

Keep Cups

Marketing Report

[Student names redacted]

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Programme: Marketing

Module: Marketing Assignment

Team: D

Year: 3rd



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Executive Summary

GCU are looking to build upon their proud sustainability programmes and minimise the university's impact on the environment by encouraging staff to use re-usable cups as opposed to paper cups. Keep Cups - a brand of re-usable cup - were introduced to the university in September 2015 following a pilot run, however the level of awareness of them is low and GCU are looking to launch a campaign to change this.

The primary and secondary research presented in this report examines consumer trends with recycling scheme engagement and GCU staff attitudes when it comes to recycling, particularly in relation to the use of non-recyclable paper cups. The secondary research examines GCU's current activities and analyses competitors. The primary research consists of a survey carried out on GCU staff giving an insight into their attitudes, habits and values in order to determine key facilitators and barriers to their uptake of Keep Cups.

With this report the university can begin building a well-informed campaign to increase usage of re-usable cups amongst staff.

Preface

As requested by the client, primary and secondary research methods will be carried out to better understand the habits of staff at Glasgow Caledonian University (GCU). The objective of the client is to increase the usage of Keep Cups and minimise waste created through excessive use of paper cups. Through the development and expansion of the university's existing resources, the marketing material will be optimised using the findings of the research. The success of the campaign will be measured through sales of re-usable cups and through staff interaction with the online campaign, for example through number of Facebook likes and number of staff e-newsletters read.

Secondary Research

“The desire to drink coffee yet also walk around has led to more than 2.5bn cups being thrown away every year in the UK...Over a year this adds up to 2500 tons of waste, apparently enough to fill London’s Royal Albert Hall...”

Buist, E. (2014)

GCU's Current Recycling Activities

Glasgow Caledonian University has launched a ‘Recycle and Reward’ scheme on campus in order to try promote recycling to students and staff. The university teamed up with Zero Waste Scotland to install 6 recycling machines in the Glasgow campus. Zero Waste Scotland awarded GCU with £90,000 in order to install these machines that are situated in the Refectory and Café Roots. Each site has a set of three machines which include: a Flex Interactive to collect crushed cans, a Flex Interactive to collect and to crush PET soft bottles and an Eco-Vend to collect paper coffee cups. Each user of these machines will receive a 5p voucher for each item recycled. These vouchers can be used at any Encore catering outlet on campus. By giving a voucher to those who recycle, people are more likely to recycle as they are getting something in return for it. Although users of these machines get a reward for recycling, they may not believe 5p is worth a lot and therefore continue to use the general waste bins. If each user got a voucher for 10p or 20p they may be more enticed to use the machines as they give a larger reward which can be used towards other products.

GCU have introduced another campaign to reduce the waste of paper cups in particular. They have done so by teaming up with a company called Keep Cups that produce a reusable cup that students and staff can purchase to drink their tea or coffee from. The Keep Cups are £5 and when purchased, the customer receives a

free drink from the cafeteria. When consumers reuse their cups at one of the universities onsite cafes, they receive 10p off each drink they purchase. The Keep Cups have not been advertised to a great extent; however, they have been published on the GCU Facebook page. Using the Facebook page is an effective way to advertise as the page has almost 25,000 likes. In terms of traditional promotion there are a limited number of A3 posters advertising the cups in the cafeterias as well as minimalistic product displays at the checkouts. More visible advertising is needed if awareness of Keep Cups is to be raised, be it by redesign or repositioning.

GCU's current promotional posters



Competitor Analysis

GCU are not the only university who are involved with Keep Cups in the United Kingdom. There are a variety of different universities who sell them in different colours, sizes and prices. A majority of universities researched who sell Keep Cups give 10p off every hot drink purchased with the reusable cup and the customer receives a free hot drink at the initial purchase of the cup. Examples of universities who do this include the University of Leeds and the University of East London. Herriot Watt differ in that the university donates 5p to the University Tree and

Wildflower Fund every time a hot drink is purchased with a Keep Cup on campus. Herriot Watt also let each customer personalise their Keep Cup by choosing which colours they would like their cup to be.

There are four main industry giants who focus on promoting their reusable cups; Starbucks, Costa Coffee, Dunkin' Donuts and Tim Hortons. Each of them tackles this in different ways. Of these, Starbucks are renowned as the largest company that both use and actively promote re-usable cups. With 54 reusable tumblers for sale on their website, Starbucks are offering consumers a wide variety, enabling them to choose a cup that suits their personality and lifestyle. This range of customer variety is something that Caledonian University does not offer – something that could boost sales and begin positive word of mouth throughout the university.

In every Starbucks coffee house around the world, the re-usable cups are normally situated right as you walk in the door and on the shelves where consumers stand in the queue. The placement of these cups means it is almost impossible for any consumer not to notice them. If GCU were to adopt this idea and place the cups closer to the consumers, instead of being behind the till point, GCU staff members may take more notice of them.

Starbucks previous goal was to serve 25% of beverages made in their stores in reusable tumblers by the end of 2015. Their current goal is now to serve just 5% of beverages made in their stores in reusable tumblers by the end of 2015. Starbucks lowered their goal as they realised that 25% was a high aim for a starting point, showing that consumers were not engaging with the idea of re-usable cups. However, Starbucks has shown progress in this area. In 2011 customers used the re-usable tumblers more than 34 million times – nearly 2% of all beverages were served in reusable cups for that year alone. The consistent battle that Starbucks continue to work against is getting consumers to change their lifestyle in order to carry their reusable cups around with them. Some consumers have stated that the reason they do not buy the reusable cups is because they are inconvenient.

