

Memorandum

To: Marc Caira, CEO of Tim Hortons
From: Bpnnie Heptonstall
Date: July 20, 2015
Subject: Re-evaluating Roll Up: A Strategy for Sustainability

Dear Mr. Caira,

I would like to offer my congratulations on another successful Roll Up the Rim season. Sadly, I was unable to participate this year, however as I enviously observed winning cup tallies on friend's social media I became acutely aware of large volume of Tim's cups ending up in the garbage. As both a proud Canadian and Tim's enthusiast I am genuinely interested in the ongoing success of the Roll Up campaign. Tim Hortons is a Canadian institution - you yield considerable power in the Canadian food services market, and draw enviable loyalty from your customers. As an industry leader, I feel it is time for you to carve out a viable pathway toward sustainable business practices. I would therefore like to offer you advice on how to leverage your devout following and set a mandate for sustainability that will give your brand an even greater advantage over your competition.

I propose that you use the Roll Up the Rim to Win campaign as the vehicle for this change. Questions of the environmental impact of Roll Up season have only recently started to spring up. By proactively taking measures to address this issue before it become a larger PR problem you can ensure the ongoing success of the

campaign. Moving forward, Tim Hortons' goal should be to move away from the current cup-to-play model instead adopt an innovative app platform for the game.

I realize this is a bold goal. But let me remind you that in your 2014-2018 Roadmap you stated that "becoming one of the industry's most consumer-centric, innovation driven companies" was a top goal to Tim Hortons. Likewise, you cited technology convergence as "mega trend" in the food service industry. Transitioning Roll Up to an app platform is an ideal opportunity for you to showcase your commitment to these objectives while proactively improving your sustainability practices. I am aware that Tim Hortons has already developed an online interface the Roll Up promotion. However, both through personal experience and anecdotal evidence, the current system has two primary limitations. Firstly, the current system is not easy enough to navigate. Simply put, the website is too much work. A simple, stream lined app would likely yield far more consumer participation. Secondly, the website lacks a context. Introducing sustainability into the culture of your brand community is an essential step achieving significant compliance to new technologies.

I know Canadian's are passionate about their Tim's, and hasty changes to the rituals of Roll Up will not work. Your customers must have time to consider and accept your green message before any drastic changes are made. Therefore, I propose a multistage cup-to-app strategy that will evolve over the course of several Roll Up seasons. By starting a movement among your customers to reduce cup waste, they will be primed and ready to eventually adopt an electronic platform for Roll Up the Rim to Win.

The rich relationship you share with your customers requires a dynamic strategy. Installation Theory provides a useful framework for structuring a multi-layer plan that considers not only the physical and organizational alterations, but also the psychological mechanisms that underpin the consumer's understanding of these changes. According to this theory, achievement of lasting success requires the cup-to-app model to be physically possible, well understood, and socially acceptable. I have outlined a series of recommendations that incorporate the three layers of this model. For your convenience, the three phases of the strategy have been summarized and outlined in the table and figure below.

Introduce tools for green behavior

- Redesign travel mugs
- Introduce Roll Up App

The aims of the physical layer are twofold. First, I suggest Tim Hortons take measures to increase the travel mug profile in the Tim Hortons community. This could easily be accomplished by designing limited edition “winners” cups as a Roll Up prize. Second, I recommend the development and introduction of a user-friendly Roll Up app that captures the essence of the traditional Roll Up experience. It is essential that they replicate this same traditional Roll Up experience for customers. Therefore, the new app will need a quick and simple system: Scan. Swipe. Win. Share. This app could easily be incorporated in your current TimmyMe app, or designed as a stand-alone. The objective of the this first recommendation is to reinforce the overarching goal of more sustainable behavior. By making travel mug a

part of the brand's culture, customers will be primed toward green goals, and ready to adopt the app.

