Mind the Trash

Going Eco Across Borders

Ana Margarida Fonseca Carragosela

Dissertation written under the supervision of Nuno Magalhães Guedes

Dissertation submitted in partial fulfilment of requirements for the MSc in Management with Specialization in Strategy and Entrepreneurship, at the Universidade Católica Portuguesa, December 2019.

Abstract

Title: Mind the Trash - Going Eco Across Borders

Author: Ana Margarida Fonseca Carragosela

This Dissertation focuses on Mind the Trash, a young Portuguese company dedicated to fighting excessive waste, through the sale of durable and non-plastic products of excellent quality. Founded in 2017, the company already has a vast product portfolio and a wide desirable reputation, due to the good relationship developed with its customers, its transparency and the quality of its products. After receiving several proposals towards internationalization, the company began to explore the possibility of expanding beyond the Portuguese market, but its business model and the constant need to balance its social and commercial components make the company's expansion an even greater challenge. The main focus of this Dissertation is to recognize and analyse the possible paths that Mind the Trash may pursue in the near future, and assess which would be the most appropriate. This dissertation is divided into three different parts: Case Study, Literature Review and Teaching Notes.

Key Words: Mind the Trash; Social Enterprises; Internationalization; Ecological Footprint; Zero-Waste; Circular Economy; Growth; Focus Differentiation.

Resumo

Título: Mind the Trash –Expandir a Ecologia Além-Fronteiras

Autor: Ana Margarida Fonseca Carragosela

Esta Dissertação centra-se na empresa Mind the Trash, uma jovem empresa portuguesa que se dedica a combater o excesso de lixo, através da venda de produtos sem plástico, duradouros e de excelente qualidade. Fundada apenas em 2017, a empresa já apresenta um vasto portfólio de produtos e uma reputação invejável, fruto da boa relação com os seus clientes, da sua transparência e da qualidade dos seus produtos. Depois de recebidas algumas propostas de internacionalização, a empresa começou a analisar a possibilidade de abrir horizontes e de se expandir para além do mercado português, mas o seu modelo de negócios e a constante necessidade de manter equilibradas as suas componentes sociais e comerciais, tornam a expansão num desafio ainda maior. O principal foco desta Dissertação baseia-se na avaliação dos possíveis caminhos futuros da Mind the Trash. Esta Dissertação encontra-se estruturada em três partes diferentes: Caso de Estudo, Revisão de Literatura e Notas de Ensino.

Palavras-Chave: Mind the Trash; Empresas comerciais com carácter social; Internacionalização; Pegada Ecológica; Lixo Zero; Economia Circular; Crescimento; Diferenciação de Foco.

Acknowledgements

First, I would like to thank Catarina Matos, one of Mind the Trash's founders for sharing her knowledge and for providing me with the so much needed information, that allowed me to develop my Case Study.

I would also like to express my sincere gratitude for the support and patience of my Dissertation advisor, Nuno Magalhães Guedes, whose guidance, detailed feedback and dedication played a crucial role in the development of my Dissertation.

A very special thank you to my parents and family, for the tremendous support and help throughout my Dissertation and academic life. I would never have been able to do it without them.

I would also like to express my appreciation to my friends Khatija Jussub, Teresa Barros, Sara Palhas and Joana Figueira for their caring advice, support and encouraging words. Also, I would like to thank my colleague Daniela Plácido for her thoughtful feedback within the Dissertation Seminar.

Lastly, I am profoundly thankful to David Carvajal for his assistance, encouragement and for always believing in me.

Table of Contents

ABSTRACT ..... **I**

ACKNOWLEDGEMENTS ..... **III**

TABLE OF CONTENTS ..... **IV**

LIST OF ACRONYMS ..... **VI**

I. CASE STUDY **1**

ROAD TO MTT 1

THE RISE OF A SOCIAL ENTERPRISE 2

RETAIL EVOLUTION AND CONSUMER BEHAVIOUR 4

DISTRIBUTION CHANNELS 6

COMPETITORS 7

THE CROSSROADS OF THE FUTURE 8

II. LITERATURE REVIEW **10**

1. SOCIAL ENTERPRISE 10
2. TRENDS 12

2.1. Green Behaviour and Business *12*

2.2. Green and Natural Products *13*

2.3. Waste *14*

3. REPUTATION AND VALUE PROPOSITION 17

III. TEACHING NOTE **19**

LEARNING OBJECTIVES 19

ANALYSIS 19

IV. CONCLUSION **38**

V. CASE STUDY EXHIBITS **39**

EXHIBIT 1 – MIND THE TRASH MOST ORDERED PRODUCTS 39

EXHIBIT 2 – MIND THE TRASH NATURAL INGREDIENTS PRODUCTS 40

EXHIBIT 3 – MIND THE TRASH PRODUCTS AIMING TO REDUCE PLASTIC 41

EXHIBIT 4 – MIND THE TRASH DIFFERENT HAIR TYPES SOLID SHAMPOOS 42

EXHIBIT 5 – MIND THE TRASH INCOME STATEMENT 42

Exhibit 6 – National Index of Conscious Consumption 43
Exhibit 7 – Conscious Consumption Observatory: "I am willing to pay more for a product with less environmental impact or pay a fee"... 43
Exhibit 8 – Information on selected competitors 44

VI. REFERENCES.. 47

List of Acronyms

MtT	Mind the Trash
SE	Social Enterprises
VP	Value Proposition

I. Case Study

It was a sunny Summer day in August 2019 when Catarina Matos and Christian Andersen, founders of Mind the Trash[1], met at the office in Lisbon, to discuss the future of the company.

MtT was established in 2017 as a Portuguese on-line store and blog, which offered customers and readers alternative products aiming to reduce the ecological footprint of individuals and lifestyle advice to promote the consumption of natural products. The early positive results of the company generated a fast growth pace and revenues of almost €100.000 in 2018.

After having rejected proposals in the past to expand to other countries, it was a well-suited moment to discuss whether the company should remain operating in Portugal only. Although both entrepreneurs agreed that those proposals indicated that the future of the company could encompass an expansion to foreign markets, several questions were raised during the discussion. While Catarina was concerned that it would be difficult to find trustworthy and environmentally responsible employees able to maintain the company's values and best practices, Christian wondered if a too early international expansion could jeopardize the future of MtT.

Road to MtT

It all began long before environmental awareness was a hot topic. Catarina Matos became aware of the excessive number of plastic bags being wasted and started investigating sustainable alternatives such as purchasing vegetables and fruits at local markets and changed her habits to live merely with the fundamentals.

In 2014, Catarina quitted her job in Lisbon, as an architect, for a new one in London, and realized that the amount of unnecessary plastic used there was even more alarming. However, Catarina found that she was able to find more sustainable solutions than at home. Not simply

[1] From now on MtT.

committed to becoming zero-waste, she was also searching for natural products and started experimenting homemade cosmetic recipes with natural ingredients, avoiding those that could cause health issues. This led Catarina to share her knowledge on how to reduce the ecological footprint and successful homemade cosmetic recipes. For that, she created an Instagram account called ‘Mind the Trash’.

In 2017, returning to Portugal, Catarina was fully aware that Lisbon didn’t have the same alternatives to maintain her previous lifestyle. So, along with Christian, her Danish boyfriend at the time, she founded the first Portuguese zero-waste on-line store. Although firstly the main goal was merely to satisfy the needs that their way of life required, both quickly recognized an increasing demand for this market.

The Rise of a Social Enterprise

The business was established with the savings of Catarina and Christian while both maintained a full-time job. The rationale behind opening an on-line store was primarily to ensure access to all interested customers. With the growth of MtT, both decided to devote all their time to the company.

The office was created upon recycled items such as paper, files, and notebooks. MtT received previously used boxes from its customers to reuse in orders, as the company had no problems sending its orders in a Zara box. All orders were directly sent by Catarina to avoid the use of plastic in the package by the distribution company. So, the company was able to reduce its costs and its ecological footprint and set itself as an example.

Catarina considered of absolute importance that all the items available in the store were products the entrepreneurs would recommend since they were all previously used and tested. This was applied for items both purchased from outside suppliers and produced in-home. The on-line service offered diverse products for distinct effects. Not counting product varieties, for instance, toothpaste flavours and designations, the on-line store offered 206 products. It presented products for the house, cosmetics and even for parties, providing ecological solutions (see Exhibit 1, 2 and 3). Whenever the founders weren’t satisfied with any product available in the market, the company would attempt to produce it. It was the case of the solid shampoos, that required a long process until finding the perfect formula, which received exceeding feedback from customers (see Exhibit 4). Although the portfolio of items produced by the company included only 15 products, the in-house production of more articles was part of its upcoming plans, including solid hair conditioner, solid shower gel, and solid dishwashing soap. MtT bought products from more than 35 outside suppliers' brands such as Georganics, Grums Aarhus, Serradura, Patch, Last Straw, and Biataki.

The company rarely invested in Marketing. Magazine and on-line articles weren't paid, and the feedback of its customers and the workshops were the main providers of visibility. However, the company established a partnership with two ambassadors that shared the values and lifestyle of the company. More than selling products, Catarina wanted to preserve the intimate relationship with its followers on Instagram and the blog by uploading spontaneous posts of what she considered relevant. The friendly and close relationship developed was cherished by customers, setting an element of differentiation.

The entrepreneurs considered the company's workshops a key activity and defined the task of distinguishing and selecting the products that were truly sustainable as its key challenge. Moreover, the main drivers of the business were customer satisfaction, product quality, quality of the service, consistency, transparency and no debt policy.

By the beginning of 2019, the company had already reached the break-even point. MtT growth (see Exhibit 5) was based on the increase of the demand for green alternatives, requiring the team to expand to four people.

The goal was to grow sustainably. Believing that "It isn't the machines that need jobs and money, it is the people", it was important to invest in local businesses, although they could lack the capacity of satisfying larger orders overnight. To avoid pressure on the business figures, investors weren't sought after. Therefore, investment proposals were rejected.

MtT operated under two distinct business models, as a Business to Consumer (B2C) and also as a Business to Business to Consumer (B2B2C). Regarding the latter, the company had partnerships with small stores throughout the country that resold products from the external suppliers and MtT manufactured products.

The company was an example and an inspiration to everyone looking for an eco-friendlier life, not only due to offering the finest products that could satisfy the clients' requirements of a more zero-waste life but also due to the close relationship with its customers - for example, sharing office's practises to reduce waste. Clients knew they were buying from a company that practised what it was selling, which was particularly important in this market. Along with the high-quality service based on fast responses and deliveries, MtT presented a unique service that differentiated the company from its competitors.