“Apparently the ability to rinse, reuse and remember to carry these about with us has so far been beyond the realms of convenient reality.”

Gillespie, E. (2014)

Consumer Trends

In order for consumers to adapt to a lifestyle that will incorporate a re-usable cup, there must be an incentive to change their habits. Starbucks realise that for a customer to bring in his/her reusable tumbler back into Starbucks stores, it requires a change in their personal behavior, Starbucks have only seen gradual improvements year on year. Since 1985, Starbucks have rewarded consumers with a discount for when they bring in their reusable tumblers. Campaigns in April 2010 and 2011 offering customers who brought in their cups a free brewed tea or coffee led to Starbucks stores saving more than £1.5 million. In the past three years, Starbucks have seen a 55% increase in the use of personal tumblers but they have also experienced challenges in consistently executing and tracking their “for here” serve-ware use in stores around the world. Because of this they are now resetting their company goal to focus towards increasing the use of the personal tumblers. Customer tumbler use within Starbucks stores briefly spiked up to 2.5% for a short time during the launch of the £1 reusable cup campaign and other special promotions such as the White Cup Contest, but consumer adoption remained flat to 2013’s overall at the percentage of users sitting at 1.3%.

When it comes to communicating the product to the customer, organisations use cause-related marketing to promote ethical benefits of using their product. Armstrong et al (2012 p.96) explains that businesses use cause marketing, “To exercise their social responsibility and build more positive images”. Nike’s association with the Livestrong campaign is a notable example of a successful cause-related marketing campaign. 47.5 million bracelets were sold in 2004, with the proceeds go to the Livestrong Cancer Foundation. It was beneficial to Nike as it strengthened their brand image as a socially responsible organisation. This relates well with GCU’s campaign because the promotion of the ethical and social benefits can be replicated to not only increase re-usable cup usage, but also improve the reputation of the



university (Belz and Peattie, 2012, p.32). The Livestrong bracelets were also an example of colour-coded symbols. This was a key factor behind the success of the bracelet, with it becoming a fashion symbol that successfully spoke to casual consumers as well as a form of fundraising that targeted engaged consumers. This campaign could look at how to target similar categories of consumers to Livestrong's campaign, one category being dark-green consumers - who consider the environment in almost every decision they make – and the other being light-green consumers - who consider the environment as long as it does notably affect their daily lives (Jobber, 2010, p202).

The positioning strategy of the product is different from most products as it requires a green positioning strategy. It differs, as its aim is to create ethical product associations by offering information on product attributes that benefit the environment (Hartmann et al, 2005). This will assist with the targeting of dark-green consumers because they will be more likely to purchase if the environmental benefits of using the product are explained along with understand the costs of not using the product.

To target the light-green consumer, much like the Livestrong campaign, the campaign must look at the social benefits of the product by creating a fashion statement that presents the user as eco-friendly and express their “environmental consciousness” to other people (Belz and Dylík, 1996). This can tie in with this campaign as many of the light-green consumers will be more motivated by the idea of looking eco-friendly than the actual environmental benefits. The light-green consumer may also purchase the product due to the functional and financial benefits it provides.

Primary Research

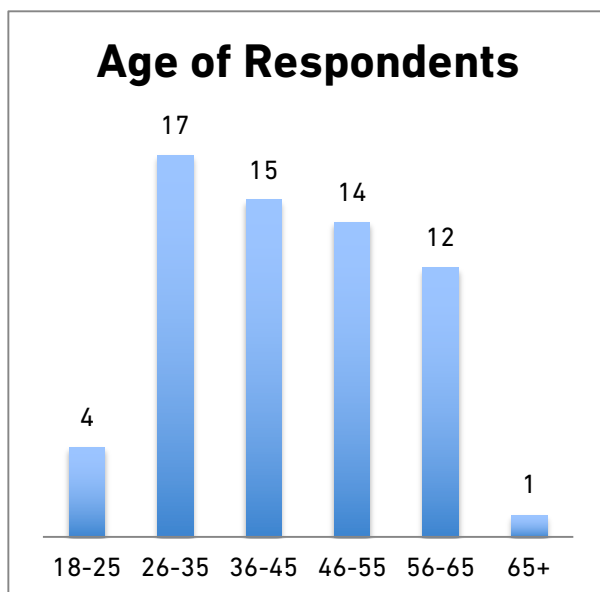
Methodology

A survey was handed out to 100 members of GCU staff to gauge their level of awareness and engagement with the universities recycling schemes. The respondents vary by department and age including lecturers, support staff, catering staff and security. One issue that must be noted is the difficulty in surveying staff who were constantly on the move, such as lecturers, who are likely to be takeaway coffee cup users.

63 out of 100 completed responses.

