary of Clorox, fares better than its parent. A shampoo bar gets a 10 for health and 8.6 overall on much higher ratings for environmental and social impact.

That's been a subject of debate within GoodGuide, he said, but Burt's separate score ultimately was based on it having a separate board of directors, separate policies and offices and a distinct track record.

The Clorox case is among those that convinced GoodGuide to start developing a portal where manufacturers can get customized views of the data, how to improve it and a way to disclose more information.

Ultimately, Mr. O'Rourke said he sees licensing data to manufacturers, retailers and other procurement officers as a way GoodGuide might monetize its efforts. While spawned at Berkeley, it's now what he calls a "for benefit" organization backed by a first round of \$3.7 million in venture capital in January.

That's helping to pay for a staff of 14 full-time and three part-time chemists, toxicologists, nutritionists and computer scientists.

"We had a team of academics, but we made a decision to act like a Silicon Valley startup," Mr. O'Rourke said. "It's not the final system, but we wanted to get it out and see how people use it and keep iterating. That's taught us a lot about what consumers really care about."

How to improve a GoodGuide score

What may make GoodGuide particularly valuable to consumers in the end is that there are relatively few quick or easy fixes to improve scores on health, environment or social ratings, said founder and CEO Dara O'Rourke. But he and the site do point to a few basic tips:

- Change your ingredients.** Natural, nonsynthetic ingredients tend to score better. Those with studies linking them to carcinogenic, reproductive or other health issues do worse.
- Quality management.** Recalls and other product controversies hurt.
- Policies matter.** Having corporate policies on such things as child labor and forced labor makes a difference.
- Employee benefits help.** Having a good health plan and family-friendly policies relative to industry peers can lift the score.
- Environmental compliance is a must.** Lack of sustainability, enforcement actions and lawsuits alleging toxic releases will lower a company's environmental score.
- Be transparent.** Companies that don't disclose data can't hide. They just get dinged for lack of transparency, something that recently helped pull down the score of Trader Joe's, a unit of Germany's privately held and close-mouthed Aldi. This is particularly true in categories that matter most to consumers, such as health of ingredients, Mr. O'Rourke said.