

Starbucks downsizes goal for reusable cups

Melissa Allison | April 14, 2012

The coffee colossus no longer aims to get 25 percent of drinks served in ceramic mugs or customers' tumblers. Also, a tiny Kitsap County firm wins the big job of running the bus fleet at the Democratic national convention in Charlotte.

Starbucks makes no small plans, but occasionally one of its endeavors must shrink.

It cut back on stores and employees during the recession, and recently it downsized an environmental goal as well.

The coffee colossus once aimed by 2015 to have 25 percent of all drinks served in reusable cups — including mugs in Starbucks stores and tumblers that customers bring in.

Now it has the much humbler goal of serving 5 percent of drinks in tumblers.

That compares to the 1.9 percent of drinks that were served in tumblers at Starbucks' company-owned stores in the United States, the U.K., Canada and Ireland last year — a 55 percent increase over three years, the company said.

Starbucks said it changed the goals for two reasons. About 80 percent of the drinks Starbucks serves are "to go," so focusing on that crowd will have the greatest effect, said Jim Hanna, Starbucks' director of environmental impact.

The use of in-store mugs also was harder to track than tumblers, he said. Because Starbucks offers a 10 cent discount to customers who bring their own tumblers, that can be tracked with a special discount key on cash registers.

Hanna also said serving customers in ceramic cups costs more because it increases the need for bussing tables and washing dishes.

Still, Starbucks wants more customers to use ceramic, he said.

To that end, it's making mugs more visible in redesigned stores — which are becoming more common as Starbucks bumps up its remodels this year to about 1,700 locations. Rather than hiding behind counters, mugs for in-store use will be visible from where customers order.

Conrad MacKerron, a program director at the **As You Sow** Foundation in San Francisco, which has pushed Starbucks to adopt bolder recycling initiatives in the past, wishes Starbucks had not backed away from its 25 percent goal.

"That's an area where they have more control, because they can strongly encourage mugs and tumblers on-site," he said. "If they really went to town on that, it could really make a dent."

He doesn't understand why Starbucks can track the use of tumblers to go but not in-store ceramics.

"It's hard to believe that's an issue that could not be fixed," MacKerron said.

However, he said, the chain has made good progress on recycling paper cups.

Last year, it more than tripled the number of stores that offer recycling for customers — from 5 to 18 percent — in the

U.S. and Canada. It hopes to have front-of-store recycling in all company-owned stores by 2015.

That success is the result of partnerships with municipalities all over the country and with competitors including McDonald's, Tim Horton's and Dunkin' Donuts.

Leading the socially responsible charge at Starbucks is CEO Howard Schultz, who last week told hundreds of students and others at Seattle University's Albers School of Business and Economics that building a company with good values is akin to giving birth.

"It's an imprinting process," he said.

Schultz also described Starbucks' condition during the recession as "desperate." He said he wasn't sure it would have recovered if he hadn't returned as CEO in 2008.

One problem, Schultz said, was that "we allowed Wall Street to integrate into the company and become a constituent we served more than customers."

The company has regained control by focusing on its employees and customers, and it is growing again, mostly in international markets.

Schultz also has organized an effort to create jobs through a small-business lending program that the Starbucks Foundation seeded with \$5 million last fall. It grew to \$10 million through donations, helping to create about 3,300 jobs, Starbucks figures.

Still, the coffee chain itself has not reached pre-recession employment levels. Starbucks had 149,000 workers last fall, down by 27,000 from late 2008.