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The MINI Cafe: The Road to a Sustainable Future

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1. Introduction

1.1. What is Sustainability and Why is it Important?

According to the United Nations, sustainability is to meet the needs of today's people without compromising the right of future generations to be self-sufficient. It is necessary to be aware of the limited resources currently used and to be careful in order to have sufficient resources in the future. For this, societies should be socially responsible for protecting the environment and maintaining balance.

The effect of global warming on our planet is happening now, and it is because of human actions. These effects, which are irreversible for people living today, will only get worse in the years to come. The melting of ice caps, rapid sea-level rise, air pollution, higher wildlife extinction rates, and global-warming are some of the phenomena occurring through climate change. These phenomena are expected to worsen at an accelerated rate over the coming years. Therefore sustainability strategies are essential for protecting the Earth's ecosystems, animals against extinction, people's health, and of course the atmosphere.

1.2. Benefits of Becoming a Sustainable Business

With the rapidly increasing world population, the need for energy is becoming more of an issue. With the planet's depleted energy resources, the need for solving this necessity is vital. For this reason, businesses are coming forward to partake in spreading awareness of this phenomenon. Reducing waste, using recyclable raw materials, and using commercial clean energy should be among the sustainability regulations that companies should comply with. Businesses can contribute to securing the future by investing in other sustainable practices.

Through the implementation of such sustainable steps by businesses, not only the environment and world will benefit from this, but also the company itself, especially its brand image which adds to its competitive advantage. According to the BBMG Conscious Consumer Report, Americans say they are more likely to buy from companies who hold certain sustainability habits, such as being committed to producing energy-efficient products (90%), who promote health and safety benefits (88%), who promote fair labour and trade practices (87%), and from those who are environmentally-friendly (87%). As a whole, customers are more attracted to sustainable brands. For this reason, brands need to implement sustainable practices in order to be at the forefront of the competitive marketspace. To give an example from the automotive industry, the majority of car brands are striving to produce sustainable innovations, as well as keep up with the regulations that they have to comply with. But the brands that stand out in this field will be the ones that make sustainable innovations the most effective and the most attractive to the customer.

The second advantage is waste reduction. When businesses adopt a sustainable strategy, they automatically waste fewer resources. Recycling, a practice which is becoming increasingly popular, is of great importance in this regard. In the process of becoming a sustainable company, businesses should be aware that they need to recycle to use resources efficiently.

Another benefit of being a sustainable business is the economic aspect.

Although it is claimed that sustainable business practices harm corporate profit, this is not necessarily the case. When a company invests in adopting sustainable habits, these efforts will most likely be more expensive to implement at first, however the long-term profit results will justify the investment in the end. When the costs in

production systematically decrease, the profit margin of the enterprise also then increases. The biggest reason for the increase in operation efficiency in companies is expected to be the development of more sustainable business practices.

The fourth advantage of being a sustainable business is making it easier for the company to comply with the new emerging regulations. It is expected for countries or commissions to introduce such regulations in order to prevent these dilemmas, due to the decreasing energy resources, as well as due to the great damage done to the environment. It will therefore be advantageous for those companies that can rapidly adopt sustainability practices into the scheme of their businesses and will not create any issues with the company's brand image.

Lastly, and perhaps the most important aspect to a company's profit, is to be attractive to employees and investors. Sustainable practices are something that all businesses need to implement, since the vast majority of people nowadays want to work in sustainable companies that prioritise the environment. Because it is important for employees to know that the company they are considering working with is respected by society.

The most important thing that an investor needs to be sure of, is that his or her money will be safe when going into a deal. When sustainable practices are adopted by a company, investors will tend to feel that their money is safe due to the following factors. There will be a risk-free investment for investors as the business will comply with the regulations and will not have any legal problems. In addition, the cost of sustainable enterprises will be lower. Therefore, the profit rate of the company will also increase and indirectly the profit margin of the shareholders will increase.

In short, there are numerous advantages to being a sustainable business. It is advantageous both in terms of the profitability of the company and in the sense of the brand image. Along with these advantages, it also contributes to protecting the environment. This creates a win-win situation for both parties.

Considering the factors mentioned above, this paper will first explore the global trend, sustainability, as a whole as well as list the benefits of sustainability in the corporate world. Secondly it will proceed in addressing how sustainability and electrification is applied and is relevant in the automotive industry. Furthermore a close analysis on how MINI as a company approaches sustainability into its business-scheme, in terms of the electrification of its vehicles and in the manufacturing process of its vehicles. Hence this paper will then make an innovative proposition on how MINI can further penetrate the automobile industry with new concepts of sustainability through the suggestion of the MINI Cafe. Preceding this, a final list of strategies for launching this innovation will be given.

2. Sustainability in the Automobile Industry

2.1. Sustainable Manufacturing

Another important factor in the automotive industry is to be sustainable in the manufacturing process. An important problem that needs to be considered is that natural resources are decreasing rapidly and are on the verge of becoming scarce when administered from a long term perspective. Therefore, many automotive brands aim to adopt sustainability goals both in their production factories as well as in the raw materials used in production. Examples of recyclable raw materials that companies use in manufacturing are steel, aluminium, plastic and polymer, which are needed in large quantities. Interestingly, an array of automotive brands even use

recycled fishing nets as material for the production of the car floor carpets. Apart from the use of raw materials, an array of sustainability methods are applied to the manufacturing process, such as providing the manufacturing factories with energy produced by solar panels, and thus making the supply chain transparent.

