MASTER THESIS

MSc Sustainable Business and Innovation

THE PACKAGING-FREE GROCERY STORES PHENOMENON IN ITALY: KEY CHARACTERISTICS, DRIVERS & BARRIERS

A sustainable entrepreneurship perspective

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Listen to your heart,
it knows all the things.
P. Coelho

Your mission in life is to find
the intersection between
your heart's deep gladness
and the world's deep hunger.
F. Buechner

ABSTRACT

Every year, each European citizen generates approximately 163 kg of food and beverage packaging waste, representing one third of the total waste he/she yearly generates. Moreover, almost 60% of such packaging waste is made of plastics, one of the materials with the longest degradation time. All this waste represents one of the causes of the tremendous environmental pollution affecting ecosystems, and it needs an urgent solution. Hence, the current thesis focuses on one of the existing market pathways tackling the problem from a *precycling* perspective – waste reduction/avoidance. Specifically, it investigates the growing niche of *packaging-free grocery stores* – namely, shops that sell food unpackaged. Such phenomenon has been spreading across the globe in the last 10 years and is now attracting the attention of a growing number of actors. However, from a scientific perspective, scarce literature exists on the topic, and it mainly focuses on its operational/logistics aspects. Thus, on the basis of the several gaps found in the few existing studies, the current research aims to primarily identify the key characteristics of packaging-free grocery stores and subsequently the main drivers and barriers for the establishment and scaling up of this kind of ventures. The research's geographical scope is set in Italy, being the country a frontrunner in the packaging-free grocery stores phenomenon, thus allowing for a large case-study sample. Additionally, the phenomenon is analysed through the lenses of sustainable entrepreneurship theories, allowing focusing on its entrepreneurial aspects as well as on the entrepreneurs behind such shops. By conducting 32 in-depth semi-structured interviews – 20 of which by personally meeting the different entrepreneurs and visiting their shops – the study provides insightful primary data on the issue. It allows the reader to vividly dive into Italian packaging-free grocery stores and understand all their dynamics, current barriers to growth and future perspectives. Findings represent a significant step ahead in broadening the knowledge in the field and are relevant for a wide range of actors. Namely, for researchers, who would like to keep investigating the phenomenon and understand it better; for "wanna-be-packaging-free-entrepreneurs", who would like to understand how these shops work and what the implications of starting such business are; for whoever is curious about this "new" way of doing grocery shopping and would like to know more about it; and finally, for policy-makers – currently perceived as one of the major barriers to the phenomenon's growth – who could be of great support for its further development.

Keywords: packaging-free grocery stores; zero-waste stores; sustainable entrepreneurship; sustainable entrepreneur; key characteristics; drivers & barriers.

ABSTRACT (*in Italian*)

Ogni anno ciascun cittadino europeo produce in media 163 kg di rifiuti derivanti da packaging di cibo e bevande: tale quantità corrisponde ad un terzo del totale di rifiuti che egli genera annualmente. Sulla base di questi dati, e del conseguente disastroso impatto ambientale generato dall'enorme quantità di rifiuti in questione, la presente tesi mira ad investigare la crescente nicchia delle *botteghe alimentari sfuse*. Queste sono attività commerciali che offrono alimenti alla spina – privi di packaging – e che si stanno diffondendo ed affermando in giro per il mondo come una delle soluzioni al problema del sovrautilizzo di packaging nel settore alimentare. Partendo dalla scarsa letteratura scientifica esistente sull'argomento – principalmente focalizzata su aspetti operativi e logistici di tali botteghe – e sulla base delle lacune scientifiche identificate nei pochi studi esistenti, la tesi ha lo scopo di identificare le caratteristiche chiave delle botteghe sfuse, così come i principali fattori trainanti e le principali barriere incontrate dai vari imprenditori nell'avviare tali attività e farle crescere nel mercato. Inoltre, la ricerca si focalizza sulla realtà geografica italiana – essendo il paese uno dei primi ad aver accolto l'apertura di botteghe sfuse – permettendo quindi di avere un ampio campione di casi studio. Infine, le teorie di imprenditoria sostenibile sono state scelte come lente attraverso cui analizzare il fenomeno, permettendo così di focalizzarsi sia sugli aspetti imprenditoriali che sulla figura dell'imprenditore che sta alla base di ciascun negozio sfuso. Conducendo 32 approfondite interviste semi-strutturate – 20 delle quali recandosi personalmente in bottega e conoscendone i rispettivi imprenditori – lo studio fornisce interessanti e dettagliati dati primari che permettono al lettore di calarsi nella realtà dei negozi alla spina italiani e conoscerne approfonditamente le dinamiche, le principali difficoltà per crescere e le prospettive future. I risultati del seguente studio rappresentano un significativo ampliamento degli orizzonti scientifici del fenomeno ed appaiono rilevanti per svariate tipologie di attori. Precisamente, per i ricercatori che vorranno ulteriormente investigare e conoscere meglio il fenomeno; per i futuri "imprenditori sfusi", che vorrebbero capire come queste botteghe operano e quali sono le implicazioni nell'iniziare un'attività del genere; per chiunque sia curioso riguardo questa "nuova" modalità di fare la spesa e vorrebbe saperne di più; ed infine per governatori ed amministrazioni, che al momento rappresentano l'ostacolo maggiore per la crescita del fenomeno, ma che potrebbero giocare un ruolo di supporto fondamentale per la sua futura evoluzione e sviluppo.

EXECUTIVE SUMMARY

The current thesis focuses on one of the existing market pathways to tackle the problem of food packaging over-use from a *precycling* perspective – waste reduction/avoidance. Specifically, it investigates the growing niche of *packaging-free grocery stores* – shops that sell food unpackaged. Such phenomenon has been spreading across the globe in the last 10 years and it is attracting the attention of a growing number of actors. For instance, Bepakt is one of them. It is an online platform created in May 2014 by Rutger Muller with the initial intent of designing products that could make the packaging-free shopping experience easier for consumers. At that time, Bepakt team started conducting several customer surveys and visits to shops, whilst researching and listing all the existing packaging-free grocery stores in Europe. Eventually, over the past 4 years, Bepakt turned out to be the most extensive and up-to-date online database of packaging-free grocery stores, with its *Zero-Waste Supermarket Index* encompassing shops from all over Europe and the world. In February 2018, the author of the current research joined the team and when looking for a thesis topic it emerged that one of Bepakt's team major concerns was to truly understand what a "packaging-free grocery store" really entails. Can a definition of such store typology be built? Alongside, Bepakt team wanted to understand how the phenomenon is evolving and what are the major obstacles to its growth. Hence, within this context, the author started this research by focusing on the Italian case, in order *1)* to deeply understand the key characteristics of packaging-free grocery stores and 2*)* to discover the main drivers and barriers for the emergence and evolution of the phenomenon. By conducting 32 in-depth interviews with shop founders and visiting 20 of the shops situated around Italy, findings allowed to extensively answer the two research questions.

Overall, a packaging-free grocery store can be defined as a shop embodying a wide range of values – packaging reduction; good & healthy nutrition; ethical products & fair price; cutting on food waste; access to high-quality food; short food supply chain; education and sociability, etc. – which all concretize through selling unpackaged high-quality local and/or organic products. *Unpackaged* products are the shops' main focus, however, also *packaged* products are sold due to the absence of a proper packaging-free supply chain for many products. Moreover, it emerged that packaging-free grocery stores are mostly run by individual entrepreneurs, who represent the core of the business and are the major driving force for its success. The major difficulties in setting up and running these shops regard the absence of support from the government; the lack of awareness and education on consumers' side regarding environmental and social issues – e.g. pollution, food quality, health and nutrition; as well as the predominance and unfair competition of conventional food retailers, which have completely shaped consumers' shopping habits through convenience, brand attachment and imprecise information.

Findings of this research contributed to Bepakt activity in different ways. First, by primarily identifying the key characteristics of packaging-free grocery stores and understanding the major drivers and barriers for the growth of such shops, thus providing Bepakt's team with a clearer idea of the phenomenon at large. Second, by summarizing the results into a series of info-graphics made available to the general public through the Bepakt's website. Third, the preliminary research performed while selecting the thesis sample contributed to enlarge Bepakt *Zero-Waste Supermarket Index* by listing all the Italian packaging-free grocery stores found along the way.

Finally, from the findings some recommendations can be derived for three main actor typologies – major Bepakt's users. Namely, policy makers are encouraged to start acknowledging and supporting the phenomenon through (tax) subsidies, sector-specific policies, educational campaigns and school programmes to educate the wider public; consumers at large are encouraged to realise the enormous amount of packaging-waste they generate as a result of their grocery shopping practices and thus to start acting in order to minimize it by, for instance, attending packaging-free grocery stores; finally, packaging-free entrepreneurs are encouraged to keep doing the amazing job they are carrying on, while also further improving their daily practices – e.g. start measuring their environmental impact or incentivize more consumers to bring their own containers.

ACKNOWLEDGMENTS

"You've got to find what you love. […] Your work is going to fill a large part of your life,
and the only way to be truly satisfied is to do what you believe is great work.
And the only way to do great work is to love what you do" ***Steve Jobs***

Back in December 2017, I started my thesis experience. The beginning was tough. I started an internship – which turned out to be not very enjoyable – and I was working on a thesis topic I was not really happy about. In January 2018 I quitted the internship and had no thesis topic anymore. Nevertheless, that "failure" gave me all the power, energy and motivation to restart from zero and look for a topic I was really passionate about. I came across Rutger and Guus, from *Bepakt*, who totally opened up their organization to me and trusted me from day one. They gave me the possibility to explore the packaging-free grocery stores topic and freely find my own spot within *Bepakt*. It has been, and it still is, a super nice learning experience and I want to thank them for the possibility and trust they gave me, as well as for all the support, flexibility and understanding they showed. Eventually, I found my way working on a topic I love, and this thesis gradually came to light.

A special thank goes to dr. Laura Piscicelli, my supervisor. She has been by my side throughout the whole process, from the initial roller coaster until the moment of last adjustments. She has encouraged me along all the way, being always there to listen, motivate, guide, advice and correct me. Thank you for your support, the trust you placed in me, and the thousand suggestions for improvement you gave. Together with her, I want to thank the second reader, dr. Annika Lorenz, for the valuable comments and feedback she gave to my research proposal, and for steering me toward the sustainable entrepreneurship field.

I would like to express my gratitude to each and every one of the wonderful packaging-free entrepreneurs I interviewed, who represent the heart of this thesis. Thank you all for your availability, for warmly welcoming me to your shops, and for opening up and sharing your personal entrepreneurial experience with me.

Finally, I would like to thank all the people that have been my support system during the past year. To begin with Ligia, my dear friend, flat mate and second mum from time to time, who reassured me when I was extremely down, and supported me to restart again and not give up. Thank you for all the moments we shared, the laughs, the tears and the million future projects we made. Now that the thesis is done, it's time to realize them! I would like to thank Susanna, my Utrecht partner in crime. Thank you for all the adventures, infinite fun, sunsets at the canal and happy moments we shared. Thank you Marina and Laura, for all the things we learned from each other and for growing up together in the past two years. I would like to thank Maria Carmen, my endless source of inspiration and eternal sunshine, for being an amazing example of how important it is to persist in following our dreams, independently from how big they are. Thank you to my crazy group of friends I shared the amazing experience of travelling around India last summer, Rishab, Ana, Pedro and Dorothy. That trip was eye-opening regarding the huge problem of plastics and packaging waste. It was probably on the Himalayan mountains, surrounded by piles of abandoned plastic bottles, that I realized the urgency of tackling the issue of packaging overuse.

In conclusion, my infinite gratitude goes to my parents, because without them this achievement would have never been possible. Thank you for believing in me even when I didn't and for always being there to support me and push me forward in chasing my dreams.

TABLE OF CONTENTS

1. INTRODUCTION

1.1 Problem context

The packaging industry is nowadays one of the biggest in the world, amounting to 812 billion USD in 2014 and estimated to reach 998 billion USD by 2020 (Smithers Pira[1], n.d.). The food and beverage sector represents the industry's major customer, demanding between 62-73% of the total amount of packaging produced worldwide – 56% of which is made of plastics[2] (ALL4PACK, 2016). Packaging allows for the safe and easy shipping of food worldwide alongside preserving its quality and, in some cases, prolonging shelf life. Moreover, being colourful and captivating, it attracts customers to the product allowing brands to compete on supermarket shelves (Leigh, Jonson, & Smith, 2006; Marsh & Bugusu, 2007; Risch, 2009; Wyrwa & Barska, 2017; Schweitzer, Gionfra et al., 2018). For all these reasons, everything we find in a supermarket is nowadays packaged – often multiple times and with different materials – or has been packaged at some point of its supply chain to be shipped and reach the shelf[3] (Marsh & Bugusu, 2007).

The Ellen MacArthur Foundation (2016) estimates that, by design, the useful life cycle of packaging – particularly the plastic one[4] – amounts to less than one year, with the majority of each piece of packaging being used only once, after which it is discharged. Indeed, once a product is consumed, its packaging is regularly thrown away with data showing that, on average, a European inhabitant annually produces 163 kg of packaging waste corresponding to one third of the total amount of waste he/she generates in one year (Eurostat, March 2017). If multiplied per 512 million people[5], such amount outreaches 83 million tons of packaging generated yearly within the EU. This implies an enormous amount of resources consumed and wasted, as well as economic value getting lost (WPO, 2014; Ellen MacArthur, 2017).

Additionally, data estimate that the Food Supply Chain[6] accounts for 70% of the total global packaging waste (Beitzen-Heineke et al., 2017). Food packaging, specifically the plastic one, is nowadays one of the major components of urban solid waste (around 35% of all waste streams – Eurostat, 2014). In Europe, the 31% and 39% of it are respectively sent to landfill and incinerators.

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[1] Smithers Pira is the worldwide authority on the packaging, paper and print industry supply chains. It provides testing, consulting and information services to companies (https://www.smitherspira.com/about-us).
[2] Specifically, in terms of unit produced 36% are flexibles, 20% are rigid plastics (ALL4PACK, 2016).
[3] Packaging occurring along the supply chain is defined as *secondary packaging* (mainly cardboard and shrinwrap to keep multiple products together) and *tertiary packaging* (mainly pallets and stretchwrap), in opposition to the *primary packaging* directly wrapping the final product (Emblem, 2012).
[4] The focus is mainly on the plastic packaging because it is the most widely used for food and beverages – together with multilayer packaging (a combination of plastics, aluminum, cardboard and glue). Moreover, it is the one with the highest environmental impact – due to its long degradation time, ranging approximately between 100-500 years (Ellen MacArthur Foundation, 2016; Le Guern Lytle, 2017) – and with the lowest recycling rates, as it will be shown later (Ellen MacArthur, 2017; Schweitzer, Gionfra et al., 2018).
[5] European Union population as on the 1st January 2017 (Eurostat, 2017).
[6] The Food Supply Chain (FSC) encompasses all the stages from food cropping/production until post-consumer waste (Beitzen-Heineke et al., 2017).

Only 14% of plastic food packaging is intended for recycling, though only 5% is successfully recycled, while the remaining 95% is burned or escapes the waste management system, ending up in the ocean due to its lightweight (Ellen MacArthur Foundation, 2016). Finally, data show that a large amount of plastic waste (with 1/3 being food packaging) has always been exported to East Asia (mainly China) to be recycled. However, with the ban on plastic waste imports announced by China in 2018, Europe will have to deal with its plastic (packaging) waste locally. This will require rethinking the whole system of production and consumption of food packaging (Schweitzer, Gionfra et al., 2018).

On the basis of these data and on the infinite concatenation of negative effects on ecosystems, biodiversity and people caused by wasted packaging, the Ellen MacArthur Foundation (2016) concluded that "if nothing changes, there could be more plastic than fish in the ocean by 2050". Therefore, if on one side packaging presents some benefits in terms of food transportability, preservation and marketing communication, on the other side, the amount of waste generated due to its short lifecycle and low value at the end-of-life stage constitutes a planetary problem.

From a business perspective, three main solution paths are currently under way. The first concerns packaging materials' innovation and sustainability[7], with Smithers Pira (n.d.a) stating: "by 2023, the issue of sustainable packaging is predicted to become the number one challenge facing companies, beating costs and other issues". Such projection is moving part of the industry towards more sustainable technological innovation. Until now, however, the focus has mainly been on making packaging more light-weighted[8], leading to the creation of complex and flexible multi-layer materials which have in turn increased the difficulty of packaging recycling. Currently, the industry is moving towards the rethinking and re-designing of smarter, more recyclable, re-usable or easy to disassemble materials.

The second path concerns closing the packaging loop by increasing its up-cycling, re-using rates and recyclability through innovative techniques – both mechanical and chemical – to be adopted at its end-of-life stage (Ellen MacArthur Foundation, 2017). However, despite the sophisticated innovative systems constantly developed, "recycling is only a treatment, not a cure" (Plastic Pollution Coalition, 2018) and "less bad is not good enough" (Greyson, 2007, p. 1383); rather, action should be pro-actively taken earlier, when deciding whether that specific packaging is truly necessary or not.

Therefore, the third and most desirable path to tackle the issue of packaging waste has been advocated to be the prevention of packaging use in the first place (Greyson, 2007). The US Environmental Protection Agency defined this approach as *precycling* (*ibidem*), while the

[7] In terms of producing packaging out of alternative and more sustainable materials – either using renewable raw materials; bio-degradable; compostable, etc.
[8] The light-weight helps reduce emissions during transport.

European Commission adopts the term *waste prevention* as illustrated in the *EU Waste Hierarchy* (***Figure 1***). Such concepts are also in line with consumers' perceptions and desires, as emerging from a research by GlobalData (2017) revealing that together with "recyclability", "compostable/biodegradable" and "easy to separate different materials for disposal" – all aspects related to materials and technological innovation, "reducing unnecessary packaging" is considered by the 72% of consumers worldwide as the most important factor when it comes to packaging sustainability.

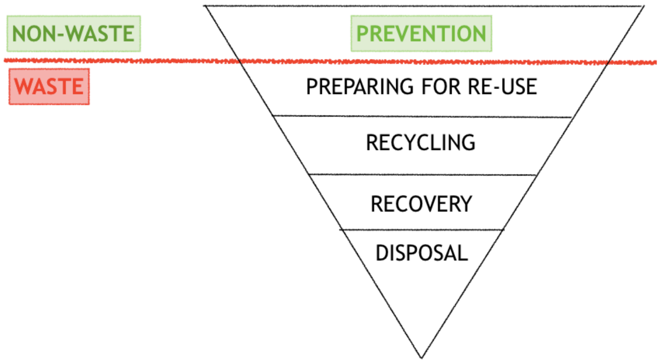

Figure 1 – *The EU Waste Hierarchy. Source: adapted from European Commission Waste Framework Directive (2008/98/EC).*

1.2 Research focus

In line with the concept of *waste prevention* and *precycling*, in the last decade, the so-called *Zero-Waste Movement* has spread globally, started in the USA by Bea Johnson[9] and advocated by ambassadors such as Lauren Singer[10]. The movement is now "inspiring thousands of people throughout the world to live simply and take a stance against needless waste" and proposes "a simple guideline [...] (consisting of) 5R's: Refuse, Reduce, Reuse, Recycle, and Rot (and only in that order!)" (Zero Waste Home, n.d.).

Such lifestyle has for long been considered mainly for environmentalists and nature fanatics. However, with the growing environmental crisis, it has gained momentum and attracted the attention of an increasing number of citizens worldwide (Schweitzer, Gionfra et al., 2018). This led the CNN to announce that "Zero waste isn't just for hippies anymore" (Chapman, 4th December 2017), as demonstrated by the fact that the *#zerowaste* hashtag counted over 350.000 posts on Instagram on the 4th December 2017 and only six months after (4th June 2018) these more than tripled to over 1.135.000, thus indicating the fast-pace at which the movement is growing.

[9] Bea Johnson started her Zero Waste lifestyle in 2008. She is one of the first and most famous zero-waste ambassadors and experts around the globe. She started a blog on her (and her whole family) zero waste lifestyle and in 2013 published her bestseller *Zero Waste Home*. She is known for her ability to fit one year waste into a small glass jar. She is today a source of inspiration for millions of people who want to undertake a zero waste lifestyle.

[10] Lauren Singer, inspired by Bea Johnson started her Zero Waste path in 2012, documenting it in her blog *Trash is for Tossers*. Today more than 200K people follow her on Instagram and many more people through her blog. She recently started her own packaging-free shop in New York City.

Either inspired by zero-waste ambassadors or moved by personal and environmental concerns, many entrepreneurs around the world decided in the last years to tackle the issue of packaging waste starting their own *packaging-free grocery stores*[11]. Here, UK and Italy are at the forefront, with the first packaging-free shops *Unpackaged*, *Negozio Leggero* and *Effecorta*, respectively founded in 2007, April and August 2009 (Bepakt, n.d.). Germany followed in 2014 with the opening of *Unverpackt Kiel* and 16 similar shops within one year (Delaperrière, 2016).

In general terms, all these shops build on the idea of a new (in reality very old) way of doing grocery shopping: in bulk. Clients bring their own containers, cloth-bags or glass jars, fill them of the quantity needed and, after weighting the product, they pay accordingly (***Figure 2***). In this way a double positive effect is attained: first, tons of packaging are avoided from being thrown away and entering the urban waste management system (to eventually escape it and leak into the ocean); second, food waste is reduced as consumers only buy the exact quantity of the product needed (WRAP, 2014; Beitzen-Heineke et al., 2017; Schweitzer, Gionfra et al., 2018).

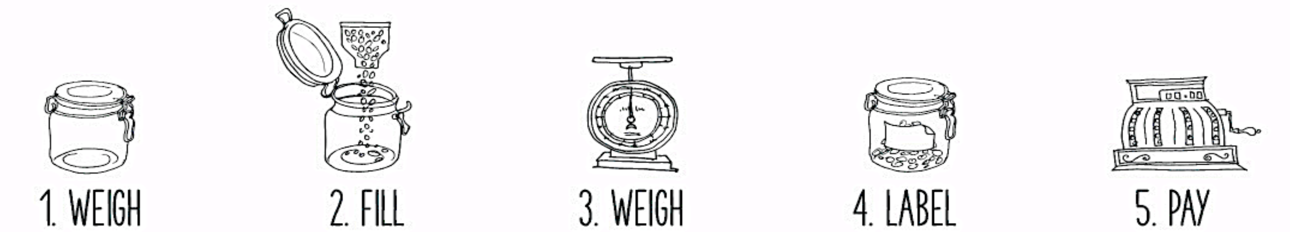

Figure 2 – *The concept of a packaging-free grocery shop. Source: Earth.Food.Love. The Zero Waste Shop (n.d.).*

Although conventional supermarkets are still the preferred option for grocery shopping due to the wider offer, countless discounts, marketing, brand attachment and consumers' habits, packaging-free stores have established as a counter-movement to the diffused "throw-away" disposable packaging culture (Sandano, 2016). While still representing a *green-niche* within the grocery sector (Beitzen-Heineke et al. 2017), their diffusion and geographical reach is constantly increasing, as shown by *Bepakt Zero-Waste Supermarket Index* (n.d.a. – see ***Box 1***). It counts nowadays over 300 different shops around Europe, while approximately 78 packaging-free

> While performing the current research the author conducted an internship at ***Bepakt***. This is an online platform enhancing the diffusion of the packaging-free culture worldwide through:
> 1) the *Zero-Waste Supermarket Index* – one of the most comprehensive and constantly updated long-list of packaging-free stores active around the world;
> 2) the *Crowdfunding Index* – a long-list of packaging-free stores raising funds to launch in Europe;
> 3) informing the public about plastics pollution; existing initiatives tackling the issue (e.g. ocean and beaches clean-ups); how to shop zero-waste; etc.
> ***Bepakt*** aims to facilitate the uptake of packaging-free shopping among consumers (e.g. by allowing to find a close-by shop of this kind); it spreads information on new openings and helps entrepreneurs gaining (financial) support; as well as being a tangible proof of the constant growth and spread of the phenomenon.