Expand brand narrative

- Advertising Campaign
- Celebrity endorsement

While physical and institutional changes are relatively easy to implement, how customers come to understand and respond to these is much more difficult to control. As a means of introducing the new Roll Up travel mugs, and eventually the app, Tim Hortons will need to design an effective advertising campaign to communicate your intentions and prepare customers for the changes. This will occur in two stages. The first phase will serve to align Tim Hortons' identity with a sustainability focus through an advertising campaign that weaves the green initiative into the existing brand narrative. The second stage will then connect Tim Hortons' green identity to the brand community through celebrity endorsement.

Organizational Nudges

- "X number of cups have been saved in this store"
- App opt-out

Simple changes in policy can have huge effects on the success of this initiative. By introducing reminders of pro-social behavior and reframing routine service questions, Tim Hortons can subtly shape customer compliance. Changing the in-store winner count to an in-store cup count is a simple way to remind customers of the community effort to reduce waste. Asking customers to opt-out of a roll up cup allows social norms to dictate etiquette without ever removing the power of choice

from this customer. These nudges will be helpful in guiding customers through the transition of cup to app.

This cup-to-app transition is simply the catalyst for Tim Hortons' sustainability movement. If successful, this strategy will cut cup consumption not just during Roll Up season, but year round. Additionally, it will enter sustainability into the consciousness of your customer, thereby paving the way for future sustainable endeavors. This proposal isn't just making an arbitrary change to a popular promotion – it's laying the groundwork for a future of sustainable business initiatives. For a more detailed explanation of the above recommendations please refer to the "Social Psychological Foundations" document attached below.

I am eager to partner with you on this initiative and look forward to hearing from you.

Sincerely,

Bonnie Heptonstall

Table 1. Recommendations and Outcomes

Recommendation	Outcome
Physical Layer: Introduce Tools for Green Behavior	
Redesign Travel Mugs	<ul style="list-style-type: none"> ▪ Improve desirability of travel mugs ▪ Build travel mug community
Introduce Roll Up App	<ul style="list-style-type: none"> ▪ Replicate cup Roll the Rim to Win experience ▪ Reduce cup waste
Psychological Layer: Expand Brand Narrative	
Advertising Campaign	<ul style="list-style-type: none"> ▪ Introduce sustainability to Tim Hortons identity ▪ Prime community for future changes
Celebrity Endorsement	<ul style="list-style-type: none"> ▪ Connect green behavior to the brand community ▪ Anchor green values to a popular Canadian figure
Social Layer: Organizational Nudges	
Cup Savings Store Banner	<ul style="list-style-type: none"> ▪ Remind customers of impact of their actions ▪ Reinforce positive social norms
App Opt-Out	<ul style="list-style-type: none"> ▪ Reframe Roll Up player assumptions ▪ Nudge customers toward app acceptance

Figure 1. Timeline of recommendations



Social Psychological Foundations

Installation theory suggests that to change the system, you must first change the installation (Lahlou, 2014). When properly implemented, installations serve to evoke predictable outcomes or behavior. Installations are composed of three layers: physical affordances, psychological understanding, and institutional guidelines. At an aggregate level, the three layers act as a scaffolding to support desired behaviors.

Physical Layer

Introducing Tools for Green Behavior

What makes the Roll Up experience enjoyable? I would suggest there are two key elements that make the experience so addictive: immediate feedback and social sharing. Unlike other fast food promotions, there is no need to collect pieces or provide personal information. Tear off the rim of your cup and present it. It's that simple. And because so many Canadians play Roll Up, there is a large community of people to share your experience with. It's not uncommon to see "Tims Tallies" on social media sites, and excited tweets about winning a doughnut. If Tim Hortons is to introduce an app to replace Roll Up cups, it is essential that they replicate this same experience for customers. Therefore, the new app will need a quick and simple system: Scan. Swipe. Win. Share.

According to Norman (2004), "attractive things work better." Appealing products make people feel happier, which in turn leads them to be more creative and open-minded (Isen, 1993). Therefore, the user will be in a better cognitive position for problem solving if the product has a positive valance. This process illustrates the complex relationship between cognitive and emotional processes. Both form and

function matter (Luchs & Swan, 2011, slide 4), and therefore effective product design should include visceral, behavioral, and reflexive dimensions in order to serve both these needs.

