

# THE **small** BUSINESS BIG **MARKETING** *show*

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MARKETING

## Episode #480

KeepCup creator Abigail Forsyth on building a business around reusing (not recycling)



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## **Abigail Forsyth Interview Transcription**

**Tim**

Abigail welcome to the small business big marketing show.

**Abigail**

Thank you very much.

**Tim**

It is awesome to have you here. And I'm really looking forward to this conversation. To kick things off. Can you quantify the problem that KeepCup is helping solve?

**Abigail**

So KeepCup is a solution to disposable cup waste. So every minute around the world a million disposable cup use then discarded. And 99 per cent of them go to landfill and they're not recyclable because they are paper with a thin plastic lining. They're really a plastic cup.

**Tim**

One million plastic cups every minute around the world are disposed of. That is huge. So you are ahead of your time then in 2009 when you came up with the idea for KeepCup. What were you doing at that time running a cafe in inner-city Melbourne thinking we need to solve this problem?

**Abigail**

That's exactly what I was doing. My brother Jamie and I ran some cafes called bluebag. We had been running them for about seven years at the time and really had come in at the beginning of disposable cups starting to take hold in the market place. So we remembered the world without them. And we remembered the world wisdom and thought this was just incredibly wasteful. And there must be a better way.

**Tim**

So you were seeing disposable cups as being a problem but no one had come up with a solution as yet?

**Abigail**

Well I mean there were solutions in the sense that there's been thermoses and reusable mugs and all sorts of things around for a long time but there was nothing that was designed for the way Australians were drinking their coffee which fitted under the heads of the machine dosed the coffee correctly to get the coffee in proportion right. That was easy to clean. So we designed our own.

**Tim**

Tell us about getting the first KeepCup to market.

**Abigail**

I think we were aided by an incredible amount of naivete. We didn't really realize there were other competitors in our base sort of internationally at all. We want to make it locally. The drive really was and still continues to be sustainability and reducing our footprint. So we spoke to local manufacturers one guy said this is just a plastic cup and so you can't sell it off the prototype. Forget about it you'll never. I've got hundreds of hundreds of better tools over here that people have made but they just couldn't sell it. So make sure you can sell it first. So I took that as a challenge. And through our cafe business flew back we had a lot of corporate catering. So I called every single one of our catering clients and spoke to a sustainability manager quickly realized they had no money. They had to get to the marketing or H.R. manager and we spoke a lot about sustainability initiatives. If you are banking you've got solar panels on your roof and you're trying to do all these green things but you're letting people drink out of paper cups. There's a disconnect to the message. So yeah we sold 5000 to National Australia Bank and 5000 to Energy Australia off that first prototype. So before we'd even made a product. It just went from there.

**Tim**

You sold it into the marketing people at these large corporations but the 5000 KeepCups in prototype form that then went out to the staff of those big corporations. Did they love it?

**Abigail**

Sorry, we had a prototype that was like a cup that you couldn't take the lid off. It wasn't functional. We sold product from the prototype so they didn't even have a working product sold. And then when the 5000 staff got them they were working perfectly. And they loved them.

**Tim**

What was the feedback you were getting?

**Abigail**

I've been thinking about this problem and I'm glad someone's doing something about it. I love the look of it. I love the colour of it. I love the design. I love the way it makes my coffee taste. That sort of thing. I think the initial concern for people was that it wouldn't be accepted in the cafe that the barista wouldn't sell it. So we worked really hard to make sure that their coffee community understood the purpose of the product and was happy to accept that.

**Tim**

How did you do that? So you're running these cafes with your brother. You've got this product. KeepCup that you've invented and now you've got an educational process to make sure that key influencers i.e. baristas and other cafe owners are on board. How did you physically do that?

**Abigail**

Selling into cafes. So we gave them a revenue stream that they didn't have before. That was a big kick. It was a problem I guess they were concerned about naturally themselves. And we also started attending a lot of events around the world. So there's a World Barista Championship that's been going on for a long time. So we attended those events. We've got a stall. We sponsored some of them. We had some of the competitions filled KeepCups rather than a ceramic or glass. So we just got the word out there.

**Tim**

Gee, you must've believed in the idea to start travelling around the world and going to these events.

**Abigail**

Absolutely because I believe in the idea.