By the summer of 2019, MtT on-line store had about 4,000 visits per week and around 4,33% of the visitors would buy something, the company claiming many of those being loyal and regular customers.

Retail Evolution and Consumer Behaviour

Before the Industrial Revolution, the concept of supermarket didn't exist since each store sold specific types of products. If the people needed bread they had to go to a bakery, and if they needed meat they had to go to the butcher. Around this era, the concept of a store with several departments was introduced. Some decades later, with the introduction and fast pace of the internet, retailers had to keep pace. For doing so, retailers started providing an online experience. With the continued growth of e-commerce, more brands were preferring to start their business through an on-line platform and only then open a physical space, because although the on-line process brought convenience it didn't invalidate the fact that some preferred to have physical contact with the products they were buying. Nevertheless, e-commerce was a solution applauded by younger generations due to the reduced effort involved in the purchasing process.

The retail industry could be considered as one of the most energetic and fastest-growing industries and had been affected and shaped by several trends. The escalation of the deterioration of the environment created awareness and knowledge regarding the causes, consequences and possible solutions to diminish the environmental negative repercussions. All this highlighted the importance of replacing non-conscious habits, characterized by the excessive consumption of resources and disposable items, with sustainable behaviours with an inferior environmental impact. This subject turned into a constant civic concern in developed countries and had been escalating in developing countries.

The rise in interest for environmental conscious consumption meant serious transformations. Consumers were greatly concerned regarding firms' ethics and transparency, which could dictate the final purchasing decision. To benefit from this tendency and along with the global growing pressure to go green, companies felt obliged to adjust to the new needs by embracing environmentally-friendlier processes.

Green retailing could be defined as a retail approach aiming to implement practices that protect the environment or cause less harm. Measures such as shifting packages to eco-friendlier alternatives or providing reusable bags were already taking place, as well as efforts to diminish the consumption of energy. There was a great deal of discussion whether turning green paid off, however many retailers noticed that customers with higher environmental concerns were making its purchasing choices accordingly. The increase of ecological practices by some retailers persuaded others to start acting to keep the pace, influenced consumers positively and contributed to increased pressure on the suppliers' side. The increasing offer of non-polluting products that could be recycled or reused contributed to help combat environmental degradation. Thus, it was up to the industry to offer ecological alternatives to foster an environmentally-friendlier economy.

Other motivations led the industry to adopt green measures. The retailers realized that being associated with eco-friendly products and practices helped differentiate themselves from the others in the market. Also, when the retailers were able to assure its clients the advantages of its greener products it enabled them to charge higher prices. Throughout the years, the sector took steps towards the adoption of more green measures and products.

Yet for some, the changes and the sustainable products' portfolio offered by the existing retailers were still not enough. To fully support the new conscious consumer trend, new companies emerged to fulfil the demands of the most committed consumers. These firms followed zero-waste strategies and presented alternatives to cut-off the waste footprint. Similarly, sustainability markets and events were multiplying all over the country and Europe, confirming there was a growing need that the public urged to see satisfied. The first zero-waste shop, Unpackaged, opened in London in 2007. Later on, the number of zero-waste stores spread all around the world, although most were still located in Europe.

With the continuous growth of the green movement, some institutions in Portugal considered relevant to analyse the evolution of the conscious consumption in the territory. In 2015, the Conscious Consumption Observatory was created, an initiative of the Consumption Forum in partnership with GfK, IADE[2] and the Lusófona University, that run a yearly study in Portugal, based on attitudes, sustainable consumer behaviour and environmental concerns among others. According to the latest edition in 2017, there was still a long way to go, although the environmental concern was higher than in the previous year (see Exhibit 6). Correspondingly, there was also an increase in the willingness to spend more on a product with less environmental impact (see Exhibit 7). In 2017, there was a slight recovery of the conscious consumption and even though the Portuguese people had already a sense of responsibility regarding the need to change consumption behaviours, a more sustainable lifestyle wasn't yet fully adopted. Nevertheless, there was still a significant change in the behaviour of the Portuguese consumers, as the demand for products less harmful to the environment had increased, especially by young adults and individuals who were actively looking for environmentally conscious alternatives.

Distribution Channels

The first distribution channel was direct-to-consumer, the company's manufactured products being directly sold to customers via its online store, with no intermediaries. Second, when the products weren't produced in-house, the company would function as a retailer, buying directly from the manufacturer and selling the products straight to the end consumer through its on-line platform. For the several business partners reselling the MtT produced goods, the company operated as a manufacturer, selling directly to a retailer who would afterwards sell to the final clients. The firm would also behave as a wholesaler when purchasing the items directly from another producer and selling them to its partner retailers, who in the end would sell to the final consumer.

[2] Faculty of Design, Technology and Communication of Europeia University.

When buying online, the company website provided clients with multiple delivery options. The only alternative that didn't carry any additional cost was to pick up their orders at a pre-scheduled date and time at the headquarters. However, clients could also select one of the paid alternatives, such as delivery at their desired address or a Chronopost Pickup Point. In addition, the company was able to provide the delivery service on the same day if the purchase was done in Lisbon, until 2 p.m., between Monday and Friday.

The delivery service was available worldwide and although Catarina herself would always seek the best price option, it was likely that the client would still bare high costs, resulting in a less appealing and feasible option.

Regarding the payment process, there were several possibilities available. Individuals all over the world could either pay with Debit and Credit Card or PayPal. The clients who owned a Portuguese bank account had additional options such as paying in an ATM terminal, using their banking app or by MB WAY[3].

At the end of the purchase, the customer would receive points, bared on the products bought and their value, which would lead to a discount on a future order.

Competitors

The rising awareness regarding environmental problems increased significantly the demand for ecological alternatives, resulting in the proliferation of physical and on-line stores, striving for the same purpose. Its most direct competitors were Pegada Verde, Unii Bio, Maria Granel and Celeiro (for information on competitors, see Exhibit 8).

[3] MB WAY was a smartphone app that allowed users in Portugal to shop on-line and in physical stores, to generate virtual cards, send money, split accounts and also withdraw money.

The Crossroads of the Future

Given the received proposals to cross national boundaries, both Catarina and Christian wondered about the possibility of a future internalization of the company and the hurdles it would have to overcome. All possible scenarios would need to be considered and followed by a thorough analysis. All proposals received were from admirers of the company's work that weren't living in Portugal and were interested in replicating it in their countries to help make a change in their corner of the world.

Finding the right and trustable people to represent the company in another country, who shared the same values and mission, and displayed exemplary behaviours that would set an example for its customers was crucial to continue the work that had been done in Portugal and, most importantly, not to harm its reputation. Also, the entrepreneurs considered that happy and motivated employees could do a much better job. Thus, to achieve the company's goals, it was of extreme importance to discover an accountable and flexible manager with the capacity to provide a good work environment and to stimulate and leverage other workers' expertise and strengths. However, the risks involved in hiring new employees had to be contemplated, as it would increase the overhead expenses, highlighting the importance of establishing an exceptional team.

The internationalization action would raise other challenges related to the present local and small-scale suppliers. Would suppliers be able to hire more employees and thus increase production in such a way that it would be possible to export to another country while keeping the Portuguese market satisfied? Would it be worth it, in the face of shipping costs and import taxes if outside the European Economic Area? Also, a new country with a different language would require changing the packaging. One thing was sure, producing solid shampoos in a different factory wasn't an option. Although the entrepreneurs could try to find a factory with reliable people and with decent costs, it was a risk Catarina was unwilling to bear due to the high quality of the product. All other items manufactured in Portugal as kitchen brushes and sponges, handkerchiefs and shopping cloth bags were options that needed deliberation. Given that the object of study was a company that lived under the premises of sustainability, additional aspects were to enter the export equation. Costs and time wouldn't be the only variables to consider: exporting to another country would demand long-distance transportation, which would translate into high polluting carbon emissions. Or could the company find a less polluting solution without compromising sustainability? And if so, could it afford those costs? On the other hand, if the company wouldn't decide to export these products, it would need to start a whole new process of finding suitable suppliers for its production in the new country. MtT was aware of the difficulties it would have to face in order to run and manage an effective supply chain that crossed national borders.

Most countries bore some sort of import taxes that the company would need to take into consideration if considered territories outside the European Economic Area. Also, if the destination country wasn't within the Euro Zone, attention to currency rates would be required. Sizable fluctuations in the currency rates could strongly impact positively or negatively the business. Finding local suppliers could be a solution to diminish the effects of the fluctuations, since the payments to suppliers would be in the same currency as the sales. Thus, the entrepreneurs knew that monitoring closely these fluctuations was mandatory if this path were to follow. Regarding the selection of the country, the cultural differences, the interest for zero alternatives from the local market, as well as the local competition would require consideration.

In the face of the possible geographical distance involved in the process, one concern that came to the entrepreneurs' minds was the question "How are we going to find a Catarina and a Christian?". One major factor that differentiated the company from the others in the market was Catarina, who had the reputation of being genuine and enthusiast and was held dear by the company's clients. On top of that was the fact that she not only preached but also acted accordingly to what her company was selling, as she often showed on MtT's Instagram account.

Inaction could lead MtT to be swallowed by the fast proliferation of similar companies and make it lose the potential first-mover advantage. Notwithstanding, the founders had to ensure that the company was solid and ready for the challenges of expansion in order to thrive and continue growing. If internationalization were the path, a thorough analysis of the advantages and drawbacks of the countries was effectively required to select the most suitable market to expand.

II. Literature Review

1. Social Enterprise

In recent years it has been possible to observe an increase in the number of Social Enterprises[4], organizations that pursue commercial activities but have also a social mission, thus operating at the intersection of both the commercial and social sectors (Battilana, Sngul, Pache, & Model, 2015). The combination of having both business and social intentions is what distinguishes SE from commercial companies where social problems are just supplementary and non-profits that are dependent on donations to support their social causes (Besharov & Smith, 2014; Dacin & Tracey, 2011; Wry & York, 2017).

SE address today's social and environmental problems. However, several ethical dilemmas arise for the leaders of these organizations (Dees, 2012; Margolis & Walsh, 2003; Smith, Gonin, & Besharov, 2013), since they integrate business and social components which can often have contradictory objectives (Dacin & Tracey, 2011; Mair & Marti, 2006; Short, Moss, & Lumpkin, 2009; Wry & York, 2017), considering that they serve the customers of their commercial activities and the beneficiaries of their social activities, resulting in challenges that the enterprises need to address (Battilana et al., 2015). According to Ramus, La Cara, Vaccaro, and Brusoni (2018), successfully combining both social and commercial activities is quite demanding because requires handling conflicting organizational measures (Canales, 2013), principles (Besharov, 2014), and stakeholders (Pache & Santos, 2013) that plea conducts (Smith et al., 2013), either commercially or socially dominant (Ashforth & Reingen, 2014; Smith et al., 2013).

