



Can mobile ordering drive more reusable cup adoption?

Coffee retailers, quick service restaurants and live events operators have long recognised that reusable takeaway cups are better for the environment than single-use cups, even when they are recycled.

The scale of the challenge is colossal. Annually, it is thought that UK consumers dispose of about **2.5 billion single-use coffee cups, but less than 1% are recycled** because most recycling facilities cannot handle the plastic film lining which coats the inside of the paper cup.

Estimates of the number of paper and plastic throwaway cups used each year worldwide range from tens of billions to more than one hundred billion. Starbucks' customers alone are known to consume approximately **4 billion cups** a year globally.

Current efforts to drive more re-use

Retailers have made substantial efforts to encourage take-up of reusable cups by their customers. In 2013 Starbucks launched a [reusable cup](#) priced at \$1 in the US and Canada and £1 in the UK, and the chain offers customers 10 cents and 25p respectively off certain drinks when served in a reusable cup. [Costa](#) also gives customers a 25p discount on drinks in reusable cups and they will shortly launch two new multipurpose reusable cups.

Despite these efforts, persuading customers to use reusable cups has been difficult and the sector has struggled to increase re-use rates much above 1.5%, even after many years of trying. In 2011 Starbucks announced a global goal to serve [5% of beverages](#) made in company-owned stores in reusable cups by 2015, but the goal was not achieved and only 1.6% were served in them. Changing customer behaviour away from single-cup use has proven hard, whether it is the convenience of not having to carry a cup into the store, or not having to wash it after every use.

In the German cities of Berlin, Freiburg and Hamburg, initiatives are being put in place to drive coffee cup re-use. Coffee shops in Hamburg have started a reusable cup scheme called [Refill It!](#).

The cup can be obtained with a €1.50 deposit and customers have the option of keeping the cup and having it refilled at participating coffee shops, or returning it and receiving their money back. Once returned the cafe will wash the reusable cup and offer it to another customer.

There are examples outside of Germany too: a few US universities have started re-use schemes and in April this year the City of London's [Square Mile Challenge](#) was launched, organising more than 100 recycling points and calling everyone in the City of London to collect and recycle half a million coffee cups in the first month to reach a total of 5 million by the end of the year.

Music festivals have also taken steps to encourage re-use. The [Bonnaroo](#) music and arts festival in Tennessee, USA, sells reusable stainless steel beer cups and gives a \$1 discount on all refills made with the cup at beer stands at the event. Last year, the UK's [Glastonbury Festival](#) launched a sustainable, recycled stainless steel pint cup for use at its event. The result was over 200,000 cups in circulation across the site, with customers paying a £5 deposit when they bought their first pint.

How mobile ordering and loyalty technology can help

The good news is that mobile ordering and loyalty technology can help change customer behaviour and increase reusable cup uptake.

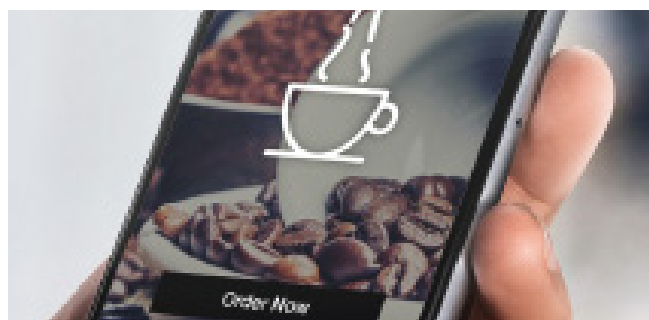
Preoday's pre-ordering solution enables retailers to:

- Reward mobile pay customers bringing back their reusable cups with a discounted drink or loyalty points – these could be returning coffee shop customers or sports fans attending their team's next match
- Drive increased reusable cup purchases by customers
- Inform customers of the benefits of using reusable cups
- Track reusable cup usage with data analytics.

This is on top of the established benefits of Preoday's mobile ordering and loyalty platform, which include:

- 25-40% higher average transaction values for mobile and online versus in-store transactions
- Queues which move 2-3 times faster
- Better utilisation; non-standard pick-up slots receive one third of orders
- A high 76% of Preoday app downloads result in a transaction
- The capability to offer merchandise purchases, vouchers and discounts
- Options to integrate with different EPoS systems, payment processors and third party loyalty apps.

Preoday is also able to offer assistance to clients on marketing mobile ordering to ensure strong uptake, and advise on any required operational changes, which as Starbucks' recent experience has shown require careful planning. Last, but not least, our new strategic solutions service, launched in response to requests from customers and offered on an impartial basis, helps larger clients define their mobile and online e-commerce strategies in a rapidly changing market, and avoid pitfalls.



Of course, mobile ordering and loyalty is only part of the solution. It needs to be combined with financial or other incentives, the provision of reusable cups and clear messaging reminding customers of the re-use choice and its financial and environmental benefits. When mobile ordering and loyalty is embedded in food and beverage retailer strategies, we believe that rapid growth in reusable cup adoption will be achievable.

If you would like to discuss any of the points raised above, please feel free to contact me.



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