Box 1 – *Bepakt (available at: www.bepakt.com)*

[11] Within the current research the following terms will be used interchangeably: packaging-free shop, packaging-free store, packaging-free grocery store, packaging-free grocery shop. In the (grey and scientific) literature these are also defined as zero-waste or zero-packaging shops.

shops were counted in Europe in 2016 (Sandano, 2016) and only 19 across Europe and North America in July 2015 (Beitzen-Heineke et al., 2017).

Moreover, the packaging-free shops phenomenon is becoming increasingly relevant, both from a societal and scientific perspective as suggested by *Bepakt's* activity (n.d.a) and by the few emerging academic studies (e.g. Sandano, 2016; Sjölund, 2016; Beitzen-Heineke et al., 2017), as well as from an economic/market perspective, with the introduction by big supermarket retailers of dedicated packaging-free aisles where – still limited – typologies of products (e.g. cereals, pasta, nuts, detergents) can be bought packaging-free (Bressa, 2015; NonSprecare, 2017; VoceArancio, 2017). Hence, it results a relevant phenomenon of contemporary times, deserving a more attentive study.

1.3 Literature review

The packaging-free grocery stores phenomenon is increasingly attracting media attention while stimulating people's engagement (through news, social media, online magazines) and the emergence of numerous initiatives, online platforms and organisations (e.g. *Bepakt* website; *ZeroWasteEurope*[12]; *ReteZeroWaste Italia*[13] and *Zero Waste Italy*[14] networks). Although extensive grey literature can be found – ranging from blogs, to online newspapers and YouTube videos – scarce peer-reviewed scientific literature exists in relation to the packaging-free grocery stores phenomenon, its definition, emergence, diffusion and underlying dynamics.

In the last two years, some researchers[15] started analysing the phenomenon from a more scientific perspective, mainly connecting and situating it within the sustainability food retailing or sustainable food supply chain streams of academic literature. Specifically, Hui-Shiun[16] (2017) investigated the rise of the packaging-free grocery stores phenomenon in Europe and assessed the feasibility of its potential development in Taiwan. Beitzen-Heineke et al. (2017) focused on the environmental and social impact of the food retailing sector and the potential of packaging-free grocery stores to increase its sustainability; Sjölund (2016) focused on the logistic aspect of the packaging-free retailing and assessed in a more technical way – through Life Cycle Assessment tools – the environmental impact of selling a product packaging-free as compared to selling it packaged. Finally, Sandano (2016) investigated the main barriers and incentives to zero-packaging food sales at a global scale as encountered by both grocery sector's niche and mainstream actors – respectively, zero-waste stores and conventional supermarkets.

Overall, all these studies provided initial insights on the zero-packaging retailing sector,

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[12] See https://zerowasteeurope.eu/about/
[13] See http://www.retezerowaste.it
[14] See http://www.zerowasteitaly.org
[15] It is interesting to notice that most of the existing studies have been conducted by Master's students. This shows and supports the novelty of the topic as well as the resonance it is having among younger generations.
[16] Master thesis available in Chinese, with abstract in English.

identifying, at a very general level how these shops operate, what are their main values as well as which difficulties are encountered in their attempt to grow.

For instance, Beitzen-Heineke et al. (2017) revealed some of the main characteristics, processes and activities occurring along the *value chain* of such stores as summarized by ***Table 1.***

Table 1 – *Beitzen-Heineke et al. (2017) main findings*

Beitzen-Heineke et al.'s (2017) main findings	
Products sold (category – e.g. nuts, pasta, vegetables, etc.; typology – e.g. organic, Fair Trade, local; number)	**CATEGORIES:** dry products (flours, pasta, cereals, legumes, etc.) in bulk bins; yoghurt, milk or jam in reusable glass jars or bottles; some offer soaps and shampoo; fruits and vegetables are common; meat, fish and frozen food are less diffused. **TYPOLOGIES**: both organic and non-organic; the majority of products is unpackaged, but a minority of packaged products is offered as well **NUMBER**: 300-1500 products
Customers involvement & shopping experience	Personal relation, less stressful, better consultation and customers see and try the product. Mostly self-service for consumers
Additional activities offered to consumers (e.g. delivery service; workshops; meetings)	Delivery service, counselling, workshops, recipes boxes, events involving suppliers
Packaging provided in the shop	Mainly paper sachets
Packaging waste along the value chain	Paper, carton and some plastic foil, then reused in the shop
Suppliers (number, typology)	Different suppliers, mainly small or medium farmers. Regional is often a priority, especially to reduce transport distances
Logistics, Warehouse & Distribution channels	Shops do not manage the inbound logistics. Mainly external warehouse: franchises have a central distribution centre. Different suppliers deliver products to the shops.
Products' labels, brands and information	No different brands of the same product as "products have to be protagonists. There are no labels and no brands" (p.1534). Full transparency is ensured by providing information about suppliers
Communication of mission and values to consumers	Honest and transparent, focused on the impact of the shop. Aimed at increasing consumers' awareness regarding their environmental impact
Prices	Packaging-free shops are price competitive to different extents
Power on suppliers (for packaging reduction)	They have a small purchasing power, hence small power over suppliers
Shops equipment: containers, dispensers, scales, special equipment	Different scales, innovative and recycled materials to wrap products; innovative containers and refill systems

Sandano's (2016) study focused on understanding the factors that are currently driving or hampering the establishment of a packaging-free food retailing sector by focusing on *regulatory, social, market* and *resource* factors. Her findings showed that:

- Regulations, lack of governmental leadership and lack of (tax) incentives for the reduction/abolition of packaging in food retailing are the major *regulatory barriers*;
- The lack of consumers' education and awareness with regard to the impact of packaging and zero-waste issue and a consumerist culture are major *social barriers*; while the existence of zero-waste role-models, of NGOs action and social media coverage of the topic result to be important *social drivers* for the diffusion of the phenomenon;
- The current food supply chain, logistics, competition with mainstream actors and consumers' demand are the major *market barriers* for the expansion of zero-packaging retailing, resulting in an overall lack of convenience of this typology of food value chain (for all the actors involved, from production to consumption). Conversely, the action of industrial associations and awards and recognitions are seen as potential *market drivers* for the uptake of the phenomenon;
- The lack of financial capital is the major *resource barrier*, while the human capital and the existence of networks, partnerships and collaborations are the major *resource drivers*.

Finally, both Sjölund (2016) and Beitzen-Heineke et al. (2017) showed the complexity of the packaging-free retailing concept from different perspectives. The former revealed the complexity of implementing a zero-packaging supply chain and logistics in the food sector, which is currently totally dominated by the use of packaging at all steps of the chain; the latter shed light on the complexity of the mission and values that these shops embody. Specifically, their study revealed that the mission of the packaging-free stores analysed was not only about packaging reduction/abolition, rather they had a broader understading of the food retailing sector's "impact", which resulted in the embodiment of additional values – e.g. ethical and local sourcing, food waste reduction, organic and fresh products, etc.

1.4 Gaps in the packaging-free literature

Despite prividing valuable insights on the growing packaging-free phenomenon, the above mentioned studies are the first ones drawing attention on the phenomenon. Hence, they encouraged further research by pointing out several research gaps.

First, a clear definition of the shops' concept is lacking: Sjölund (2016) mentioned that no clear "label" or pattern could be indentified since different shops defined themselves in different ways – e.g. vegetarian, organic, zero-waste; while Beitzen-Heineke et al. (2017) stated that "zero-packaging retailers" entail environmental protection, packaging reduction and the existence of other values such as food waste reduction, or organic food sale, thus resulting in a mix of concepts and ideas not clearly defined nor integrated. However, none of the the studies further explored the issue, nor actually provided a clear in-depth definition/classification of the key elements characterising such new typology of business activity.

Second, in 2016 both Sandano and Sjölund claimed that not many nor reliable data were available on how these shops operate, making it difficult to answer their research questions thoroughly; one year later Beitzen-Heineke et al. (2017) published an empirical study providing first insights on the operational aspects of these shops and their environmental and social impact. However, the study had a very small sample – encompassing only seven stores across Italy, Germany and Austria – thus not allowing for results generalizability (Beitzen-Heineke et al., 2017). A small sample was also adopted by Sandano (2016) and Sjölund (2016) and mentioned by both as a limitation of their studies. The former covered only 7 packaging-free shops; the latter managed to include just 16 shops out of the 52 previously contacted, thus making it impossible to generalize the results "to all other stores as they might operate in different ways, which would render different results" (p.17).

Third, an additional research gap lies in the geographical scope – set as global by Sandano (2016) and Sjölund (2016), and as European by Beitzen-Heineke et al. (2017) – which was mentioned as limiting the relevance and applicability of their studies to a particular context and not allowing for "separating out the influence of regional contexts on the operation of the zero-packaging concept" (Beitzen-Heineke et al., 2017, p. 1539). Hence, they advocated for a more country-specific focus, which could allow to identify context-dependent cultural, economic, social, political and regulatory factors influencing the phenomenon.

Finally, beside all the just mentioned gaps claimed by the researchers in the field and related to the analysis and investigation of the concrete phenomenon, the author of the current research noticed a limitation from a more theoretical perspective. Namely, all previous studies adopted frameworks derived from the sustainable food retailing or sustainable food supply chain literature, thus mainly focusing on the operational side of the phenomenon. However, no one has yet looked at the rise of packaging-free shops from a *sustainable entrepreneurship* perspective. That is, no one has focused on the entrepreneurial process involved in building such shops, as well as on the entrepreneurs behind them: who are they? What is their vision? What motivates them?

1.5 Research aim

Building on the gaps and limitations presented above, the primary aim of the current research was to advance scientific knowledge regarding the growing reality of packaging-free grocery stores. A secondary aim was to look at the phenomenon from a *sustainable entrepreneurship* perspective, to understand the key characteristics of these shops, how they concretely operate and who the entrepreneurs behind them are. Consequently, to achieve a broader understanding of the phenomenon's future scenarios, its possible evolution as well as its main challenges and incentives to grow, the research also aimed at investigating the drivers and barriers encountered by this typology of grocery stores – as perceived by their founders.

Importantly, as a response to the geographical scope gap found in previous studies, the current research was conducted within a specific context: Italy. In fact, as advocated in *section 1.4*, adopting a narrower national focus leads to the identification of certain context-related factors (e.g. regulations, culture, values, market forces, etc.), which are relevant in the definition of the key characteristics of packaging-free shops as well as the identification of the main drivers and barriers to their growth. Moreover, Italy was also chosen due to the fact that it is among the frontrunners of the packaging-free phenomenon, with its first two shops founded in 2009, and over 70 shops identified across the national territory through preliminary desk research (Bepakt, n.d.a). Therefore, a broader (and more mature) set of case studies was available for investigation, thus allowing the author to address the small sample size limitation claimed by previous studies.

1.6 Research questions

Having explained the problem context, the research focus and existing gaps, the research aim was reformulated into the following research questions:

RQ1) *What are the key characteristics of packaging-free grocery stores in Italy from a sustainable entrepreneurship perspective?*

RQ2) *What are the main drivers and barriers encountered by Italian packaging-free stores in setting up their activity and in their attempt to grow?*

1.7 Research relevance

From a scientific perspective, the relevance of the current research lies primarily in its contribution to the scarce academic literature on the packaging-free grocery stores topic. Additionally, by analysing the phenomenon from a *sustainable entrepreneurship* perspective, the current study also adds to the sustainable entrepreneurship field. In fact, as claimed by Hoogendoorn et al. (2010) "empirical research is […] of considerable significance for social entrepreneurship as a field of scientific inquiry, […] (since it) allows for the development of a testable and valid theory and is indispensable for the evolution of any field of research" (p. 2-3).

From a more practical and societal perspective, the study directly contributes to the work of the *Bepakt* website by: 1) complementing the *Zero-Waste Supermarket Index* with regard to Italy by mapping out all the shops in the country; 2) creating a clearer understanding of the "packaging-free grocery store" concept; 3) publishing the findings of this research on *Bepakt's* website to further contribute to the diffusion and understanding of the packaging-free phenomenon. As a consequence, the results will be relevant for "wanna-be-packaging-free-entrepreneurs", by providing a clear overview of what it entails running such shops and what are the main existing challenges. Finally, if a packaging-free culture wants to be fostered in Italy, findings can also be a valuable resource for policy-makers, who could now address the main barriers faced by "packaging-free entrepreneurs" uncovered by the research.

2. THEORETICAL FRAMEWORK

The *sustainable entrepreneurship* literature was chosen as a lens to look at the packaging-free grocery stores phenomenon in Italy. In this chapter the most relevant theories ad concepts from the field have been selected according to their relevance to answer the research questions. Hence, these are first presented and then combined to construct two Analytical Frameworks (one per each RQ, see *section 2.2.3 and 2.3.1*) that will guide the current research.

2.1 Introduction to sustainable entrepreneurship

The *sustainable entrepreneurship* stream of literature developed in the last two decades and focuses on the fundamental role played by entrepreneurs in addressing environmental and social problems – seen as "windows of opportunities" (Raven, 2006; Smith, 2007; Gibbs, 2009; Hockerts & Wüstenhagen, 2010; Dean, 2014) – through business activities (Mair & Marti, 2006; Gibbs, 2009; Thompson, Herrmann, & Hekkert, 2015). Despite the novelty of the field, still exhibiting a lack of conceptual clarity in the domain delineation (Casasnovas & Bruno, 2013; Dacin, Dacin, & Tracey, 2011; Dean, 2014; Zahra et al., 2009; Hoogendoorn et al., 2010), *sustainable entrepreneurship* can be broadly defined as "the process of creating socially and ecologically sustainable value by bringing together a unique combination of resources to pursue an economic opportunity" (Dean, 2014, p. 4) with the ultimate aim "to initiate the transformation of a sector towards an environmentally and socially more sustainable state" (Hockerts & Wüstenhagen, 2010, p. 482).

Sustainable enterprises aim to accomplish the so-called Triple Bottom Line (TBL), which is the balancing of the social, environmental and economic dimensions, also named as 3Ps: People, Planet and Profit (Elkington, 1997) through the involvement and alignment of the interests of a wide range of stakeholders, including society and the environment (Stubbs & Cocklin, 2008). Accordingly, *sustainable entrepreneurs* are seen as those "leading and pattern-changing actors [...] with powerful, new and system-change ideas" (Drayton, 2002) who create market dynamics for environmental progress (Gibbs, 2009), acting as a "major force in the overall transition towards a more sustainable business paradigm" (Schaper 2002, p. 27).

Hence, in line with these definitions, packaging-free shops can be considered as *sustainable enterprises*, founded by *sustainable entrepreneurs,* undertaking the path towards a more sustainable way of doing grocery shopping while addressing the problems-opportunities related to environmental degradation generated by packaging waste.

2.2 RQ1 - Key characteristics of sustainable ventures

2.2.1 The centrality of the entrepreneur

As advocated by Sharir & Lerner (2006), the *sustainable entrepreneur* is the fundamental figure of the venture and the one who has "the ability to furnish a forceful vision formulated in terms of social (and/or environmental) rather than economic values" (p.7). Moreover, he/she is also the one who, through a total dedication and by investing all his time and effort, proactively builds the network and environment within which the venture operates (*ibidem*). Therefore, when analysing a sustainable venture, it is important to start from understanding the figure of the sustainable entrepreneur who is at the core of the whole business. Get to know his/her previous managerial experience and study/work background, his/her dedication to the cause and his/her networking abilities – the capacity to build connections with different stakeholders – allows understanding better the venture's characteristics (*ibidem*). Furthermore, Kirkwood and Walton (2010) identified green values, earning a living, passion, being your own boss and seeing a gap in the market as the most recurrent motivations for sustainable entrepreneurs to start their own venture. All these motives match with conventional entrepreneurs' ones, except for green values, which are specific of sustainable entrepreneurs.

2.2.2 Dean's 6 key elements of a sustainable venture

After understanding the figure of the entrepreneur, the study of a sustainable venture can proceed by investigating "the nature and structure of the organization or the service that the venture has developed, and the organizational and environmental variables of the framework in which it came about" (Sharir & Lerner 2006, p. 8). In order to do so, Dean (2014) developed the framework presented in ***Figure 3***. It encompasses the six *key elements of a sustainable venture* – namely, *values, mission*, *legal form*, *team*, *plan* and *metrics* for measuring success and impact.

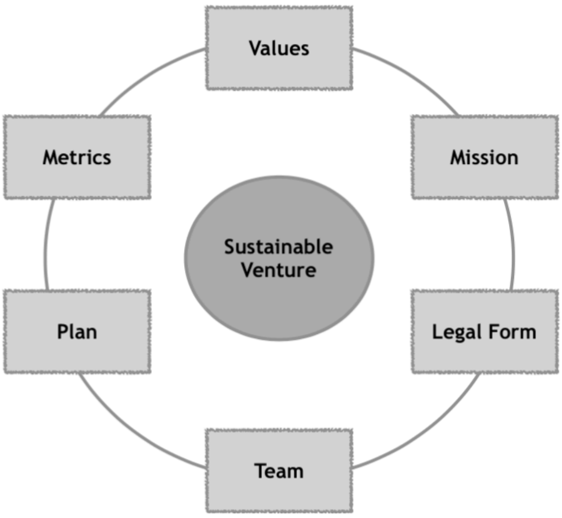

Figure 3 – *Key elements of a sustainable venture. Source: adapted from Dean (2014).*

First, the *values* stand for the underlying principles and philosophies driving the company and the entrepreneur.

Second, the *mission* is the reason why the venture exists, what its core business activity is, for whom it does it and which unique proposition is differentiating it from competitors. The nature of *values* and *mission* differentiates sustainable ventures from conventional business activities, due to the purpose that lies behind them "which translates into a (qualitatively) different motivation" (Grassl, 2012, p. 42). It goes beyond the desire for financial return and entails the environmental and/or social "commitment and a sense of mission" of the sustainable entrepreneur (Sharir & Lerner, 2006, p. 8).

Third, the *legal form* of a venture determines the way in which it legally operates. As concluded by Hoogendoorn et al. (2010), there is not one specific pattern for the selection of the best legal form within the domain of sustainable entrepreneurship. Moreover, this depends on the legislation of the country as well as on the advices of professionals involved in the sustainable venture creation process. Additionally, in the case of sustainable enterprises, the legal aspect also concerns whether the business holds specific certifications (e.g. "organic shop", "B-Corp[17]", etc.) or satisfies particular regulatory obligations (Dean, 2014).

The *team* is Dean's (2014) fourth key element. It encompasses the people – founders, employees and human resources – contributing to run the activity and playing an important role in influencing the venture performance (Bocken, 2015).

The *plan* is the fifth element. It represents the "how" of the venture. It consists of the operational and financial architecture of the venture (Bocken et al., 2014) and it is based on a first analysis of the competitive landscape: who are the main competitors for the business? Hence, on this basis the entrepreneur establishes a number of key characteristics of the venture and its value chain, which allow understanding how the company delivers value to customers. These include: the financial structure of the company, breakeven point and profit; products/services offered; business activity features (e.g. size, location, equipment); customers' experience; supply chain management in terms of logistics, relations with suppliers and distribution channels; placement and promotion strategies in terms of branding, advertisement and communication to customers. Moreover, as part of the plan, Dean (2014) highlights the importance of the venture's growth strategy. This means how the entrepreneur plans to grow the business (e.g. by specializing and ultra-focusing in the present market or by expanding to other markets) and it represents an important element denoting the way in which the venture's mission will broaden in the market.

Finally, the sixth key element are the *metrics*: indicators used by companies to measure success and performance (Dean, 2014). Whereas in conventional business ventures these concern only the financial return, in the case of a sustainable venture such indicators include both the profit and "the added value and social (and environmental) contribution, with emphasis on the sense of mission and service" (Sharir & lerner, 2006, p. 7). However, despite the importance of monitoring the (social and environmental) performace of the sustainable enterprise, this is not a common practice and is perceived by sustainable entrepreneurs as a very challenging one (Hoogendoorn et al., 2010; Dean, 2014).

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[17] Certified B-Corporations (B-Corp) are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose (Certified B Corporation, n.d.)

2.2.3 Analytical Framework 1

The combination of Dean's framework with Sharir & lerner (2006) and Kirkwood & Walton (2010) theories stressing the centrality of the sustainable entrepreneur led to the development of the *Analytical Framework 1*, depicted in ***Figure 4***. It shows at its core the sustainable entrepreneur, as the first and fundamental element of the sustainable venture. Hence, the 6 key elements of Dean's framework are built around it. This analytical framework will be adopted to identify the key characteristics of packaging-free grocery stores in Italy, thus answering RQ1.

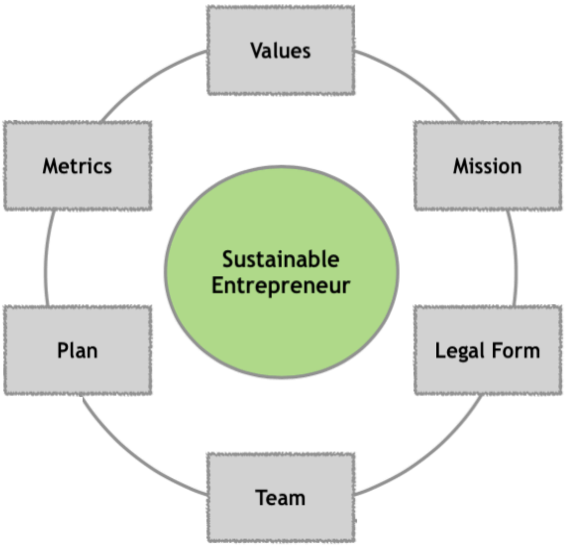

Figure 4 – *Analytical Framework 1: Combination of Sharir & Lerner (2006), Kirkwood & Walton (2010) and Dean (2014) theories.*

2.2 RQ2 - Drivers and barriers of sustainable ventures

In the *sustainable entrepreneurship* literature, different authors focused their attention on the main drivers and barriers – success/failure factors – encountered by sustainable ventures in their attempt to emerge and grow. Specifically, based on the conception of sustainable enterprises presented in the previous section, which poses the sustainable entrepreneur at the core of the venture, Sharir & Lerner (2006) identified the main drivers and barriers encountered by social ventures initiated by individual entrepreneurs[18]. Moreover, for analytical purposes, they classified such factors along four main dimensions: the *individual (entrepreneur)* dimension, the *environmental* dimension, the *organizational* dimension and the *process* dimension.

[18] Sharir & Lerner (2006) identified the major success factors for social non-profit ventures. Regarding their particular focus on <u>social</u> non-profit ventures, their theory is deemed applicable to the case of the current research in line with the explanation of "sustainable entrepreneurship" provided in *section 2.1* (which encompasses both environmentally and socially concerned ventures). While, regarding their focus on <u>non-profit</u> social ventures, their findings have been evaluated by Hoogendoorn et al. (2010) and put in comparison – by the latter – to other 30 articles on sustainable/social entrepreneurship (not specifically focused on non-profit). Therefore, Sharir & Lerner (2006) results are considered to be trustworthy and generalizable, and applicable also to the current field of study.

The section below presents the factors – acting either as drivers or barriers for sustainable ventures – as identified by Sharir & Lerner (2006) while supporting them with other authors' theories from the field. These will also be classified by following the four dimensions by Sharir & Lerner (2006).