Effective product design starts at the visceral level. An automatic, positive reaction is essential in triggering product choice (Reinmann, Zaichkowsky, Neuhaus, Bender, & Weber, 2010). However, it is important the design does not compromise functionality. Highly attractive designs are often expected to be functionally superior (Hoegg, Alba, & Dahl, 2010). Therefore it is especially important that the product can easily offer its affordances to the user, thereby granting them the pleasure of mastering a task. Finally, the reflexive level connects the product to the user's identity. Products are an extension of the self, and as such, they are often used to communicate status and group membership to those around them (Belk, 1988). Beyond the behavioral allowances the product grants, there is a rich social capital to be gained through the use of a product.

Bourdieu (1984) suggests that taste is a socially conditioned reflection of symbolic hierarchy. Taste can become a "social weapon" used to define groups and establish class structures, and the degree to which one is a "legitimate" member of a group is referred to as social capital (Allen & Anderson, 1994). According to signaling theory, we continually create nonverbal signals to communicate our status and belonging (Bliege Bird & Smith, 2005). While seemingly arbitrary, even a simple coffee mug can communicate a great deal to others about the user. By harnessing the signaling capacity of their product, Tim Hortons can use the travel mug tool for

communicating the green values of their consumers, and attracting new members by the pro-social desirability of the product.

Therefore, when designing the limited edition “winners” mugs, Tim Hortons must ensure the mug meets three criteria: (1) immediately attractive and desirable to the customer, (2) afford users easy transportation of their hot beverage, (3) signal to others both the heightened status of the winner, and their involvement in a sustainable lifestyle. Similarly, the Roll Up app must (1) have a clean, simple interface, (2) offer an easily accessible roll up simulation, with an immediate outcome, (3) reinforce the customer’s pro-social choice to adopt the app format. In short, the new designs must offer an immediate visceral response and lasting satisfaction to the user.

Psychological Layer

Brand Narrative

According to SIT, individuals define themselves by the groups they belong to (Ashford & Mael, 1989). Once an individual has identified with a group, they will adopt its norms and traditions and remain loyal, as long as the group continues to align with their values. If the message being advertised adheres to the values the members have established, the socially constructed network of the brand community can be utilized as a marketing tool (Muniz & O’Guinn, 2001).

The typical profile of a Tim Hortons customer is a proud Canadian with a strong sense of heritage and tradition, and a love for simple pleasures. Reflecting on this profile, it seems reasonable to link the “proud Canadian” element to the sustainability mantra Tim Hortons is trying to communicate. A simple message of

“let’s give back to Canada” could be enough to implant sustainability into the consciousness of the customer. To increase the likelihood of consumer buy-in to the green label, the advertising campaign also use highly social language such as “us”, “we”, and “together” rather than “I”, “me” and “you.” This will serve to reinforce the pro-social bonding that the brand community requires. If the customer feels their peers have accepted the message, they will in turn be more likely to want to join the movement themselves.

Anchoring the Message

Tim Hortons’ loyal customer base provides some great opportunities, but introduces some inconvenient limitations. The challenge for Tim Hortons lies in addressing the traditions that surround RURW. The act of “rolling up” has become ritualized over the nearly 30 years Canadians have been playing RURW. The cup-to-app plan proposes to fundamentally change the product involved in the tradition. Resistance from the brand community could threaten the success of marketing efforts if they collectively reject the new plan (Muniz & O’Guinn, 2001). Therefore, Tim Hortons must to convince customers that the new product design will not compromise the essence of the game they love.

Social representations provide an architecture to unpack the group relations that influence how the app will be understood and accepted in the brand community (Moscovici, 2000). Two key mechanisms, anchoring and objectifying, facilitate this process of making the unfamiliar familiar. Anchoring is the process of relating a new idea or concept to one that is already familiar. Objectifying an idea serves to make the abstract concrete. Tim Hortons could utilize these mechanisms through celebrity

endorsement. By linking a familiar figure that represents the ideals of the community to a new concept it may be easier for customers to understand and accept the idea themselves.