**Tim**

You say that. Clearly you did but back in 2009 10 years ago. The world last year changed a bit when disposable straws disappear. Disposable cutlery. Things are a bit different now but back then it would have been a harder conversation I would have thought.

**Abigail**

Sort of. The thing is there's been a group of people like KeepCup campaigning for this change for a very very long time. We've been banging on the door for eight years and then two years ago the wall came down. So it reached more public awareness but there was certainly a group of people who knew and were concerned and what I've always found is that once people do understand the problem they're very keen to do something about it. And the disposable cup is an easy one because you don't actually need one it's not necessary. It's not a necessary item like a water bottle.

**Tim**

At what point Abigail did you decide okay we don't need to run these bluebag cafes anymore we're going to go 100 per cent in to KeepCup?

**Abigail**

Pretty much straight away. They don't go off they don't call in sick if you deliver one late no one minds because the food industry is really challenging and if you're delivering corporate catering and you're five minutes late for a one hour lunch with the sandwiches you're in trouble.

**Tim**

So much easier to have a product than dealing with people is what I'm hearing there?

**Abigail**

Yeah.

**Tim**

What led to the brand really taking off?

**Abigail**

It's been year on year. So I guess believing in the product. You know people would say how do you sell. We sold it person by person. So I tell you you tell someone. We've been really fortunate I remember going to a trade show in somewhere exciting I think it was in Sweden and I was saying to some guy you know KeepCup is good because you carry that product in your hands so that people ask you what the product is and then you tell the story and tell these long-winded things. And he was with Coca-Cola in Sweden. It's called branding hand. Ah, that's a quicker way to say it. So yeah we've been fortunate that our products very visible and very visible in the place that you use it. And then a growing movement against single and problematic and unnecessary waste. And the other thing I guess is Australian coffee. So there's like the barista ticket. I don't know if you've heard of that but a lot of Australians have travelled the world on their ability to make great coffee so that those Australian going out into the world and they often have a KeepCup with them and told to KeepCup story. So that's been incredibly beneficial to us and the growth of the business.

**Tim**

Were you absolutely the first reusable coffee cup to market?

**Abigail**

We say were the first barista standard in the sense that ours was designed for espresso-based coffee for espresso machines. But in truth thermos have been around for fifty years. So in terms of replacing a disposable cup yes definitely we were the first.

**Tim**

We were chatting with Abigail Forsyth who is the creator of KeepCups. Abigail talking sales channels you sell online on your website. You wholesale to other cafes. What's the biggest part of the business?

**Abigail**

We have corporate sales so we sell to other organizations looking to engage their staff or reduce their waste in their businesses. And then we have distributed to sell two or three channels

**Tim**

Okay. Your corporate stuff is that because I noticed on your website you got branded KeepCups and you've got design your own option so you're branded KeepCups are your corporate offering?

**Abigail**

Yeah. And also a lot of cafes make them unique for what they offer. If you've got a cafe that's got a great reputation.

**Tim**

You design your own option we hear a lot these days about personalized marketing. Is that something that's taken off for you?

**Abigail**

We've always had it. We launched with that DIY function the design your own function. So it's been really important to the business I think especially for the early adopters who were you know individuals wanting to sort of make a statement with what they were doing. It's been a really great tool.

**Tim**

Now you say people purchase KeepCups because they love the way they look and feel and continue to use them because they form a positive happy habit. So they're not primarily buying the KeepCup to save the world or are they?

**Abigail**

It's interesting I think that you know the larger conversation about life really is not like you're doing things because they are worthy or you're doing things because there is an inherent pleasure in doing them and the look and feel and I guess in my view you've got to have both and being worthy is not enough. And being beautiful is not enough either. I always love that expression. Beauty fades the sun is forever. You've got to have a bit of both in there though. But I feel like people are drawn to the product because of the look and the colour and their association with great coffee and the form and the function of it. And then once you enjoy using it then that underscores the intent of the behaviour to reduce and reuse as well. So they go hand-in-hand.

**Tim**

Another thing quite that I saw you say was KeepCup is a brand and purpose-led business. Which I quite like. So talk to me and more about how does that play out.