There were 6 main areas explored within the research:

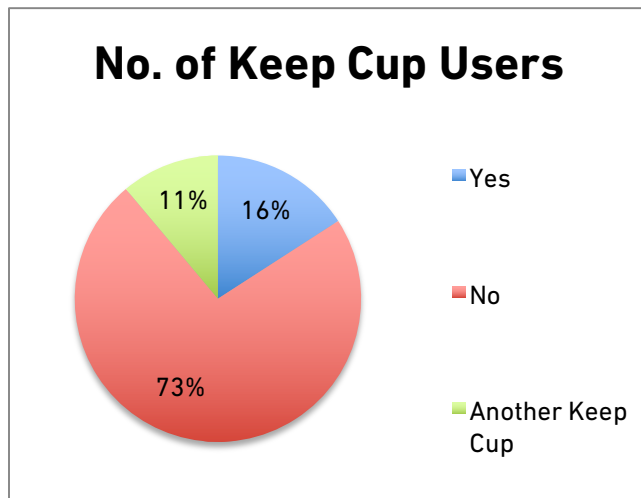
1. Users
2. Awareness
3. Behaviour
4. Incentives
5. Barriers
6. Values



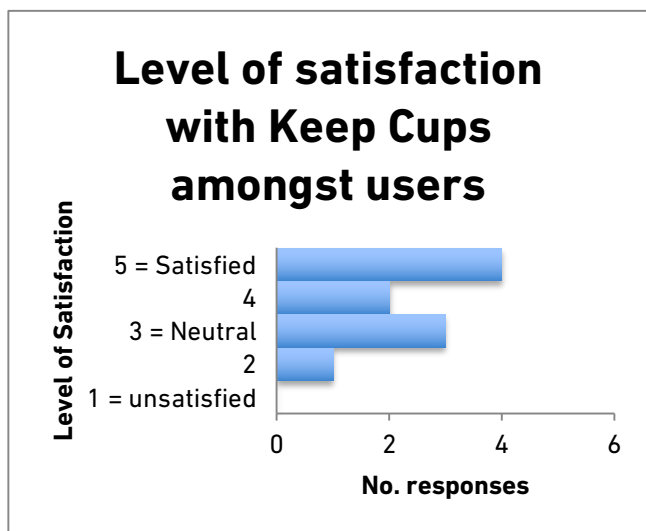
The age of the respondents shows a good representation across Generation X and Generation Y consumers, however the research is lacking in the 18-25 category due to the fact these tend to be university students rather than staff. Many of the consumers seem to be in the age bracket where Twitter is seeing the most growth in users, useful to know for a social media campaign

(Diduch, 2012).

Users

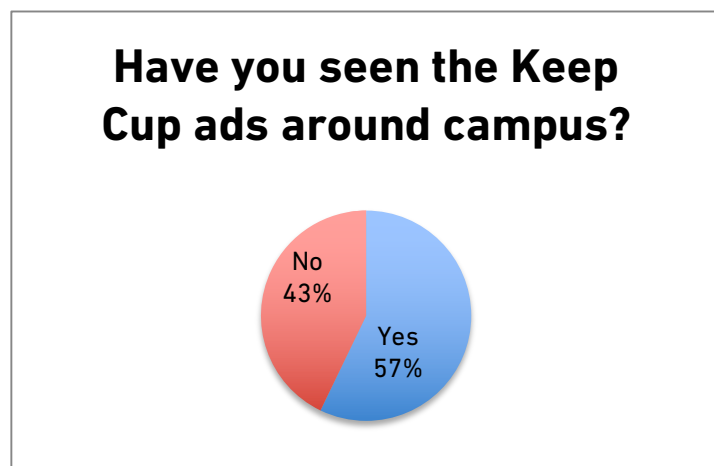


Of the 63 respondents, only 16% (10 respondents) used a Keep Cup whilst 11% (7 respondents) used another form of reusable cup not purchased at the university. This is to be expected as the Keep Cups were only been introduced in September 2015 and awareness is yet to build.

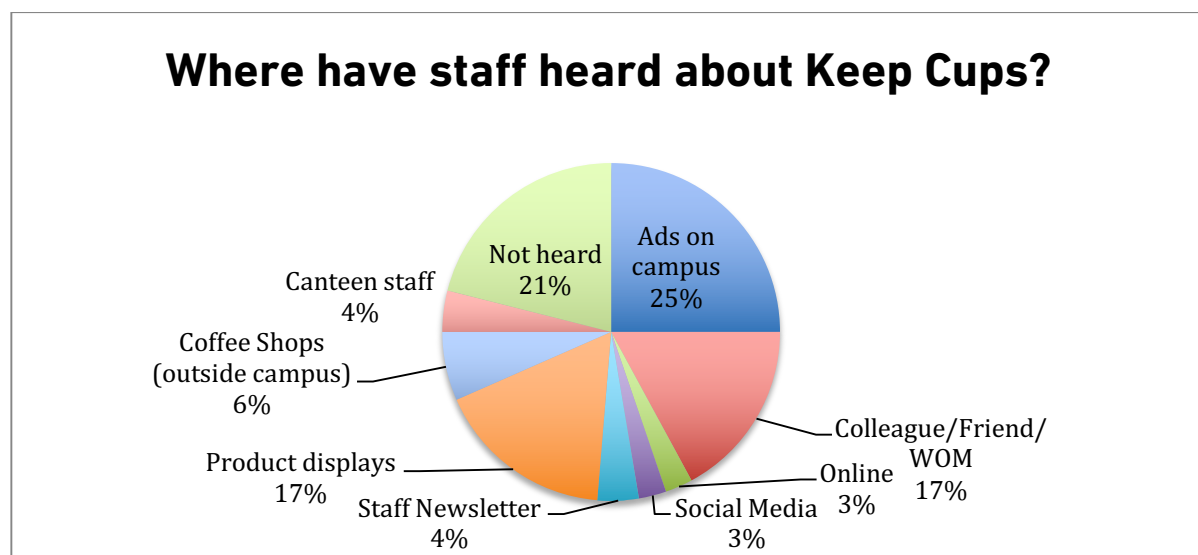


Promisingly, most of the users felt neutral to satisfied with their Keep Cup therefore it does not seem overly necessary to look into alternative product offerings. However, it must be taken into consideration that there were only 10 users.