1) The individual (entrepreneur) dimension

The *entrepreneur's personal skills and characteristics* are considered to be the major driving factors for sustainable enterprises growth and success (Sharir & Lerner, 2006; Hoogendoorn et al., 2010; Bocken, 2015). Here, the entrepreneur's previous background and past managerial experience, the personal motivation, commitment and time dedicated to the cause, as well as the support received by family members and personal network in setting up the venture represent central factors fostering venture's activities (*ibidem*).

2) The environmental dimension

The existence of *networks* and *collaborations* within the environment where the venture operates, both with direct and indirect competitors and with the wider range of stakeholders, is also an important factor driving the success of a sustainable venture (Sharir & Lerner, 2006; Bocken, 2015). It is strictly related to the importance of having a *supportive environment*, encompassing both stakeholders, society and governmental agents, supposedly providing external support to the business (Hoogendoorn et al., 2010). This depends, in turn, on the *level of acceptance* of the venture's idea, mission and values in the public discourse, both at a societal and governmental level (Sharir & Lerner, 2006). In fact, "if the social venture is at odds with the value system of the community it is trying to serve, it may be challenging to make a lasting positive impact" (Dean, 2014) and the "lack of acceptance would imply a serious hurdle for a social enterprise to overcome" (Hoogendoorn et al., 2010, p. 29), thus being a strong barrier for its establishment and growth. Finally, the *power of incumbents* operating within the same sector and *competition* at large might represent an external obstacle for the sustainable venture's growth and success (Bocken, 2015).

3) The organizational dimension

Resources (both human and financial) are key factors at the organizational level. Being a sustainable venture a full-fledged business activity, both the *human* and *financial capital* play an essential role as much as in any other venture (Hoogendoorn et al., 2010). Regarding the former, the commitment, preparation as well as friendly relation within the team play an important role for the success of the venture (Sharir & Lerner, 2006); concerning the latter, the lack of a sufficient financial capital makes new-born ventures very vulnerable and often leads them to failure, whenever the first negative event arises (Shelton, 2005). This constitutes one of the biggest obstacles for sustainable ventures since the start-up phase, and inevitably reduces their chances of survival and growth in the long term (Shelton, 2005; Bloom & Chatterji, 2009; Dean, 2014; Bocken, 2015).

4) The process dimension

This last dimension encompasses all those factors related to the processes involved in establishing and growing the business. The first factor refers to the *logistics, relations* with suppliers and all those *operations* occurring along the value chain. *Building network* and *long-term partnerships* represent an important success factor (Sharir & Lerner, 2006). Finally, standing the market test, meaning meeting *consumers' needs and demand* whilst accomplishing the social/environmental mission and obtaining financial returns, represents also an essential element for venture's growth. However, this often results in a *trade-off* for sustainable ventures constituting a barrier to growth: "the challenge facing the potential social entrepreneur is to establish an organization that is based not only on commitment and a sense of mission, but it is also equipped with the tools required to respond to changes in the environment and the customers' needs" (Sharir & Lerner, 2006, p. 8).

2.3.1 Analytical Framework 2

For the purpose of the current research, all the above (drivers/barriers) factors derived from the literature and divided according to Sharir & Lerner's (2006) dimensions have been graphically depicted in ***Figure 5*** representing the *Analytical Framework 2*. This will be adopted to conduct the investigation on the drivers and barriers encountered by Italian packaging-free stores in setting up their activity and in their attempt to grow, thus answering RQ2.

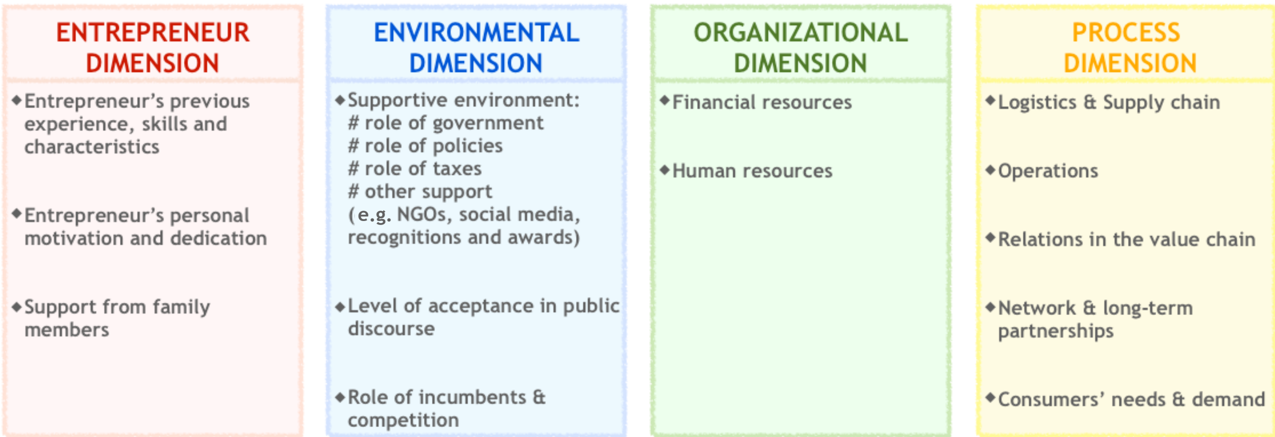

Figure 5 – *Analytical framework 2*

3. METHODOLOGY

In line with the aim of the current research – to identify key characteristics, drivers and barriers of the packaging-free grocery stores phenomenon in Italy from a sustainable entrepreneurship perspective – a qualitative research strategy was adopted since it emphasizes words and meanings, by stressing "the understanding of the social world through an examination of the interpretation of that world by its participants" (Bryman, 2012, p. 380). Qualitative research is particularly appropriate when little is known about a specific domain and the underlying research question aims at understanding better and describing a certain phenomenon (Morse & Field, 1995). ***Figure 6*** depicts the different steps followed to conduct the research.

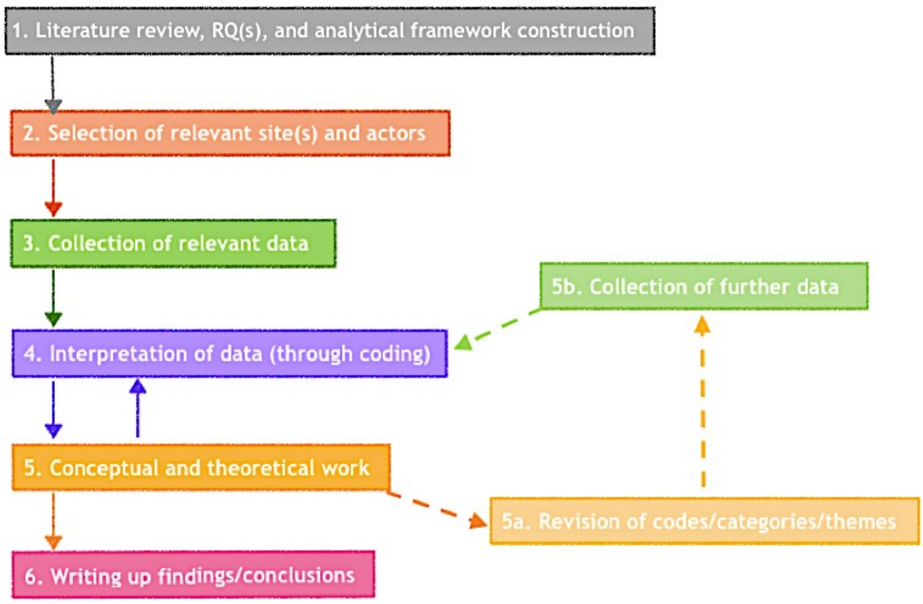

Figure 6 – *An outline of the main steps of qualitative research. Source: adapted from Bryman (2012).*

3.1 Research design

One of the most common research designs in qualitative research are case studies, which are a distinctive form of empirical inquiry entailing "the in-depth study of instances of a phenomenon in its natural context and from the perspective of the participants involved in the phenomenon" (Gall et al. 1996, p.545). Furthermore, case studies are especially useful to advance theory when scarce knowledge exists about an issue (Eisenhardt, 1989; Yin, 2009). Hence, multiple-case studies were conducted within the current research, allowing the author to collect a wide array of data on the sustainable entrepreneurship experiences of the different founders, alongside identifying key characteristics of the cases under analysis.

3.2 Sampling

In qualitative research, sampling is made in a purposive way, which means that units of analysis are chosen accurately based on the research question (Bryman, 2012). Specifically, *theoretical sampling* was adopted, entailing "the selection of cases [...] with reference to the quest for the generation of a theoretical understanding" (*ibidem*, p. 420).

Through a preliminary desk research, it was observed that the packaging-free grocery stores phenomenon is more diffused in the north of Italy, whereas a minority of shops exist in the south.

Figure 7 – *Geographical reach of the packaging-free grocery store phenomenon in Italy (Bepakt, data of 2018)*

The first packaging-free shop – *Negozio Leggero* - was opened in Turin in April 2009 by the Environmental Research Centre *ECOLOGOS,* while the second one – *Effecorta* – followed suit in August 2009 in Capannori (Lucca, Tuscany). In the past 9 years, the phenomenon has spread with an average growth rate of 57% between years (***Figure 8***). In this timeframe, a total of 84 shops have been opening around the country, with 14 closing in the same period (Bepakt, n.d.a). Hence, nowadays a total of 70 packaging-free grocery shops exist in Italy. Among them, 12 belong to the *Negozio Leggero* franchise, while 2 belong to the *Effecorta* affiliation system[19]. Thus, it can be stated that a total of 56 different shop *brands* currently exist.

[19] Both *franchise* and *affiliation system* are typologies of licensing a business activity where the "headquarter" (the brand) licenses out its brand, design, systems, machinaries, etc. to independent entrepreneurs who, in exchange, have to pay a license (franchise/fee) to operate. The two systems differ in terms of control retained by the "headquarter" as compared to the one acquired by the contractor (either franchisee or affiliate) as

Figure 8 - *Trend of packaging-free grocery stores phenomenon in Italy (from Bepakt data, June 2018)*

The majority of the shops are situated in different cities, thus direct competition is not very diffused within the same city. Only in a few cases – Turin, Milan, Padua, Florence, Rome and Palermo – there is more than one shop per city. In Turin the concentration of this shop typology is higher, not for nothing being it the city where the first shop was created. The first shop in the south opened in 2011 in Altamura (Puglia), with the second opening in 2013 in Naples.

When the research began, the author was aware of a lower number of shops active in Italy, compared to the amount now available on Bepakt[20]: 56 independent shops were identified by the author at that time and selected as case studies for the research according to the information found on their respective websites or Facebook pages, and specifically on the mission stated – advocating for packaging reduction – and on the range of products sold[21]. Among these 56 shops, 14 had definitively closed, nevertheless these were also included in the sample since their experience was considered relevant, especially to understand the main barriers encountered by such shops and thus answer RQ2. All the founders of the 56 packaging-free shops identified were first contacted through email or private Facebook message (on the shop's profile). In case of positive reply, they were sent a Word file (*APPENDIX 1*) to collect some preliminary data: namely, whether they considered "selling packaging-free" among their main values; who was available for the interview; the opening date of the shop; the major product categories sold packaging-free and finally the consent to conduct the interview and be quoted in the current research. Hence, according to such preliminary data and founders' availability, a date and time was set to conduct an interview. Among them, a participation rate of 58% was recorded: 32 founders eventually

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well as on the level of risk taken up by the latter and the level of independence and possibility to deviate from the headquarter guidelines/rules.

[20] The full list now available on www.Bepakt.com has been the result of the current research.

[21] Ventures selling only one specific product category in bulk – e.g. specialized bulk-wine or bulk-laundry detergents shops – which are very common in Italy, were not considered in the sample.

accepted to take part in the study, while 16 did not reply at all and 4 did not want to take part in the study (either because the shop had closed and they were busy with a new job or for diffidence and brand protection issues). ***Table 2*** provides an overview of the sample with details of shops and respective founders, together with information on the interview modality.

Table 2 – *List of packaging-free grocery stores taking part in the study (shops are ordered according to their opening date; red rows represent closed shops)*

SHOP NAME	FOUNDER/ INTERVIEWEE NAME	LOCATION	YEAR OF OPENING	INTERVIEW MODALITY
Negozio Leggero *(franchise)* *15 shops active*	Lidia Signori (Director of communication)	Torino (*headquarter*)	2009 (first shop)	Face-to-face
Effecorta *(affiliation)* *3 shops active* **+** *(2 closed)*	Renato Plati	Milano	2009 – Capannori 2013 – Milano	Face-to-face + shop visit
Il Granaio di Eva e Nadia	Eva & Nadia Menti	Vicenza	2011	Face-to-face + shop visit
Verdessenza	Cosimo Biasi & Alessandra Mazzotta	Torino	2012	Face-to-face + shop visit
Bioemporio Quanto Basta *(evaluating closure)*	Alessandro Seta	Senigallia (Ancona)	2012	Questionnaire filled in
Lo spaccio tutto sfuso	Monica & Serena Vizzoni	Viareggio (Lucca)	2012	Face-to-face + shop visit
La bottega dello sfuso	Giuseppe De Amico	Cisternino (Brindisi)	2013	Phone
Biosballo	Elisa Gelmi	Sesto San Giovanni (Milano)	2013	Face-to-face + shop visit
Usosfuso	Marianna & Michele Lembo	Tivoli (Roma)	2013	Skype
Verdesfuso	Andrea Schito	Como	2013	Face-to-face + shop visit
La bottega di Ispra *became*: **La Bottega degli sballati** *(closed)*	Dragana Ruzicic	Ispra (Varese)	2014	Phone
La BOttega di Silvia	Silvia Storelli	Bologna	2014	Face-to-face + shop visit
Cuordimamma	Alessia Barcellini & Stefania Postiglione	Novara	2014	Face-to-face + shop visit
EcoLogica	Gill De Gregorio & Marco Salemi	Palermo	2014	Face-to-face + shop visit
Papaveri di Mare	Cristina Olivieri	Livorno	2014	Face-to-face + shop visit
Sfuso e Bio *(closed in 2017)*	Anna Elisabetta Zavatti	Bondeno (Ferrara)	2014	Phone
Saccomatto	Francesca Colet & Giulia Lercara	Torino	2016	Face-to-face + shop visit
KilometroZero *(removing unpackaged products)*	Dario Foschia	Udine	2016	Phone
Quanto basta – La natura alla spina	Giovanni Fullone	Cosenza	2016	Phone
L'indispensabile in dispensa	Filippo Binelli	Cavallirio (Novara)	2016	Phone
Fuori dalle scatole	Margherita Altoffi	Prato	2016	Face-to-face + shop visit
Ettogrammo	Fabio Cannella	Verona	2016	Face-to-face + shop visit
TuttoSfuso	Gianna Piovan & Chiara Joelle Cappellazzo	Venaria Reale (Torino)	2016	Face-to-face + shop visit
Bottega Granel	Francesca Robasto & Haitz Telletxea Azkarate	Grugliasco (Torino)	2016	Face-to-face + shop visit
Bio al sacco	Pierpaolo Corradini	Pisa	2016	Face-to-face + shop visit
Sfuso per Natura	Lorenzo Pavanello	Occhiobello (Rovigo)	2016	Face-to-face + shop visit
Spreco Zero	Barbara Parmeggiani, Massimo Tenti & Giuditta Neri	Rimini	2016	Face-to-face + shop visit

Sfusa	Sara Orsini	Sanremo (Imperia)	2017	Phone
Pianeta Locale	Valentina Bonadio	Breno (Brescia)	2017	Phone
Novo	Maria Lobis & Stefan Zanotti	Bolzano	2017	Phone
Peso Netto di Ilaria Nesi	Ilaria Nesi & Marco Mencherini	Firenze	2017	Face-to-face + shop visit
Gusto Sfuso ***(closed in 2018)***	Daniela Isaia	Napoli	2017	Phone

3.3 Data collection and research method

To obtain the highest quality of data and acquire direct knowledge on the field, through direct personal experience, the author decided to visit as many packaging-free grocery stores as possible during the data collection phase. Hence, after mapping all the shops and creating an itinerary, the author made direct appointments with shops founders to go and meet them in person, while visiting their shops. Whenever it was not possible for the author to physically reach the shop or in case it had definitively closed, Skype or telephone interviews were arranged. In total, an amount of 11 Skype/telephone interviews were performed (3 of which are closed shops, 1 is slowly removing all the unpackaged products, 1 has significantly reduced the amount of unpackaged products and is now evaluating their total removal), 1 through a questionnaire (due to lack of time of the founder), and 20 face-to-face interviews and shop visits were conducted (see ***Table 2***, last column).

Hence, a total of 32 semi-structured interviews with 38 shops founders[22] were conducted. All the interviews were recorded (with interviewees' permission) and subsequently transcribed[23] to serve as a reference during the data analysis and writing-up phase.

The interview guide – semi-structured questionnaire (*APPENDIX 2*) – was divided in two parts according to the two RQs and it was built by following the structure and categories of the analytical frameworks created in *chapter 2*. Each category and concept of the framework was operationalized through different questions, which allowed breaking down each concept into multiple aspects and collect the specific data related to each concept. The average length of the interview was about 1 hour, with some interviews lasting 30 minutes and others up to 2 hours.

3.4 Data analysis

Data analysis in qualitative research is an *iterative* process, meaning that the analysis starts after the first data have been collected, which in turn help shaping the collection of future data (Bryman, 2012 – Figure 6). *Grounded theory* is the leading typology of data analysis in qualitative

[22] In 6 cases, two shops founders took part in the interview. In the case of *Negozio Leggero*, the interview was conducted with the head of Communication of the *Ecologos Research Centre*, hence part of the founding team of the *Negozio Leggero* concept and brand.

[23] Interviews were conducted and subsequently transcribed in the original language (Italian) to avoid any bias in the translation process. For the writing up of the findings, in case of direct quoting of an interview, the founders' words have been literally translated into English.

studies entailing the emergence of concepts and theories from the data collected – thus grounded on the direct observation of reality (*ibidem*). Henceforth, interview transcriptions have been analysed with the NVivo software for qualitative analysis, which facilitated the organization of findings based on recurrent and salient themes – codes (Charmaz, 2014). Coding has been performed through a *thematic content analysis*, both *deductively* – by generating codes derived from the analytical frameworks' categories – and *inductively* – by deriving new codes directly from the findings (Fereday & Muir-Cochrane, 2006). Through the analysis of such codes, the key characteristics of packaging-free shops in Italy have emerged, together with the major drivers and barriers encountered by shops' owners, thus allowing to extensively answer the two research questions. For further details on the coding process see *APPENDIX 3,* where the coding tree is graphically represented.

3.5 Research quality

The *reliability* of the current research – that is, the possibility to replicate the data collection by reaching equal results (Yin, 2009) – is ensured through the precise and rigorous protocol followed during the research as explained in the above paragraphs. Moreover, from the sampling stage until the transcription and analysis of the data collected, the author employed the same procedures for each case at hand, hence guaranteeing the rigour of the research. Thus, by following the same steps, the current research could be potentially replicated and similar results could be achieved.

Moreover, *data triangulation* – cross-checking data correspondence to reality through multiple sources (Bryman, 2012) – was performed by the author multiple times. For instance, when selecting the sample, shops' websites and Facebook pages were checked to look for the values they claimed. Hence, shop founders were contacted and specifically asked whether "the packaging-free concept" was among their values. Finally, during the interview they were generally asked which were their shops' main values and the packaging-free value always resulted among them. The same sort of *triangulation* happened in several occasions, mainly by checking the websites or Facebook pages of the shops. Additionally, in different circumstances shops founders referred to/addressed other shops or founders and every time the information given were in line with reality.

However, since the research is qualitative rather than quantitative, a few limitations related to the research method have to be kept in mind when assessing its *reliability*:

- A qualitative research builds upon the words and perceptions of participants, which might change over time or evolve due to changing circumstances (Bryman, 2012);
- The "social desirability bias" (Lavrakas, 2008) shall be considered, that is the fact that interviewees might answer is a way that is "socially acceptable" by society, rather than according to what they truly believe;

- Despite the neutrality of the author and the rigorous protocol followed, the interpretation of data and interviewees' answers, as well as the translation of their quotes from Italian to English, might be affected by the author personal interpretation;

Finally, the *internal validity* of the research – namely, the congruency between data collected and concepts developed (Bryman, 2012) – is ensured by the fact that when building the questionnaire, questions have been directly derived from the operationalization of theoretical concepts. Thus, the results achieved through the interviews were in direct relation with the theories and analytical frameworks discussed in *chapter 2*. The same holds true for the codes created to analyse the results, the majority of which were deductively taken from theoretical concepts, as explained earlier. Hence, further ensuring a direct link between the analysis of the data collected and concepts derived.

4. FINDINGS

4.1 RQ1 – Key characteristics of packaging-free grocery stores in Italy

The key characteristics of packaging-free grocery stores in Italy, collected through the interviews, are presented in the following sub-sections. These will follow the structure provided by the *Analytical Framework 1* (***Figure 4****, section* 2.2.3), thus starting from analysing the figure of the sustainable entrepreneur to then expand on each one of Dean's (2014) six key elements of a sustainable venture.

4.1.1 SUSTAINABLE ENTREPRENEURS

Background

As mentioned in the theoretical framework, entrepreneurs are at the core of any sustainable enterprise. Hence, the investigation started from understanding who the founders of such ventures are, what their background is and why they set these shops up.

Among the 38 interviewees, founders of the 32 different shops included in the sample, some patterns were found. First of all, 60% of them are women and 40% are men. Half of the shops' founding teams are composed of family members (either a married couple, or siblings). Founders' average age is between 35 and 40. The 66% of shop founders holds a master's degree – and has subsequently worked – in areas related to either food or the environment. They have been into journalism, food-quality control, working for companies in the food sector or for large-scale food retailers, environmental research or engineering. An additional 23% of them has had previous experience in either sales or food service, while the remaining ones have completely different backgrounds either related to art and culture, archaeology, or languages. Only 1 out of 38 shop founders has had previous entrepreneurial experience.

Moreover, beside their cultural/work background, 1 out of 5 founders has had previous experience in the so-called "GAS culture[24]", hence being familiar with having a direct relation with producers and promoting values such as food seasonality, freshness and locality. From the founders' backgrounds and interests, it emerged the close connection between issues of high-quality food (organic and locally produced) and packaging reduction, which – as shown later – finds perfect combination in the values and mission of their sustainable ventures.

[24] G.A.S. (Gruppo di Acquisto Solidale): Italy solidarity purchase groups (Grasseni, 2014). These are alternative food networks of engaged consumers who self-organizes to buy directly from the farmer, in close relation and collaboration with him/her. This is a way to promote short-food supply chains (SFSC), which in turn favors fairness, transparency and personal relation between producer and final consumer. The first Italian GAS was set up in 1994, near Parma. To know more about GAS culture see Grasseni (2014).

Motivations to start the business

Regarding the motivations stimulating founders to set up a packaging-free grocery store, some recurrent themes were identified in the findings. Namely, 12 out of 32 founders mentioned the willingness to have a positive impact on the planet and on society by actively doing something that could have a wider reach through, for example, an educative mission of the shop. One fifth of the founders mentioned the birth of a child as a triggering factor. It awakened founder's awareness both in terms of eating higher-quality food as well as start doing something positive to turn the tide of environmental depletion, to eventually leave a better world to their children.

> *"I am the mum of two children who gave me huge impulse to question a lot of things in the lifestyle I used to have…. From that, the curiosity and the process of awareness I underwent in that moment of my life have been extremely eye-opening."* ***(E. Menti)***

> *"We have four children now, and it was by thinking at their future that we decided to open a packaging-free grocery store for reducing all kinds of packaging."* ***(F. Binelli)***

Finally, the loss of a job, or the willingness to find a more satisfactory one, coupled with the willingness to start something on their own, led 9 out of 32 founders to start their packaging-free shop. Thus, when deciding which kind of business activity to set up, all founders opted for something that could combine their passion for nature/environmental issues and the one for raw, high quality, natural food.

