Fostering sustainable behaviour in retail: Looking beyond the coffee cup

Jennifer Ferreira

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Dr Jennifer Ferreira

Centre for Business in Society, Coventry University

Priory Street

Coventry, CV1 5FB

United Kingdom

Jennifer.Ferreira@coventry.ac.uk

Dr Jennifer Ferreira is an economic geographer in the Centre for Business in Society at Coventry University. Her research interests focus on the growth and development of the coffee shop industry and the varied national experiences of non-standard employment in labour market systems. Her work explores the growth strategies of coffee shop businesses and their impact in different locations, as well as the importance of sustainability in the coffee shop industry. She also researches the temporary staffing industry, considering the importance of institutional environments for the development of different labour market systems and how businesses operate in these varied conditions. Her research has been published in a range of peer-reviewed journals including European Urban and Regional Studies, Industrial Relations Journal and Organization, among others. She holds a BA in Combined Honours, a PGCE in Secondary Geography, a MA in Research Methodology and a PhD in Economic Geography.

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Abstract

Purpose: Rapid growth in consumption of goods and resources has implications for environmental sustainability. Businesses have an important role in fostering sustainable behaviour and driving innovations in sustainability in different industries, including retail.

Approach: The paper begins by exploring the importance of integrating sustainable behaviour in business and introduces some of the stakeholders involved. This is followed by an exploration of developments in the coffee shop industry and implications for sustainable behaviour, focusing on the examples of recyclable coffee cups, coffee shop building design and waste coffee grounds. Finally, a research agenda is introduced which considers pathways for investigating the role of different actors in fostering sustainable behaviour and the importance of place.

Findings: The paper demonstrates that businesses have an important role in driving sustainable behaviour, but that this is a multifaceted process, involving a range of stakeholders who can influence their success. The article utilises the examples of disposable coffee cups to illustrate a growing problem around waste production, and the variety of stakeholders who can be involved in shaping sustainable behaviours. Innovation will be important for driving sustainable practices, but these may stem directly from particular industries, or innovators who recognise business opportunities in waste produce.

Implications: For sustainable behaviours to be successfully adopted, businesses are important drivers of change. In retail, businesses have the potential to gain both from the economic benefits of cost savings associated with reducing waste and energy use, but also from the consumer perceptions that their business is acting responsibly. For many retail businesses, like the coffee shop industry, to

continue to be viable in the future, sustainable behaviour will have to go beyond being a component of a CSR and become an integrated component of the business model.

Contribution: This paper uses the coffee shop industry as a lens to approach how sustainable behaviours can be integrated in business, from efforts to recycle and reduce consumption, to changes to building design and exploring ways to engage in the circular economy. It explores how business activities and responsibilities can be intertwined with the actions of other actors involved in the market, from the regulators to the consumers. It also highlights how the place in which the business is embedded is of vital importance for understanding how to drive sustainable business.

Key words: sustainability; retail; coffee shops, waste; circular economy

1. Consumption, waste and sustainable behaviour

Growing populations, economies and their development inevitably leads to increased consumption of energy and resources, as well as increased production of waste. Therefore, issues around environmental sustainability have become prominent in business activities. For many businesses, sustainability is an essential feature of their CSR programmes, as it is acknowledged that there is 'an interwoven relationship between sustainability and social responsibility' (Crowther and Reis, 2011: 140). While businesses are a key component of the consumptionscape, the adoption of sustainable business practices is often a mix of actions originating from a range of stakeholders embedded in a particular place and time. This article explores emerging sustainable practices in the coffee shop industry, in order to illuminate the interplay between stakeholders, how innovation is a key element to open more channels for sustainable behaviour, and the importance of place in developing these practices.

There is a growing body of research around business approaches to sustainability in the retail sector (Bocken, Short and Evans, 2014; Tang, Lai and Chen, 2016), from those focusing on the development and effectiveness of environmental sustainability as a component of CSR (Babiak and Trendafilova, 2010), to analyses of sustainable business practices in particular segments of the sector, such as clothing (Armstrong et al, 2015), food (Jones, Hillier and Comfort, 2014) or tourism (Camilleri, 2014). Retailers are considered particularly important businesses for fostering more sustainable behaviours, as they act as an interface between products and consumers (Morgan et al 2007). In some areas of retail there have been moves to try and regulate business and consumer behaviour (Quak and de Koster, 2007), such as the introduction of a plastic bag charge in England in 2015, which reportedly led to a 85% drop in plastic bag use (Smithers, 2016b). While this example is limited a specific aspect in just one country, it suggests that governments are potentially important stakeholders in driving behaviour change.

The other stakeholder group that is vital to fostering greater adoption of sustainable practices in many retail sectors is consumers. On the one hand, consumer pressure has influenced business practices, as well as efforts to display their progress in terms of sustainability practices (often as part of wider CSR activities). Many businesses recognise that responsible behaviour can be related to economic profitability (Crowther, 2011). On the other hand, consumers can also alter their behaviour to adopt more sustainable practices themselves; this could be anything from buying food from a retailer that sources fresh food locally, to purchasing goods from a particular fashion company which is known for its environmental standards. Although research has shown how consumers are a complex stakeholder group which can have multiple roles in either facilitating or hindering behaviour change (Boulstridge and Carrigan, 2000); for example, some consumers are resistant to change (Claudy, Garcia and O'Driscoll, 2015), others face confusion over the meaning sustainable practices introduced (Grunert, Hieke and Wills, 2014), and other still may actively resist particular practices (Grégoire and Fisher, 2008).