Awareness

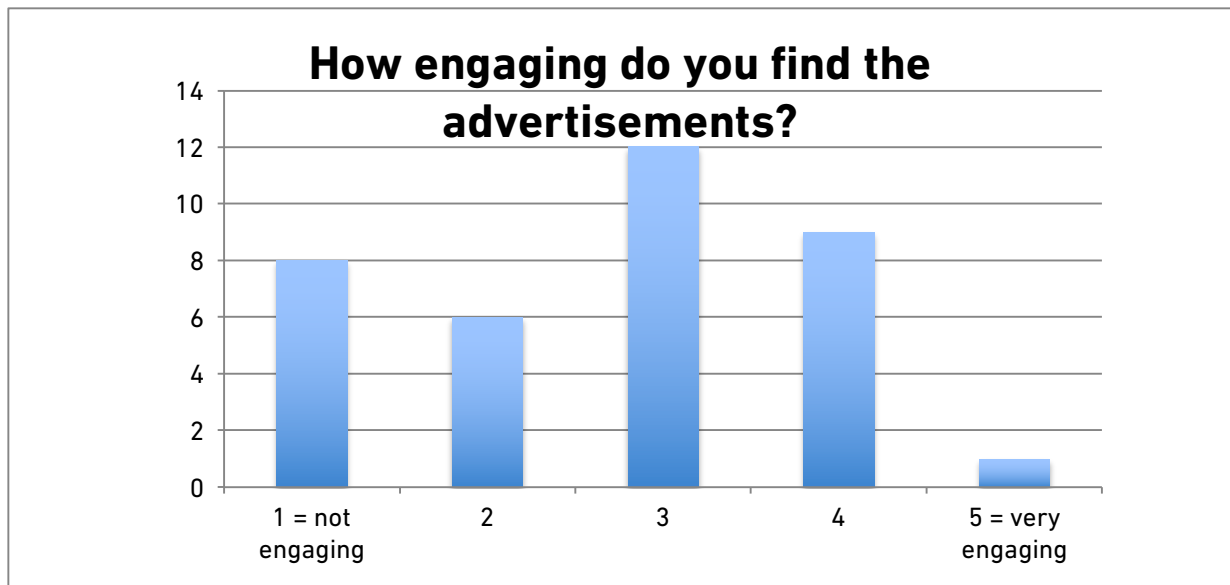


43% of those surveyed had not seen any adverts for Keep Cups around the campus. Changing where they are placed could increase the number of staff seeing and interacting with Keep Cups promotional material, for example putting up posters in or around staff rooms around the campus.



The largest segment of respondents (25%) had heard of Keep Cups through advertisements on campus. Product displays (17%) and referral from a colleague/friend/word of mouth (17%) were the next two most common. A fifth (21%) of the responses had never heard of Keep Cups before. This shows 1) that people

are talking about the cups, and 2) that product displays and advertisements are currently working, however they could be improved upon. In addition, staff newsletters, online and social media methods of raising awareness are yet to be properly utilised.



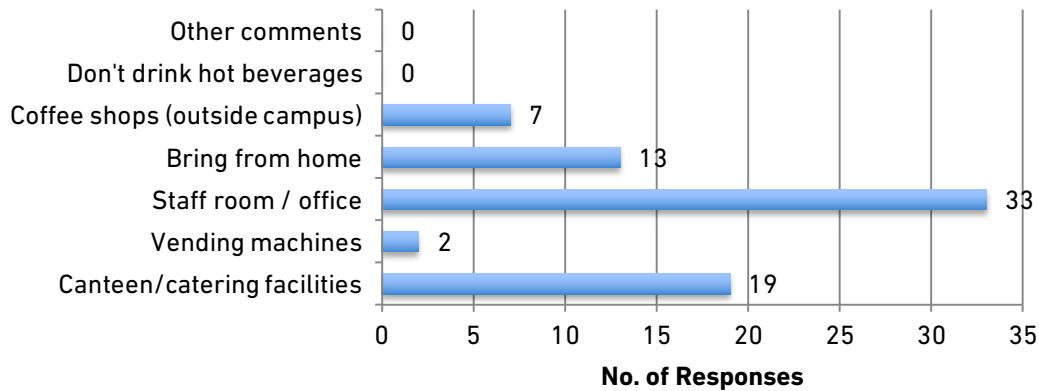
One member of staff questioned only found the current advertisements for Keep Cups on display around the university very engaging. More than a fifth (22%) of respondents found the current advertisements not engaging at all. Most respondents felt neutral about the advertising. It is clear that more eye-catching advertisements could be used to engage with the target market.

Behaviour

The average number of hot beverages (tea/coffee) a member of staff drinks in a week. This can be played on in the campaign by helping to calculate staff expenditure, potential savings or the environmental impact of the product.