4.1.2 VALUES

Values of the shop

In general, these shops – all of them, but to different extents – do not consider themselves only as a "conventional" commercial activity or simply food retailers. Rather, as conveyed by **D. Ruzicic** *"we are not only selling food, but a philosophy, a lifestyle"*. Such lifestyle, and the shops' philosophy overall, are based on a few core values and goals, which can be summarized as follow:

- ***Packaging reduction***, which is substantiated by selling the food in bulk, thus cutting on the packaging provided to the final customer. However, this is not always easy/possible, either because it is not allowed by law or by the absence of a packaging-free supply chain in place. Hence, the majority of founders decide to compromise and also offer some packaged products. Realizing this value often results into a sort of trade-off/compromise between having a wider offering of products and being strict on the shop's initial values, which each founder eventually deals with in different ways:

> *"If I was more flexible on the packaging-free value, I know I would sell way more. However, I chose to bring forth this value and I want to be coherent with it, because if I have a packaging-free shop, I have to sell unpackaged products!"* ***(F. Cannella)***

> *"I think it is important to have a wide-range assortment and allow customers to do a complete grocery shopping. Because people don't have the time to go to five different shops to do their*

grocery! So, we solved the problem by offering a variety of products – either unpackaged or not […] also because it wouldn't help if the client goes in the shop next-door to buy them." ***(S. Zanotti)***

- ***Good and healthy nutrition****,* which translates into the following principles:
  - Selling organic products (either "organic" certified or cropped as if they were "organic" certified – e.g. without pesticides, without land exploitation, respecting nature's rhythms, etc.);
  - Promoting local products as much as possible (also to avoid the environmental impact of transportation and to facilitate the direct relation with producers/suppliers), although this significantly depends on what the nearby territory and economy offers;
  - High-quality, raw/not processed products;
  - Respecting food seasonality on the basis of nature's rhythm and availability: adapt the product offering to the season and quantity of product available at that point in time;
  - Always have fresh products, which is also ensured by respecting seasonality;

- ***Ethical products and fair price*****,** meaning no exploitation (both social and environmental) along the supply chain, which is ensured by knowing exactly how each product is made by the supplier. This is possible due to the *short food supply chain*, which involves a direct (and friendly) relation with the producer, with no other actors in between. Such relation is built through visits to the production facilities and by occasionally hosting producers in the shop to present and promote their own products to final customers. This practice resembles the one promoted by GAS (*purchasing solidarity groups* – previously mentioned) and it allows to cut on the final cost of the product, due to the reduced length of the supply chain, without eroding the profit of the producer;

- ***Cutting on food waste***, which is permitted by allowing clients to buy only the needed quantity of the product (contrary to the logic of conventional supermarkets that oblige customers to buy the quantity imposed by the packaging). Moreover, to stress this value, 3 shops also set up a bar/cafeteria where they use all those products – not anymore (aesthetically) suitable to be sold to final customers – to prepare smoothies, cakes, pastries, etc.

- ***Allowing everyone the access to high-quality food*** (also lower income consumers), which is possible thanks to the combination of the previous two values:

  "The short food supply chain is a very interesting value in this kind of shops because if you cut on all the steps of the supply chain (by having a direct relation with the supplier) people understand that they can spend a fair price on high quality food. A price which is fair for the whole supply chain and that does not allow them to say 'the supermarket is cheaper!', because this is not true. Hence, if people come here, everyone (supplier, shop and customer) gets some fair benefits." ***(E. & N. Menti)***

  "By selling in bulk you allow a person who does not have enough economic resources to purchase a product which is in principle expensive, because he/she buys it in hectograms. For instance, you

can buy 200 grams of whole-grain organic pasta for 0,70€ and prepare a lunch for two people, instead of buying 1 kg for 3,50€, which an average person might not afford and wouldn't buy. […] Hence, I believe selling in bulk is a way to diffuse high quality food." ***(G. De Amico)***

"Getting educated to buy the right quantity, thus being able to buy higher quality products. Because, if you pay attention to the quantity, you can buy products which cost more, and eventually you save money!" ***(S. Storelli)***

- ***Educating customers,*** to both environmental and social issues, which is in line with the founders' willingness to "sell a lifestyle and philosophy". In fact, in order to make people understand what founders are trying to transmit by their food sale activity, they have to educate them by communicating certain values related to the packaging-free issue:

"Our shop was born with the aim of educating. This is an educational and constructive zero-waste shop. We want to educate to "refusing" and "re-using". Our ultimate mission is to make people bringing back their own containers. Still, in the past 5 years we haven't succeeded yet. People really can't! Even though you explain them, they really don't do it!" ***(M. Lembo)***

To this end, 7 shops incentivize this kind of behaviour by rewarding those customers who bring back their own containers or attend the shop regularly through, for instance, fidelity cards or special discounts**.**

Additionally, shops educative role is also, in some cases, related to customers' *empowerment*, by stimulating their mindfulness especially in relation to their purchasing habits and the (quality of the) food they usually eat. This is not always easy, since it implies going against conventional supermarkets' advertisements logics and the contemporary consumeristic and "throw-away" lifestyle.

"I believe that consumption is politics. I mean, whenever we purchase something, we are using one of the few powers we still have, which is spending our money. And, depending on what you spend it on, you can really change the world. ***(H. Telletxea Azkarate)***

Connection between "bulk" and "local" products & between "bulk" and "organic" products

Initially founders were only asked about the main values embodied by their shops, however, as revealed from the previous section, different values seemed to be interrelated. Hence, after a few interviews, the author started asking founders whether they believe in a necessary connection between selling packaging-free and selling organic and/or local products, due to the recurrence of the topic in previous interviews.

For what concerns the relation between selling *packaging-free* and selling *organic* products, one of the interviewees explained:

"If you are only fond of the idea of not generating useless packaging and food waste, you can simply sell poor-quality food. But, […] if I want my shop to be ethic, I cannot sell products with pesticides, because it would be against my ethics conception. Thus, if you only want to make money and you don't care about what you sell, then you can simply sell any product unpackaged. However, if you want to transmit the idea of a better world, where you eat in a

certain and better way – as it was in the past when there were not so many diseases as nowadays – then there must be a necessary connection between the concepts." ***(D. Ruzicic)***

"I believe there is a necessary connection between selling packaging-free and organic products. In fact, if you sell unpackaged, but those products are completely chemical – or not natural at all – it is greenwashing! And you are using the packaging-free concept just for marketing reasons, just because it's trendy, but you are of course not selling a product, which is neither good, nor fair and healthy. Thus, you are being incoherent!" ***(R. Plati)***

"If we want to change the state of affairs, the two concepts should be combined: the unpackaged product should be organic. In fact, if we want to solve the plastic pollution problem, we should also solve the pollution caused by pesticides. It doesn't need to be "organic" certified, but at least be produced with natural practices." ***(D. Foschia)***

Selling *packaging-free* as well as *local* also emerged as related concepts:

"Cutting on packaging is a very important issue, because you are acting on the final stage of the product production. However, you cannot ignore how the product has been made, since very often the highest impact happens upstream, rather than downstream. Hence, it is very important to know what is inside the dispenser[25] to be aware of the total environmental impact of the product along its whole value chain. […] If we are talking about reducing the environmental impact we also have to buy local, because as you include the impact of transportation, despite you are cutting on the packaging, the total impact of that product is extremely high anyway." ***(C. Biasi)***

Hence, as also confirmed by other 13 founders, in *practical terms* it is perfectly possible to sell food in bulk that is neither *local* nor *organic*. It is just a matter of buying large packages of a product, which can then be sold in bulk. However, on an *ethical level*, all 13 founders believe that if one is really concerned about the environment and people, there must be a necessary and close connection between selling *packaging-free* and selling *local* and *organic* food: *local* to reduce emissions from transport; *organic* to reduce the impact of pesticides and intensive agriculture on land and people. However, whenever founders have to choose between buying an "organic" certified product and a local one, they always choose the latter. In fact, as mentioned – among others – by **E. & N. Menti:**

"What is necessary is the relation between you and your producer/supplier. You have to know him. […] and there are producers who tell me they cannot afford the "organic" certification because they are too small. Some of them produce as if the products were "organic" certified, or even "biodynamic", but they do not have the certification. Anyway, you go there whenever you want and you see with your eyes how they produce. So, the direct relation with the producer – which is facilitated by him being local – is fundamental. And even more your ability to transmit all of this to your client."

Finally, all these concepts are also related to the *ethical principles*, which appeared among the core values of the shops. In fact, by selling both organic and local food, the transparency, fairness and ethics of the supply chain are easier to control and communicate to the final client.

[25] Dispenser (or gravity bin): the place where products are stored in a packaging-free shop, to be sold in bulk.

4.1.3 MISSION

A business activity's *mission* consists of *what* it does, *for whom* and how it *differentiates* from its competitors. Starting with *what,* in principle these packaging-free shops are grocery stores, hence their mission would be "selling food". However, as findings showed, in reality their mission goes way beyond the mere food sale and concretizes instead (to different extents) in selling products with the following main characteristics: being unpackaged, organically cropped, "organic" certified, local, but overall being of *high quality.* Hence, their *what* consists of combining all the values presented above and transmitting them to customers through selling food. Additionally, this is done through a *sort of return to the past* and to the old way of doing grocery shopping – without rejecting progress and innovation – but adapting to all the (regulatory and hygiene) requirements and technologies of the present days.

> *"Of course not everything is like it was in the past. Evolution is always fundamental. This implies having all the products well-kept, everything perfectly traceable, and all the logistics in order according to the laws."* ***(L. Signori)***

> *"Going back to selling in bulk as in the past is like taking a step backward, but to actually make many more steps forward. Because we see it every day – without of course rejecting our progress – that our contemporary wild consumerism hasn't brought a lot of benefits, or at least, these are not well distributed within society. And, additionally, we have dumped tons of waste in poor countries… and now the consequences of all of this are coming back to us."* ***(M. Astolfi)***

Clients (target)

Findings suggest that the *target* of the shops is very heterogeneous both in terms of age and social status. Overall, all the founders mentioned they have loyal customers who regularly visit the shop to do a (more or less) complete grocery shopping. In addition to them, there are also more occasional customers who attend the shop when looking for highly specific (unusual) products.

From founders' perspective, the main differentiating factors are clients' age and motivations to visit the shop. More specifically, in terms of *age*:

- The youngest, who are moved by environmental motives and are the most open to this "new" typology of grocery shopping. They represent the segment that brings their own container the most and that does not really care about spending a little more to buy a higher quality product in line with their values;
- Young couples and parents, who attend the shop both for environmental motives as well as to give high quality food to their babies (the birth of a child is also a triggering element for customers of these shops, beside for the founders);
- 35-60 years old people, who are the most difficult to convince and convert to this "bring-your-own-container" modality of shopping. However, once "converted" they are the ones who attend the shops more regularly;
- The elderly, who attend the shop with a note of melancholy, remembering the "old times". They are those who are not surprised by this "new" modality of grocery shopping, because *"in a*

certain way they remember how they used to do grocery shopping some decades ago… and with a lot of hope in their eyes it seems they want to say 'oh, not everything is lost!" **(L. Signori).** They are also open to bring back their own bag and container and they like the fact they can buy little amounts of each product.

In terms of *motivations,* the different customer segments are:

- The vegetarian/vegan, looking for substitutes to conventional ingredients, who visit these shops because they offer particular and unconventional products;
- Those who suffer (or had suffered) of any disease – mainly related to nutrition – and decide to start eating in a better way, higher quality food;
- Those who want to experiment in the kitchen and broaden their knowledge about ingredients – beyond the typical Italian ones, and they know that in these shops they can find whatever they want;
- Those who want to save money, by only buying the amount needed of each ingredient;
- Finally, the environmentally concerned ones who are trying to cut on their waste, therefore attend these shops for the simple fact that they sell unpackaged food. Though, this category is not the broader one.

Added value: *differentiation* through *sociability*

When asked how founders differentiate their shop from competitors – beside by selling high quality, local, organic, unpackaged products – findings show the existence of another fundamental value embedded in the shops, which lays at the intersection of all the other values mentioned so far. This has to do with *sociability* and with the return to *social relations* in commerce, which primarily translates into the personal relation between shop founders and their producers/suppliers. This is built over time through a continuous dialogue, reciprocal trust and understanding. In turn, through theirs actions, words and storytelling, shop founders try to communicate this trust relation to clients, thus becoming the connecting point between clients and producers and representing a sort of guarantee of products' quality.

> *"You go visiting the farm, you talk, you get to know each other and you build a trust relationship. By doing so, you understand all the love behind the product and you can transmit it to your clients. And if you succeed, clients appreciate it a lot, because they perceive competency, care and understand the story behind the product… This is the added value I wanted to offer."* ***(M. Astolfi)***

It follows that the personal relation between the founder (or employee) and the final customer plays a fundamental role as well. This is facilitated by the particular shopping experience of these shops, where the sale assistant almost always serves the client. This is in strong opposition to the logics of large-scale retailers and (according to founders' opinion) it is one of the most appreciated qualities/services by customers who attend these shops. Moreover, as emphasized by **L. Signori**, this personal relation is fundamental also for fulfilling the educative role of these shops:

> *"If it was a self-service store, customers would have the paper sachets[26] at their disposal, they would take and weight their product, without any personal interaction. On the contrary, if the client comes for 10 times and never brings his/her own container, at the eleventh time the shop assistant can say 'hey, did you ever thought about bringing your own container?'… so probably from the next time he/she will come with the container!"*

Finally, these shops also become over time a place for people to meet, talk and exchange advices as explained by **A. Schito:**

"This shop is a meeting place. Friendships were born here. I love when people come and start chatting, about recipes, about the city's gossips… when they debate and confront about anything. I also love being considered not only a salesman who only wants your money, rather a person you can talk to."

Figure 9 – *A corner for clients' chats and children entertainment at Saccomatto shop (Turin)*

Hence, the added value of these shops lays in the *sociability* dimension happening between all the actors of the (very short) supply chain – from producers, through shop founders, to final clients – which takes place and expresses within each packaging-free shop (e.g. ***Figure 9***).

4.1.4 LEGAL STRUCTURE

Independent activity *vs* franchise

As already mentioned, at the moment there are 2 shop-chains (one – the most widespread – being a proper franchise, the other one being an affiliation system). These correspond also to the first two shops opening up 9 years ago. Initially there was also a third franchise, whose experience however did not end really well and a large part of the shops that used to belong to it have then become independent shops. In general, nowadays the 80% of the packaging-free grocery stores in Italy are independent ones.

Nonetheless, before starting their own business, 2 out of 3 founders either approached the franchises, which eventually were not an option due to high entry fee (license fee), or got inspired by their activity and standards. However, they eventually decided to start independently also to be more autonomous in setting up their shop according to their own desires and tastes.

Legal form

Findings show that the most diffused legal form is "ditta individuale" (individual company). According to the Italian legal system, this is the simplest juridical form for a business activity. It is

[26] This is the "packaging" provided by these shops to those consumers who do not bring their own container.

characterized by the fact that there is only one single founding partner – the entrepreneur – who is financially responsible in first person, with his/her personal capital, for all the risks incurred by the business. This legal form was adopted by 17 out of 32 shops[27] and is a good indicator of the fact that around 50% of the shops was founded by one single person – although in 4 cases a family member had been of great support in setting up the activity.

Shops and products' "organic" certification[28]

Another legal aspect affecting this typology of businesses concerns certifications, both for products and shops. In Italy if a grocery store wants to sell "organic" certified products by showing the "organic" label to final customers, the shop itself needs to be "organic" certified[29]. Such shop certification costs between 500-800€ per year; the shop has to undergo two yearly checks from a third-party certification body and it is obliged to only sell "organic" certified products. Alternatively, if the shop is not certified, it can still sell certified product, but without showing the "organic" label – although the shop founder can tell clients that the products are certified.

Findings show contrasting opinions regarding shops' certification. Only 6 out of 32 shops have the certification and 1 removed it after one year. Those who have the certification use it as a way to differentiate themselves from the competitors and as a guarantee to customers. Those who do not have it, believe that although potentially representing a guarantee for clients, the certification is just a bureaucratic issue, which costs a lot of money and is not effectively paid back by customers response. They believe the majority of customers do not really care about the certification, *"except for the fanatics of the* 'organic' *certification, which luckily are the minority"* ***(F. Cannella)***, while way more interests is showed for "origin: Italy" and for "local producers" **(C. J. Cappellazzo).**

Moreover, having an "organic" certified shop, oblige shops to only sell "organic" certified products, therefore it would cut off from their suppliers range a large part of small-scale and local producers who cannot (economically) afford the certification **(C. Biasi)** as also mentioned by **(R. Plati),** whose shop used to be an "organic" certified shop, and after one year removed the certification:

> *"What we have seen by directly knowing producers, especially smaller ones, is that the cost (economic and procedural) of the certification is too onerous for some of them and it is not backed up by any additional value, information, or general support from the certifying body. It is only a bureaucratic checking. The first year we had the certification, but we never received any*

[27] Among the other 15, 5 were s.r.l. (limited liability company), 5 were s.n.c. (general partnerships) and the others were cooperatives.
[28] The field concerning "organic" certified products and business activities is regulated by the EU Council Regulation (EC) 834/2007 of 28 June 2007 and EU Commission Regulation (EC) No 889/2008 of 5 September 2008, and by the subsequent amendments and integrations.
[29] Italian Legistaltive Decree 220/95 and EU Regulation (EEC) 2092/91 (with subsequent integrations and amendments) enforced a compulsory third-party control system for all the business activities selling unpackaged products such as bakery products, ready-made food or fruit and vegetables in bulk.

check… and after the generation of an incredible amount of documents I couldn't believe it! And I decided to abolish it!"

Hence, since many founders value more the short supply chain and the close and trustful relation with the producer (which for them is way more valuable than a third-party certification body), they prefer not to be certified and be able to sell also local products coming from small producers. It can be seen here that the values of short-food-supply chain and personal relations with the suppliers are more important to the founders than the certification itself, being trust and first-person relation considered as a more valuable guarantee for products' high quality.

As an alternative to the "organic" certification, some shops are adopting informal "participative certification systems[30]". These are alternative community-based quality assurance systems working through the direct and active participation of stakeholders (IFOAM, n.d.). Consumers go visiting/checking the farms and build a trust relation with producers while exchanging knowledge with them. Such relation acts as a guarantee for products' quality and confirms that, despite the formal certification is missing, products are anyway cropped by using the same (or higher-standard) practices promoted by the "organic" label **(R. Plati; S. & M. Vizzoni).** Hence, the existence of products' certification is directly related to the producer scale/size. Therefore, shop founders often face a "trade-off" between buying formally certified products, mainly from larger-scale producers who can afford it, or buying from smaller-scale and local producers.

Hygiene obligations

As for any commercial activity selling fresh food, these shops have to fill in a manual (H.A.C.C.P. - Hazard Analysis and Critical Control Points[31]) providing the guidelines and correct indication regarding the safe and clean food administration. Moreover, all of them have to use gloves (whenever they serve a client directly from a jar/container) and clean spoons for each product. They have to periodically clean the dispensers or jars where they keep the food; they have to ensure a certain room temperature in the shop, which does not compromise the quality of the food. They need to have a toilet and sink in the back, and the number of sinks differs according to the shop size. They have to provide clean and sterilized containers/bottles/jars to clients in case they have in place a deposit scheme for some products.

[30] Also known as PGS – Participatory Guarantee Systems (for more info visit: https://www.ifoam.bio/en/organic-policy-guarantee/participatory-guarantee-systems-pgs). These are not formalized by Italian law, but are independently and locally arranged by several organizations.
[31] According to the EU regulation EC 852/2004.

4.1.5 TEAM

Founders & Employees

In 19 cases out of 32, two people – either spouses, siblings or other family members – are part of the founding team and are working full-time on the business. Additionally, it is not that common to have employees, who are external to the founding team, for two main reasons. First, because the costs of hiring them are really high (generally for any business activity in Italy) and the profits these shops make do not allow paying for it (at least in the first years):

> *"In Italy it is a risk to employ people, hence you really think about it and maybe you eventually do it only when you truly need it."* ***(G. De Gregorio)***

Second, many mentioned that in this kind of activity they do not really believe in the work done by employees, because passion, knowledge and a lot of extra time to dedicate to the job are essential elements.

> *"In a situation like this I don't really believe in the role of employees. It has to be something that comes from within, which you like… Moreover, when you invest your own money, you then dedicate 100% of yourself… not only in terms of time, but also in dedication and passion."*
> ***(A. Barcellini)***

> *"I had employees working in the shop while I was not there. This was a huge mistake because no one can really transmit your idea as much as you would do. Employees can be hired, but just as a support to the shop owner, because finding people who are willing to fully dedicate to the shop as if it was theirs, it's a utopia. […] I had some very good employees, which loved the shop, but at the first obstacle they didn't love it anymore. And, unfortunately, in these shops there are a lot of obstacles… and you have to love it anyway! But who is willing to do it? Only the owner!"*
> ***(D. Ruzicic)***

Nonetheless, in those few cases where employees exist (6 cases, 2 of which are the franchise and the affiliation system and 2 have definitively closed), they are very well prepared, as in the case of *Negozio Leggero* where:

> *"Employees are a sort of environmental researcher who explains to customers the products and also the whole shop context. Whoever works in a Negozio Leggero shop not only knows everything about the products, but also about waste management, waste prevention and the environmental impact of waste. To this end, whenever a new Negozio Leggero shop opens up internal trainings are provided to new founders and employees, which are then followed up by refresher trainings over time. Hence, the cultural and environmental aspect for us is essential."* ***(L.Signori)***

4.1.6 PLAN

Competitive landscape and competitive advantage

In general, when asked about their competitors, the great majority of shop founders mentioned that in their field competition is non-sense and that cooperation is needed instead.

> *"The more we manage to collaborate, the better! We tend to send our customers also to other shops like ours, and the same do our competitors. […] We really believe in cooperation and being a community."* ***(S. & M. Vizzoni)***

However, from the findings some *competitors* can be identified in:

- **Large-scale food retailers,** especially due to the introduction of (industrial) "organic" certified products, as well as their failed attempt to introduce small sections where products were sold in bulk. To these regards, many founders affirmed that these are both forms of misleading and unfair competition, taking advantage of people's ignorance about certifications and organic practices. This kind of competition downgrades the values and mission of packaging-free shops as well as the care and effort founders put in their work and in choosing every single high-quality product they sell.

> *"Clients don't understand all the effort that is behind this shop, behind the search for high-quality products, in avoiding workers' exploitation... Instead, they perceive certain things that large-scale food retailers sell and offer as great deals! […] In this context we still have a lot to work on…"*
> ***(C. Cappellazzo)***

- **Specialized organic supermarkets (such as NaturaSI) selling high-quality food.** Although being more expensive compared to packaging-free shops, their competitive advantage lays in the wider product range offered, which results convenient for consumers who can avoid doing multiple stops to have a complete grocery shopping;

- **GAS (purchasing solidarity groups)**, which constitute a competitor in the way they manage to have access to high-quality food – perfectly knowing its origin and producer – at the lowest possible price, since they are buying it directly from the producer. However, these are also grocery-shopping modalities for people with a certain lifestyle who can afford (in terms of time) to arrange all of this.