When SE give priority to quantifiable metrics it might direct the firms' objectives to focus mainly on the business, while the dedication of social entrepreneurs might drive the business to be socially dominant (Smith et al., 2013). SE are often established due to the profound commitment of social entrepreneurs to the social mission (Bomstein, 2004; Smith et al., 2013). However, if taken to the extreme it might lead the enterprise to collapse due to the detriment of the commercial component (Smith et al., 2013). The characteristics and traits of social

[4] From now on SE.

entrepreneurs that create and maintain SE were previously explored (Smith et al., 2013; Zahra, Gedajlovic, Neubaum, & Shulman, 2009) and scholars concluded that to integrate divergent components in a business it will require entrepreneurs with extraordinary enthusiasm and dedication for the firm's social mission (Bomstein, 2004; Dees, 2001; Smith et al., 2013), with ethical considerations to maintain the focus on social well-being (Pache, 2013; Smith et al., 2013), with the capacity to manage antagonistic needs that arise from the different rationales (Smith, Besharov, Wessels, & Chertok, 2012; Smith et al., 2013), and finally with the ability for contradictory and perplexing thinking (Smith et al., 2013; Tracey, Phillips, & Jarvis, 2011).

Considering that SE handle beneficiaries and clients at the same time, the main focus often tends to centre in its clients, since the companies depend on them to survive. For this reason, when SE serve different groups of clients and beneficiaries, the needs of the latter are often neglected, which can threaten the social element and question its foundations (Battilana et al., 2015). To engage in unified actions, having a well-defined and consistent enterprise identity can help lead and unite its members. Nevertheless, some enterprises possess hybrid identities that combine identities that wouldn't typically be expected to be found together (Albert & Whetten, 1985; Smith et al., 2013).

Kang (2017) stated that the perception of social value created by SE can constitute intangible assets and thus provide differentiating capabilities. Assets as trust and reputation are positively affected by SE's creation of social value. Kang contradicts others that argue it wouldn't be possible for SE to maintain in the long-term its competitiveness over competitors, and thus continue to exist due to the lack of congruity between social and economic value. Instead, Kang defends that the intangible assets will strengthen the firm's differentiating competitive competences, leading to the creation of lasting performance. Therefore, enhancing SE's social value and actions that improve customers' ability to recognize the social value of the enterprise can help to build a competitive advantage (Kang, 2017).

2. Trends

2.1. Green Behaviour and Business

With the increasing concerns regarding the environmental threats the world is facing, awareness on the topic rose. As a consequence, people's behaviours changed towards more sustainable practices (IPCC, 2018), which resulted in a colossal growth of the green market (Fan, Chen, & Fan, 2019).

It is challenging to alter consumers' consumption behaviours and patterns when dealing with environmental issues (Pietzsch, Ribeiro, & Medeiros, 2017). General consumers commonly display positive signs regarding sustainable and ecological products but don't purchase sustainable products often. On the other hand, conscientious consumers favour more ecological products and consider every sustainable aspect in each phase of the life cycle of the products, including the purchase decision (Eberhart (née Moser) & Naderer, 2017). According to a recent Deloitte study that analysed 6,498 shopper experiences in the U.S., environmental concerned purchasers are a valuable consumer target. These shoppers not only visit the stores more frequently and buy more items each time they go but also revealed more brand loyalty (Yenipazarli & Vakharia, 2017).

An enterprise is able to shape the opinions of ecologically concerned clients about its products by creating new products that are clearly an improvement for the ecosystem or simply by complementing the existing ones with green features (Hopkins, 2010; Yenipazarli & Vakharia, 2017). To address these trends, many companies are introducing these changes in their products' portfolio to capture environmentally conscious consumers (Delmas & Burbano, 2011; Fan et al., 2019).

As stated by Brewer (1991), a green business must include in its value chain structure environmentally friendly aspects to comply the best possible with the 5 R's (Reduce, Recycle, Reuse, Repurpose and Refuse), and thus satisfy social prospects. Piasecki (1995) pointed out that the eco-friendly strategy of the company must comprehend economic prosperity, compliance with the law and responsibilities, all in accordance with the best possible environmental-strategy. While Park, Jaworski, and MacInnis (1986) identified the benefits of green businesses as financial benefits, experiential benefits, and symbolic benefits, Aaker

(1996) divided them into functional benefits, emotional benefits and self-expressive benefits. All the benefits were analysed from the business standpoint and so the perceived benefit describes the advantages that were recognized from implementing the ecological business (Chen & Wu, 2015).

2.2. Green and Natural Products

Sahni and Osahan (2018) suggested that green products possess extremely long-lasting and recycled composition or rapidly-renewable materials with little emissions, and Lampo and Leong (2014) characterized them as products able to conserve the environment and create lower pollution, recyclable, clean and healthy, nontoxic and money-saving products. Green products can be described as products that combine characteristics such as recyclable, decomposable, less energy-consuming with reduced emissions and not harmful to the ecosystem. The terminology can be used for products that are safe to consume and that combine an environmentally-safe component that guarantees they will be decomposable or recycled without leaving traces of harmful chemicals after utilisation (Sahni & Osahan, 2019).

The green market is typically asymmetric regarding available information and so it is quite complex for consumers to differentiate truly eco-friendly products even after their use or consumption (Fan et al., 2019; Giannakas, 2002). When there is insufficient product information, consumers often use product prices as a quality indicator (Fan et al., 2019; Wolinsky, 1983). For this reason, consumers tend to consider that a premium product signals either a green improvement or a quality assurance (Bagwell & Riordan, 1991; Boulding & Kirmani, 1993; Fan et al., 2019).

The perceived price fairness is a significant and influential indicator of buying intentions for green products (Fan et al., 2019; Wertenbroch & Skiera, 2002; Essoussi & Linton, 2010). Firstly, consumers make efforts to gather as much information as possible about the product and its quality. When it isn't possible to collect enough information, usually consumers end up adopting price as an indicator to assess the product's quality (Fan et al., 2019; Wolinsky, 1983). If customers consider that the value of the green products will act as a contribution to environmental welfare, consumers will perceive that they are doing something positive for the ecosystem (Fan et al., 2019; Koschate-Fischer, Stefan, & Hoyer, 2012). Therefore, they will balance their values, such as the product's quality and its value-added, with the costs and evaluate the product’s price (Fan et al., 2019; Habel, Schons, Alavi, & Wieseke, 2016).

Regular personal care products often contain ingredients that might negatively affect human health (Eberhart (née Moser) & Naderer, 2017; WHO, 2011). Natural ingredients products are certified products that contain only natural raw materials in their composition and that intend to reduce the underlying risks for the health of human beings and the environment (Eberhart (née Moser) & Naderer, 2017). Throughout the product's chain of production, both ingredients and production processes reflect full consideration for sustainable development. Genetic manipulation and animal testing are absolutely rejected (BDIH, 2016; Eberhart (née Moser) & Naderer, 2017; Natrue, 2016), as well as substances that are derived from petroleum or parabens, since ingredients like parabens or phthalates may disturb the human hormonal system and even cause cancer (Christiansen, Kortenkamp, Axelstad, Boberg, Scholze, Jacobsen, Faust, Lichtensteiger, Schlumpf, Burdorf, & Hass, 2012; Eberhart (née Moser) & Naderer, 2017). In sustainable personal care products, it can be verified in the label that it only contains natural raw materials such as vegetable and essential oils, fats and waxes, herbal extracts and aromatic ingredients from meticulous biological cultivation or organic wild collection (Eberhart (née Moser) & Naderer, 2017). Unsustainable production of personal care products can have a negative impact on the environment as the consumption of water and land is often excessive and may even contribute to climate change. It has been studied and recognized that exists a correlation between the use of palm oil and petroleum-based raw materials with climate change and alterations in biodiversity (Eberhart (née Moser) & Naderer, 2017; Reijnders & Huijbregts, 2008).

2.3. Waste

2.3.1. Zero-Waste and Circular Economy

Aligned with the increase in world population, the expansion of the economy and the rise of quality of life standards is the considerable increase of solid waste production, especially in developing countries (Guerrero, Maas, & Hogland, 2013; Minghua, Xiumin, Rovetta, Qichang, Vicentini, Bingkai, Giusti, & Yi, 2009; Song, Li, & Zeng, 2014). Excessive solid waste has become one of the highest topics of concern for global environmental issues (Seng, Kaneko, Hirayama, & Katayama-Hirayama, 2010; Sharholy, Ahmad, Vaishya, & Gupta, 2007; Song et al., 2014). In its production, waste uses natural resources such as water, land and energy and its production often results in pollution as well as in an additional cost for waste management. Song, Li, and Zeng (2014) defined waste as the representation of the inefficiency and misused resources of modern society. In a circular system such as zero-waste, the same materials are used repeatedly until they reach the optimal level of consumption, therefore there are no wasted or underused materials (Colon & Fawcett, 2006; Mason, Brooking, Oberender, Harford, & Horsley, 2003; Murphy & Pincetl, 2013; Song et al., 2014). Thus, when the products no longer have utility for its initial function, they are reused or repaired. When it isn't possible, the products are recycled or recovered and used as inputs, replacing the necessity for the extraction of more natural resources. In a zero-waste system, all materials are useful, unlike traditional industrial models in which waste is the rule. The zero-waste system advocates the need to transition from the traditional models to zero-waste, in which companies can minimize waste and the unnecessary exploitation of natural resources. The "R's Rule" is considered the foundation of environmental awareness and a way to encourage environmentally conscious behaviours, which if adopted will reduce the need to consume so many materials and energy, consequently sustaining the health of the environment. The most efficient way to reduce the amount of waste is through waste prevention. The amount of waste is reduced when it isn't produced. Some actions can be taken with this purpose in mind, such as moving from disposable to reusable products or buying longer-lasting goods that contain no toxic substances either in their composition or packaging. The fact that consumers want new things can conspire against reuse (Song et al., 2014).