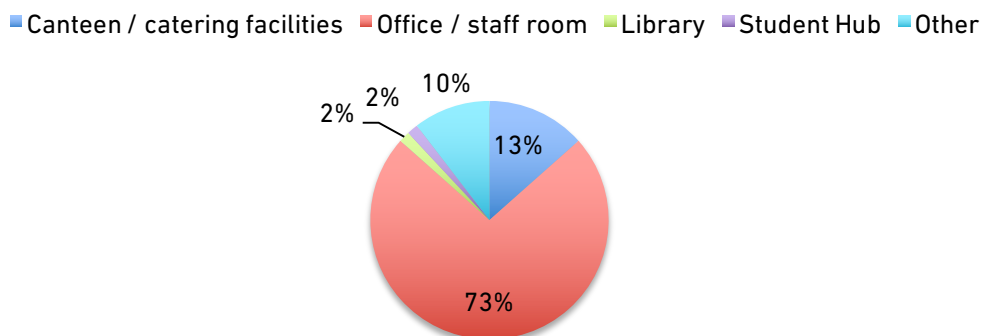
18.4

Where are hot beverages purchased from?

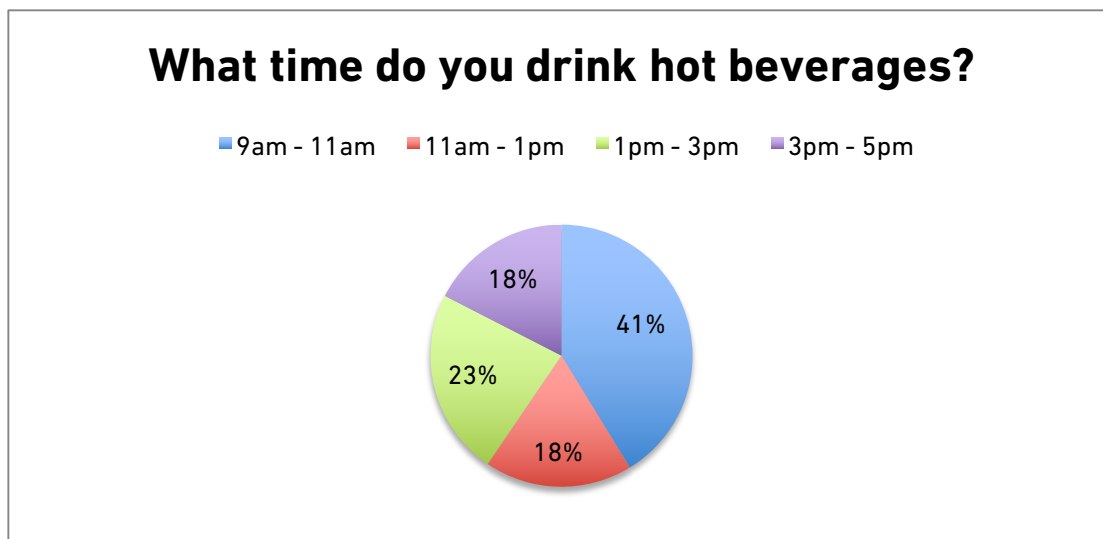


All of the staff surveyed consume hot beverages. Just over half of respondents (33) get their coffee from the staff room/office, likely due to convenience. The next most popular place is in the canteen/catering facilities. If reusable cup use is to increase, staff should be encouraged to break their habits and use the catering facilities. It must be taken into account here that most of the staff that completed the survey were office dwellers as opposed to on-the-go lecturers who are more likely to buy coffee at canteen facilities.

Where do you spend your break times at university?

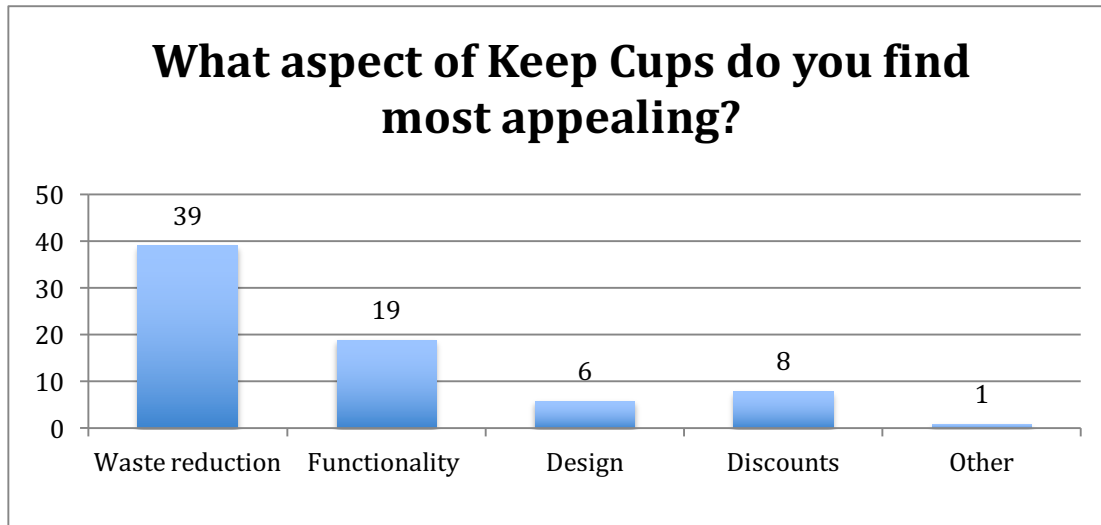


An overwhelming majority of respondents spend their breaks in their staff room. Clearly most staff are too busy to use the canteen facilities and prefer convenience. Advertisements should therefore be positioned around staff rooms to raise Keep Cup awareness amongst staff with attempts to switch to using a Keep Cup rather than a porcelain mug. Numerous comments also stated that staff already use a porcelain mug, therefore this is a barrier to purchase of a Keep Cup but does not have a negative environmental impact as it is more eco-friendly than using a paper cup.