Compared to the above-mentioned competitors, packaging-free shops manage to deal with price competition, less with large-scale food retailers and more with organic supermarkets (being much cheaper). They manage to cut down on costs by buying products in large-packages thus remaining price competitive, especially considering the high-quality of the food they are selling. However, one problem they face is that customers are not used to look at the price per kilo **(C. Cappellazzo; E. Gelmi; E. & N. Menti).** Therefore, they usually compare price/kilo of these shops with the price/package found in the supermarket, which misleads them to the perception that packaging-free shops are more expensive. Hence, to obviate to this problem, many packaging-free shops have started to show price/hectogram.

On the contrary, packaging-free shops fall down in the limited range of products they offer, compared to both conventional and specialized organic supermarket. However, they win by offering high-quality and unusual products. For all these reasons, 70% of the founders mentioned they are not really competing with anyone, because in their proximities customers can not really find what they sell:

> *"For what concerns competitors, I believe we managed to create our own path, which allows us to be different and avoid any comparison. In fact, in any comparison we make, there is always*

> *something we do differently. […] We differentiate ourselves, and in so doing we don't have competitors."* ***(L. Signori)***

Financial structure

Initial investment

According to founders, the average investment needed to set up the business is between 30.000-40.000€, although in 4 cases it has risen up to 100.000€. These were mainly private investments, and just in 6 cases support came from European or regional grants, although all those who received a grant complained about the exhausting bureaucratic procedures and long time needed to get it. No crowdfunding has ever been mentioned by any of the founders as a way to gain funds. Contrary to other European countries – as showed by *Bepakt Crowdfunding Index* (Bepakt n.d.b), this is a very uncommon (absent) way of acquiring funds to set up a packaging-free shop in Italy.

Reaching breakeven

On average the start-up phase takes around 3 years, after which the breakeven point is reached and the activity becomes profitable. Different founders stressed the importance of having a financial backup capital to economically sustain the business before reaching breakeven:

> *"The truth is that when you start an activity of this kind, if you are not financially backed up, at the first difficulty your activity will go bankrupt."* ***(R. Plati)***

> *"You need to have a backup budget behind that covers your expenses and needs […] otherwise you might risk bankruptcy in the first two years, because it can happen that for some time you work and earn less… and it is a pity to just shut down the business before the initial start-up phase is overcome!"* ***(A. Schito)***

The 4 shops failed (or eliminating the packaging-free section) included in the research shut down respectively after 1, 2.2, 2.4 and 3.1 years. Probably, due to the lack of "backup" economic resources they did not manage to resist the big obstacles they came across (see also *section 4.2*).

Seven founders mentioned that the initial years are a continuous learning process about products, suppliers, clients and the market. They experiment with products, propose different activities to customers and keep learning from their mistakes. *"It's a kind of school and continuous training"* **(S. Storelli).** This long start-up time is due to different factors, mainly related to the unconventional and "new" kind of activity, which needs more time to be understood, accepted and diffuse compared to more conventional business activities. Moreover, as said earlier, all founders except one did not have any previous entrepreneurial experience, making the process even more a novel learning experience for them. On the contrary, the only venture whose founder had previous entrepreneurial experience, was set up in a very structured way, where everything was planned and well-thought in advance through a business plan, which also included the constant presence of 2 full-time employees – a quite uncommon trait as discusses earlier. Additionally, in this case, breakeven was reached only 8 months after the launch.

Growth and growth strategy

When asked about future perspectives and how they see the packaging-free phenomenon evolving, 22 founders mentioned they are really positive about it on the basis of both their personal experience and the general trend of diffusion of this typology of grocery shops. They all acknowledged the phenomenon's growth – in some places more than others – and the slow emergence of a certain level of (environmental/food-quality) consciousness among people. Moreover, from a profit perspective, the majority of founders affirmed that their activity and number of clients is (sometimes *slowly*) growing, with a growth rate that goes from 10% to 30% compared to the previous year.

Additionally, when asked about their future plans and if they have a growth strategy, all of them affirmed that ideally growing is the plan/dream of any entrepreneur. However, they all mentioned to be very focused on what they are already doing and they want to keep improving the quality of it, rather than thinking about expanding (e.g. by opening another shop). In fact, the majority of them believe that, in this kind of activity, growing too much inevitably compromises the quality of the service offered, unless a large financial capital and time is invested in the new shop and in training employees. Hence, for their future plans, either they want to introduce more products, or improve the quality of the ones they have (e.g. by substituting some products supplied by large organic retailers with products from small and local producers). Eventually, all of them want to increase the amount of products sold packaging-free, to reach as much as possible the 100% packaging-free target. Such growth strategy excludes the franchise and the affiliation system, which, due to their intrinsic business setting, want to expand as much as possible by opening new shops. However, this has to happen by always prioritizing products' high-quality, lowering the environmental impact of their supply chain and increasing the quality of the service their shops provide. For them, the trade-off between scaling and providing high-quality products/services does not hold.

Finally, concerning the wider packaging free grocery store model's growth/diffusion, the great majority of shop founders mentioned they have received multiple requests from "wanna-be-entrepreneurs" interested in opening a packaging-free shop of their own. In different occasions these people asked about the possibility of creating a franchise out of existing independent stores. However, all the founders receiving such requests believe that these are very "personal" shops reflecting the personality of the founder, and having an extremely close connection with the local territory and producers. Therefore, they believe it would be pointless to replicate the shop, thus exclude the franchise option as a growth strategy. However, all of them usually reply to these requests by providing availability to help, support and insights to "wanna-be-entrepreneurs" in setting up their own new shop. This has already been done – in a structured, formal (paid) way – by *Verdessenza*'s founders, who helped setting up three/four shops now active around Italy and who consider this kind of "service/activity" part of their growth strategy.

Products & Services

Products necessarily sold packaged

The typology of products sold and the way products are sold (packaged or unpackaged) is directly related to the certification issues discussed above. Namely, whenever founders decide to not certify the shop as "organic", "organic" certified products can be sold in bulk without showing the "organic" label. Instead, when founders decide to sell "organic" certified products and show the label (usually done to attract more consumers), they are obliged by law to sell them packaged as a way to ensure segregation from not-certified products. Additionally, due to *"useless"* and *"nonsense"* regulations (**P. Corradini**; **L. Pavanello**), bureaucratic issues, or logistics problems, certain products can never be sold unpackaged: for instance, olive oil, wheat flour and honey, mainly because of diffused counterfeiting practices; and personal care product, mainly due to the difficulty of preserving products' quality. However, in this ambit regulations are not really clear, and open to personal interpretation, leading some shop founders to also sell these products unpackaged.

Products sold unpackaged

In general, shops sell between 50 and 1500 unpackaged products. These represent on average 67% of the products in the shops: with 13 shops selling more than 80% unpackaged products and only 5 shops selling 99%-100% of their products in bulk. The most diffused product categories sold in bulk are dry products: pasta of all shapes and flours; cereals (rice, spelt, barley, etc.), breakfast cereals; flour (rice, chickpeas, lentils, almonds, etc.); dried fruits; legumes; teas and infusions; spices; biscuits and "taralli[32]"; bread; cocoa; sugar; etc. Laundry detergents in bulk are extremely diffused, also due to the fact that these have been the first product introduced on the market back in 2006 by the *Ecologos Research Centre* (the research entity behind the *Negozio Leggero* franchise, the first packaging-free chain and shop opening up in Italy in 2009). They have been frontrunners in the introduction of laundry detergents on the market, especially within large-retailing context **(L. Signori).** Due to the 12 years of maturity on the market, laundry detergents are the most common product sold unpackaged nowadays in all these shops, as well as in many specialized laundry detergent chains which have emerged all around Europe. In this case, customers are already used to bring back their empty bottle and fill it in with new laundry detergent (as mentioned by all the

[32] Taralli: typical salty snack from Southern Italy.

shops). The same holds true for wine, whose bulk sales are very diffused, therefore meets less resistance from consumers. Additionally, 21 out of 32 shops also sell unpackaged fruit and vegetables – often on a reservation base twice a week (to avoid additional waste). These shops sell no frozen food. For what concerns yogurt, milk, wine, vinegar, oils, soy sauce, personal hygiene and care products, a kind of deposit scheme used to exist and is in some cases still adopted. However, current laws make this practice almost impossible for producers because:

> *"They oblige companies to sterilize the glass (or food packaging) returned with some machineries which cost thousands of euros. Of course, a single company – especially a small one – cannot afford it. I talked once with a small beer company and they told me they tried to create a group with other companies to buy these machineries together, but anyway it was still too expensive. Hence, the deposit scheme is not happening!"* ***(E. Gelmi)***

Since July 2017, the government is experimenting the possibility to reintroduce the deposit scheme[33] – although in a very peculiar manner:

> *"The Italian government is not giving us the possibility to experiment on a positive practice. They started a trial for the deposit scheme, but it applies exclusively to those business activities that sell ready-made meals… like bars, cafes, and restaurants. We are excluded!"* ***(C.Cappellazzo)***

Therefore, at the moment hardly anyone does the deposit scheme, due to the producer/supplier scale and ability to pay for the sterilization machine, the logistics behind it, as well as due to regulations.

Products imported

All shops tend to have as many local products as possible, however this is not always possible, such as in the case of quinoa, some spices and teas, which have to be imported. In these cases, founders always prefer to buy "organic" certified products because the certification is a guarantee of the supply chain, which cannot be directly controlled by the founders – e.g. through *participative certification systems* or direct relation with the producer – due to distance.

Additional activities & services provided

Beside home delivering service, the majority of these shops also offer workshops (e.g. ***Figure 10***) and/or organize events with an educative/informative goal, in line with the ultimate mission of these shops. In most cases,

Figure 10 – *Fresh pasta cooking class at Cuordimamma (Novara)*

[33] Legislative Decree of 3 July 2017, n. 142, published on the Gazzetta Ufficiale n. 224 on the 25/9/2017, concerning the experimentation of a deposit scheme for specific typologies of food packaging, under article 219-bis of the legislative decree of 3 April 2006, n. 152.

customers are asked an admission fee to take part to the event. In a few other cases events are for free and are used as a strategy to attract people and make customers taste the shop' products. These activities get always very positive feedbacks and active participation.

Business activity features

Technology & equipment

By visiting the shops, it was observed that 2 out of 3 adopted dispensers (*gravity bins* – see ***Figure 11***) of different sizes (5lt., 12,5lt. up to 20lt.), either in polycarbonates or glass. However, the majority of shop founders mentioned that if they had to choose today, they would not install them again because they are not handy nor easy to manage (for this reason shops that changed location sold them and switched to jars and containers – e.g. *Verdesfuso*). Alternatively, or in addition to dispensers, shops use glass or polycarbonate jars to keep products. Laundry detergents and sometimes wine, are kept into 20lt. cardboard "bag-in-boxes" that deliver the product on tap.

Figure 11 – *Gravity bins at Sfuso per Natura shop (Occhiobello)*

The majority of the shops are furnished with wooden shelves and furniture deriving from recycled materials or second-hand shops, both for an economical reason (i.e. to save money) but mainly to stay in line with the philosophy of the shop which promotes reduction, reuse and recycle. Ultimately, each shop reflects the personality and creativity of the founders, thus looking very different from any other shop (except for franchises). ***Figure 12 - 15*** show different shops among the ones visited by the author during the research.

Figure 12 – *A corner of Fuori dalle Scatole shop (Prato)*

Figure 13 – *A corner of Effecorta shop (Milano)*

Figure 14 – ***A corner of Bottega Granel shop (Grugliasco)***

Figure 15 – ***A corner of Ettogrammo shop (Verona)***

Besides dispensers, no other special technology is employed in the shops. The scales used are conventional ones, some more sophisticated than others. Moreover, only a minority of them uses softwares to manage the warehouse, all the others do it manually. This is also an indication of the small scale at which these shops operate.

Shop size (& storage room)

Shops' size greatly varies from 23 sq.m. up to 120 sq.m. This depends on the typology of shop and on the range of products offered. Moreover, shops adopting the *gravity bins* need more space compared to those only using glass jars. Storage rooms are usually small, on average ¼ of the shop size, mainly because shops do not keep large stocks to not compromise the quality and freshness of their products – which being in bulk are lacking the packaging's "stay-fresh feature". Therefore, they all prefer to buy smaller quantities of products, more often.

Location

The shop location is a strategic decision when planning the business since the neighborhood clearly determines the type of clients attending the shop – in terms of economic and educational status. Therefore, it is determinant when tailoring the shop in terms of how it should look like and which products should be mostly sold. For instance, ***Ettogrammo***, being in Verona city centre is a very elegant and chic shop, while ***C. Cappellazzo*** from ***Tuttosfuso*** mentioned:

> *"Here we had to adapt to the neighbourhood woman. We couldn't have done a fancy shop. You have to adapt to the surroundings and tailor your concept of packaging-free shop to the place where you are opening the shop, otherwise you risk to not being understood by the public."*

Moreover, being in the city centre, rather than in a more external part of the city, influences the fruition: having a parking space, being in a popular crossing-place as well as having shops nearby, are all important factors for the shops' success **(L. Pavanello; C. Olivieri)** – not to mention the low rental price, which is often a must.

Customer experience

Packaging provided in-the-shop

All shops provide – *for free* – little paper sachets for those customers who do not bring their own container (who unfortunately are still the majority, except in a few cases where the shop is extremely strict on it – e.g. *Lo Spaccio Tutto Sfuso*). However, 12% of the shops still use plastic sachets, mainly for a cost issue, although they all declared their willingness to remove them soon. Moreover, some of the shops recently introduced the biodegradable bags, which they sell for a few cents to keep customers' grocery in case they do not bring their own reusable shopping bag.

> *"No one wants the biodegradable bags that we sell, but for the paper sachets, which we provide for free, sometimes I kind of loose money because if someone comes and get 0,20 € of cumin, 0,20€ of turmeric, and 0,20 € of another spice, these come in 3 different paper bags which cost me up to 0,05 cent each."* ***(M. Mencherini)***

> *"We thought more than once to make people pay for the paper bags, or make a small 5-sizes-kit of textile bags to sell for a few euros, so that clients can always bring them back by keeping them in their handbag. But, it's hard! Do you know what is needed? We shouldn't provide paper sachets at all! But this is impossible, because we would lose clients. So, maybe, starting from selling the paper sachets for 1 or 2 cents – thus touching customers' wallet – could be a way to educate them to re-use."* ***(A. Barcellini)***

In general, clients are still not used to bring their own containers, but educating to this habit is the ultimate goal of every packaging-free shop, with 14 founders mentioning that they always incentivize people to bring back their containers, and observing an increasing trend in people who are slowly getting educated to this practice.

> *"I always suggest people to bring back their own container. However, if there is no change in the mindset, they will keep asking the paper sachets. It's all a question of habit!"* ***(D. Foschia)***

Labels and tape used

Once the paper sachet (or customers' container) is filled with a product, in the 80% of the cases these are sealed with an adhesive label, which is problematic from an environmental impact perspective being *"a letal mix of paper, plastics and chemical ink"* **(L. Signori).** The application of the sticker makes the paper sachet not suitable for separate collection and recycling. Alternatively, sachets are sealed with a paper tape (e.g. ***Figure 16***), which can be easily removed afterwards, allowing for recyclability. In relation to the adhesive label different founders (around 20%) aligned with the words of **F. Cannella**:

Figure 16 – *Packaging of Ettogrammo shop (Verona): paper sachet and paper tape*

"Why do others use the adhesive label? NO! First, we are not at the supermarket! We are different! Second, there is no need for it, I just weight the paper sachet, seal it with the paper tape, and the scale gives me a receipt with product's name, weight and price. Hence, I go to the checkout and through the cash I make the calculation. Finally, I write on the paper tape the product's name and weight and the cooking time…The adhesive label is very chemical!"

Customer experience & shop assistant's role

In the majority of cases, clients are served and also in cases where the shop was initially thought as self-service, clients prefer to be served (e.g. ***Figure 17***). In this respect, 17 founders mentioned they consider serving the client an added value, differentiating the shop from conventional supermarkets. Moreover, some of them also revealed that various clients actually attend the shop because of the "comfort" of being served and have a personal relation with the shop owner while doing grocery. Hence, it is clear that the shop assistant (either the founder in person, or the employee) is a very valuable resource of the shop, playing a very interactive role. He/she serves clients while telling the story behind each product, thus replacing in a certain way the informative role usually performed by packaging, and becoming a trustful reference point for clients.

Figure 17 – *Nadia Menti (shop founder) serving and advicing a client at Il Granaio di Eva & Nadia shop (Vicenza)*

"We have in the shop some tags where we write the origin of the product, date of production, expiry date and nutritional values. However, I love talking to clients, so despite the tags, I always tend to tell the whole story personally. We do a great job of dissemination in person."
(F. Binelli)

Supply chain management

Number & typology of suppliers

Usually shops have very few large suppliers for "organic" certified products or special products such as plant-based milks (e.g. almond, soy, oat) and gluten-free products, while – as mentioned earlier – the great majority of suppliers are local and small. Typically, these shops buy one/two specific products from each producer/supplier. Therefore, they have on average 50-100 suppliers, the majority of which are personally known by shop founders who, in most of the cases, have visited the production sites and facilities. From these numbers the difficulties that follow from managing all these suppliers are clear, especially keeping in mind that usually only one (or two) people are running the venture.

Managing logistics operations

All the shops manage the logistic in-house. Many of them go to pick up some of the orders directly at the producer site – this is another advantage of having local suppliers. The rest is delivered periodically to the shop.

Packaging in the supply chain

Products are delivered to the shops in large size packages, which vary from 1kg to 25 kg, depending on products (e.g. spices or teas are smaller compared to pasta or flours) and on shops' request. Producers employ either paper, cardboard or plastics bags/boxes/sacs, according to product typology. Sometimes it happens that shop founders request larger packaging sizes or different packaging materials for the products they order, however, suppliers' reaction depends on several factors (mainly on their conventional operations which they are not willing to change just because of the request of a small shop). Anyway, all shops' founders mentioned they always reuse the packaging they receive from suppliers, either as a rubbish bag or to make new packages for the final consumer.

Placement & promotion

Sponsoring products' brands

Sponsoring products' brands is not common, meaning that shops do not want to sell brands, rather products' quality and the producers' story. Shops founders tell consumers the story behind each product and transmit them the value and care behind it. In these shops, brands are substituted by producers' first names:

> *"Suppliers acquire a name, they become persons… for example 'Nicola the taralli producer', 'Chiara the egg producer'. We really believe in the motto 'people behind things'… which then large-scale food retailers steal and copy in their TV commercials.[34]"* ***(C. Cappellazzo)***

> *"It is fantastic when I can directly call the nut producer in Piedmont or when I call Paolo, the almond producer, in Sicily. These are important things which we can transmit to our clients, and which differentiate us from any other shops, conventional supermarkets or organic grocery stores."* **(E. & N. Menti)**

Advertisement & Communication

Findings show that social media are the most employed tool to sponsor the shops as well as to transmit shops' values to the general public. Facebook (and sometimes Instagram and Instagram stories) is the most effective and cheapest advertisement tool both for sponsoring the shop, promoting events and workshops, as well as introducing new products to clients. However, the creation of Facebook posts is very time consuming and it requires a regular and periodic presence to keep customers always curious and engaged.

[34] Here the interviewee was ironically referring to the motto of a famous recent TV commercial from one of the largest large-scale food retailers in Italy saying "People behind things".

Besides social media, word of mouth is a very important channel and the one that brings you *"real clients"*, which then become loyal customers *"although it is very slow, it is free!"* **(S. Postiglione).**

> *"The biggest advertisement is word of mouth, because when you are credible and create a trust relation with your clients, in turn they will bring you new clients, and this is the most effective thing. It's slower, but it's a great reward in the long term."* ***(E. & N. Menti)***

Additionally, shops also do advertising through collaborations with other shops, by taking part in local events and fairs, or sponsoring events taking place in the city.

4.1.7 METRICS OF PERFORMACE & MEASUREMENT

The great majority of shop founders do not measure the environmental impact of the shop through a formal assessment; rather this is done only informally in terms of amount of waste generated. The few cases where a more formal measurement is done are:

- **A. Schito** from *Verdesfuso* who did an approximated estimation of the plastic packaging his shop has avoided/saved and found out that in case of large-scale suppliers (that mostly deliver using plastic packaging):

  > *"The saving of plastic packaging amounts to approximately 70%. Namely, I produce 70% of plastic packaging less compared to a similar shop selling packaged products. If I weight my plastic wastebin and I compare it with the same amount of waste I would generate if my products were singularly packaged, you would notice the difference. Because, although at a logistics (procurement) level the amount of packaging is the same, on a product level there is a lower impact.[35]"*

- At *Saccomatto* they are counting – on a whiteboard in the shop – the plastic bottles saved from the sales of laundry detergent and personal care products. They saved 107 plastic bottles after 3 months and threw a party (as a communication tool) when they reached the target of 500 bottles saved, after less than one year of activity;
- **G. Fullone** from *Quanto Basta – La natura alla spina* mentioned:

  > *"I counted all the plastic and paper coming from my suppliers and in total it amounts to 5kg of plastic and 50kg of paper per year, which I entirely recycle."*

- **G. De Amico** from *La Bottega dello Sfuso* said:

  > *"We do una tantum a summary report through constant monitoring on sales and we draw up the 'annual social balance' of the company including information on the emissions of waste on our territory the shop avoided. […] we then communicate these data to our customers."*

- At *Effecorta* they perform different counts, especially since they introduced the water vending machine:

[35] This is his reasoning: some products are delivered in pallets, which are totally covered in cellophane. Therefore, if the pallet is holding 500 plastics packages (with adhesive label) of 100 grams oat it does make the difference compared to 5 plastic packages of 10 kg.

"We are talking about 50.000-60.000 plastic water bottles avoided. While for laundry detergents we reused around 20.000 containers. Obviously, we communicate all these numbers to our clients."
(R. Plati)

- *Verdessenza* and *Negozio Leggero* regularly perform the assessment upstream in a very structured manner. Namely, when choosing one supplier over one another, they perform the Life Cycle Assessment of the whole supply chain[36]. More specifically, *Negozio Leggero* does it in a very structured and marketing-oriented way (because they are an Environmental Research Centre – *Ecologos*). Results are then transformed into more commercially viable information and used as a fundamental communication tool to show consumers – through *visualization* – the positive impact they can have through their consumption behaviour.

Besides these measurements, when asked about the environmental impact of their shop, all founders mentioned that they pay attention to limit and reduce their impact as much as possible either through the use of solar panels, or low energy intensive air-conditioning systems, fridges and lights. For instance, *Verdessenza* installed a FSC certified bamboo parquet, they used certified paintings for all the furniture and walls and have low energy LED lights to minimise the shop environmental impact.

4.2 RQ2 – Drivers and barriers encountered by Italian packaging-free grocery stores

The following sections present the findings on the drivers and barriers encountered by Italian packaging-free shops both in the setting up phase and after shops have been established, as well as the current drivers and barriers perceived by founders for the further growth of the shops. Findings have been divided according to the 4 dimensions presented in the *Analytical Framework 2* (***Figure 5***, *section 2.3.1*).

4.2.1 INDIVIDUAL (ENTREPRENEUR) DIMENSION

Entrepreneur's previous experience

Despite the fact that only 1 out of 38 interviewees had previous entrepreneurial experience, this was not perceived by any founder as a barrier for the setting-up and growth of the venture. On the contrary, in 14 out of 38 cases founders' study/work background helped them develop a certain consciousness regarding the following topics: food quality (leading them to approach issues such as organic and local food); the environmental impact of waste mismanagement practices and of plastic packaging; as well as the impact of conventional intensive agriculture on the planet and human health. This has often acted as a triggering "awakening" factor driving them in setting-up

[36] In these two cases it is not only about the impact of the packaging avoided, but also the impact of the whole production practices in terms of energy consumed, transportations, fertilizers used, and so on.

the business and bringing it forth, despite all the difficulties and the lack of entrepreneurial experience.