The solid waste management process is aligned with a linear economy, in which the production cycle comprises the phases of raw material extraction, product production, sales, consumption, and disposal (Curran & Williams, 2012; Pietzsch et al., 2017; Zaman, 2014a). More than 1.47 billion tons of waste is generated worldwide per year (Zaman, 2016), and most of it is managed inefficiently (Pietzsch et al., 2017; Wilson, 2006; Zaman, 2015), denoting its unnecessary premature end of usage life. While 84% of the world's solid waste is collected, only 15% is recycled and most of it is taken to landfills (Pietzsch et al., 2017; Zaman, 2016). On average one person generates about 435 kg of waste per year (Pietzsch et al., 2017; Zaman & Swapan, 2016).

Given that improperly deposited solid waste increases greenhouse gas emissions, endangers soil and vegetation and threatens public health (Pietzsch et al., 2017; Sjöström & Östblom, 2010), the need to shift towards a more circular economy becomes clear (Curran & Williams, 2012; Lehmann, 2011; Pietzsch et al., 2017; Zaman, 2015). The circular economy intends to improve the efficiency of the consumption of natural resources, mainly concerning urban and industrial waste (Ghisellini, Cialani & Ulgiati, 2016; Pietzsch et al., 2017). Product's lifecycle planning shouldn't only focus on the disposal moment, but also consider the reintegration of the waste into new production processes (Montalvo, 2003; Pietzsch et al., 2017; Rennings, 2000; Zaman & Lehmann, 2011), or the reuse to fulfil other demands (Pietzsch et al., 2017; Smol, Kulczycka, & Kowalski, 2016; Strazza, Magrassi, Gallo, & Del Borghi, 2015). However, it is necessary to understand that the implementation of a circular economy is still in the beginning, as it still focuses mostly on recycling rather than on reuse (Ghisellini et al., 2016; Pietzsch et al., 2017).

2.3.2. Zero-Waste Packaging

Marsh and Bugusu (2007) defined packaging waste as all the discarded materials that were used for the containment, protection, handling, delivery, and presentation of products. The massive amount of materials used in product packaging, which are often oversized to please and improve customer perception, lead to problems such as the use of unnecessary resources and waste (Song et al., 2014). In developed countries, the packaging is so excessive that it has become normal unwrapping several layers of packaging just for a small piece of chocolate (Ji, 2013; Song et al., 2014; Zheng, 2013). Products that contain excessive packaging cause major damage to the environment, as product packaging is often discarded quickly and ends up in landfills. Due to the high amount of plastic packaging waste that enters directly the landfills and the extremely slow process it takes for it to disappear, it creates environmental problems such as increased landfill cargos and toxic emissions to the atmosphere (Song et al., 2014). Adopting zero-waste strategies and packages helps to eliminate the production of waste and contributes to lower consumptions of resources such as water and energy (Song et al., 2014).

3. Reputation and Value Proposition

Reputation is an intangible asset and is often described as the stakeholders' discernment of the firm's ability to create value in comparison to competitors (Parker, Krause, & Devers, 2019; Rindova, Williamson, Petkova, & Sever, 2005), of the quality of the company's competences and outputs (Parker et al., 2019; Pfarrer, Pollock, & Rindova, 2010), or its capability to provide value along dimensions (Bundy & Pfarrer, 2015; Deephouse & Carter, 2005; King & Whetten, 2008; Parker et al., 2019). Organizational reputation is created through the processing and decoding of the information cues (Bitektine, 2011; Etter, Ravasi, & Colleoni, 2019; Sjovall & Talk, 2004) to eventually constitute an evaluative judgment about the organization (Etter et al., 2019; Highhouse, Brooks, & Gregarus, 2009; Mishina, Block, & Mannor, 2012).

Bundyand Pfarrer (2015) distinguished reputation from social approval since the latter is established on intuitive, emotional evaluations and accounts for the final perception and empathy towards firms, while reputation along with considered and analytical processes helps direct stakeholders formulate their evaluation of the firm's reputation in their minds (Parker et al., 2019). Cues can derive from the exposure to the actions of a firm as for instance being in contact with its products. Also, some cues are implanted by other actors, as it is the case of the media (Deephouse, 2000; Etter et al., 2019; Pollock & Rindova, 2003), who examines the company's actions and then publish their evaluations, consequently influencing stakeholders' perceptions and opinions (Etter et al., 2019; Rindova, 1997). Corporate communication and symbolic action are two available ways for firms to intentionally disseminate cues that will have a positive impact on their reputation (Etter et al., 2019; Petkova, Rindova, & Gupta, 2013; Rindova & Fombrun, 1999). Reputation can be considered cumulative since it is constructed over time (Balmer, 2003; Scott & Walsham, 2005) based not only on the present but also on past behaviours and actions of the firm, as previous performance is vital to the creation of reputation. Reputation represents historical information and also projects into the future (Scott & Walsham, 2005). As stated by Rumelt (1984), an organization's reputation is intimately linked with its longevity since it plays an important role in the firm's competitive position.

Several scholars discovered a connection between reputation and the firm's performance (Brown & Perry, 1994; Deephouse, 2000; Fombrun & Shanley, 1990; Walker, 2010). For some, reputation is the single most valuable asset an organization can have (Gibson, Gonzales, &

Castanon, 2006; Walker, 2010). Competitive markets are gradually affected by the important role reputation plays (Abimbola & Vallaster, 2007; Walker, 2010). A positive reputation can generate strategic advantages as reducing firm's costs (Deephouse, 2000; Fombrun, 1996; Walker, 2010), the opportunity to charge premium prices (Deephouse, 2000; Fombrun & Shanley, 1990; Fombrun, 1996; Rindova et al., 2005; Walker, 2010), hiring staff (Fombrun, 1996; Turban & Greening, 1997; Walker, 2010), investors (Srivastava, Crosby, McInish, Wood, & Capraro, 1997; Walker, 2010) and clients (Fombrun, 1996; Walker, 2010), increasing profits (Roberts & Dowling, 2002; Walker, 2010), thus generating competitive barriers (Deephouse, 2000; Fombrun, 1996; Milgrom & Roberts, 1982; Walker, 2010). Moreover, holding a good reputation increases the probability that stakeholders will contract with the company (Deephouse, 2000; Rhee & Haunschild, 2006; Walker, 2010).

Lanning and Michaels (1988) emphasised the significance of communicating value in offerings. (Kotler & Armstrong, 2010; Kowalkowski, Persson Ridell, Röndell, & Sörhammar, 2012; Peter & Olson, 2010; Schiffman, Lazar Kanuk, & Hansen, 2012;). According to Lindi and Marques da Silva (2011), value proposition[5] might be defined as the way the products and services of a given company differ from the offer of the competition. The differentiation might occur due to factors such as a firm's reputation, image, design, features, location or customer support (Afuah & Tucci, 2001; Caruana, Money, & Berthon, 2000; Kleber & Volkova, 2016; Trkman, 2010). Three main steps should be considered when developing a VP: (1) Select the value; (2) Deliver the value; and (3) Communicate the value (Kotler & Armstrong, 2010; Kowalkowski et al., 2012; Peter & Olson, 2010; Schiffman et al., 2012).

The VP can be influenced by the perceived brand reputation and customer relationship. From the customer's standpoint, in particular situations, it might be difficult to assess to what extent the value pledged will be performed. Therefore, a brand with a strong reputation will bear higher impressions on customers than an unfamiliar brand would with the same VP (Payne, Frow, & Eggert, 2017). Customers perceive strong brands as guarantees (Anderson & Weitz, 1992; Payne et al., 2017) and as reliable commitments that the company will supply the promised value (Gundlach, Achrol, & Mentzer, 1995; Payne et al., 2017). Thus, clients will act according to their knowledge and trust in the firm (Chaudhuri & Holbrook 2001; Keller 1993; Payne et al., 2017).

[5] From now on VP.

III. Teaching Note

Learning Objectives

With the analysis of this case study, students should be able to improve their capacity to:

- Recognize how trends can affect and generate new markets.
- Identify sustainable market customers' characteristics.
- Identify the strategic standing and VP of MtT and its sources of competitive advantage.
- Identify MtT's critical success factors and assess its importance for the firm's expansion.
- Identify and analyse strategic challenges and obstacles of companies with a social mission and suggest possible strategic actions for the future.

Analysis

1. What is MtT's VP and what are the strategic choices that support it?

Individuals are searching for alternative products that aim to reduce their ecological footprint through more conscious behaviours. Customers are demanding products that are less harmful to the environment and their health and are interested in lifestyle tips and workshops. Therefore, customers desire high-quality and natural, recycled or zero-waste products, that allow fulfilling their demands of living an eco-friendlier and sustainable life. This segment of customers value quality consistency and are interested in companies with strong ethics and transparency, that truly practise what they sell.

MtT proposition is based on providing opportunities for customers to buy high-quality products that last longer due to its characteristics, specifically designed to be reused multiple times and thus have a longer utility life. It allows customers to buy conscious and sustainable products from its non-superfluous, healthier and environmentally non-harmful portfolio. By buying from

MtT's store, customers are supporting local and small suppliers, which often offer handmade products. Also, customers are buying from a transparent and exemplary company, which holds a positive reputation. Furthermore, through the firm, customers aren't only able to buy products but also to learn from the firm's tips and recommendations of practices that aren't detrimental to the environment.

The firm is focused on providing differentiated products with distinctive characteristics and attributes when compared to competitors. The company doesn't aim to operate in a broad market, since it is focused on a niche market segment, operating under a Focus Differentiation strategy that can help promote the perceived value to customers. At the core of a Focus Differentiation strategy is the capacity to develop high customer loyalty by adjusting the company to the needs of the niche better than the competition. Providing products with the most appreciated characteristics of the segment will allow the company to build a reputation of excellence based on the niche needs. Firms that follow this strategy only have to satisfy the needs of a narrow segment and thus can address changing demands more quickly and efficiently. MtT can be specifically differentiated because it not only provides products' attributes that are desired by the segment but also meets other requirements often demanded from a company by the customers of the niche. The firm is adjusted to the segment as it offers: high-quality; natural and healthier alternative products; don't contain plastic and follow zero-waste logics; variety is also key, allowing customers to buy several types of products from distinct categories in just one platform; product reviews from previous customers. The company developed a close relationship with customers and bared on transparency and ethical and environmental concerns. MtT customers remain loyal due to its products' quality that meets and often exceeds their expectations.

