

Coopetition in the hospitality sector: The case of reusable cup-schemes

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Objectives | Since the late 20th century, sustainable development has become a major driving force for the world's economic development. The announcement of the UN's Sustainable Development Goals in 2015 has further reinforced the need and effort to actively contribute to sustainable development. The tourism and Hospitality Sector has realised the need to follow this movement towards sustainability. Although there is an ongoing scholarly discourse on the definition of sustainable tourism (Asmelash & Kumar, 2019), the movement towards sustainable tourism has been identified as a challenge and guiding philosophy at the same time (Bogren & Soerensson, 2021). Fragile ecological settings and cultural sensitiveness of touristic regions, fast-paced technical development and rising awareness of social well-being are further factors that need to be considered when adopting sustainable tourism practices (Asmelash & Kumar, 2019; Bogren & Soerensson, 2021).

A successful and smooth transition towards a more sustainable tourism sector requires a willingness to adopt current business models and strategies (Christ et al., 2017). Therefore, our contemporary business environments require the ability to engage in complex, paradoxical business activities (Manzhynski & Biedenbach 2023). The concept of coopetition, in which the advantages of cooperation and competition are combined to generate value and achieve collaboration amongst competitors, represents such a paradoxical activity (Christ et al., 2017; Lee & Roh, 2023; Manzhynski & Biedenbach, 2023).

The purpose of this research is to examine the potential and practice of coopetition strategies among SMEs in addressing sustainability issues. Over 10 (inter-)national reusable cup-sharing schemes, which are based on coopetition strategies to achieve sustainability for tourists and local residents, have been investigated. A reusable cup-sharing scheme aims to reduce environmental impact, i.e., plastic waste and energy use, by providing beverages in reusable cups for a small deposit. The scheme requires a carefully constructed ecosystem, building on the principle of coopetition for sustainability, comprising a platform operator, cafes and restaurants, bio-based cup suppliers, logistics companies, cup washing operators, local authorities, and residents and visitors in a geographically defined catchment.

This analysis compares and contrasts existing reusable cup-sharing schemes in Europe and internationally on four themes: (1) Business model, (2) Ownership, (3) Geographical Coverage, and (4) Financial arrangements. In doing so, key motivations to join the coopetition and key barriers for the scheme to operate and scale up were identified. Furthermore, the level of coopetition is analysed, and any correlation between operational activities and the level of coopetition is investigated.

Methodology | This study follows an abductive approach and multiple-case analysis. This is commonly applied in case studies and action research. The approach of abductive reasoning allows the combination of real-life observation with the matching of theoretical insights (Spens & Kovács, 2006). As abductive reasoning starts with a real-life observation, data was collected in three phases. First, reflections on an implemented cup scheme; second, drawing upon a secondary data analysis with existing cup schemes on an international level; third, reflection on expert meetings with founders and project managers from one cup scheme.

The data was analysed based on a thematic analysis of each of the cases. A thematic analysis involves the coding of qualitative information. This method allows the breaking of the data and gathered information into components and themes, ultimately allowing the identification of patterns and occurrences (Bryman & Bell, 2015).

Main Results and Contributions | The study investigated ten European-based reusable cup schemes based on the four criteria of (i) business model, (ii) financial ownership, (iii) geographical coverage, (iv) financial aspects. Based on these criteria, a level of coopetition is derived, and a possible correlation between operational activities and the levels of coopetition is investigated.

Preliminary findings indicate that cup-sharing schemes can be classified into three business models: direct sales, subscription-based model, and joint-purchase model. However, due to complexities in the business model and organisational design of the individual schemes, the likelihood of cooperations or the private sector owning the scheme is higher. Successful schemes indicated easy accessibility for customer convenience. It is omnipresent that cup-sharing schemes are being trialled in easily accessible regions with high footfall. Financial support is predominantly given by private organisations with a strong affinity toward sustainability issues. In addition, preliminary findings suggest that smaller, community-based cup schemes maintain a higher level of coopetition than nationwide schemes. Reasons for that are assumed to be linked to logistical and operational aspects, such as equipping business partners with cups and washing and cleaning processes. Further noticeable is the strong focus of all schemes on enhancing the quality of local communities. A prominent reason for establishing the scheme in the first place is the reduction of single-use waste and the reduction of littering on the streets of the community. Further findings are to highlight the level of coopetition and possible linkages to the five criteria, with the tendency that smaller, community-based cup are operating on a higher level of coopetition.

Limitations | The study acknowledges some limitations, this includes, amongst others, the geographical coverage of selected cup schemes. It provides a snapshot of the European cup-schemes.

Conclusions | The research analyses different cup-sharing schemes based on four characteristics. In doing so, key motivations and barriers for the scheme to operate and scale up were identified. This is particularly useful for practitioners who aim to implement such schemes. In addition, the research contributed theoretically by developing a coopetition strategy model.

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