Entrepreneur's personal motivation and dedication

As shown, these shops are extremely time-intensive at each stage of the entrepreneurial process and require constant and full dedication of their founders. It takes on average 1 year to set up the whole business, before opening the shop. This is due to the intense work laying behind the shops, especially for those founders – the great majority – who have never been entrepreneurs before. Beside the normal activities of finding the right location – and sometimes renewing it, choosing equipment and furniture of the shops (often tailor-made), all founders dedicate themselves to research all the (either local and/or organic) suppliers. This is the most intense and time-consuming part, especially when founders decide to visit all the farms and production facilities in person. Additionally, once open, a lot of time is needed to perform the accurate and continuous research of producers/suppliers; to then build the reputation of the shop through advertisement, events, workshops and daily work; to educate customers, explain them the shop philosophy, the story behind each product, the bring-back-your-container logic, and so on. Hence, full dedication is an essential driver. Moreover, entrepreneurs' personal motivation, care, passion and willingness to actively do something for the planet and their children, act as major drivers to both start this kind of activity and bring it forth day by day.

Support from family members

As mentioned, family members or friends compose 19 out of 32 ventures' founding teams. Moreover, 4 of the ventures that are run by one single entrepreneur received support either by a family member or by a friend. Seven founders mentioned that these figures were of great support to them, both in practical terms (inside and outside the shops) as well as emotionally in running the activity with determination, without giving up. Thus, this factor represents a driver for the successful continuation of the business.

4.2.2 ENVIRONMENTAL DIMENSION

Supportive environment (from government, from society, from other actors):

Role of government

When asked about the role played by the government – either national, regional or at municipal level – all shop founders mentioned that neither the government nor the local administration have played any particular role during their experience of setting up the shop. They have been neither of support nor obstacle (except for a few cases were some problems have arisen and some penalties or fines have been asked). Indeed, as revealed by ***C. Cappellazzo*** *"the packaging-free issue, which you perceive as a 'phenomenon', in Italy is completely ignored"* especially from a governmental, administrative and regulatory perspective.

Role of policies: laws, regulations and certifications

Shop founders' words are extremely explicit in explaining the role that regulations play in Italy in relation to the phenomenon:

> *"Laws and regulations are an absolute obstacle to our activity. […] However, since I worked in the field of hygiene regulations and quality control check, I managed to get through all of this. Though, it is not easy to understand what you have to do to not be fined. […] For instance, concerning hygiene regulations, there are European laws and then the national, regional and local ones, which each ASL[37] transposes according to its own interpretation. This in turn influences the typology of products you are allowed to sell unpackaged. Though, their interpretation is not clear either, hence, we are obliged to restrict our ability to sell some products unpackaged to avoid incurring in fines."* ***(S. Orsini)***

In some cases, this vagueness and lack of clarity has resulted in delays for opening the shop due to the fact that regulatory actors were unable to "frame" this kind of activity and understand which rules they needed to apply **(B. Parmeggiani).** Moreover, at a national level, there is no clear and specific legal regulation for the sale of unpackaged products in this kind of activities:

> *"The packaging-free phenomenon hasn't been regulated yet as a legal category on its own. Therefore, our activity draws on different law categories. For instance, we draw on European agrifood laws, which in theory concerns more our producers, but instead also reflects on the way we sell their products. We also draw on laws regarding gastronomy (serving ready-made meals) […]. This implies a huge effort from our side to always be informed and up-to-date with all regulations in several ambits, to be always in order with the law. This vagueness is a massive problem, and we have no support at all, also because you don't even have a clear and prepared interlocutor to turn to for an explanation."* ***(C. Cappellazzo)***

Moreover, all these laws – deriving from different fields – are open to the personal interpretation of each actor implementing them: legislators, suppliers, shops, local agents checking their application, and so on. This makes everything really difficult and unclear from a normative perspective:

> *"We are aware we are always borderline with the law: we know we are never perfectly in line with it, but also never totally breaking it. However, we strongly believe that until a good practice is not practiced, no one will ever take the time to regulate it."* ***(M. & S. Vizzoni)***

Additionally, as already mentioned, on one side certain laws prohibit the unpackaged sale of some products such as honey, olive oil, wheat flours – unless special (and bureaucracy-intensive) procedures are followed. These are mostly due to common counteirfaiting issues, thus are in principle a way to fight forgery. However, they eventually result as a significant obstacle for packaging reduction in the broadest range of products. On the other side, there is the deposit-scheme issue, which also constitutes a barrier mainly for selling liquids (e.g. beer, milk, yogurt) and personal care products by not allowing the reuse of the containers.

[37] Azienda Sanitaria Locale, it is the Local Health Authority.

Finally, as evidenced in *section 4.1.4*, laws on certifications and the obligations shops have to follow when selling certified products constitute an obstacle in terms of the possibility of selling certified products unpackaged. Namely, if a product is “organic” certified, in the case in which the shop is not itself “organic” certified, it must be sold packaged to ensure its origin, hence being an obstacle for packaging reduction. The only way to escape this barrier is to certify the shop, but as already mentioned this is expensive and would lead to the exclusion of a number of local and small suppliers who cannot afford to pay for the certification of their products. This situation results in an unescapable vicious circle.

Role of taxes

When it comes to taxes, two main tax typologies constitute an obstacle for shop founders: INPS contributions/taxes and TARI. The INPS [38] (the Italian Social Security Institute) regulates contributions/taxes on labour, which are very high, thus not allowing shop founders to hire employees, especially in the first years of activity when the shop is still growing. However, this is a diffused problem in Italy, not directly related to the packaging-free issue, therefore it will not be discussed here. The TARI[39] (tax on garbage) for commercial activities is calculated on the basis of the estimated amount of waste produced per shop square meter, on the typology of business activity and on the costs of the local waste disposal service. Due to the lack of packaging-free shops-specific laws, these are compared in terms of typology of business activity to conventional large-scale retailers, without considering the primary value of packaging prevention/reduction these shops embody. This situation makes all shop founders very angry. For instance, during the interview **C. Cappellazzo** showed the author the trash her shop had generated in the past weeks (half bin of plastic and half bin of mixed waste) and then compared it with the trash generated in one day by the brewery next-door (6 to 7 big bins completely full of trash situated in the backyard of the building), adding:

> *“We are both taxed in the same way for the garbage we produce, because the TARI is calculated on the shop size. And every time I throw away the trash my shop generates I think ‘Damn it! I make this effort to produce less trash and educate people to reduce their trash, and just in front of me this is the situation! But, we pay the same taxes!”* ***(C. Cappellazzo)***

Only in two cases, shops managed to obtain a reduction on TARI, while in other municipalities they said it was not possible at all: this shows how fragmented and context-dependent legislations are in Italy.

> *"I hope something is going to change from a tax perspective… waste reduction is our core business, they should support us!"* ***(H. Telletxea Azkarate)***

[38] Istituto Nazionale della Previdenza Sociale.

[39] For details visit the government portal on the topic: http://www.finanze.it/opencms/it/fiscalita-regionale-e-locale/iuc-imposta-unica-comunale-imu-tari-tasi-00001/tari-tassa-sui-rifiuti/disciplina-del-tributo/

Other support

NGOs role

Findings show that NGOs play a very marginal (or absent) role in supporting the spread of the packaging-free phenomenon and in educating to packaging reduction. They are perceived by founders as something too international and faraway to which people do not feel connected (except for some organizations which are particularly active in certain municipalities on a more local level). Only in 1 case a NGO was mentioned as extremely supportive in sponsoring the activity (due to the fact that the shop founder had been active in the organization for many years before).

Awards & Recognitions

Findings showed awards and recognitions are very rare. *Cuordimamma* received an award from the municipality, as "female business activity 2017", which praised them for the work they are doing. *Effecorta* (Milan) received a prize as "best neighbourhood grocery store" and appeared in the well-known yearly guide published by Gambero Rosso[40], which gave them a lot of visibility. Moreover, they were also recognized as "first-class sustainable grocery store" by the Lombardia Region. Still, these were the only 2 shops out of 32 to receive a prize/reward for their activity, thus this factor does not constitute either a driver nor a barrier to the diffusion of the phenomenon.

Level of acceptance in public discourse

The level of acceptance in public discourse was assessed in terms of diffusion of the packaging-free issue in *social media* and *media* in general, as well as in terms of consumers' *reaction* to the opening of packaging-free grocery stores and their *education* goal regarding issues such as environmental pollution from packaging, food quality and packaging-free grocery shopping.

Media ad social media role

In general, 16 interviewees affirmed that social media and television are useful tools to sensitise people on themes like refusing, reducing, recycling. They are a good way to educate, involve and diffuse knowledge regarding certain issues, thus constituting a driver for the emergence and diffusion of the packaging-free phenomenon. However, according to many shop founders, it is ultimately up to the people who receive these "stimuli" to transform them into concrete action – like buying in packaging-free shops. Nevertheless, although recognizing the huge potential of these means to educate the general public, many shop founders agreed that *"our awareness-raising action inside the shop is way more effective"* **(B. Parmeggiani).**

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[40] Gambero Rosso S.p.A. is an Italian publishing house specialized in food and wine through the publication of guides, TV programmes, education, monthly reviews and mobile apps.

Consumers' reactions and education

When asked about clients' *reactions* when visiting the shop for the first time, the most common responses have been:

- In some cases some diffidence and mistrust, especially for hygiene reasons:

> *"Many at the beginning asked me: 'Are you sure what you write on your labels is true?'... And what I used to reply is: 'why don't you ask yourself this exact same question when you are at a conventional supermarket, when they trick you even though they provide you the packaging?' Moreover, what we also replied is 'of course I am sure! I can personally guarantee you – meaning, I choose the product, I tasted it, I know everything about its production! How could I personally sell it to you?'. Of course, at the beginning, this makes you very upset, but as clients start knowing you, they eventually also trust you."* ***(E. & N. Menti)***

- A lot of curiosity, although not followed by real action:

> *"People are curious, but they are not deeply aware of the whole packaging pollution problem. Because maybe avoiding 10 plastic bags might seem nothing, but if you bring this to a macro level, if everyone saved 10 plastic bags, it would be a huge saving in terms of environmental impact. However, we haven't reached this level of consciousness. We are not yet conscious about the fact that each one of us, individually, can really make a change. Hence, people just wait for a change imposed from above, to then comply with it."* ***(G. Fullone)***

- Melancholy and nostalgia, as a return to the "old way" of doing shopping, especially in the older customer segment.

However, when asked in general terms about the role played by society's *education*, awareness and sensitivity towards themes such as packaging reduction, environmental degradation, healthy nutrition and conscious consumerism, these have been founders' reactions:

> *"People are not ready... one thing is to hear about plastic pollution, one thing is to do something and go doing grocery shopping in packaging-free shops. This is the main problem, and sooner or later (sooner than later) something has to change. Hopefully soon… […]. I just hope I haven't done a premature step and I haven't jumped the gun."* ***(M. Mencherini)***
>
> *"In my opinion the cultural aspect is an enormous barrier. A real barrier. It is a wall."* ***(E. Menti)***
>
> *"Culture is the whole point. Without a real consumers' consciousness, we go nowhere. At the moment it is really scarce."* ***(A. Seta)***
>
> *"A mindful consumerism is missing… and I have no clue how it could be achieved at a societal level. Maybe it's still too early, I don't know."* ***(D. Ruzicic)***

All these quotes send a very clear message: people are not ready, there is still too little education and attention to these issues. As mentioned by 25 out of 32 shop founders, this is indeed the biggest obstacle at the moment for the growth and diffusion of these shops and mentioned also by all the four founders who have closed their activity.

Finally, lack of culture and education leads people to not grasp the real essence of these shops. Hence, consumers keep making comparisons between these shops and their products and those offered by large-scale retailers. They totally ignore the effort behind the shop, and the products sold; also, they are not conscious about the power of their purchasing choices. This upsets shop founders and sometimes makes them feel hopeless:

> *"It is very hard for us to accept that people are not aware… we were in crisis last December asking ourselves 'why people don't understand?', but then we accepted it and we recovered, conscious of the fact that we didn't simply set up a grocery store, we set up a revolution!"* ***(M. & S. Vizzoni)***

This issue is extremely connected to shops' location. For instance, in Turin and around, where the first packaging-free shop opened in 2009, the phenomenon has spread really fast in these years and nowadays there are 11 shops (5 of which part of *Negozio Leggero*) thanks to the fact that "*probably the scene was ready to embrace the concept. I believe Turin has always had a very well-functioning disseminating network for this kind of ideas, projects, proposals*" **(F. Colet).** Hence, choosing the right location is a fundamental factor in the success or failure of the shop, both in terms of city vs town, as well as in terms of neighbourhood within the same city and facilities available nearby.

> *"For sure opening a packaging-free shop in Turin is way easier than in any other place. Here people are already more eager to this shop typology."* ***(F. Colet)***
>
> *"This town was ready to embrace the concept. It is a touristic place […] here very open-minded people come from all over the world. This is fundamental, because if we opened in an anonymous town I am not sure the shop would have still been active."* ***(G. De Amico)***
>
> *"When we closed our activity we thought we might have chosen the wrong location. Initially, we strategically chose a middle-class neighbourhood, but eventually the dominant mindset and culture were not very advanced to understand certain issues. So, maybe we should have chosen another location…"* ***(D. Isaia)***

Role of incumbents & competition

Interviews showed that two main typologies of competition exist, with two opposite effects. On one side, the competition with direct competitors – other packaging free shops – which is not felt as a real competition by any of the shop founders. On the contrary, they perceive each other as a support, and as something positive, where collaboration must be fostered. On the other side, large-scale food retailers, either conventional or organic ones, constitute a problem for the majority of the shops, despite being indirect competitors in terms of products typology and quality. In general, the latter are an obstacle for both small commercial activities and producers. They have too much power within the market and food supply chain; they set the rules (and prices) of the game to which small producers and shops have to adapt. Moreover, their only aim is to make profit and through their advertisements and discounts they are driving consumers to only care about the price, ignoring quality issues **(G. De Gregorio).** Also, they created the "go-pick the product-pay-leave as soon as possible" mind-set, in line with the modern fast-paced-lifestyle, leading consumers to lose the sociability dimension. Therefore, they are perceived as enemies to fight through the education of consumers:

> *"Although supermarkets are not our direct competitors, we are in neat opposition to them. So, every time someone comes here saying 'I come here to avoid going to the conventional supermarket', for us this is a little battle won!"* ***(H. Telletxea Azkarate)***

4.2.3 ORGANIZATIONAL DIMENSION

Financial resources

The initial budget and assets of shop founders is a decisive factor for the success of ventures' start-up phase. For instance, all the shop founders who owned the shop space (instead of renting it monthly) mentioned this had been a fundamental success factor and that they would have not even started the activity if they had not owned the space (**E. Gelmi; H. Telletxea Azkarate; C. Olivieri)**. Moreover, as said earlier, having a backup-budget entrepreneurs could count on in case of necessity is fundamental to make sure that the shop does not crash at the first difficulty and is able to get through the start-up phase **(R. Plati).**

Human resources

As mentioned in *section 4.1.5*, the founding team plays a fundamental role in starting and running the company. In the majority of the cases, this is constituted by the entrepreneur and his/her family members, while only 6 shops were found to have (or have had) employees – which indeed constituted a very valuable resource. Thus, more than the human resources factor, it is still the figure of the entrepreneur and his/her motivation and dedication that drives the ventures, as highlighted in the *Individual (Entrepreneur) Dimension* (*section 4.2.1*).

4.2.4 PROCESS DIMENSION

Logistics & supply chain

The lack of deposit-scheme logistics, which is in turn dependent on the lack of law, constitutes a logistics barrier since it does not allow the reuse of glass (or plastic) bottles/containers upstream. In fact, shops cannot collect the containers returned by customers and give them to the producer who will eventually reuse them as containers for new products.

Another logistics barrier – as well as economic – has to do with the minimum purchasing order set by suppliers, obliging shops to buy a certain minimum amount of products – sometimes really high volumes compared to their sales. This also leads to the risk of products getting old and rotten if the shop does not sell them fast enough. To obviate to this problem *NOVO* became a wholesaler for unpackaged shops, as explained by the founder:

> *"All the packaging-free shops have a lot of producers/suppliers, which are difficult to manage because each one imposes on you a minimum purchasing order and/or high transportation costs. This makes the whole logistics very expensive and difficult to manage for our shops. […] Therefore, we decided to become wholesalers for packaging-free shops!"* ***(S. Zanotti)***

Alternatively, *Bottega Granel* created collaborations with nearby shops to share costs and order products together to make it easier to reach the minimum purchasing order: *"for these reasons collaborating with shops like mine is fundamental!"* **(H. Telletxea Azkarate).**

Operations

Managing logistics within the shops is complex due to the attentions required by unpackaged food. Due to the lack of packaging – which ensures prolonged products' shelf-life – founders must be extremely careful to the expiry date of each single product. Moreover, due to the fact that the majority of products is either "organic" certified or organically cropped – thus with no use of fertilizers or pesticides – products are really "delicate" and require care and good management (**P. Corradini; C. Olivieri; M. & M. Lembo**). For example, with increasing temperatures, especially in the summer, some little butterflies tend to appear. Hence, products have to be kept at very low temperatures to limit the damage. To obviate to this problem, the majority of shops tend to switch to packaged products in the warmest months, thus avoiding the risk of ruining the products and eventually wasting them. This is both a logistic and technological barrier limiting packaging reduction especially in warm places and periods.

Relations in the value chain

This factor was assessed in terms of shops' power over suppliers. When asked 'what power do you have over your suppliers, both in terms of packaging reduction and price bargaining?' 16 shop founders replied, as a first answer, *"zero!"* or *"a very limited one!"*. However, by going in depth into the discussion they eventually agreed with all the others who answered *"it depends"*, specifying that they do have power (although still limited) in terms of both packaging reduction and lowering price, but only over small and local producers. This is due to the closer and personal relation they can have with smaller and local producers. Here, suppliers' scale/size was found as the main influencing factor. In fact, as already mentioned, a trust and reciprocal support relation is always built with small and local producers as well as with small but farther suppliers (e.g. between a shop in northern Italy and a small producer/supplier in Sicily). On the contrary, when it comes to larger suppliers, the relation is completely different: they are simply suppliers (usually the same that also supply large-scale specialized organic retailers) who offer high-quality products that founders consider worth buying (mainly because consumers request and like them).

For instance, there was also a case where the shop owner suggested to a supplier to change the packaging material or to provide a *Mater-Bi* (biodegradable, compostable material) packaging themselves: *"it seemed to work"* happily affirmed **F. Colet.** While, as stated by **C. Cappellazzo:**

> *"With bigger suppliers there is not even an actual way to relate due to the more structured organization which makes you always talk with different people from different departments."*

To this regard, the majority of shop founders mentioned they want to substitute large suppliers and shift to as many small and local producers as possible. On the contrary, all of the above does not apply to *Negozio Leggero* – which is the only franchise where products are chosen and "imposed" by the headquarter to all the 13 Italian shops, after an accurate research on quality, producers and the supply chain behind them. Thanks to the franchise structure, *Negozio Leggero* has a greater power over its suppliers. **L. Signori** stated:

> *"Surely the power to discuss with suppliers about implementing a deposit scheme or about changing the production line is not a small thing. Obviously having a network of numerous shops allows us to start certain discussions with our suppliers. […] The fact of being a franchise offers different condition and possibilities […]. There are things we can afford simply because we are a franchise. I recognize this is way more complex for independent and smaller shops."*

Networks and long-term partnerships

Findings show that creating networks and establishing long-term partnerships are the path packaging-free shops are undertaking to obviate to their limited power over suppliers, thus resulting as a driving factor for ventures growth. Specifically, two main solutions (ways of collaborating) are currently under way. First, shops that are geographically close (this mostly happens in Turin and around, where there are 7 shops) started ordering together from a same supplier in order to split transport costs and overcome the minimum ordering quantity more easily. However, since the majority of the shops are quite unique in their city and province, the second solution was the creation of an informal network *"Rete delle piccole botteghe sfuse indipendenti*[41]*"* to which the majority of the shops interviewed belong. It was created in January 2017 and it now counts 37 members from all over Italy. This consists of a closed Facebook group, through which they collaborate, share knowledge, give suggestions or feedbacks on products and suppliers, discuss about new regulations and their interpretation, or simply support each other. The access to this network is democratically discussed among the group members through a *vademecum* they created and the final decision is mainly based on the principle of fair competition (e.g. did the new shop steal/copy someone's else idea? Did it open next to an existing shop, stealing someone else's clients?). Moreover, through the network, they are trying to build up more contracting power toward (large) suppliers and to obtain facilitations/less packaging from producers, lower minimum ordering quantities and delivery costs. However, the latter seems very difficult to organize and manage, mainly because each shop has its own specific products and suppliers, as much local as possible.

> *"The only thing we could do to increase our power toward our suppliers – especially the larger ones – is doing what we are trying to realize through our network, since a network has more importance and a louder voice toward suppliers. […] Hence, a supplier will think 'Oh! Here it is not only one shop who is complaining and who is buying, they are 30! It is better I don't turn them against me! Let's collaborate!'… I strongly believe union is power!"* ***(A. Schito)***

[41] "Network of the small and independent packaging-free shops"

Consumers' needs & demand

Finally, the last issue concerns standing the market test: namely, meeting consumers' needs and demand, whilst accomplishing the social/environmental mission and obtaining financial return. This emerged as a problem faced by shop founders. Specifically, the main issue concerns the fact that accommodating consumers' desires necessarily leads to let go some of the shops' values. For instance, some products required by their customers (e.g. milk, yogurt, shampoo, body lotions) are 99% of the times sold packaged (due to current supply chain practices, regulations, etc.).

> *"If consumers want them, it does not make sense to not accommodate their requests because they would anyway go to the nearby supermarket to get them, and this certainly wouldn't be of any help."* ***(S. Zanotti)***

Hence, satisfying consumer's needs and demand is perceived as an obstacle to a totally packaging-free sale, leading founders to face difficult choices and trade-offs. In many situations, shop founders had to compromise with their own values and satisfy consumers' demand offering a wider choice of products (**A. Barcellini, A. E. Zavatti**) to keep attracting consumers, which in turn leads to financial returns. In particular, **S. Storelli** admitted this was a difficult struggle for her, but eventually she had to understand and accept the fact she has a business to run, so sometimes she has to let go her stricter values to keep the business growing.

Another issue concerns consumers' convenience in terms of the preparation and shift in mindset required by the packaging-free grocery shopping experience. In fact, customers are currently used to attend supermarkets without "preparing" for the grocery shopping experience, nor "thinking" about quantities, since they just get in and buy the pre-packaged food in the pre-established quantity. On the contrary, all of this does not happen in a packaging-free grocery store. Hence, when people have a limited amount of time, they just prefer going to a conventional supermarket where everything is ready and additional "effort" is not needed **(D. Ruzicic).**

Finally, another enormous barrier embedded in contemporary people's culture and education concerns the online shopping. People are getting used to the e-commerce and to have everything at home as soon as possible. This is a difficult feature to implement in combination with the packaging-free concept. Those who already do it, usually deliver with the bike (to cut on emissions) and use paper sachets. However, some are currently trying to figure out how to implement an e-commerce service, while guaranteeing the packaging-free value as part of their future growth strategy.

5. DISCUSSION

Having extensively answered to the two research questions in the previous chapter, the following sections are dedicated to a critical discussion of the findings. Respectively, these are first put in comparison with existing packaging-free literature and subsequently discussed in light of the analytical frameworks and sustainable entrepreneurship theories reviewed in *chapter 2*.