To provide and sustain its value proposition, there were several strategic choices the firm made and put into action to support it. The choice to start as an online store aimed to provide access to everyone on the niche market segment who was interested in buying, no matter where they were located, since this sort of solution was almost non-existing in Portugal at the time. On top of that, the decision not to have an extremely large portfolio of products that included only the necessary and best quality products. Whenever a really good quality alternative couldn't be found in the market, the firm would try to develop it and produce it. Although it might seem that the company has high prices, the products are reusable and last longer, so the prices aren't higher than disposable products that would require repeated purchases. Also, the firm's non-existing interest in outside investors to maintain the focus on quality and social impact rather than only on the numbers. Practises that helped the company sustain its value proposition included the choice to reuse materials and packages donated to the firm in future MtT orders, keeping a nice and close client relationship through the brand's Instagram account by giving tips and homemade recipes and the workshops offered to interested and concerned people on how to improve their behaviour for a more sustainable lifestyle.

2. What are the strengths and weaknesses of MtT's business model?

Strengths

- *Capital Requirements* - MtT's business model doesn't involve high capital requirements since it is a website and the team is small. Although it has low capital needs, it has high customer reach since is an on-line store.
- *Products* - the task of thoroughly selecting only the best quality products that are truly eco-friendly and the in-house production of the products that for lack of quality or sustainability were missing in the market, allow the firm to commercialize only the finest products. Also, by selling products from trusted suppliers only and by producing some products in-house, consistent quality can be controlled and delivered. MtT's product packages are appealing and environmentally-friendly, fulfilling the zero-waste needs of the niche market segment.
- *Human Resources* - through good and efficient human resources management, the company can provide the best work environment to motivate employees, which consequently perform their tasks better. Catarina might be viewed as the soul of the company, since it is usually her that deals with the communication with customers, through blog posts and stories on the Instagram account. She openly demonstrates her environmental concerns and shares her sustainable practises helping fighting waste, which can inspire customers to do the same to achieve an eco-friendlier life. Customers might feel positive associations regarding Catarina since they consider her as the foundation and personification of what the company is and stands for, which is aligned with the customer's principles.

- *Customer Relationship* - the strong informal and close relationship with its clients that Catarina helped to promote created loyal customers that are pleased with the performance of the products offered by the company.
- *Vision* - MtT clear vision and the founders' environmental motivation aligned with the customers of the niche allow the entrepreneurs to pursue the bigger goal of living a sustainable life while growing sustainably.
- *Reputation* - the positive and strong reputation leads customers to trust the company and helps MtT to differentiate from competitors.

Weaknesses

- *Technical Knowledge* - the founders don't have a background or previous experience in Management, which in the future could be useful to make appropriate business decisions.
- *Prices* - some customers might wrongly perceive the prices as high. Because the products are reusable and more durable, the end price happens to be the same or pretty similar to normal and disposable products. Customers don't often realize it, although niche segment customers supposedly practise more conscious consumptions and are more prone to think through the details of a purchase.
- *Research and Development* - the R&D of MtT provides outstanding products, but the process of developing those products might take a long time and requires significant resources.
- *Marketing* - the little focus and few efforts on marketing and advertising don't allow the firm to reach other possible interested customers that never heard of MtT. Instead, it is only growing organically, from mouth-to-mouth and through non-paid media articles.
- *Suppliers* - by having small and local suppliers, although it might enforce the company's positive reputation, small suppliers might not be able to fulfil considerable orders quickly.
- *External Investment* - the firm doesn't want outside investors, so it will take longer to grow, due to lack of funding.
- *Motivation* - if the entrepreneurs cannot successfully manage the contradictory needs from both the social and business components of the firm and one of them becomes dominant, it might compromise the firm's growth and survival.

- *One person-dependency* - although Catarina constitutes a major strength, the fact that MtT's success is highly dependent on one person is very risky.

Opportunities

- *Trends* - Topics such as sustainability and non-toxic products are in the spotlight and thus the demand for eco-friendly, zero-waste and natural ingredients products is intensifying.
- *Media* - the increased concerns regarding climate change led to growing media coverage of matters related to the topic. Consequently, the media interest in covering sustainable companies is rising, providing free marketing exposure.
- *New Products* - the opportunity to develop new in-house products due to the lack of quality products in the market of some categories might increase differentiation from competitors.
- *Local Markets* - the global interest in sustainable local markets is increasing, therefore MtT presence in local markets could increase brand exposure.
- *Partnerships* - partnering with companies or ONG's that have the same environmental goals could complement MtT service, increase brand outreach or enhance the firm's reputation, for example, contracting with restaurants to supply sustainable alternatives (e.g. non-plastic straws).
- *Expansion* - opening a physical store in Portugal or expanding the company to new geographical areas, since the several proposals received might signal the existence of a need.

Threats

- *Competitors* - the number of competitors is increasing rapidly. New firms are emerging and also several traditional companies are committing to address the niche segment in which MtT operates, by starting to provide sustainable and environmentally concerned alternatives.

3. Does MtT hold a competitive advantage and if so, do you think it can be sustainable in the future?

With the help of the VRIO framework, an analysis regarding MtT's key resources is useful to analyse the firm's competitive advantage.

Resources	Value (is it valuable?)	Rarity (is it rare?)	Imitability (is it hard to imitate?)	Organization (is organized around it?)	RECOMMENDATIONS
Brand Reputation	• Yes	• Yes	• Yes	• Yes	• Performance above normal. Sustained competitive advantage.
Cosmetic and Research Knowledge	• Yes	• Yes	• Yes	• Yes	• Performance above normal. Sustained competitive advantage.
Catarina	• Yes	• Yes	• Yes	• Yes	• Performance above normal. Sustained competitive advantage.
Team Skills and Knowledge (other than Catarina's)	• Yes	• Yes	• No	• No	• Performance above normal. Temporary competitive advantage.
Customer Relationship	• Yes	• Yes	• Yes	• Yes	• Performance above normal. Sustained competitive advantage.
Suppliers	• Yes	• Yes	• No	• No	• Performance above normal. Temporary competitive advantage.
In-house Production	• Yes	• Yes	• Yes	• Yes	• Performance above normal. Sustained competitive advantage.

- *Brand Reputation* - MtT's reputation is a non-material resource and is valuable because it increases the brand's differentiation and endorses the perceived customer value. It is a rare resource since only a few companies in the market have such a good reputation. Reputation is built over time and it is cumulative, thus making it hard to replicate due to historical conditions. The firm's structure allows it to take full advantage of this resource.
- *Cosmetic and Research Knowledge* - it is a valuable human resource that allows the firm to exploit the opportunity to produce products in-house that are missing in the market, and also to differentiate and defend against existing or emerging competitors. This knowledge is rare to find, which is exactly why MtT has had plenty of opportunities to develop new in-house products that were missing in the market. This resource can be considered inimitable since it will be quite hard and costly for competitors to attempt to replicate it. MtT's organization favours the capture of the value of this resource to its benefit.

- *Catarina* - as the soul and personification of the company, Catarina is a crucial human resource that results in a substantial differentiation factor between the firm and its competitors and contributes to an increase in the perceived customer value. It is rare to find someone as Catarina to run a company with such a clear vision, a dynamism enthusiasm and ability to create such a close and positive relationship with its customers. Imitating Catarina would be extremely difficult due to the social complexity involved. MtT culture and structure are organized around Catarina, supporting adequately the exploitation of this resource and allowing the company to fully capture the value from it.
- *Team Skills and Knowledge (other than Catarina's)* - it is a valuable human resource due to the support it provides to new products' production and also due to its contribution to the improvement of the firm's efficiency and effectiveness. Finding a team that combines the required technical knowledge and shares the firm's values is very difficult, and for that reason, it can be considered a rare resource. Although valuable and rare, competitors can train its employees in an attempt to replicate the combination of such skills and knowledge, so it cannot be considered inimitable.
- *Customer Relationship* - it is a valuable non-material resource that enhances the perceived customer value and differentiates the company from its competitors. Only a few firms possess such strong relationships with their customers, so it is a rare resource. Due to the path-dependency regarding the influence of decisions made in the past, along with the combination of factors such as interpersonal relations and the firm's culture, it is extremely hard for competitors to imitate this resource, especially since it is a combination of both historical conditions and social complexity. The exploitation of this resource is possible due to the organization of the company around it.
- *Suppliers* - it is a valuable resource because local suppliers can positively impact the perceived customer value, since supporting small suppliers can be highly appreciated. The fact there aren't many local suppliers and that most of them lack high production capacity and usually prefer to work with trustful companies with strong ethics results in a rare resource. Although it might not be easy, it is possible to imitate this resource at reasonable prices.
- *In-house Production* - it is valuable because by selling its high-quality products, it helps MtT to differentiate from new and incumbent firms in the market. It is rare since most companies only retail or are specialized in just one category of products. This resource

is inimitable because it isn't possible to imitate at proper prices. MtT is organized and able to fully realize the potential of this valuable, rare and costly to imitate resource.

As shown above, resources such as *Team Skills and Knowledge (other than Catarina's)* and *Suppliers* contribute to the achievement of above-normal performance and might provide the firm with a first-mover advantage. However, competitors are expected to imitate these resources and succeed, granting MtT only a temporary competitive advantage. On the other hand, *Brand Reputation, Cosmetic and Research Knowledge, Catarina, Customer Relationship* and *In-house Production* are all considered valuable, rare, costly to imitate and organized. Not only can they allow for an above-normal performance, but they also allow to more safely assume that MtT possesses distinctive competences able to ground a sustained competitive advantage.

With the help of the VRIO framework, we have seen that the firm retains resources capable of granting sustainable growth and sustained competitive advantage. However, the demand in the market where MtT operates is erratic and fluctuates along with the trends of the moment, making it more difficult to predict whether the company will be able to sustain its competitive advantage in the future. The firm is relatively young and still in the early stages of growth, which may suggest that it may seem just a small company with little ability to sustain its competitive advantage. Nevertheless, the fact that it is a dynamic and small company combined with the fact that it operates in a niche market segment allows the firm to adapt easier and quicker to changes in the consumers' demands and sustainable trends.

It is important to highlight that Catarina's clear vision, management approach and exploitation of the firm's resources, as well as the excellent relationship she built with its customers, turns her into a crucial factor and resource for the company's ability to sustain a competitive advantage. The firm can sustain a competitive advantage in the long-term as long as (1) Catarina remains a differentiation factor when compared to its competitors, (2) until the company can leverage its most important resources (3) and is able to capture those resources value. Of course, this makes MtT a one person-dependant company, which is a high-risk situation.

4. What factors could inhibit MtT from growing in the future and how should the company address them?

Although MtT has the potential to succeed in the future, some factors should be taken into account.