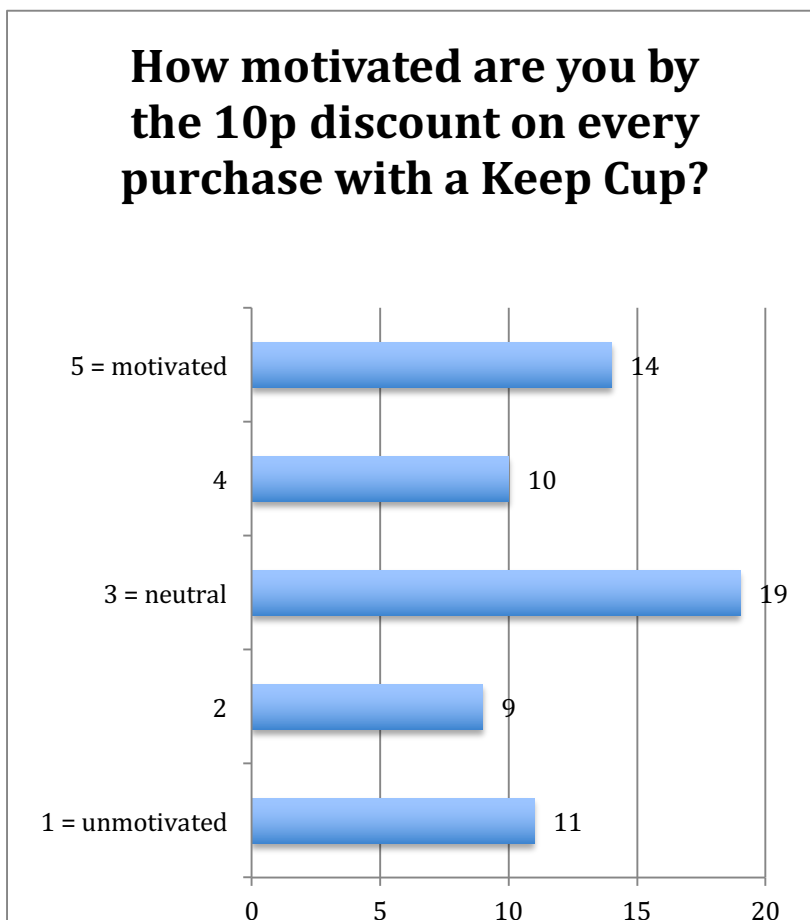


In addition, it was found that a majority of staff drink a hot beverage between 9am and 11am. This should therefore be a time for increased advertising, perhaps via digital methods – social media or staff newsletters - rather than traditional given that staff spend a lot of time in their office and most likely on a computer. Alternatively, traditional methods such as adverts could be shown on the new university televisions at this time, or canteen staff could be encouraged to up-sell Keep Cups at this time.

Incentives



The majority of respondents (39) were motivated more by the prospect of waste reduction over any other aspects of Keep Cups. Advertising should therefore emphasise the environmental benefit linked with the use of Keep Cups. The next most appealing aspect, functionality, could be emphasised in conjunction.

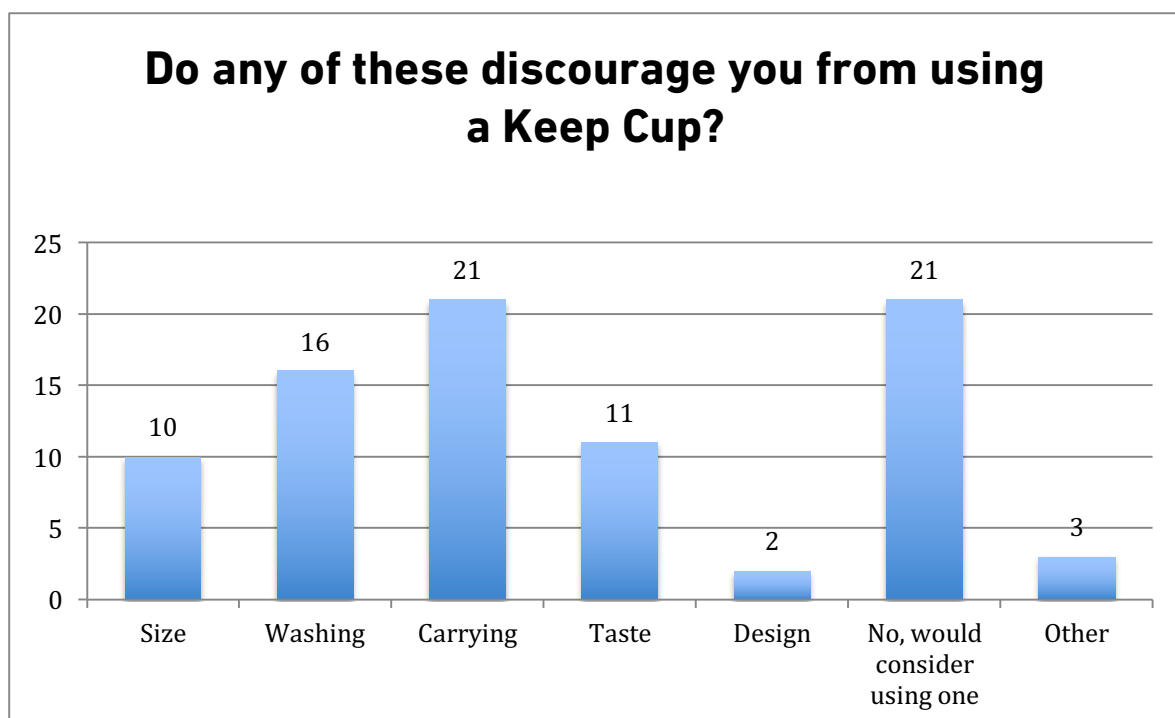


The 10p discount on every purchase with a Keep Cup was not hugely influential. However, more people felt neutral to motivated than unmotivated. Therefore it can be assumed that if the discount were to be increased staff would be more motivated.