**Abigail**

Our purpose is to ensure the world no longer wants needs or using disposable cups. So I guess we really operate not in terms of talking about banning but in terms of social life. So you now go into a shop if you're carrying a plastic bag. People then will be like why are you carrying that thing or smoking in a restaurant or something. It's not socially approved of. That's where we're trying to take disposable cups. People just don't feel comfortable using them anymore.

**Tim**

Okay. I imagined copycats would be a real problem. When did the first one laid on your desk?

**Abigail**

Pretty quickly. In terms of competitors that are making a different offer great that's just expanding the conversation. Giving consumers some choice but a product that is just replicating or counterfeiting or stalking very closely to what we do is like pretty annoying.

And the main reason for that is well they're generally not as well-made. They're passing up our ethical supply chain to do what they do. And then the product leak it doesn't work or burn the hand then it's actually undermining what we do.

**Tim**

So how do you handle the copycats these days?

**Abigail**

So we crawl the Internet and look for counterfeits and we've got a company that polices that for us. And then we just try and keep ahead of the pack really. And I think it's interesting we've always thought of our only competitor as the disposable cup. We don't care what anyone else is doing. That's our competitor. We're after that disposable cup. We want you to choose our product instead of that or something else. But I think the landscape is now changing and there are other choices there. So it becomes about more about what we stand for. Who we are as a business. How we treat our suppliers. That become the building blocks for consumer choice.

**Tim**

You sure have. I mean it's a great brand. I mean a lot of these copycats are and it's just a cheap poorly made version of a KeepCup or doesn't look as good. The functionality is not as good. You've really created quite a brand in terms of the logo that's on the cup and the designs that you offer. It's almost like a fashion label.

**Abigail**

Yeah. Well, my other favourite quote from Scotsman called Thomas Carlyle. He said that the merit of originality is not a novelty. It is sincerity. It's how we've made it. How we've designed it as to our suppliers. The consistency of the logo. The consideration of design. All those things add up.

**Tim**

It's amazing that you've come from a cafe culture Abigail and now a product manufacturer. There is so much to consider. What's been the hardest part of the KeepCup journey?

**Abigail**

It's always the people. The people growing the business. Finding the right people. Developing people. And that extends to suppliers and agencies and stakeholders. But that's part of it. It's a double-edged sword. It's the best part. And it's the most challenging part.

**Tim**

I hear that time and time and time again. The people the hardest part of a business. Can't live with them can't live with them.

**Abigail**

I think it's also decisions. There's a lot of decisions to make in a day. And I think the other part of it, of course, is my transition as a leader through the business and from me and my

brother up to now an organization that employs 100 people in three countries. To have the sort of confidence and the self-belief to make those changes through an organization that's been challenging.

**Tim**

No doubt KeepCups doing a great thing for the environment Abigail. How do you ensure the supply chain is also responsible?

**Abigail**

Because we work really closely with our suppliers. We know who they are and what they do when we visit their factories and we talk to them and we have an audit done on their premises. We work with them to improve what they're doing. They're a key strength of KeepCup.

**Tim**

You're B Corp business. What does that mean for your business and how hard was it to get that certification?

**Abigail**

We were one of the founding B Corps in Australia in 2014 and that was at the time. I just set out to solve a problem. Problem with disposable cups. People would say to us what are you. Are you fairtrade? Are you organic? What's your certification. There was no certification that suited a business like ours and then we found B Corp. And it was started by some guys in the US who made trash-talking T-shirts for the basketball community and they did everything right in their supply chain. They treated their employees very well. They were a great business. And then Nike brought them and sent the manufacturing to China. They thought there must be a better way there must be a way we can protect and preserve the values of our organisation. And so they started B Corp that means that you are independently assessed on the purpose of your business the way you treat your stakeholders the way you treat your employees your transparency and your commitment to your community within. And it also gives you great tools like from that there was a template for an employee handbook and we did position descriptions and each time we do it raises the bar for us in what we can achieve as a business as well. So it's great to have but it's also a great way to lead positive change in business as well.

**Tim**

So a great way to make positive change. Great way to make sure the internal parts of the business are humming but less important. It's not really like a heart tick is it or a sort of branding emblem that says this product is good and you don't use it in that way?

**Abigail**

Well yeah, it does. We've just moved it from the bottom of the pack to the side and when we got into Whole Foods in the US that was the clincher that we were a B Corp. It is increasingly having recognition by consumers in the choices that they're making.