- Sustainable trends aren't only enforcing MtT's growth but also incentivizing other businesses to emerge, to face the changing needs of consumers that are looking for sustainable alternatives. At the same time, in order not to be left behind, existing firms are also beginning to offer sustainable products. It may be worrying that larger companies are starting to produce and sell the same kind of products as MtT, as they may be able to compete with a considerably lower price. If possible, the firm should try to reduce the price of its products by consciously cutting costs. It should invest in marketing, promoting its reputation of providing the best quality products of the market to attract new customers and to reinforce its customers' loyalty.
- Although having small and local suppliers can increase company differentiation and its perceived customer value, it doesn't favour the company regarding its future progression. The company's growth will imply an increase in quantities of products sold, consequently leading to an increase in production that possibly not all suppliers will be able to respond to. MtT will need to increase its range of suppliers to satisfy all orders.
- The firm is not open to outside investors but lacking financial resources could hinder the company's growth. Additional financial resources could help hire more professionals, expanding to a bigger office, developing and launching new products, and paying marketing-related costs. MtT should at least attempt to find socially responsible investors able to see the company as a financial and social investment. Unlike normal investors, they would not pressure the company to present instantaneous results no matter what.
- Most SE face the risk of failing to balance the company's divergent logics, which may undermine MtT's growth, and even its survival in the long-term. The high motivation and commitment of both founders to the company's social mission could lead them to devalue the business rationale, compromising the company's future. On the other hand, a shorter-term view and a preference for quantitative metrics may lead to the opposite

situation, in which focusing on the business may sacrifice the company's social mission. Both situations are capable of endangering the survival of the company. To maintain a balanced venture, MtT should: (1) keep its vision and mission clear; (2) have both socially and commercially oriented accounting tools and employees; (3) focus on a long-term perspective; (4) and avoid being resource or suppliers' dependent, in order not to fall into a business perspective dominated company.

- Catarina has almost sole custody of vital knowledge and reputation, making her fundamental for the company's future performance and growth. The company's high reliance on her for its success creates a high risk to MtT, since a business cannot depend on one key person for its success. This dependence can be dangerous as other employees rely on a day-to-day basis on her knowledge and they know she would step intervene in case of any situation. If for some reason she leaves the organization or has to be absent for a long period, MtT would be directionless and would suffer the loss of the huge value that she adds to the company. To face it, the company should identify the critical knowledge detained by Catarina and codify it as much as possible. This way, and along with a system of employee's planning and training, other employees could also develop and perform most of Catarina's tasks, considerably diminishing the firm's dependency. Besides, MtT should be able to attain difficult to replicate competitive advantages essentially through tangible assets differentiation (for example from its products) and should not rely its success and growth only on intangible assets such as the founders' knowledge and reputation.
- SE and companies under a Focus Differentiation strategy often face the problem of assessing whether their business models are scalable or not, due to the particular nature of their businesses' structures. For companies with such characteristics, along with growth comes the underlying risk that firms will lose their identities and their own 'raison d'être'. For this reason, it is extremely important that MtT remains balanced and focused on its mission and sustainable growth, so that premature and damaging steps are not taken, compromising its identity.

5. What are MtT critical success factors and what role could they play in a future internationalization process?

MtT's customers can buy products they need while simultaneously not endangering the environment.

By having a meticulous process of selecting and producing only the best quality and truly sustainable products, the firm can provide a reliable portfolio of products in what regards quality, conscious consumption and safe options for the environment. Without this process, the company could lose the quality it is known for and would most likely result in an unsuccessful expansion.

MtT provides the opportunity, to its clients but also its employees, of participating in the environmental change they aim to achieve. Also, the good work environment along with the chance to participate in the environmental change increases employees' motivation and commitment with the company, contributing to the firm's success. For the big step of internationalization, employees' commitment and efforts are critical, since a company cannot function just with its founders' work and enthusiasm.

Providing the best quality products is of extreme importance since it is one of the main goals of MtT, crucial to supporting its environmental mission. In this case, one might argue that quality is characterized by the extent that customers' needs and expectations are fulfilled, while simultaneously addressing the environmental problem. It is mainly through MtT products' quality and consistency that it can differentiate from its competitors, deliver high customer satisfaction and build clients' trust, all fundamental to the company's progress inside and outside borders.

Due to the environmental mission associated with its specific niche market segment, firms lacking transparency will consequently face a deterioration of their reputation. MtT's transparency is widely applauded by its customers and certainly contributes to earning customers' trust and to the prosperity of the firm. If an expansion is to happen, transparency remains essential, since the customers' characteristics and demands of this niche will most probably not change across countries, regarding this particular aspect.

One of the most important intangible assets a company can detain is a good reputation. This intensifies for firms that have customers profoundly concerned and involved in the firm's purpose and environmental motivation. The combination of good quality, trust, transparency and a positive relationship with customers differentiates the company in the market and contributes to its excellent reputation. MtT's values and purpose attracts environmentally concerned individuals that identify themselves with the company. Also, through MtT blog and social networks, the firm constantly exposes the amount of trash being wasted and how Portugal still lacks eco-friendlier alternatives. It also shows how being 'a drop in the ocean' can make a difference, since it spreads awareness and motivation to others, consequently leading to changes in their behaviour. Although it does not invest in improving its reputation or brand strength, it organically detains both a strong reputation and brand, that represent critical factors for the long-term sustainability and success of the firm. Although there is no evidence that the company is making any efforts to promote its brand nor reputation outside the country, it received proposals to expand from other countries, which might lead to the conclusion that the brand has already some visibility outside Portugal. In the scenario of a potential internationalization, if the company can extend its strong brand and reputation across borders it might facilitate the success of the expansion.

The commitment of MtT's founders to its sustainable development is clear for its customers and also to its employees. MtT originates from the founders' motivation to the environmental cause of waste reducing and their commitment and enthusiasm. More particularly, Catarina with her action-driven personality, energy and engaging communication created a good relationship with customers and contributed to their loyalty to the firm. As the heart of the company, Catarina can motivate and inspire others to take action against the deterioration of the environment. Although the company's dependence regarding her can be alarming, it is undeniable that she is extremely linked to the company's success and growth and will continue to be if internationalization is to take place. It will be critical for the success of the company that Catarina can continue to connect and inspire new customers to engage with the brand.

6. What are the pros and cons for MtT of going international?

Pros

- Access to an extended market, thus earning more clients and increasing sales. If done correctly, it will consequently provide higher profits to the firm. It is particularly attractive to MtT since it is located in Portugal, a small country with limited growth.
- Increasing brand awareness and recognition. It will attract new clients and provide higher credibility to MtT in the marketplace.
- Expansion of the firm's environmental mission to new territories.
- Finding the right team in another country might not be easy but, if successfully done, it will allow access to new talents. Expanding to a different location can provide access to talented new employees and business partners that can help take the company to the next level.
- Spreading the risks of the business. If the company faces adversities and rough patches in one market by operating in another it might mitigate some pressure.
- Increasing the firm's immunity to trends, because by being present in more than one location it diminishes the firm's vulnerability regarding changing trends and fads. If the trend becomes outdated in one country it may still be viable in the other, buying the company time to adjust its approach to the new trends.

Cons

- If not successful, internationalizing might put its financials in danger in both locations.
- By taking such a big step, the firm risks losing its balance and focus on both its commercial and social logics and might even lose its identity.
- If something wrong happens in the other location it might have repercussions for the business in Portugal, as damaging MtT's reputation.
- Talented and environmentally committed employees that can be trusted may be hard to find in the new location and costly to train.
- To enter a new market the founders will need to get to know it first. The firm's VP that works in Portugal might not work globally. Expanding to a different country requires at least a full understanding of the country's needs, concerns and trends. The rules and legal requirements of the new country will demand lots of paperwork, especially if the new location is outside the European Economic Area, which in that case will possibly

also carry import taxes. It will have to respect and adjust to the new location's culture and deal with a different language, which will also require new packages.

- The firm will have to face the local competition, which means that its number of competitors will increase.
- If the company decides not to export all its products, it will require a thorough process of finding reliable suppliers in the new country.
- Handling complex logistics. It will require addressing questions of how the shipping of the products should be organized and how to handle the communication between locations. For a company with such a strong environmental mission, it will be crucial to find a less polluting long-distance shipping solution, otherwise, it can compromise its sustainability and reputation. For this reason, it is important to find a reliable delivery service at affordable prices, that provides transportation with lower carbon emissions and that can guarantee timely and safe product delivery.
- If the location chosen does not operate under the Euro currency, closely monitoring currency's fluctuations will be mandatory. If necessary, coordinating different time zones can also constitute a challenging task for the company.

After analysing the pros and cons of a potential internationalization, it is clear that it is an excellent opportunity for MtT to consolidate its brand and to keep growing financially and socially.

But, perhaps most critically, internationalization may make the difference between staying a small local company and creating the conditions for the full development of MtT business model.

7. What are your recommendations for the founders of MtT?

Moving forward with an internationalization without the company being prepared is a common mistake. To avoid it, MtT must execute a thorough analysis of its current conditions and then analyse the relevant countries to its expansion. Initially, it should focus on analysing the state of the company and its robustness (especially financially) and look for liabilities that could make the expansion unsuccessful.

It is only reasonable to internationalize to a country inside the European Economic Area, to avoid all the pains associated with countries outside this area, as it was mentioned in the previous question. The destination markets should be as similar to Portugal as possible, both in terms of local culture and consumer characteristics. Of course, logistics and supplier availability should be taken into account, as well as the pool of talent in the labour market. Most importantly, a low degree of rivalry from local competition is key, otherwise, it would be entering a saturated market with no profit potential. Choosing a country with low rivalry intensity will allow MtT to (1) avoid high pressure to grow since it does not need to find new products for a saturated market; (2) attain more customers; and (3) avoid incurring in considerable costs, because it does not need to engage in price competition or advertising fights.

It is important to note that the moment is excellent, as people, especially in Europe, are increasingly becoming aware of what is happening with the planet's environment and are beginning to look for ways to reduce their ecological footprint. The company should take advantage of this situation to potentially achieve a first-mover advantage in a country that better fits MtT’s vision, values and mission.

Even without strong financials to take such a big risk, the company should internationalize in the case it finds a country that provides good opportunities and fits with MtT, otherwise, it will remain restricted to the limited Portuguese market.