5.1 Discussion from a packaging-free literature perspective

As mentioned in *section 1.3*, the few existing studies on the packaging-free shops topic mainly focused on the operational aspects of the shops in terms of logistics, distribution, operations, marketing and sales (e.g. Beitzen-Heineke et al., 2017; Sjölund, 2016), alongside investigating the main drivers and barriers encountered in the implementation of zero-packaging food retailing practices (e.g. Sandano, 2016). Generally, the findings collected through this research resulted aligned with existing ones. Moreover, being the latter less detailed and thorough, it can be affirmed that the current research went beyond simply ratifying the information already available. Conversely, it allowed identifying numerous characteristics that had not been previously investigated by any other study on the topic, making findings very relevant for the advancement of research in the field of packaging-free food retailing.

Regarding RQ1, it can be stated that generally all the findings of Beitzen-Heineke et al. (2017) and Sjölund (2016) were confirmed. Thus, Italian shops resulted relatively aligned with European and global ones from an operational perspective. Only few issues resulted in contrast with Beitzen-Heineke et al. (2017), although it must be kept in mind that their sample was very small compared to the one adopted by the current study, hence their findings cannot be regarded as representative of the phenomenon at large. For instance, a first divergent finding concerns the fact that in Italy 80% of the packaging-free shops are independent ones, which emphasizes even more the entrepreneurial component of these activities. On the contrary, Beitzen-Heneke et al. (2017) affirmed that the majority of the shops in their European sample belonged to a franchise. A second discrepancy, related to some extent to the previous one, concerns the fact that the majority of Italian shops – except for the franchises – manage their logistics autonomously and locally without the support of any external actor, whereas Beitzen-Heineke et al. (2017) affirmed that logistics was mainly managed externally. Hence, a point of matching between the findings of the two studies can be found in affirming that franchises – also in Italy – usually manage their logistics externally, contrary to independent shops.

Regarding RQ2, overall the majority of the driving and hampering factors identified were aligned to Sandano's (2016) drivers and barriers. For instance, having the right resources in place – human & financial capital, time, experience, partnerships & collaborations and a good location – resulted as main drivers for packaging-free shops' establishment and growth, as also showed by

Sandano (2016). Likewise, the biggest barriers encountered and perceived by Italian shop founders were:

- Lack of recognition of the phenomenon from a governmental and regulatory perspective, which translates into unfair high taxes, missing sector-specific regulations and lack of governmental support;
- The "unfair" and "misleading" competition represented by large-scale conventional retailers;
- The lack of consumers' knowledge and awareness: the big "cultural wall";
- Attracting clients, triggering their curiosity and gaining their trust, making them affectionate and loyal customers, despite the limited consumers' convenience;
- Getting through the initial start-up phase, both in terms of economic resources as well as time, effort and energy to learn how to manage everything.

Hence, all the barriers encountered by Italian packaging-free shops and founders were quite aligned with Sandano's findings in her global sample, with the exception of the role played by zero-waste role models, NGOs and social media, which had no particular importance in Italy, while being important drivers in Sandano's study (2016).

Finally, another positively surprising discrepancy was found in the fact that Sandano (2016) presented the creation of a network of packaging-free shops as a need claimed by all the interviewees, whereas Italy resulted to be more advanced thanks to the already existing network *"Rete delle piccole botteghe sfuse indipendenti"* mentioned in *chapter 4*. This can be due to the maturity level of the phenomenon in Italy, having it existed for already 9 years; or simply because Sandano's research had a global focus, thus the existence of more regional/local collaborative networks could not have emerged from that kind of study. Hence, this represents a relevant and valuable finding of the current research.

5.2 Discussion of salient themes from a sustainable entrepreneurship perspective

In general, findings showed how the packaging-free grocery stores phenomenon perfectly fits into the sustainable entrepreneurship stream of literature in two ways:

- All the shops are trying to transform the grocery sector towards more sustainable standards, while accomplishing the Triple Bottom Line (Elkington, 1997);
- The shops reflected the majority of the key characteristics as well as drivers and barriers mentioned by the sustainable entrepreneurship literature – both concerning RQ1 and RQ2.

In the following sub-sections, the most salient themes emerging from the results will be considered in a critical way, through the lenses of sustainable entrepreneurship theories. Moreover, answers to RQ1 and RQ2 will be combined in a way that shows whether specific key characteristics of packaging-free stores (RQ1) resulted to be major drivers or barriers in the entrepreneurial process (RQ2).

5.2.1 The role of the sustainable entrepreneur

In line with the sustainable entrepreneurship literature, shop founders – namely, sustainable entrepreneurs – resulted to be the core element of their sustainable ventures. They are all highly motivated and pattern-changing actors, who articulate the mission of the shops, which in all cases goes beyond the mere desire for profit. Their motivation is the driving force for the whole activity and gives them the energy and will power to fully dedicate to their cause and go forth throughout the whole setting-up process, despite all the existing difficulties and the consciousness that this activity will not make them rich. In line with Kirkwood and Walton (2010), green values, earning a living and the desire to be their own boss, resulted the dominant motives driving packaging-free entrepreneurs into their entrepreneurial adventure. Contrary to Sharir & Lerner (2006), having a managerial/entrepreneurial background was not a necessary condition to start the business, as showed by the fact that only 1 out of 38 founders had previous entrepreneurial experience. Conversely, their study, work background and life experiences were of particular importance. These often acted as a triggering "awakening" factor stimulating their interest for the environmental (and social) cause and leading to a strong personal motivation to start and sustain the business. Finally, findings were aligned to Sharir & Lerner (2006) in the fundamental role played by family members and friends: they support the cause and founders throughout the setting-up process and the daily activities, and in 1/3 of the cases are actively involved in the business, either as founders or collaborators.

5.2.2 Values & Mission

According to the sustainable entrepreneurship literature, setting-up a sustainable venture is inherently different from setting-up a conventional business activity. In fact, while the mission of the latter is primarily to achieve financial returns, the former embodies a multiplicity of values, which translate in a broader mission going beyond profit (Grassl, 2012). In line with this, packaging-free shops showed to embody a combination of values which "translate into a qualitatively different motivation" (*ibidem*, p. 42), concerning the reduction of the environmental and social impact of the food retailing sector, coupled with an educative mission and a focus on sociability. These constitute a unique competitive advantage compared to conventional food retailers, representing the "winning criteria" attracting customers' attention, as also identified by Beitzen-Heineke et al. (2017). Eventually, the promotion of these values is made concretely possible through the sale of packaging-free products that, by generating financial return, serves as a tool/mean to keep accomplishing the broader mission of the shops.

Additionally, a new interesting fact emerged from the interviews: the combination of different values, beyond the unique concept of packaging reduction (see **Table 3**). This was briefly touched upon by both Beitzen-Heineke et al. (2017) and Sjölund (2016) in the packaging-free literature, however they both mentioned that no pattern could be recognized in the way shops defined themselves and on the values they embodied. On the contrary, from the data collected, a clear pattern emerged in Italy. Namely, all the packaging-free shops analysed have one unique and broad mission resulting from the combination of all the values presented in the *results section 4.1.2* – namely, ethical, local, organic products; healthy nutrition; educative role, etc. Hence, all the values are always present and embodied by every shop, although everyone gives different weight to each value. Moreover, since every shop represents the personality of its founders, the way in which the values are embodied and concretely realized varies greatly from shop to shop.

Table 3 – *Overview of values embodied by Italian packaging-free shops*

VALUES & MISSION	ENVIRONMENTAL	SOCIAL
Packaging reduction: packaging-free products	✓ (cutting on both packaging and food waste)	✓ (educating to waste reduction)
Good & healthy nutrition: organic products	✓ (no pesticides)	✓ (high quality & healthy food)
Ethical products & fair price: local products	✓ (cutting on emissions)	✓ (short-food-supply-chain)

SOCIABILITY** (in the shop & with suppliers): it is the unique way to succeed in their **EDUCATIVE GOAL

The primary and fundamental importance of such multiplicity of values was not expected when the author started the study. For this reason, the research focus – as presented in the *problem-context section 1.1* – had initially been set mainly on the issue of packaging waste reduction. However, as mentioned by numerous founders, it would not make sense to solely deal with one issue (packaging reduction) while keep ignoring the other ones (e.g. unsustainable land use, pesticides, unhealthy nutrition, unfair food supply chain), which are equally important. Hence, the fact that also other values resulted for these shops to be as important as packaging reduction was embraced by the author as a very positive discovery. Moreover, it is the proof of the broader sustainability view held by founders and brought forth by these shops, in perfect line with the sustainable entrepreneurship Triple Bottom Line (TBL) concept (Elkington, 1997).

5.2.3 Metrics of performance

The literature on sustainable entrepreneurship showed the importance of measuring the performance and success of a sustainable enterprise in terms of its social and environmental impact, mostly because it might happen that "measures of success transcend financial outcomes" (Dean, 2014, p. 82). Here, the main difficulty for a sustainable venture is to, first, properly define "success" – since it does not simply correspond to the profit, but also to the mission accomplishment; second, measuring and assessing it. However, in line with theory (Hoogendoorn et al., 2010; Dean, 2014), measuring the performance and success of packaging-free shops resulted extremely challenging for Italian shop founders and sometimes it was never considered. Indeed, only two shops measured their environmental impact in a formal and technical way (through tools such as Life Cycle Assessment), while a few others did it more informally. This was mostly related to the shops' small scale and the little time (and sometimes expertise) available to founders, hence not being a priority for their venture. However, as mentioned by both Hoogendoorn et al. (2010) and Dean (2014), and recognized by some interviewees, this is a fundamental aspect both from a business perspective – to assess the venture performance – as well as from a broader societal perspective – to communicate and engage stakeholders (consumers, suppliers) about the reduced impact and the shop's mission accomplishment.

5.2.4 Network building, collaboration, competition

Another interesting issue emerging from the findings and discussed by the sustainable entrepreneurship literature concerns founders' conception of *competition* and *collaboration*. According to conventional business theories, similar business activities perceive themselves as direct competitors, since they embody the same mission and address the same customers target (Porter, 1979). However, this does not hold true for sustainable enterprises when they are still at a niche level (Hockerts & Wüstenhagen, 2010). Indeed, when a new phenomenon is on the rise, but still at an infant state, existing sustainable enterprises connect with each other while experimenting, and slowly build a growing niche of similar business activities, which eventually enters the broader market and compete against incumbents (*ibidem*). This seems to be the current state of Italian packaging-free shops. So far, probably also due to their geographical dispersion – since only in a few cities more than one shop exists – the different shops cooperate through the informal network "*Rete delle piccole botteghe sfuse indipendenti*". They built such network to primarily support and advice each other throughout their business adventure, as well as to "build power" against incumbents in the sector. Such collaboration exists also because, as mentioned, their activity goes beyond the mere goal of profit. Rather, they want to "communicate and sell a lifestyle", which makes competition meaningless, and collaboration fundamental (**A. Schito; D. Ruzicic**). Naturally, none of the shops founder forgets about the business side of the shop, which eventually is the feature that keeps shops flourishing, giving them the possibility to accomplish their mission. Hence, while keeping collaboration alive, they try to be unique (hence, to avoid having competitors) through differentiation, in line with the concept of competitive advantage by Dean (2014). For this reason, also in Turin where 11 shops are currently active, none of the five interviewees mentioned direct competition with packaging-free shops, rather they all stressed the importance of collaboration.

On the contrary, competition is perceived more towards incumbents: whether they are large-scale conventional food retailers, large-scale organic specialized supermarkets or shopping-malls more in general. Despite the acknowledged extreme difference in terms of products offered, service, quality and mission carried out, such large-scale retailers represent the greatest "enemy" for packaging-free shops and are perceived as one of the major barriers for the growth and uptake of the phenomenon. This is in line with the sustainable entrepreneurship literature, affirming that whenever a new green niche emerges, incumbents are the biggest obstacle for the uptake of the niche in the market, until the moment they realize there is some profit to be made in that business: hence, they start incorporating the niche idea/innovation, becoming "dangerous" competitors and destroying small-scale businesses through their market power (Hockerts & Wüstenhagen, 2010; Bocken, 2015). To this regard, Italian shop founders affirmed that despite not being in direct competition with these incumbents, the latter constitute a double problem. First, in the way they have educated consumers over time to the convenience of the *go-pick-the-product-pay-leave-as-soon-as-possible* mind-set; second, in the way they mislead consumers with regard to the products' high quality, organic origin, and price-convenience.

5.2.5 Supportive environment and level of acceptance

As stressed by different authors (Sharir & Lerner, 2006; Hoogendoorn et al., 2010) the level of acceptance of the venture's idea, mission and values in the public discourse, as well as the existence of a supportive environment made up of all the different stakeholders constitute important elements for the uptake of a sustainable venture. These emerged from the findings as fundamental lacking points in the current system.

Specifically, the lack of education and awareness of consumers and society at large about several topics such as environmental pollution, packaging waste, certifications, organic practices, etc. constitute significant obstacles for the growth of the packaging-free phenomenon, as also evidenced by Hoogendoorn et al.: "lack of acceptance would imply a serious hurdle for a social enterprise to overcome" (2010, p. 29). Therefore, shops' educative mission results of utmost importance to make customers aware that their purchasing choices actually have a broader environmental and social impact. This might help them rethink and change their current mindset and lifestyle (e.g. by getting used to bring their own reusable bag or containers or to regularly attend packaging-free shops boycotting conventional food retailers). Moreover, it will ultimately enhance the creation of a supportive group of consumers that understand, accept and take-up the packaging-free concept, evolving towards new patterns of conscious consumption and, eventually, allowing the market to change (Schaper, 2002).

Equally, the lack of governmental support, the vague or missing laws concerning sales of unpackaged products, as well as the limitations posed by certifications' regulations constitute another highly problematic barrier currently hampering the faster growth of the phenomenon. This resulted aligned with the sustainable entrepreneurship literature stressing the importance of governmental support through policies and (tax) incentives (Sharir & Lerner, 2006) for the spread of a new phenomenon. Hence, on one side, it clearly emerged the need to create a body of specific laws for this kind of business activities and to review/simplify existing regulations, as a way to foster the niche emergence. On the other side, this should be coupled with the discouragement of conventional food retailers' practices by, for instance, putting restrictions on the amount of packaging waste that can be generated by the food supply chain – as also advocated by Beitzen-Heineke et al. (2017). Only in this way, by supporting the niche and bringing down the conventional sector (or trying to improve it/punish its bad practices) a real and broader sector transformation will be enhanced.

5.2.6 Trade-off: mission, values and growth

As showed by the findings, many packaging-free entrepreneurs face an "ethical" trade-off when it comes to satisfying customers' requests in terms of products offering. This often leads them to eventually compromise with their own values and give more importance to the business side. As stressed by Sharir & Lerner (2006), this is a recurring topic in the sustainable entrepreneurship arena: '*where to strike the balance between profit and social/environmental values?*' Possibly, as also advocated by the Triple Bottom Line theory (Elkington, 1997), the solution to this question lays in between. Namely, satisfying certain customers' requests (although against some of the shop/founder's values – e.g. selling packaged soy milk) makes them affectionate loyal customers, whilst allowing the entrepreneur to keep educating them by transmitting the shop's values (**V. Belladio**). It is a slow process, however it might allow in the medium-long term to slowly change consumers' mindset, enhancing the broader sector transformation (Hockerts & Wüstenhagen, 2010).

Another existing trade-off consists in the desire of any entrepreneur to scale the business, while coping with the lack of (financial, human, time) resources to do so (Dean, 2014). Findings resulted aligned to such idea specifically in the desire of any founder to grow and expand, contrasted by the fear of losing the quality of the service provided and the human relations/educative component of the shop. Here, a difference was noticed between small independent packaging-free shops and franchises. In fact, as pointed out by **L. Signori**, the main difference between starting an independent shop and a franchise is the initial setting and mindset: aiming at business expansion to reach a wider public *vs* being small and ensuring the top quality at a local level. Thus, it is clear that the two different packaging-free ventures' typology – small and independent ones *vs* franchises or affiliation – are currently undertaking two different growth paths: ultra-specialization for the former against a scaling-up strategy for the latter.

5.2.7 Technology & infrastructures development

One final point emerging from the findings concerns the need to develop technology and infrastructures (e.g. supply chain, logistics channels) to support the evolution and growth of the phenomenon – thus, creating a supportive environment while enhancing the business processes (Sharir & Lerner, 2006).

Specifically, on one hand, findings showed that theoretically there is nothing new about packaging-free shops, rather it is a return to older ways of doing shopping – as also narrated by Bepakt (n.d.) – and that "there is a temptation to look at innovation to 'solve' sustainability issues, (while) much of the knowledge needed to reduce waste already exists" (Schweitzer et al., 2018, p.14). However, on the other hand, certain logistics and technological obstacles should be overcome to keep fostering the phenomenon. For instance, the creation of a broader packaging-free supply chain, which would avoid packaging during transportation; or the creation of dispensers, gravity bins or innovative reusable containers, which could eliminate the risk of butterflies and insects due to warm temperatures; or even more, dispensers that could be sealed and, for instance, be "organic" certified at producers' site so to ensure the segregation of the certified products without the need for packaging. These are just ideas, which however show the necessity to couple the "return to the past" nostalgia of packaging-free shops with the technological advancement of the modern days. In this way, the phenomenon global expansion could be fostered at unprecedented speed.

5.3 Discussion of analytical frameworks, research method & limitations

Overall, the analytical frameworks proved as very appropriate tools to conduct the current research in the way they allowed to analyse the phenomenon in depth, thus contributing to: 1) expand existing knowledge and broaden the packaging-free literature; 2) meet the need for empirical research in the field of sustainable entrepreneurship, advocated by Hoogendoorn et al. (2010) in *section 1.7*, by adopting and validating existing theories/frameworks in the field. Moreover, they allowed combining different but interrelated concepts of sustainable entrepreneurship theories and aspects of sustainable ventures into two tools, which eventually perfectly suited the phenomenon analysed. Finally, especially Dean's framework (2014) complemented by Sharir & Lerner (2006) and Kirkwood & Walton (2010) – resulting in the *Analytical Framework 1* – proved as a very useful tool to start and guide the first part of the research. In fact, it allowed diving thoroughly into the phenomenon, through an innovative perspective for the field – the sustainable entrepreneurship one – and understanding the characteristics of each packaging-free store in great detail.

The *research method* employed is deemed appropriate for the current research since it allowed collecting detailed and accurate primary data, directly from the experience of the core actors of the entrepreneurial process – packaging-free *sustainable entrepreneurs*. The use of a semi-structured questionnaire (interview guide – *APPENDIX 2*) helped acquiring the interviewees' viewpoints as the interview unfolded by starting from some prepared questions but leaving room for the discussion to evolve in a flexible way (Bryman, 2012; Longhurst, 2003). This allowed the author to adapt to every situation and interviewee, thus adjusting the style and tone of the interview from time to time – without ever deviating too much from the research protocol. Moreover, it ensures the *reliability* of the data collection process as well as the consistency of the type of information collected between different interviewees.

The *generalizability* of the findings is ensured within the Italian context for two main reasons:

1) The sample covered 52% of all the shop *brands* currently active in Italy and 21% of the ones definitively closed, encompassing shops from all the different geographical areas of the country;
2) Theoretical saturation was reached, meaning that after conducting and analysing a certain amount of interviews (approximately after the 20th), no more totally new findings emerged, thus indicating that almost all shops analysed afterwards presented characteristics, drivers and barriers similar to the previous ones in the sample.

At the same time, findings *generalizability* cannot be fully ensured outside the country, due to the specific geographical scope of the research chosen by the author. On one hand, such focus allowed collecting very detailed and in-depth data fully representative of the reality of the country, while filling the gap advocated by the packaging-free literature, regarding the need for more context-specific data. However, on the other hand, the influence of context-dependent factors such as Italian regulations, laws, tax system, culture, social values, etc. limits the generalizability of the findings to other contexts. Hence, the author suggests future researchers to replicate the study, by adopting the same frameworks and perspective, in any other country – presenting a large sample like the one of the current research. This will allow identifying whether the Italian context and related factors influenced the packaging-free phenomenon in any particular way, or if rather packaging-free shops present similar sustainable entrepreneurship features, drivers and barriers everywhere.

Another limitation, related to both the research sample and the specific theoretical perspective chosen, regards the decision of interviewing only packaging-free *entrepreneurs*. Instead, the author believes that future research should also study the packaging-free grocery stores phenomenon from a customer perspective – considering both conventional supermarkets' consumers and packaging-free grocery stores' customers. Specifically, it would be interesting to investigate how these two consumer groups perceive the phenomenon, what are their reactions to it, and their thoughts about its evolution and market potential. Moreover, it would also be interesting to specifically focus on packaging-free grocery stores attendants and investigate their shopping experience, as well as whether they notice differences or have specific preferences between packaging-free franchises and independent shops (e.g. which one they like/trust better?).

Finally, the author has two additional suggestions for further research. First, studying the phenomenon from the perspective of conventional retailers. What do they think of it? Are they considering the introduction of bulk food? Do they feel the competition? Do they see a real market for it? Second, studying the environmental impact of the shops, considering all the combination of values embodied by these shops (short-food-supply-chain; short distance transportations; organic food; etc.) found in this study, thus broadening the scope of Sjölund's research (2016).

6. CONCLUSION

The current study departed from the problem of packaging over-use in the food and beverage sector, which, in Europe, results yearly in the generation of 163 kg of packaging waste per inhabitant, corresponding to one third of the total amount of waste he/she generates in one year (Eurostat, March 2017). One of the main causes of such a large amount of waste is the fact that the majority of food packaging is single-use, thus it is discarded as soon as the product is consumed. One of the market pathways addressing this issue was recognised in the growing niche of packaging-free grocery stores. These are shops selling food unpackaged – in bulk – and following the concepts of *precycling* (Greyson, 2007), or (packaging) waste prevention, in line with the *EU Waste Hierarchy*. Hence, their emergence and diffusion on the market was chosen as the focus of the current study.

When starting the research, a review of the packaging-free food retailing literature was conducted and very little scientific studies were found – contrary to the large amount of grey literature dominating the field. In the few existing studies, four main knowledge gaps were identified: 1) the lack of an in-depth classification of the key values and characteristics of packaging-free grocery stores; 2) a broad geographical scope of the studies (either global or European) not allowing to identify context-dependent factors influencing the phenomenon; 3) the small samples adopted (from 7 to 16 cases studied) that did not allow for results generalizability; 4) a lack of theoretical variety, since all the studies focused on operational supply chain characteristics of the shops and were situated within the sustainable food supply chain literature. Hence, the author decided to undertake a scientific study of the phenomenon and fill the gaps acknowledged by setting the research aim of the research as follow: "to identify key characteristics, drivers and barriers of the packaging-free grocery stores phenomenon in Italy by adopting a sustainable entrepreneurship perspective", which translated in the following two research questions:

> **RQ1)** *What are the key characteristics of packaging-free grocery stores in Italy from a sustainable entrepreneurship perspective?*
>
> **RQ2)** *What are the main drivers and barriers encountered by Italian packaging-free stores in setting up their activity and in their attempt to grow?*

Therefore, the first gap was addressed by inherently answering the two research questions; the second one by setting the geographical scope of the study in Italy, which in turn allowed to also address the third gap, thanks to the wide range of packaging-free grocery stores active in the country (making it possible to have a sample of 32 case studies). Finally, the fourth gap was addressed by deciding to look at the phenomenon – its key characteristics, drivers and barriers – from a *sustainable entrepreneurship* literature perspective. This allowed investigating operational aspects, thus deepening existing findings on the phenomenon; the entrepreneurial process; and the figure of the entrepreneurs who lay behind the shops, with their respective values, missions and perceptions on (drivers and barriers of) the phenomenon.