One industry which has experienced many developments in sustainability practises in different areas of business is the coffee shop industry. In the United Kingdom there were an estimated 22,000 coffee shops in 2016, with the number doubling over the last decade, and forecasts estimating this could grow to 32,000 by 2025 (Allegra Strategies, 2017). Coffee shops have become a ubiquitous presence in towns and cities across the UK and beyond, largely driven by changing consumer trends, the impact of the post-2008 economic recession, and the growth strategies of chains and independent coffee shops (Ferreira, 2016). Increased consumption of coffee (and other food and drink) and energy, combined with increased waste production (such as coffee grounds and disposable cups) means that in order for this industry to remain sustainable changes in behaviour are required, from a variety of stakeholders involved.

2. Approaches to sustainability across the coffee shop industry

While discussions of sustainability have come to the fore in research on CSR and retail more broadly (Wilson, 2015), literature on sustainability in the coffee shop industry more specifically has focused mostly on the production of ethical coffee (De Pelsmacker et al, 2006, Lekakis, 2013) and on boycotts based around the practices of coffee shops (Thompson and Arsel, 2004), and less on how business are adapting to cope with increased consumption and its consequences.

A review of the 'responsibility' components for the two largest coffee shop chains in the UK (Costa Coffee and Starbucks) reveals how their CSR approaches incorporate environmental, social responsibility. On the environmental aspect, Costa Coffee focuses on coffee cups, machines, recycling activities, coffee grounds and supporting British farming, while Starbucks focused on reusable cups, environmental designs, water consumption and the overall environmental footprint (Costa Coffee, 2017; Starbucks, 2017). Analysis of the nuance across the different 'responsibility' approaches reveals the varied components of the business that are potentially open to change to become more sustainable.

One particular environmental issue that has received significant media attention is the use of disposable coffee cups. It is estimated that 7 million disposable coffee cups are thrown away every day in the UK, with most of these reaching landfill due to difficulties with recycling (Vaughn, 2016). A celebrity-led campaign and TV programme brought this issue to the mainstream media in 2016, targeting the large coffee shop chains by arguing they were the largest contributors to the problem and needed to address it. This campaign not only increased public awareness of the issue, but also revealed there was significant consumer confusion over the ability to recycle coffee cups. Subsequently, there was significant activity from the industry to address these concerns, or at least project an image to the consumer that actions are being taken to address the issue of disposable coffee cups. On a local scale, one example was 'The Square Mile Challenge', a scheme established by the environmental charity Hubbub in partnership with the City of London, Network Rail, local employers and coffee shop in the City of London, aiming to recycle 5 million disposable coffee cups in a year (Hubbub, 2017). At the national scale, Costa Coffee launched a recycling scheme across its UK stores, promising to recycle coffee cups from any coffee company. The media response was positive, but initial research with consumers has highlighted that many consumers would not feel comfortable walking into a coffee shop to recycle a coffee cup with different branding, therefore potentially limiting the impact of the scheme (Smithers, 2016a).

In 2017, a Parliamentary Select Committee was established to consider what measures should be taken to address the issue of disposable coffee cups (and plastic bottle waste). Initial discussions had indicated that governance mechanisms, such as a tax on disposable coffee cups (mirroring what has been introduced for plastic carrier bags) were unlikely to be implemented, as the industry was seen to be taking sufficient steps to combat the issue without government intervention (Parliament, 2017). Beyond this, the Paper Cup Recovery and Recycling Group was established by stakeholders in the industry across the paper cup supply chain, in order to develop solutions for the disposable cup issue (from considering the supply chain, materials used, to recycling possibilities) This group highlights how issues of sustainability in retail go beyond the consumer-retail business interface, and

how a broader group of stakeholders should be considered in order to foster sustainable behaviour in business.

While businesses can provide greater recycling facilities, alternative materials for coffee cups, or incentives for using reusable coffee cups, they also rely on consumers changing their behaviour. Exploratory research into consumers and reusable coffee cups in the UK has revealed that, while there is greater awareness of the issues related to coffee cups and landfill, many consumers do not adopt the use of a reusable coffee cup because it reduces the convenience provided by a disposable cup (Ferreira, 2017). It appears that greater financial incentives would need to be provided (many coffee shops already offer a discount to consumers using a reusable cup), and that while coffee cup recycling facilities may be available, consumers are unlikely to go out of their way to use them (Ferreira, 2017). The implications of this are that business has a role to play in encouraging behaviour changing, through educating the consumer about their actions, potentially providing incentives, and providing facilities to reduce coffee cup waste, all at the same time.