To internationalize, MtT should:

- Maintain the online store model where MtT has the experience, to reduce the costs and risks. Thus, it doesn’t need the same financial capacity as companies with physical stores do.
- Invest in marketing to create brand visibility.
- Maintain its VP, notwithstanding eventually adapting to some different demands of the customers of the new market.
- Preserve its product portfolio as similar as possible, while making the necessary adjustments: remove the products that make no sense in the new market and analyse if products are lacking.

- Simplify the distribution process thus reducing its ecological footprint by producing in the new location its in-house products (except for solid shampoos, since Catarina isn't willing to risk losing the formula), only if the costs of producing locally aren't higher than exporting from Portugal.
- Keep its margins if the purchasing power of the country is similar to Portugal and increase them according to the purchasing power of the country if it is higher.
- Remain focused on meeting the needs of the customers that are seeking sustainable and natural alternatives.
- Make efforts to attain a good relationship with its clients in the new location.
- Seek partnerships with other SE that hold a positive and strong reputation in the new location.

There are several European countries with more advanced mindsets regarding environmental issues than Portugal, meaning that in those countries there will be more consumers after sustainable and natural alternatives. This can be an indicator that the company will be able to attain a large growth rate if it internationalizes to those countries.

The company should internationalize now, to benefit from the timing of the trends and possible first-mover advantage. Also, MtT will increase its presence in more than one market and thus might achieve economies of scope. Despite the inherent risks, if the company can guarantee its focus on its vision and mission, and that its contradictory logics remain balanced, the expansion has a good chance of succeeding.

8. Are there any other alternatives open to MtT?

MtT could consider expanding through a Franchising Agreement. This way, it would be able to take advantage of some expansion's benefits, without having to incur in additional costs, since major investments are sustained by the franchisee. Through the franchising, MtT could increase its customers' reach and strengthen its brand. However, the Franchising Agreement can also have its inconveniences. MtT would no longer have full control over the sale of its products, which could be dangerous if the franchisee didn't maintain the same quality standards. Another threatening situation would be if the franchisees weren't as committed to the environmental mission as MtT. These situations would have enough power to compromise the company's reputation and good name. Therefore, if the firm were to follow this path, it would be mandatory to have a rigorous selection process of the potential franchisees, to ensure that none of those situations would happen.

If the company chooses to remain in Portugal, the company may choose to pursue one of the following alternatives:

Opening a physical store in Portugal can also be considered, although it doesn’t carry great advantages for the company, since its products are already present in the physical stores of its partners throughout the country.

The company may attempt to sell its products to large retailers, to take advantage of their growing interest in satisfying the needs of the customers that follow the current sustainable trends.

MtT may choose to produce its in-house products for large retailers to be their supplier of premium private label products. The production process would remain the same except for the packaging since instead of using MtT’s branding would use the retailer's. This approach would increase MtT’s sales, but would diminish the company’s visibility, and although it was to integrate the retailer's premium range of private label products, it would most likely lower MtT’s margins.

9. What would be your recommendations to Catarina and Christian?

The company should try to help its local suppliers grow so that they can increase their production levels and respond faster to larger orders, thereby increasing MtT's production capacity.

The company must start investing in marketing to increase the brand’s visibility and to make itself known to consumers who are starting to have environmental concerns and want to change but don’t know where to start. Besides, it should contact the media to take advantage of the growing media interest in covering this sort of companies.

It is important that MtT increases its in-house products' portfolio to differentiate from the competitors and increase its brand visibility. Also, if the company can find investors, it could use part of the money to fasten the production process. It should attempt to find socially responsible investors, who aren't only concerned with numbers. Possessing more financial resources should allow the company to expand faster, as so far only the founders' savings and the company's profits have been invested.

Also, partnering with other SE or ONG's that have the same environmental goals should be in the list of the next steps for MtT, to benefit from possible synergies.

MtT must continue to reinforce the success combo of good quality products, positive and strong customers' relationship, transparency and trust that contribute to its outstanding reputation. Also, it should maintain its efforts to be balanced and not dominated by one of its logics, in order not to compromise its identity.

All employees should be trained to be as independent and also to perform some of Catarina's tasks. Further, the company's crucial knowledge must be spread and documented, and it is critical that MtT ends its one-person dependency for the sake of the firm's long-term success. If this dependency isn't overcome, then it doesn't make sense for the company to internationalize, because without Catarina presence in the new location the probability of success is significantly reduced.

Most importantly, MtT must proceed with the necessary changes in its business model for it to be scalable and prepared for expansion. The firm should internationalize to a country inside the European Economic Area to benefit from the momentum, to possibly get a first-mover advantage and to possibly achieve economies of scope. It should exploit countries with higher sustainable needs to be able to satisfy a bigger market and not to stay restricted to the Portuguese market, as discussed in question 7.

While Franchising Agreements can bring great benefits at low costs, the risk of possibly affecting the reputation and good name of the brand is extremely high, thus the company shouldn't proceed with this path. On the other hand, opening a physical store in Portugal isn't significantly beneficial, given the financial burden involved, in addition to the fact that it is already present in the sustainable stores of its partners.

Producing for private labels doesn’t make much sense given that it will greatly reduce MtT’s margins and will sacrifice its brand visibility and thus its brand recognition. To take advantage of the sales capacity of large stores, MtT should seek contracts with Portuguese mass retailers to sell its products, to increase its sales and brand outreach, but always stressing its identity as a specialist producer with a very clear social mission.

IV. Conclusion

The development of this Dissertation instructed me regarding the environmental problems we face nowadays. It deepened my knowledge concerning the current sustainable trends that will shape our future. The writing of this Case Study and its analysis offered me valuable insights respecting the complexity inherent to SE and the difficulties they face due to their contradictory components, and how these must be addressed and kept in mind. These for-profit companies with a social mission end up having difficult lives, as scaling up their business model carries the risk of losing its identity and its 'raison d'être'. Besides, the one-person dependency, common in small businesses, allowed me to realize, in spite of several benefits, how risky the situation is. If not dealt with, it may jeopardize the future of the company.

An internationalization option came to light after several proposals received by the founders to expand the brand to other countries based on its growing acceptance and success in Portugal. After analysing the case study, I was able to identify several recommendations related to the company's internationalization and how it can be successful, and also regarding its activities in Portugal without losing its environmentally focused mission.

It may be interesting for future research to follow the environmental trends development, as well as its impact on socially-minded companies.

V. Case Study Exhibits

Exhibit 1 – Mind the Trash Most Ordered Products

Bamboo Toothbrush

Biodegradable Cotton Swabs

Organic Cotton Bags Ideal for Carrying and Storing Fruits or Cereals

Exhibit 2 – Mind the Trash Natural Ingredients Products

Coffee Grounds Exfoliator with Packing Made from Sugar Cane

Natural Toothpaste - English Mint

Natural Deodorants - Lavender & Bergamot

Exhibit 3 – Mind the Trash Products Aiming to Reduce Plastic

Stainless Steel Straws - Curve

Wooden Dishwasher Brush

Wooden Tweezers

Exhibit 4 – Mind the Trash Different Hair Types Solid Shampoos

Exhibit 5 – Mind the Trash Income Statement

	2018	2017
Sales Revenues	**97 305 €**	**2 321 €**
(Cost of Goods Sold)	64 412 €	1 676 €
Gross Profit	**32 893 €**	**645 €**
(Operating Expenses)	22 082 €	2 997 €
(Other Expenses)	335 €	88 €
Operating Income	**10 476 €**	**(2 440) €**
Earnings Before Tax	**10 476 €**	**(2 440) €**
Net Income	**9 110 €**	**(2 440) €**

Exhibit 6 – National Index of Conscious Consumption

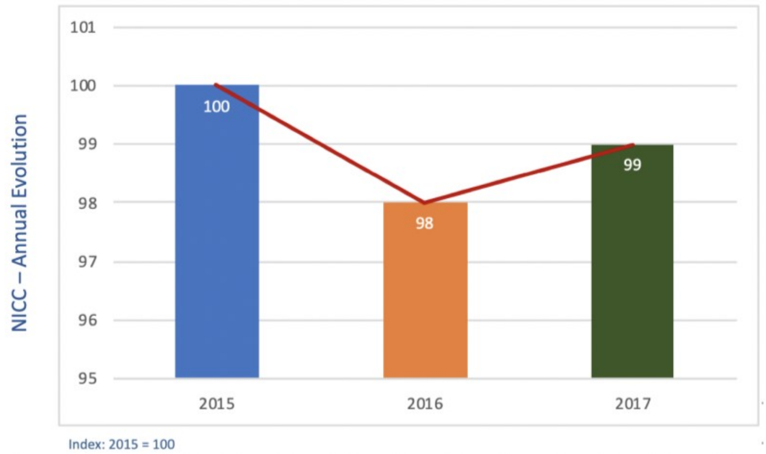

Exhibit 7 – Conscious Consumption Observatory: "I am willing to pay more for a product with less environmental impact or pay a fee"

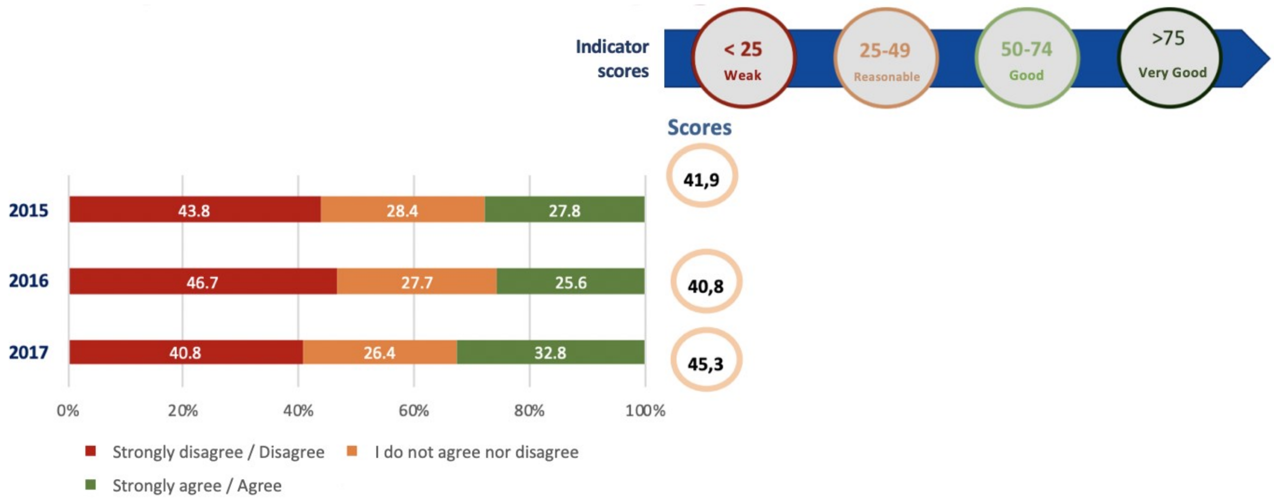

Exhibit 8 – Information on selected competitors

Pegada Verde

Pegada Verde was an online store that offered for sale ecological products that promoted more sustainable and healthier habits. The company only acted as a reseller of products from outsourced suppliers since it did not manufacture any products. All products were intended for reuse and did not contain toxic substances nor were tested on animals.