For the anchoring process to be successful, proper selection of an endorser is crucial. Ideally, the celebrity should universal appeal and reflect Canadian values and heritage. Choosing a well known, relatable figure will embed a powerful signal of acceptance into customers. The product will no longer just be some idealistic notion - it will be transformed into a concrete reality.

Institutional Layer

Norms and Nudges

Social norms are the informal rules members of a group follow. Conformity experiments have shown how quickly and easily individuals will adapt their behavior to align with group, even when there is no obvious incentive to motivate them (Asch, 1956). Social norms can be split into two dimensions: descriptive norms which describe what people do in a given situation, and injunctive norms that introduce valance as property of the norm. As Goldstein and Cialdini (2009) explain, descriptive norms refer to “what is done,” while injunctive norms refer to “what ought to be done.” Injunctive norms are therefore particularly important for “building and maintaining social relationships” (Cialdini & Trost, 1998, p. 158).

Libertarian paternalism refers to the act of guiding people toward preferable choices. Crucially, people are free to choose what will benefit them the most by their own judgment. They are not forced to act in a certain way. Instead, choice architects try to influence people’s behavior by subtly “nudging” toward beneficial decisions

(Thaler & Sunstein, 2008). While there is a large family of nudge types, almost all use social norms in some way to influence behavior.

Tim Hortons already has banners that display tallies of winners in each store during RURW. The banners could easily be modified from “x number of winners in this store” to “x number of cups have been saved in this store.” This nudge makes use of injunctive norms by reminding customers how they *should* be behaving. By seeing what others are doing, customers will feel increased pressure to conform to this behavior. This effect will be further magnified if the customer already identifies with the brand community.

The second suggested nudge relies on the choice architecture of libertarian paternalism. Reframing the assumption of how the customer will play RURW guides them toward a preferable choice. During the second phase, the policy will be switched so the app method is the default open, and the customer must specifically opt-out of the app if they wish to play with a cup. The opt-out nudge will be a useful tool during phase two as it reframes the assumption of how the consumer will play RURW to align with the green behavior. While playing with a paper cup is still an option, the social pressure of conforming to the “new norm” will greatly increase the likelihood of the desired outcome.

Limitations

There are several limitations to these recommendations that need to be considered. First, the likelihood of resistance from customers may have been understated. According to Lewin (1947a) change is the process of restoring equilibrium after the status quo has been disrupted. He suggested weakening

barriers is more effective than strengthening divers in minimizing resistance when moving agents through the process of “unfreezing” to “refreezing.” Yet the recommendations failed to address one of the major barriers to the change: access to technology. While most customers have access to phones and devices that would allow them the use the app, there is still a considerable portion that does not, or lacks the skills to use the app quickly and efficiently. As a result, some customers will be excluded from the competition.

A second limitation is that the recommendations are centered on Canadian customers. However, Tim Hortons also operates in the United States. Clearly, this strategy would have to be adjusted for American customers, and would likely be far less effective as Tim Hortons lacks the same influence in the American culture as it does in the Canadian. Further thought would need to be given to how to incorporate markets outside of Canada into this strategy.

A final consideration is whether Tim Hortons is truly adopting a sustainable business plan, or simply greenwashing their brand. While the recommendations would impact the amount of waste, it could be argued that the changes are rather one-dimensional. A number of the recommendations are centered on marketing Tim Hortons as a green brand, yet for the business to truly be sustainable there would need to be a deeper commitment from the company to other sustainable practices.

Conclusion

The power of installation theory lies in its capacity to consider an instillation from multiple perspectives. Because of its robust brand community, it is essential that any strategy Tim Hortons adopt place careful consideration on how to address this

complex relationship. Simply changing physical affordances or company policies will not be enough. The customers must also understand the intentions and identify with the message for the initiative to be successful. If Tim Hortons can successfully incorporate each of these layers, they will be well positioned to make a lasting change.