The example outlined above related to the UK coffee shop industry. In other countries, the issue of coffee cups has not yet emerged, due to different cultural practices of coffee shop use (e.g. in Italy and Portugal most cafes do not even offer a 'to-go' option), or thanks to alternative initiatives, such as reusable cups which have an incentive to be used in a number of businesses across a city (e.g. the Freiburg cup). These issues highlight how the development of sustainable practices in business is placed dependent, affected by national cultures and approaches to sustainability.

3. Innovations in sustainability in the coffee shop industry

Beyond reducing the number of disposable coffee cups reaching landfill, there are a number of other areas of the coffee shop business where sustainable behaviour can be adopted. One important area where innovations have taken place is building design. Buildings designated for retail are amongst the most energy intensive (Pérez-Lombard, Ortiz and Pout, 2008), and some businesses are

experimenting with innovative designs to combat this. Costa Coffee have introduced the UK's first 'zero energy' coffee shop in a retail park in Shropshire (Whitbread, 2013). The 'eco-pod' has been designed using sustainable timber to reduce the carbon footprint of the building, is oriented in order to maximise the impact of natural sunlight on heating and cooling, has solar panels for energy, as well as under floor heating. While the building design is 'zero energy', the equipment still uses conventional power, so there is still progress to be made. To cope with increased growth in demand, in 2017 Costa Coffee scaled up some of the design features seen in the eco-pod when it opened a new £38 million roastery, which claimed to be 'one of the most sustainable industrial buildings in the world', using renewable energy systems, a zero landfill waste policy, and design features such as rainwater harvesting (Mace, 2017).

While it is often the large coffee shop chains which attract media attention for their efforts in addressing sustainability issues, there are many innovative actions taking place amongst independent coffee shops, which are seeking to find more ways for the coffee shop industry to engage in the circular economy. The re-use of espresso grounds is one example. Exploratory research has revealed that many chain and independent coffee shops have been offering free coffee grounds to consumers for years (for use in the garden to add to compost), with varied levels of adoption (Ferreira, 2017). Beyond giving coffee grounds away, other innovations are taking place, not from the coffee shop businesses themselves, but from other SMEs seeking to develop business models based upon waste products. Recycled espresso grounds have been used to create a range of products, including coffee cups, jewellery, furniture, fuel and even as a base to grow mushrooms. Grocycle, a business based in Plymouth, has been collecting waste coffee grounds since 2011, and using them to grow Oyster mushrooms. The company started by collecting coffee grounds from local cafes in Plymouth, and has expanded the business to a point where they now have a mushroom farm which supplies mushrooms to consumers and businesses, as well as for education activities and producing home growing kits. Another small start-up business, Biobean, has become the first company in the world to industrialise the process of turning coffee grounds into fuel. With waste

coffee grounds collected from coffee shops (including independent cafes to coffee chains, universities to property groups) across London (and, since 2017, Birmingham), Biobean transforms this waste into 'coffee logs' which can be used for energy generation (Biobean, 2017).

These two examples illustrate how innovations in business can stem from both large coffee companies making adjustments to building design, to small SMES developing innovative ways to use waste material. This highlights how, when considering ways to develop greater capacity to foster sustainability, businesses along the whole spectrum need to be considered.

4. Integrating sustainable behaviour: a developing research agenda

This article has utilised the lens of coffee shop industry to illustrate how the adoption of sustainable behaviour by business and its consumers is multifaceted and complex, with a range of stakeholders involved. Businesses engage in responsible behaviour because they recognise the benefits they can accrue (Crowther, 2011). However, for an industry like this to grow, it necessitates greater consumption, which inevitably results in more waste, requiring greater efforts in sustainable behaviour in order for it to remain viable in the future. The article outlined the potential range of stakeholders who can influence the adoption of sustainable behaviours, and the importance of place, using the example of recycling coffee cups. In addition, it highlighted how innovation will remain important for driving new sustainable behaviours, but that these innovations may come not only from businesses currently involved in a particular industry, but from new innovators seeking to take the increased waste produced as a business opportunity. There is a growing need for businesses to explore different activities along the coffee supply chain, not only to fulfil their CSR requirements, but to ensure the future viability of their business.

A research agenda on the potential to foster greater engagement in sustainable behaviour will need to incorporate the activities of a multitude of stakeholders, not just the businesses involved, but those connected through the institutional environment in which they are embedded, from

governance bodies to businesses in related activities. An effective way to explore these issues would necessitate a comparative study, drawing on case studies where a particular industry is seeking to expand its sustainability activities. One example of this is a recent project established to compare the developments in sustainable activity in the coffee shop industry between the UK and Germany. Given the rise in the coffee shop industry globally there is the potential for a range of case studies, or for the findings to be of use to other cities. The findings also have the potential to be transferred to other aspects of retail and other businesses and social contexts. As populations grow and develop, increased consumption is likely to require a response which addresses the growing challenges of resource consumption and waste reduction. Businesses have a key role in adopting practices that seek to integrate sustainable activities throughout activities, but most importantly, businesses have the obligation to use their capacity to influence consumer behaviour. This may, in turn, have a wider impact on sustainable behaviours in particular industries, whether this is agriculture, manufacturing or retail.

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