Level of encouragement (1-5)	1	2	3	4	5
Free drink with a Keep Cup	4	8	9	9	16
Free drink after so many uses	8	12	9	8	10
Free food after so many uses	18	7	6	7	10
Money off each purchase of a coffee	6	2	4	16	18
Contributing to an environmental cause	5	6	4	11	20

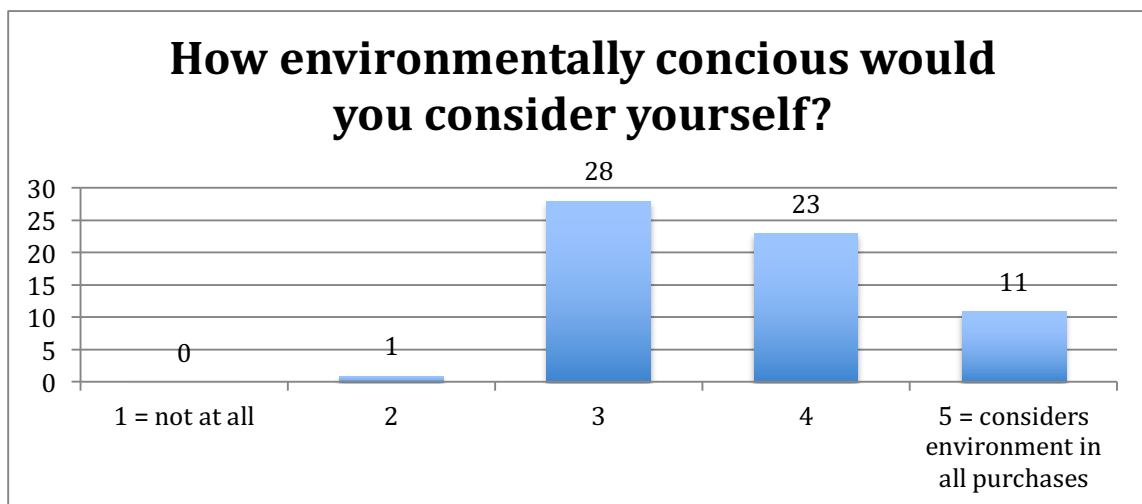
Of the respondents, a slight majority (20) said that contributing to an environmental cause encourages them most to use a Keep Cup, further emphasising that this should be promoted in the campaign. 18 respondents were not encouraged at all by offering free food as an incentive. Money off each purchase of a coffee and a free drink with a Keep Cup, two incentives already in place to some degree, were the second and third most encouraging. As previously mentioned, these discounts could be utilised better to encourage staff to use Keep Cups.

Barriers



The data from the questionnaire showed that carrying the Keep Cup was its most discouraging aspect. The design of the Keep Cup, while not to everyone's taste, was shown to have a small impact on the decisions of the staff. Positively, one out of four members of staff questioned would consider using a Keep Cup, showing that awareness is there but not yet being converted to purchase. Almost a fifth found washing to be their biggest barrier.

Values



Only one out of the 63 members of staff considers themselves to be not at all environmentally conscious. However, this is not reflected in the use of Keep Cups. The environmental benefits of Keep Cups must be emphasised in order to appeal to those that consider themselves environmentally conscious, but are not acting as such. Based on the data, it appears that most staff are 'light-green' consumers.

Summary

The key findings from this report are as follows:

- Although still minimal, there is a growing trend in consumer use of re-usable cups, as evident in the case study of Starbucks.
- One of the main barriers of re-usable cup use is having to carry it around, something being addressed by Stoj cups.

- Cause-related campaigns have been successful in the past, as seen with Livestrong brands, and this success may be replicated with a campaign.
- GCU staff can be categorised as light-green consumers, who consider the environment as long as it does not notably affect their daily lives.
- The most appealing aspects of Keep Cups are first of all that they reduce waste, and second their functionality.
- The main incentives for staff to use a re-usable cup are a free coffee with purchase and discounts on coffee (which could be increased). These two incentives are already offered by GCU.
- Overall awareness of Keep Cups is low and needs to be increased if the university is to see more users.
- An area to address is staff habits – they tend to stay in staff rooms and drink coffee sourced from staff rooms in porcelain mugs as opposed to using canteen facilities.
- Staff drink an average of 18-19 cups of coffee a week, and most do so between 9am and 11am.

Conclusion

Various factors must be addressed to increase Keep Cup usage. It seems that current Keep Cup users are satisfied with the product and many staff are potential users. Furthermore, many members of staff seem to be light-green consumers, favouring having an identity as being eco-friendly as opposed to being actively eco-friendly. The most enticing incentive seems to be discounted, or free, coffees. Most staff also spend a lot of their time in their offices, however this may be from the issue with data collection in that it was difficult to engage with staff members on the move. By focusing on ways to communicate with staff (by making advertisements more visible), utilising discounts more, and by making staff feel and look eco-friendly, the number of staff using Keep Cups is likely to increase and Glasgow Caledonian's impact on the environment reduced.