In order to conduct the research, two analytical frameworks (*chapter* 2) were built by selecting and combining concepts and theories from the sustainable entrepreneurship literature, which were deemed more relevant for the current study and to answer the research questions.

Respectively, ***Figure 18*** depicts at the center the *Analytical Framework 1*, which was used to answer RQ1, thus to identify the key characteristics of packaging-free shops in Italy; while, around it, seven different boxes show the main findings of the study. In general, findings confirmed the majority of the data previously found in the packaging-free literature, while considerably building and expanding on them, thus broadening existing knowledge on the shops' key characteristics. For instance, the focus on the sustainable entrepreneur is a novelty for the packaging-free strand of literature, as well as the level of details that this study allowed to reach.

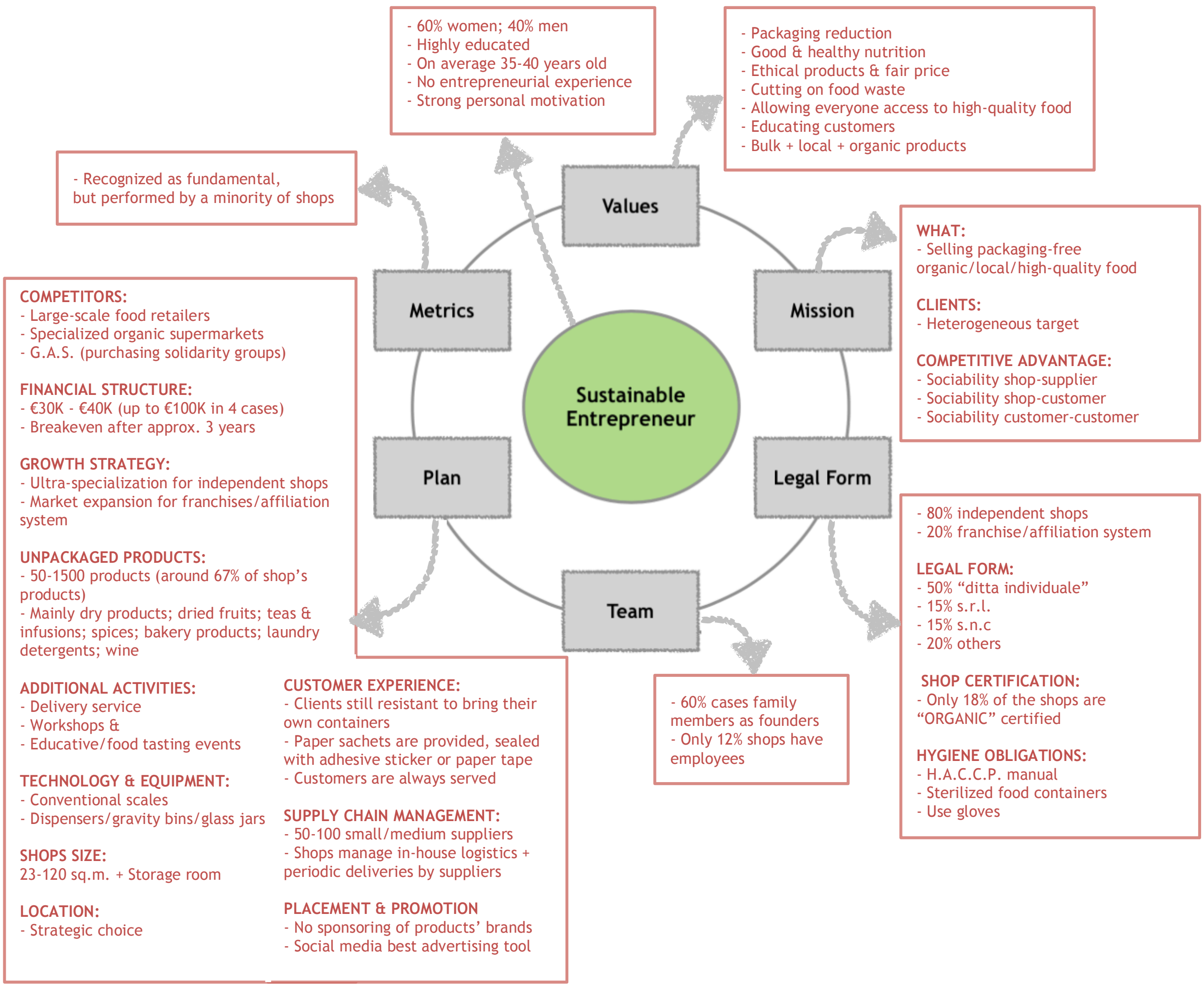

Figure 18 – *Analytical framework 1 (at the centre) and findings from RQ1 (in red)*

Likewise, ***Figure 19*** depicts the *Analytical Framework 2*, which was used as a tool to answer RQ2. By analysing the role played by different (driving/hampering) factors identified in the sustainable entrepreneurship literature, it was possible to understand whether these were perceived by packaging-free shops founders as either barriers, drivers or as indifferent/absent factors in their experience of setting up and scaling their ventures. Hence, results of the research are represented in ***Figure 19***, through these symbols: ✔ driver, ✖ barrier, ? indifferent/absent, indicating the role of each factor, as perceived by Italian packaging-free entrepreneurs.

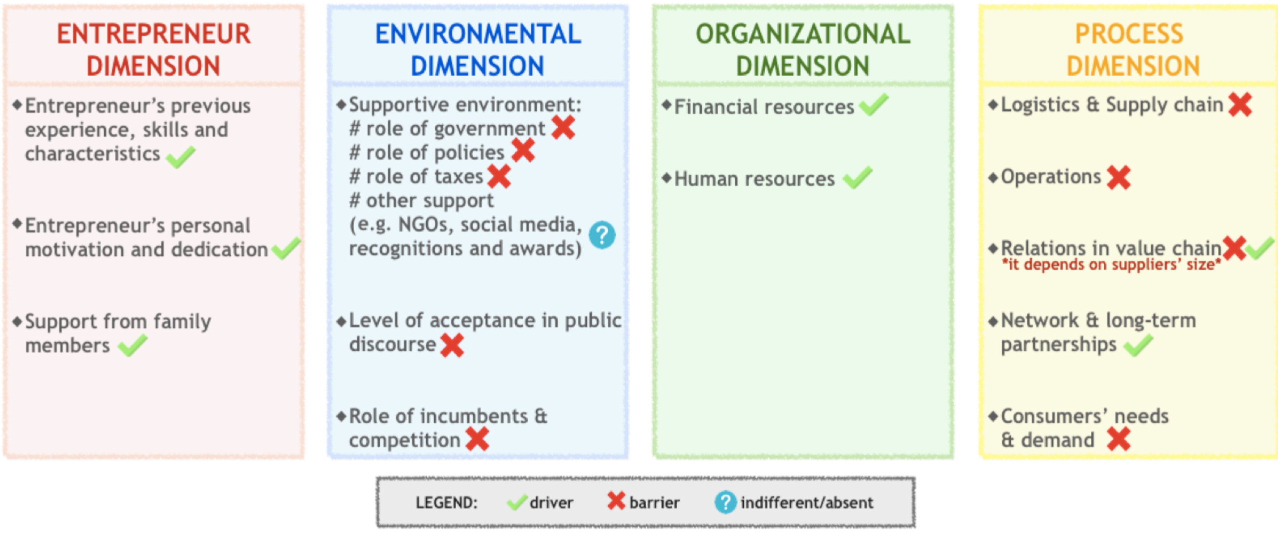

Figure 19 – *Analytical framework 2 and findings from RQ2 (✔, ✖, ?)*

Overall, by combining the findings from RQ1 and RQ2, seven salient themes emerged when critically analysing the results. First, in line with the sustainable entrepreneurship literature, which poses the sustainable entrepreneur at the core of any sustainable venture, it emerged the fundamental importance of "packaging-free entrepreneurs", recognised as the major driving force of each venture. Their personal motivations and profound dedication to the cause and to their business activity, with the support of their family members, resulted the main driving factors, moving them forth, despite all difficulties and obstacles encountered along the way. Second, the mix of values embodied by these shops and their respective founders, emerged as an interesting finding, contrary to what initially expected by the author. In fact, these shops surprisingly embrace a broader mission, which goes way beyond the mere minimization/abolition of packaging. In particular, they encompass themes such as healthy nutrition, short-food-supply-chain, food waste reduction, and fair price in the value chain. Additionally, they carry forward the ultimate mission of educating consumers to a new and lower (environmental and social) impact grocery shopping and lifestyle. This resulted in line with the Triple Bottom Line (TBL) concept presented in the literature, showing the broadness of the "sustainability" notion. Third, also in line with the sustainable entrepreneurship literature, it resulted clear the importance of networking and collaborating with all the actors in the value chain – encompassing producers, suppliers, direct competitors (other packaging-free shops) and consumers – as a way to accomplish the ultimate mission of the shops by involving and empowering all stakeholders. Fourth, as highlighted by the literature, shop founders recognized the importance of assessing measurements of environmental impact. However, the lack of expertise and time availability made this practice perceived as a difficult one and not being a priority. Fifth, the lack of a supportive environment, both from a political/governmental perspective – lack of field-specific regulations, (tax) incentives and political support – as well as from a societal one – lack of education and awareness on certain themes – emerged as the biggest obstacles to the phenomenon existence and expansion. Sixth, the trade-off faced by entrepreneurs in accomplishing their mission whilst obtaining financial return, without compromising or giving up on their values resulted as a major struggle they face in their everyday life. However, by finding the right balance they can manage to successfully accomplish both aims. Finally, the development of technologies – e.g. dispensers that can improve food storage and decrease the need for packaging – and the setting up of infrastructures – e.g. packaging-free supply chain/logistics channels – emerged as a need for the advancement and faster take-up of the phenomenon.

In conclusion, the packaging-free grocery stores phenomenon is a contemporary one, and it is growing prominently around Europe and the world at large, despite still being perceived as a green niche. It is expanding and attracting the attention of a growing number of consumers, entrepreneurs and researchers, but still remaining at a medium-small scale. However, it showed to have great potential, both from a business and an environmental/social perspectives. Hence, what is needed for its further development and market uptake? Findings evidenced the need for a supportive and enabling environment and a higher level of acceptance in public discourse. Specifically, support from the governmental side is absolutely essential, while, at a societal level, a mind-set shift has to take place accompanied by raising levels of awareness and education. Regarding the former, policy makers should recognize the urgency of tackling environmental (and social) problems and put themes of sustainability on top of the agenda; for the latter, the incorporation of packaging-free retailing into large-scale conventional supermarkets would probably be the step ahead for attracting a growing number of consumers to shift their grocery shopping habits in the fastest way. However, for the latter to really occur, large-scale-food-retailers should take some precautions: namely, ensuring the high quality of the products sold – in terms of local, organic certified, or simply conventional but fresh products; taking care of the products – e.g. paying attention to expiry dates; and providing a certain level of support to consumers during the shopping experience. Else, until these characteristics are missing, the packaging-free phenomenon is destined to stay at a medium-small scale and carried out by small ventures such as the shops that took part to this research. Finally, the phenomenon needs to be further studied and understood from a scientific perspective, both in terms of market potential and environmental/social impact. Therefore, only with the occurrence of all the above-mentioned circumstances in all dimensions – political, scientific, societal, economical – and from all stakeholder groups – policy-makers, scientists, consumers, food retailers – the phenomenon will further expand thus enhancing the minimization of the 163 kg of packaging waste generated by each European citizen every year.

7. RECOMMENDATIONS

On the basis of the findings, of the visits to the shops, the conversations had with shop founders and especially on the basis of the drivers and barriers identified, this chapter is dedicated to recommendations the author wants to give to the different stakeholders – directly and indirectly – involved in the phenomenon (policy makers; society at large/consumers; packaging-free grocery stores), with the hope that these will foster a system change and the further expansion of the phenomenon.

7.1 To policy makers

- Recognize the diffusion, wide reach and existence of this typology of business activity, by providing sector-specific laws and policies and by ensuring clarity from a regulatory perspective;
- Be supportive in sponsoring and incentivizing packaging-free grocery stores, by looking at them both as business activities, as well as environmental/social and educational hotspots for society at large;
- Reward these shops, lower their taxes (e.g. on garbage) and spread the message through media campaigns. This will send a signal to citizens in terms of: "if you reduce your waste generation (either in your daily grocery as consumer, or by setting up a packaging-free grocery store as entrepreneurs) we support you saving money and saving the environment by lowering your taxes";
- Put taxes on packaging, both for producers and retailers. This would incentivize the shift to unpackaged food in large-scale retailing as well as incentivize innovation towards more efficient technologies, logistics and supply chain operations for unpackaged products;
- Create an investments environment for these kinds of initiatives, e.g. by incentivising the use of crowd-funding through taxes reduction or other benefits. In fact, in Italy crowd-funding is not as diffused as in Europe, where on the contrary it is widely adopted in opening packaging-free shops;
- Educate citizens, starting from children in schools. Set up educational programmes for sustainability. Educate on the devastating effects of waste and waste reduction. Bring children to packaging-free shops and show them the existence of this modality of doing grocery. Teach them how to shop packaging-free.

7.2 To society/consumers/all the readers of this thesis

We all have a role to play:

- Start realizing and observing the 163 kg of packaging waste you yearly generate resulting from your grocery shopping;
- Start step-by-step reducing your packaging waste. For instance, whenever in a conventional supermarket choose products packaged in paper or totally unpackaged;

- Visit www.bepakt.com and localise the packaging-free grocery store close to your place. Start attending such shop: try its products, get to know the entrepreneur, build trust, listen to what he/she has to tell you, and get to know your food's suppliers. Be open-minded;
- And, why not? Start your own packaging-free grocery store or convince someone you know to do it!

7.3 To packaging-free entrepreneurs

- Keep doing what you are doing, it is great! Do not give up! It is hard, but this is the tough job of change-agents!

However, after visiting the different shops some suggestions can be useful to achieve further improvements, and namely:
- *Sell* the paper sachets rather than giving them for free. In this way consumers will realize their value and might be more incentivized to bring reusable containers from home;
- Keep on stimulating people to always bring their containers, eventually they will change their habits;
- Stop using adhesive labels and shift to paper tape. This will make paper sachets fully reusable and recyclable;
- Work hard on building and strengthening the network *"Rete delle piccole botteghe sfuse indipendenti"*. Build power and then send a formal request of recognition and support to national/regional/local governments – e.g. by asking for TARI (tax on garbage) reduction and for media campaigns in support of your business/educational initiative;
- Really put effort in measuring the environmental impact of the shop in terms of packaging avoided, and communicate the numbers to customers. This can be a very important reward tool and also a way to make people conscious and aware that every single purchase can really make the difference. Moreover, when addressing issues of sustainability, it is important to always stay critical of the environmental impact of a "sustainable" venture, by keeping track of its possible worsening or improvement deriving from the shop's activities. Measurement is the first step for improvement!
- Good luck!

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APPENDIX 1 – PRELIMINARY QUESTIONNAIRE

(Translated from the original Italian version)

Dear interviewee, before setting a date to conduct the interview (of approx. 1h-1½h), I would like you to kindly answer the following questions, which I will use to collect some preliminary data for my thesis.

SHOP NAME: ____

Is the shop part of a *franchise* or is it an *independent business*? ____________________

Legal form: (e.g. LLC, others) ______________________________________

Founder name: ____

Name of the person available for the interview: ____________________________

Shop opening date: ____________

Are the concepts of *bulk sales* and *packaging waste reduction* founding values of the shop?

YES **NO**

What is the shop size (shop + storage room square meters)?

How many products in total are sold in the shop? ____________________________

How many *packaging-free/bulk products* are sold in the shop? ____________________

Which categories of *packaging-free/bulk products* are sold in the shop:

- Pasta/rice
- Legumes
- Cereals
- Dry fruits
- The & infusions
- Laundry detergents
- Oil/Vinegar
- Fruits & Vegetables
- Flour
- Cheese/Ham
- Other:____

Since you agreed to take part in the study and to conduct the interview, could you please indicate – in case I would need it afterwards – whether you would like to remain anonymous (your first name or the shop name) or if you consent to be quoted? **QUOTED: **YES** **NO**

Thank you for your collaboration,
Giulia Saladino

APPENDIX 2 – INTERVIEW GUIDE: SEMI-STRUCTURED QUESTIONNAIRE

(Translated from the original Italian version)

PART 1

SUSTAINABLE ENTREPRENEUR:

- Could you please introduce yourself? (e.g. Age, city of origin, study background, previous experiences & jobs)
- Which was your previous job before opening the shop? Which is your current job (is the shop your full time job or do you have an additional occupation)?
- When did you decide to set up the shop? How much time did it take to set it up?
- When did you officially open the shop? ***(Already asked in the preliminary questionnaire)***
- What motivated you in opening the shop? How did the idea of the shop come up to your mind?

VALUES:

- What are (and have been over time) the founding values/main values of the shop? (e.g. packaging reduction, organic/local food, food waste reduction)
- How would you put in order of importance the following values in relation to your shop: "packaging-free/bulk/zero-waste", "organic food", "local food", "products seasonality", or others…?
- Do you think there is a connection between selling "bulk" and "local" products & between selling "bulk" and "organic" products? ***(This question was added after the first few interviews due to the recurrence of the topic)***
- Has the shop always been a packaging-free shop, or is this a value that was added afterwards?

MISSION:

- What is the shop customer target?
- Which kind of customers do you have? Are they loyal customers or more occasional ones? What are they looking for?
- Are they more those who come and do a (more or less) complete grocery shopping, or those who come to buy one or two specific products?
- Why should client come to your shop? Do you offer any added value which makes your shop unique for them?

LEGAL STRUCTURE:

- What is the legal form under which the shop is registered? ***(Already asked in the preliminary questionnaire)***
- Is the shop part of a franchise or is it an independent activity? ***(Already asked in the preliminary questionnaire)***
- Does the shop have any specific certification? (e.g. "organic" certified, B-Corp….)
- Do you follow any particular hygiene regulation?

TEAM:

- How many business partners founded the shop?
- How many people work in the shop?
- Does the shop have any employee?
  →If yes: How many? Men? Women? How old are they? How did you choose them? Are they aligned with the shop's value or is this just a job like any other for them?

PLAN:

→ COMPETITIVE LANDCAPE:

- Who are your competitors? How do you differentiate from them (what is your competitive advantage?)?

→FINANCIAL STRUCTURE

- How much money did you initially invest to start the business activity?
- Did you invest private funds or requested a loan?
- How long did it take to reach breakeven?

• Is the shop profitable now?

→ GROWTH STRATEGY

• What is your growth strategy? What are your future plans?
• Are you thinking of increasing the shop size?
• Did you ever think of opening a second shop?

→ PRODUCTS & SERVICES

• How many products in total are sold in the shop? ***(Already asked in the preliminary questionnaire)***
• How many packaging-free/bulk products are sold in the shop? ***(Already asked in the preliminary questionnaire)***
• Which categories of packaging-free/bulk products are sold in the shop: ***(Already asked in the preliminary questionnaire)***
    • *Pasta/rice*
    • *Legumes*
    • *Cereals*
    • *Dry fruits*
    • *The & infusions*
    • *Laundry detergents*
    • *Oil/Vinegar*
    • *Fruits & Vegetables*
    • *Flour*
    • *Cheese/Ham*
    • *Other………*
• The unpackaged products are: local, organic, "organic" certified, etc...?
• Do you import products from abroad?
• Do you offer additional services and activities to clients? (e.g. delivery service; workshops; events; etc…)

→ BUSINESS ACTIVITY FEATURES

• Do you have/use special technologies or equipment in the shop?
• How is the shop furnished?
• What is the shop size (shop + storage room square meters)? ***(Already asked in the preliminary questionnaire)***
• Do you have your own warehouse?
• Where is the shop situated in terms of location within the area? How did you choose the shop location?

→ CUSTOMER EXPERIENCE

• Do you provide any packaging to customers? Do you give it for free or make people pay for it?
• Are customers served or is it self-service?
• What is the role of the shop assistant? Does he/she give advices and suggests clients about certain products?

→ SUPPLY CHAIN MANAGEMENT

• How many and which typology of suppliers do you have? (e.g. small, medium, large; countrymen; locals)
• Do you manage your logistics autonomously or do you have someone providing this service to you?
• How often do you receive products?
• How do you receive your products from suppliers in terms of packaging?
• Do you promote the concept of packaging reduction with your suppliers?

→ PLACEMENT & PROMOTION

• Are there brands/labels in unpackaged products? Do you sponsor them?
• Do you have more than one brand per product?
• How do you substitute the informative role of packaging?
• Which kind of advertisement tools do you use?
• How do you sponsor your shop?
• Which communication channels do you use to reach customers?

METRICS OF PERFORMANCE & MEASUREMENT:

• Do you measure the environmental impact of the shop?
• Did you ever count/estimate the packaging you avoided?

PART 2

INDIVIDUAL (ENTREPRENEUR) DIMENSION:

• Which role did your previous experience and background play in the setting up process?
• What was the major driver in the setting up process?
• What role did your family and friends play in the setting up process?

ENVIRONMENTAL DIMENSION:

→ **SUPPORTIVE ENVIRONMENT**

• Which role did the (local/national) government played in your experience? Were they of any support or more an obstacle for opening the shop?
• Which role did laws, regulations and bureaucracy play?
• Was any particular regulatory factor an obstacle for the shop opening and growth?
• Which role did/do NGOs play in relation to the packaging-free phenomenon and in setting up the shop? (e.g. WWF; Legambiente; GreenPeace; etc.)
• Are there any awards or recognitions for shops like yours?

→ **LEVEL OF ACCEPTANCE IN PUBLIC DISCOURSE**

• Which role did/do social media, and media in general, play in relation to the packaging-free phenomenon? Are they useful tools to spread the message?
• What was customers' reaction to the shop opening?
• What role did society/consumers' education play in your experience?

→ **ROLE OF INCUMBENTS & COMPETITION**

• Which role does competition play?

ORGANIZATIONAL DIMENSION:

→ **FINANCIAL RESOURCES**

• Was it difficult to find the economic resources to start?
• Did you have any problems in relation to the financial situation of the shop?

→ **HUMAN RESOURCES**

• In case you have employees: Was it difficult to find the right employees? Which role do they play?

PROCESS DIMENSION:

→ **LOGISTICS & SUPPLY CHAIN**

• What are the main barriers/obstacles in terms of logistics and supply chain?

→ **OPERATIONS**

• Is it easy to manage the logistics and all the operations inside the shop?

→ **RELATIONS IN THE VALUE CHAIN**

• Which power do you have over your suppliers both in terms of packaging reduction and price bargaining?

→ **NETWORKS AND LONG-TERM PARTNERSHIPS**

• Was it difficult to create relations with suppliers?
• Are you in partnership with any actor in the value chain?

→ **CONSUMERS' NEEDS & DEMAND**

• What role does consumers demand play? Their willingness to pay? Their preferences?

OTHER:

• Were there any other kinds of incentive or facilitation during the shop setting up process?
• What has been the biggest obstacle in your experience?
• What would you need to grow and expand smoothly?
• How do you see the future of the packaging-free phenomenon, both in relation to small scale shops like yours, as well as in relation to large-scale food retailing?

→ **Would you like to add something else we haven't mentioned?**

APPENDIX 3 – CODING TREE

The figure below represents the coding tree. It is the result of the thematic content analysis conducted through the software NVivo. In total, 11 macro-codes were created a priori. These contained, in turn, a total of 60 sub-codes (including green ones), 11 of which were created a posteriori.