Its portfolio included some brands officially represented in Portugal by Mind the Trash like Georganics and Grums Aarhus. Pegada Verde also commercialized Mind the Trash own-brand products.

The wide range of article's brands available for each category and the fact that Pegada Verde was not a zero-waste company were major factors of distinction between the company and Mind the Trash.

Unii Bio

The company was established in 2016 and by that time the founders owned already a biological cosmetics store in Lisbon, where the commercializing of its bio cosmetics line began. Over time it spread its presence throughout other retailers.

The company had as its primary objective to offer the purest line of bio cosmetic products, presenting high-quality products at an affordable price, while producing the least impact on the planet. It had several environmental concerns in its factory, where the whole production was done, intending to gradually transform it into a zero-waste factory. All ingredients were subjected to a rigorous selection to avoid the presence of synthetic and chemical products that could potentially cause harm. Additional concerns could also be observed in the packaging.

Unii was not an on-line store and focused only on producing and marketing its cosmetic products.

Maria Granel

Established in 2015 in Lisbon, Maria Granel was the first Portuguese store selling organic products in bulk with no packaging. In June 2017, the company introduced in its store a section with products that aimed for zero-waste and a few months later launched its on-line store. Its second physical store was opened one year later and was also in Lisbon. It contained the organic bulk grocery store, the zero-waste store and also a space equipped for conducting workshops and events.

The company supplied additional services such as the "Z(h)ero Program". It provided consulting services and shared with companies and other entities its sustainability tracking and testimony. It also developed projects with schools regarding steps to create a more ecological environment. Also, the "Waste-free Pantry Reform" was created in 2019 and for that purpose, Maria Granel created a team with a nutritionist, an expert in organization, a vegan chef and a videographer (to document the before and after) and started offering the service of transforming people's pantries and lifestyles by going to their houses.

Maria Granel did not produce any of its products and only retailed outsourced brands that provided zero waste alternatives. By the middle of 2019, Maria Granel's on-line portfolio included 157 products.

Celeiro

In the 1970s, in Lisbon, one of the first supermarkets in the country, Celeiro was created with much success due to the wide specialized offer. The goal was to provide healthy and natural products for those looking for a more balanced lifestyle. Over the years, Celeiro had been increasing the number of stores and in 2019 it had 44 stores throughout Lisbon, Porto and other cities. In 2014, the company launched its online store to reach everyone interested in its products and also to provide more convenience in its purchasing process.

By 2019, Celeiro's portfolio included natural cosmetics, healthy meals, organic products, food supplements and some items that aimed at reducing the use of plastic. Some of its stores additionally provided services such as beauty and nutrition counselling, osteopathy treatments, massages, advice on physical exercise and healthy restaurants and take-away spaces. Also, the company published for free an on-line magazine with tips and challenges related to healthy lifestyles.

Although Celeiro was showing interest in starting to provide more products with improved packaging to reduce plastic use, still it was far from being zero-waste, since the quantities of plastic being used in its products were vast, not only in the outsourced products but also in the ones produced in-house by the company.

VI. References

Articles

Battilana, J., Sngul, M., Pache, A.-C., & Model, J. (2015). Harnessing Productive Tensions in Hybrid Organizations: The Case of Work Integration Social Enterprises. *Academy of Management Journal*, *58*(6), 1658.

Chen, J.-H., & Wu, S.-I. (2015). A comparison of green business relationship models between industry types. *Total Quality Management & Business Excellence*, *26*(7/8), 778–792. https://doi.org/10.1080/14783363.2014.884309

Eberhart (née Moser), A. K., & Naderer, G. (2017). Quantitative and qualitative insights into consumers' sustainable purchasing behaviour: A segmentation approach based on motives and heuristic cues. *Journal of Marketing Management*, *33*(13/14), 1149–1169. https://doi.org/10.1080/0267257X.2017.1371204

Etter, M., Ravasi, D., & Colleoni, E. (2019). Social Media and the Formation of Organizational Reputation. *Academy of Management Review*, *44*(1), 28–52. https://doi.org/10.5465/amr.2014.0280

Fan, Y., Chen, R., & Fan, Z. (2019). Worth It or Not: Effects of Price Premium on Purchase Intent of Products with Environmental Benefits. *Journal of Marketing Development & Competitiveness*, *13*(3), 38–52.

Ha Young Kang. (2017). Customer's Social Value Perception and Enterprise's Sustainability: Focus on Social Enterprise. *Journal of Marketing Thought*, *4*(2), 71–77. https://doi.org/10.15577/jmt.2017.04.02.6

Kleber, D. M.-S., & Volkova, T. (2016). Value Innovation Frameworks for Delivering Superior Customer Responsiveness. *Journal of Business Management*, (12), 34–45.

Kowalkowski, C., Persson Ridell, O., Röndell, JimmieG., & Sörhammar, D. (2012). The co-creative practice of forming a value proposition. *Journal of Marketing Management*, *28*(13–14), 1553.

Parker, O., Krause, R., & Devers, C. E. (2019). How Firm Reputation Shapes Managerial Discretion. *Academy of Management Review*, *44*(2), 254.

Payne, A., Frow, P., & Eggert, A. (2017). The customer value proposition: Evolution, development, and application in marketing. *Journal of the Academy of Marketing Science*, *45*(4), 467–489. https://doi.org/10.1007/s11747-017-0523-z

Pietzsch, N., Ribeiro, J., & Medeiros, J. (2017). Benefits, challenges and critical factors of success for Zero Waste: A systematic literature review | Elsevier Enhanced Reader. *Waste Management*. https://doi.org/10.1016/j.wasman.2017.05.004

Ramus, T., La Cara, B., Vaccaro, A., & Brusoni, S. (2018). Social or Commercial? Innovation Strategies in Social Enterprises at Times of Turbulence. *Business Ethics Quarterly*, *28*(4), 463–492. https://doi.org/10.1017/beq.2017.55

Sahni, S. K., & Osahan, M. K. (2019). Green Lifestyle Dimensions and Cultural Orientation of the Users of Green Products: A Conceptual Analysis. *IUP Journal of Business Strategy*, *16*(2), 43–53.

Scott, S. V., & Walsham, G. (2005). Reconceptualizing and Managing Reputation Risk in the Knowledge Economy: Toward Reputable Action. *Organization Science*, *16*(3), 308–322. https://doi.org/10.1287/orsc.1050.0127

Smith, W. K., Gonin, M., & Besharov, M. L. (2013). Managing Social-Business Tensions: A Review and Research Agenda for Social Enterprise. *Business Ethics Quarterly*, *23*(3), 407–442. https://doi.org/10.5840/beq201323327

Song, Q., Li, J., & Zeng, X. (2014). Minimizing the increasing solid waste through zero...: Full Text Finder Results. *Journal of Cleaner Production*. Retrieved from https://resolver.ebscohost.com/openurl?sid=EBSCO%3aedselp&genre=article&issn=0959652

6&ISBN=&volume=104&issue=&date=20151001&spage=199&pages=199-210&title=Journal+of+Cleaner+Production&atitle=Minimizing+the+increasing+solid+waste+through+zero+waste+strategy&aulast=Song%2c+Qingbin&id=DOI%3a10.1016%2fj.jclepro.2014.08.027&site=ftf-live

Walker, K. (2010). A Systematic Review of the Corporate Reputation Literature: Definition, Measurement, and Theory. *Corporate Reputation Review*, *12*(4), 357–387. https://doi.org/10.1057/crr.2009.26

Wry, T., & York, J. G. (2017). An Identity-Based Approach to Social Enterprise. *Academy of Management Review*, *42*(3), 437.

Yenipazarli, A., & Vakharia, A. (2017). Green, greener or brown: Choosing the right color of the product. *Annals of Operations Research*, *250*(2), 537–567. https://doi.org/10.1007/s10479-014-1781-5

Dissertations

Pereira, Susana de Carvalho Fernandes Soromenho. *Análise da Consciência Ambiental e do Consumo Verde em Portugal.* MSc diss., Universidade Nova de Lisboa, 2017. Lisboa: NIMS - UNL, 2017.

Websites

Celeiro Homepage
www.celeiro.pt

Cerqueira (2018). MtT. A loja onde o plástico é palavra proibida. *MAGG.*
https://magg.pt/2018/08/12/mind-the-trash-a-loja-onde-o-plastico-e-palavra-proibida/

Fórum Consumo (2017). Índice Nacional do Consumo Consciente. *Observatório do Consumo.* http://www.forumconsumo.com/Portals/2/imagens/Observatorio_Apresentac%CC%A7a%CC%83o2017.pdf

GreenSavers (2018). Portugueses mais preocupados com o ambiente, mas com pouca vontade para mudar comportamentos. *Sapo.* https://greensavers.sapo.pt/portugueses-mais-preocupados-com-o-ambiente-mas-com-pouca-vontade-para-mudar-comportamentos/

Guarany (n.d.). The Sustainable Market: How zero-waste shops work. *Believe Earth.* https://believe.earth/en/the-sustainable-market-how-zero-waste-shops-work/

Maria Granel Homepage
www.mariagranel.com

MtT Homepage
www.mindthetrash.pt

Pegada Verde Homepage
www.pegada-verde.pt

Rousseau (2018). Consumo consciente em Portugal. *Jornal Económico*. https://jornaleconomico.sapo.pt/noticias/consumo-consciente-em-portugal-307393

Smedley (2019). Evolving consumer trends: 2019 and beyond. *Global Banking and Finance.* https://www.globalbankingandfinance.co/mevolving-consumer-trends-2019-and-beyond/

Sousa (2019). 'Mind the Trash': a primeira loja online no rumo à sustentabilidade e ao "desperdício zero". *Jornal Económico*. https://jornaleconomico.sapo.pt/noticias/mind-the-trash-a-primeira-loja-online-no-rumo-a-sustentabilidade-e-ao-desperdicio-zero-412032

Unii Homepage
www.uniiorganic.com