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Appendix

Appendix A – Survey

AT BEGINNING OF SURVEY

Hello! Welcome to our survey on Keep Cups - the reusable coffee cup.

Explanation

Every minute around the world, over one million disposable cup are discarded into landfills. Together with KeepCups, GCU are looking to build upon our proud environmental programmes and minimise our universities impact by encouraging staff and students to use reusable cups. Keep Cups are on offer on campus for £5, and this comes with a free coffee as well as a 10p discount off all following hot beverage purchases in a Keep Cup.

The results of this research will be used to inform the university of ways in which they can promote the use of Keep Cups amongst staff. You are welcome to decline to take part or withdraw from the survey at any time without any explanation.

Contact Information

Should you have any concerns or enquiries about this survey and the use of the information supplied within it, you can contact either Russell McMahon (rmcmah201@caledonian.ac.uk) or Pauline Bell (plade@gcu.ac.uk)

Data Privacy

In keeping in line with the Data Protection Act 1998, all of your information will be kept private and anonymous.

(Please Circle One)

Age *

18-25

26-35

36-45

46-55

56-65

65+

Job title / department *

Do you use a Keep Cup? *

Yes

No

I use another brand of reusable cup

Where did you hear about Keep Cups? *

Advertisements on campus

Colleague / Friend / Word of Mouth

Online (e.g. GCU Website, search engine etc)

Social Media

Staff newsletter

Product displays in catering outlets

Coffee shops (outside of campus)

Canteen staff

I have not heard of Keep Cups before

Saving the planet is more important than me

I regularly use eco-friendly products

We are doing enough to save the environment

My actions have little impact on the environment

I actively recycle

Would you be interested in being a part of our focus group on Wednesday 28th October from 10am - 11am? You will get a free Keep Cup for taking part. By saying yes you are not committing to the focus group, we will contact you regarding it. *

No

Yes - Please provide an e-mail we can contact you on

AT END OF SURVEY

By signing this I confirm that I understand the purpose of the survey and the questions within it. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.

Signature: _____ Date: _____

Other

What type of incentive would encourage you the most to use a Keep Cup? *
On a scale of 1-5, 1 being not encouraging and 5 being encouraging.

Free drink with purchase of a Keep Cup _____

Free drink after so many uses _____

Free food after so many uses _____

Money off each purchase of a coffee _____

Contributing to an environmental cause _____

How motivated are you with a 10p discount off of every hot beverage purchased with a Keep Cup?

1 = unmotivated

2

3 = neutral

4

5 = motivated

Would, or do, any of these discourage you from using a Keep Cup? *

The size of it (currently only medium available) _____

Washing it after use _____

Carrying it around _____

It makes the drink taste different _____

The design _____

No, I would consider using one _____

Other _____

If you do not use a Keep Cup, is there any reason why not?

How environmentally conscious would you consider yourself?

1 = not at all

2

3

4

5 = a person that considers the environment in all purchases.

Have you seen the Keep Cup advertisements around university? If so, where? *

How engaging do you find the advertisements?

Appendix B – Survey Results

Team D - Keep Cups

Results from Survey

Q1) Age
18-25
26-35
36-45
46-55
56-65
65+
TOTAL RESPONSES

Q2) Do you use a Keep Cup
Yes
No
Another Keep Cup
TOTAL RESPONSES

Q3) Where did you hear about Keep Cups?
Ads on campus
Colleague/Friend/WOM
Online
Social Media
Staff Newsletter
Product displays
Coffee Shops (outside campus)
Canteen staff
Not heard
TOTAL RESPONSES

Q4) Satisfaction with Keep Cup?
1 = unsatisfied
2
3 = Neutral
4
5 = Satisfied
TOTAL RESPONSES

Q5) On average, how many hot beverages in a week?
--

Mean coffee consumption

Q6) Where do you get your hot beverages from most often?

Canteen/catering facilities

Vending machines

Staff room / office

Bring from home

Coffee shops (outside campus)

Don't drink hot beverages

Other comments

TOTAL RESPONSES

Q7) Where do you spend break times at uni?

Canteen / catering facilities

Office / staff room

Library

Student Hub

Other

TOTAL RESPONSES

Q8) What time do you drink hot beverages?

9am - 11am

11am - 1pm

1pm - 3pm

3pm - 5pm

TOTAL RESPONSES

Q9) What aspect of Keep Cups do you find most appealing?

Waste reduction

Functionality

Design

Discounts

Other

TOTAL RESPONSES

Q10) How motivated are you with 10p discount?

1 = unmotivated

2

3 = neutral

4

5 = motivated

TOTAL RESPONSES

Q11) Do any of these discourage you from using a Keep Cup?

Size

Washing

Carrying

Taste

Design

No, would consider using one

Other

TOTAL RESPONSES

Q12) How environmentally concious would you consider yourself?

1 = not at all

2

3

4

5 = considers environment in all purchases

TOTAL RESPONSES

Q13) Have you seen the Keep Cup advertisements around uni?

Yes

No

TOTAL RESPONSES

Q14) How engaging do you find advertisements?

1 = not engaging

2

3

4

5 = very engaging

TOTAL RESPONSES

Level of encouragement (1-5)	1	2	3	4
Free drink with a Keep Cup	4	8	9	9
Free drink after so many uses	8	12	9	8
Free food after so many uses	18	7	6	7
Money off each purchase of a coffee	6	2	4	16
Contributing to an environmental cause	5	6	4	11

Q15) What incentives would encourage you to use a Keep Cup?