**Tim**

The Whole Foods contract must have been an exciting day?

**Abigail**

It was an exciting day.

**Tim**

How did you celebrate?

**Abigail**

I can't remember.

**Tim**

You a bit of an environmental activist I'm guessing?

**Abigail**

I'll certainly be marching on Friday for the climate strike. But I think it's more about I wouldn't say an environmental activist as much for someone who thinks a lot about what I want the world to look like and what I would like the world to look like for my children and how I can be a part of the solution, not the problem.

**Tim**

There's a lot of greenwashing out there what really pisses you off?

**Abigail**

The compostable cup is bullshit. And recycling. We talk a lot about reducing reuse. So it's not about more about the material. It's about reducing the number of things you have and using them more the better. Recycling is now very much neck-deep in the fact that recycling is not the answer.

**Tim**

When you say recycling is not the answer you mean like don't get to the point where we need to recycle use something that doesn't require us to recycle. Is that what you're saying?

**Abigail**

Yes. And also it isn't being recycled. Like the stuff that was going to China was being burned waste to energy and now we're stockpiling all this stuff. It's a fantasy to think there is an end-use for a lot of this stuff that we're putting in our bin. Recycling all over the world is in total crisis.

**Tim**

Help me out here because I am a bit of a heathen when it comes to that. I responsibly put things in my recycle bin. Are you telling me that most of that stuff just goes and sits either on a big pile or gets burnt somewhere in another part of the world?

**Abigail**

Until like January last year it was being sent to China as recycling but a lot of it was being burnt and now China has said look we can't and not just because the Chinese were burning it because it was so contaminated it was so poorly sorted that they couldn't recycle it. So they had to burn it. And now they said no we're not taking any more contaminated waste from everywhere in the world. And so now we're shipping it to Indonesia to Vietnam and then it's floating back down to us and landing on our beaches. But it's mainly our waste. I think a million disposable cups imagined empty water bottle. They should be banned like Coca-Cola should be shutting its doors as far as I'm concerned.

**Tim**

Not going to happen tomorrow.

**Abigail**

But it might happen.

**Tim**

You say not enough companies have strong enough ethics morals or a vision for a better future which is probably very right. How can this change? You're talking to a whole lot of small business owners out there what do they need to do?

**Abigail**

It's quite interesting because people come to us and say I'd like to work for KeepCups because I want to align to my values and I think well why haven't you been able to align to your values in the role that you're in right now. Like I said it's a change in mindset like how can we do this better. How can we do this with less waste? How can we do this using less resources. How can we do this more mindfully more authentically? It is about taking these questions about what you're doing every day back to your values. And I don't want to sound like I know I'm some green tower or something we don't get stuck right all the time. We're busy thinking about the cup and yet our office is not paperless yet. So that's a big project for us. We had to get our team to run paperless in the office. There's always things we can do. I think there's a lot of stuff here in the media now the shaming of people about you know it happened Intrepid Travel. Talking about the climate strike where they advocate you flying in a plane like this crazy talk like we are all we're all hypocrites we're all complicit. We all make choices when we just need to continue to make better ones. But luckily we can do.

**Tim**

What's next for KeepCup Abigail are you likely to expand into straws or cutlery or where do you see the business going?

**Abigail**

We've got some product development that's coming through in the next 12 months we are about to launch a stainless steel product and then we'll be launching a sort of MacGyverish

product in the next 12 months. That takes us more into a replacement for water bottles as well.

**Tim**

A MacGyverish product. I haven't heard that expression before.

**Abigail**

You know MacGyver.

**Tim**

Yeah, the guy can fix anything.

**Abigail**

Good one of the things about sustainability is using less material than using them over many products. There's a lot of mixed and matching componentry in the same componentry replicated across products so we're now extending that out.

**Tim**

So you are extending beyond cups is what I'm hearing.

**Abigail**

Not yet but I think once we've exhausted our current development pipeline I think we've pretty much given an answer to every sort of style and occasion where you get drink out of disposable cups

**Tim**

Well, it's a great story Abigail. Thank you for helping save the world. We need more people like you. Creating products like KeepCup and anyone who wants one Keepcup.com will probably be the best place to go. Or your local cafe. I'm guessing.

**Abigail**

Yes. Thanks very much, Tim