References

- Allen, D. and Anderson, P. (1994), "Consumption and Social Stratification: Bourdieu's Distinction", in NA - Advances in Consumer Research Volume 21, eds. Chris T. Allen and Deborah Roedder John, Provo, UT : Association for Consumer Research, Pages: 70-74.
- Aron, A., Aron, E. N., Tudor, M., & Nelson, G. (1991). Close relationships as including other in the self. *Journal of personality and social psychology*, 60(2), 241.
- Asch, S.E. (1956). Studies of independence and conformity: A minority of one against a unanimous majority. *Psychological Monographs: General and Applied*. 70(9), p. 1-70.
- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of management review*, 14(1), 20-39.
- Belk, R. W. (1988). Possessions and the Extended Self. *Journal of Consumer Research*, 15(2), 139–168.
- Bourdieu, P. (1984). *Distinction : a social critique of the judgement of taste*. Routledge & Kegan Paul.
- Cialdini, R. B., & Trost, M. R. (1998). Social influence: Social norms, conformity and compliance. In D. T. Gilbert, S. T. Fiske, & G. Lindzey (Eds.), *The handbook of social psychology, Vols. 1 and 2 (4th ed.)* (pp. 151-192). McGraw-Hill.
- Coch L. and J.R.P. French (1948) Overcoming resistance to change, *Human Relations*, 1, 512-532.

- Cormack, P. (2008). True Stories' of Canada Tim Hortons and the Branding of National Identity. *Cultural Sociology*, 2(3), 369-384.
- Goldstein, N. J., & Cialdini, R. B. (2009). Normative influences on consumption and conservation behaviors. In M. Wänke (Ed.), *The social psychology of consumer behavior* (pp.273-296). New York: Psychology Press.
- Hoegg, J., Alba, J. W., & Dahl, D. W. (2010). The good, the bad, and the ugly: Influence of aesthetics on product feature judgments. *Journal of Consumer Psychology*, 20(4), 419-430.
- Isen, A. M. (1993). Positive affect and decision making. In M. Lewis & J. M. Haviland (Eds.), *Handbook of emotions* (pp. 261-277). New York: Guilford.
- Lahlou, S. (2014). Social representations and social construction: The evolutionary perspective of installation theory. In G. Sammut, E. Andreouli, G. Gaskell & J. Valsiner (Eds.), *A handbook of social representations*. Cambridge, United Kingdom: Cambridge University Press.
- Lewin, K. (1947a). 'Frontiers in group dynamics'. In Cartwright, D. (Ed.), *Field Theory in Social Science*. London: Social Science Paperbacks.
- Luchs, M., & Swan, K. S. (2011). Perspective: The Emergence of Product Design as a Field of Marketing Inquiry*. *Journal of Product Innovation Management*, 28(3), 327-345.
- Moscovici, S. (2000) The phenomenon of social representations. In Moscovici (Eds) *Social Representations: explorations in social psychology*. Cambridge: Polity.

Muniz Jr, A. M., & O'guinn, T. C. (2001). Brand community. *Journal of consumer research*, 27(4), 412-432.

Norman, D. A. (2004). *Emotional design: Why we love (or hate) everyday things*. Basic books.

Philp, B. (2014, May 14). How Tim Hortons' new CEO plans to make Canada's Best Brand better. Retrieved February 15, 2015, from <http://www.canadianbusiness.com/lists-and-rankings/best-brands/2014-tim-hortons-marc-caira-interview/>

Reimann, M., Zaichkowsky, J., Neuhaus, C., Bender, T., & Weber, B. (2010). Aesthetic package design: A behavioral, neural, and psychological investigation. *Journal of Consumer Psychology*, 20(4), 431-441.

Thaler, R. H., & Sunstein, C. R. (2008). *Nudge*. Yale University Press.

Winning in the New Era. (2014). Retrieved March 27, 2015, from <http://annualreport.timhortons.com/winning.html>