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# **Driving Circularities in the Food Supply Chain: The Sustainable Role of Alternative Food Retail Enterprises (AFREs)**

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# **Driving Circularities in the Food Supply Chain: The Sustainable Role of Alternative Food Retail Enterprises (AFREs)**

## **Abstract**

The concept of the ‘circular economy’ is mooted as a new approach which can help facilitate the successful transition to a sustainable future, but there exists very little academic debate around the concept either within the business or sustainability literature (see Andersen, 2007; Murray et al., 2017). Similarly, despite much attention given to the topic of sustainability throughout the marketing discipline (McDonagh and Prothero, 2014), academics and NGOs (e.g. WRAP) have only recently started to question the sustainability of the retail sector (Thornton et al., 2013; Manna et al., 2016).

More recently, a range of alternative food enterprises have emerged more recently which challenge the dominant mode of food retailing (Manna et al., 2016; Holweg et al., 2010) by incorporating social, environmental and economic forms of capital. Therefore, in response to calls for research which explores how businesses are cultivating a more actionable agenda for sustainable growth (Prothero et al., 2011; Vicdan et al., 2016), this study explores how alternative food retail business models drive circularities to ensure the transition to a more sustainable food supply chain. As the concept of the circular economy is limited in its application of social and ethical dimensions (see Murray et al., 2017), this research also draws on the conceptual lens of the sustainability marketing model which emphasises the social and ethical (see Belz and Peattie, 2010; Lim, 2016). In so doing, this study contributes to the marketing literature by advancing an empirical-based conceptualisation of sustainability marketing to reveal the driving circularities of food by AFREs.

## **Literature Review**

Essentially, the circular economy turns waste into a sustainable system that is then used to create goods/services (McEachern, 2012). Situated mainly in the industrial ecology literature, the notion of the circular economy is relatively new to marketing and management disciplines and is also referred to in other disciplines as closed-loop systems or life-cycle thinking (Bocken et al., 2016). Given its crucial role in re-designing our use of resources and building a more resilient economy, the Ellen MacArthur Foundation (2015) advocates a greater adoption of a circular approach. However, a key limitation of the ‘circular economy’ is that it is “virtually silent on the social dimension” (Murray et al., 2017, p.376), thus limiting attentiveness to the moral and ethical dimensions associated with the food supply chain.

Therefore, to ensure the food supply chain has the capacity to continue into the future without “compromising the ability of future generations to meet their own needs” (World Commission on Environment & Development, 1987, p.8), businesses must reflect upon the “interrelated systems of which it is a part” (McArthur et al., 2016, p.281). Taking more of a critical approach to the whole sustainability marketing process, Carrigan et al. (2016) provide an empirical insight into the complex harm networks that operate within and across the jewellery sector, demonstrating the potential for greater collaboration between institutional forces, businesses and transformative business models to avoid unintended harms and create social value. Therefore, to ensure ‘deep’ or ‘real’ sustainability, a more holistic, social and collective approach to sustainability (Belz and Peattie, 2010; Lim, 2016; McEachern, 2012) together with the concept of the circular economy could prove invaluable, when driving the transition to a more sustainable food supply chain.

## **Methodology**

Given the exploratory nature of this study, semi-structured, in-depth qualitative interviews were carried out with fifteen owners, store managers and/or members from each AFRE in the UK between late 2015 and 2016 (Silverman, 2016). To secure participants' involvement, a convenience sampling approach was adopted. Consent to participate was obtained and ethical approval was received from the corresponding author's University prior to data collection. Each interview was recorded and transcribed verbatim. After making verbatim transcriptions of the interviews, the interview analysis involved coding and the development of initial themes (Miles and Huberman, 1994).

## **Findings & Conclusions**

All AFREs focused on the 'alternative' nature of their business model and how they aspired to curb unsustainable practices within the existing food supply chain. For some AFREs, there was an acceptance that perhaps their food products were priced more expensive than mainstream retailers, but many put this down to these retailers not calculating the negative externalities involved in traditional food retailers, for example OTW claimed that *"It's not the cheapest food, but our fruit and veg is loose, so they're shouldn't be any waste, which is cheaper in the end"*. Drawing on circular economy principles, CS argued that their sustainability values helped to *"save 35,000 tons of food from going to land fill"*. Compared to narratives surrounding deceitful accounting practices and aggressive supplier relationship investigations, many AFREs also spoke of their enduring efforts to ensure a *"symbiotic"* relationship with suppliers. While much of the 'social' and 'ethical' activities discussed were targeted at local activities, many AFREs spoke about their role in the global food supply chain and how they went about making this more equitable and sustainable for all. Operationally, most AFREs adopted a collective approach to sustainability and implemented transformative business models to avoid unintended social and/or environmental harms to create social value.

Overall, the adoption of circular economy principles together with the sustainability marketing model (Belz and Peattie, 2010; Lim, 2016), has helped to advance an empirical-based conceptualisation of sustainability marketing to reveal the driving circularities of food by AFREs. This conceptualisation offers marketing practitioners and retailers the potential to integrate further the additional dimensions of sustainability as well as incorporate a more circular approach to retail management. Arguably, AFREs offer a much more holistic and circular alternative to mainstream food retailers. Thus, their market presence can help both business and consumers transition to living more sustainably today and in the future.

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