2.2. Regulations in the Automotive Industry

It has become a necessity for brands to make sustainable innovations. The European Union has presented the year 2050 for its climate neutrality goal. However, as an intermediate step in the process until this year, certain targets were set until 2030. Within the scope of these targets, it was deemed appropriate to reduce emissions by at least 55% by 2030. In line with these goals, the European Union has implemented the regulations they have brought within the scope of the package called 'The Fit for 55'. Within the scope of the package, regulations regarding the CO2 emissions of automobiles and pickup trucks were introduced for the part specific to the automobile sector. According to the proposal, a new target of 100% is set for 2035, which means that from 2035 only electric cars will be available on the market.

2.3. Electrification

The term electrification in the automobile industry specifically refers to the transition of carbon-emitting motor-power cars to eco-friendly electric-power cars. Moreover it refers to the replacement of the traditional combustion engine in vehicles with an electric battery as the power source in vehicles. This technical transition is a growing global trend in the mobility sector, and is being pushed by the majority of players in the automobile industry due to the fact that it is a more sustainable and environmentally friendly mode of mobility in comparison to engine-equipped cars.

According to Kathryne Cleary (2022), electrification is a process of change and what

changes in this process is the transformation of fossil fuels (coal, oil and natural gas) into technologies that use electricity as an energy source. From the same source, according to US 2019 statistical data from EPA (Greenhouse Gas Inventory Data Explorer), the transportation sector alone was responsible for 29% greenhouse gas emissions. 58% of these emissions came from light-duty vehicles (cars, SUVs, small trucks), 24% from medium- and heavy-duty vehicles (buses, large trucks), and 13% from aircraft, ships, and railways.

Several benefits come with the electrification of vehicles such a reduction in air-pollution, hence an improvement in the air quality since tailpipe emissions are no longer being produced as seen in combustion-engine vehicles, the reduction of sound pollution, and thirdly through bidirectional charging. Electric vehicles can provide benefits to the electric grid by discharging when the demand for electricity is high. This is a capability that can prove useful in accommodating variations in electricity production from renewables. Furthermore, the eventual possibility of charging one car off of another car will become an option as well.

However, certain technological and economic challenges come with the electrification of vehicles. Initially the cost for the manufacturing of the vehicle's batteries will be high due to the fact that they are new to the market. This will eventually balance out overtime, as soon as electric vehicles become the new norm. Another potential challenge to be faced could possibly come with the increase of electric vehicles overall, which could put strain on the local power lines by increasing the amount of electricity being utilised.

3. MINI's approach to Sustainability

As a brand, MINI has always prioritised maintaining its image and motto, which stand for fun, daringness, and sportiness. Impressing its targeted group; young affluent adults who are ready for discovery and adventure, also remains an essential aspect on MINI's agenda. Through the emergence of this global sustainability trend; the electrification of vehicles, MINI does by no means see it as a hindrance or a threat to their traditional brand and car models, and instead welcomes it with a very modern and open-minded perspective. MINI sees this trend as an opportunity with particular potential and is going head-on in participating in this movement, thus taking great steps to be a part of it with the rest of the automobile industry.

MINI's plan is to become a fully electric line by 2030 as well as a fully sustainable company. Simplicity, transparency and sustainability however remain core themes that are clearly highlighted in the design process of every aspect of the vehicles. According to the head of the MINI brand, Stefanie Wurst, "the brand's strategy is based on three pillars: electrification, digitalisation, and the reduction of the CO2 footprint. In line with these goals, currently, they have both hybrid and fully electric cars, and newly brought out the fully electric MINI Cooper SE which lets out zero carbon emissions.

There are four main categories for the comprehensive measures taken on sustainability in MINI and they are; CO2 emissions, the supplier network, the "circular economy" and the MINI's concept of urban mobility. In order to reduce CO2 emissions during the production of the MINI Cooper SE, a 100% green energy source is provided from the solar panels on the roof of the production house. The mining of materials used for vehicles (lithium and cobalt), and supplier standards, are two

important issues to ensure a supplier network from a sustainable point of view.

Thirdly, the circular economy is the use of secondary materials instead of natural resources. It has a positive effect on nature. It reduces CO2 emissions for raw materials with high energy production, but also leads to a reduction in waste. Finally, it is sustainable urban mobility. In this concept, owners will be able to share their MINI with the MINI special car sharing application. The owner shares the availability of his vehicle with his family and friends, thus reducing costs and emissions by sharing the same vehicle with many people. MINI strives for a green future.

4. Our Innovation - The MINI Cafe/Bar

4.1. The current problem

The problem is primarily the transition to electric vehicles as a whole. It is not only the technical aspects for companies that have caused this difficult transition, but also the socio-cultural challenges for customers. Successful implementation of this innovation requires both companies and customers to be able to adapt to it, and this requires thorough research and discussion.

The building and planting of charging stations with cafes in urban areas need to be well planned out. They must be plentiful, in terms of that the ratio between cars and available charging stations for a future with over 50% of electric vehicles being used in society must make sense and be established.

The problem today is that there is an attempt to switch to electric vehicles, but the appropriate infrastructure has not yet been established. In research from Statista (2022), in 2020, there were fewer than 45,000 public charging stations for electric vehicles in Germany. Furthermore, only 16.70% of these total charging stations in Germany are 'fast charging', which will be mentioned in the upcoming paragraphs.

Briefly, the number of fast electric chargers in Germany is low, and this problem is one of the reasons that keep people from buying electric vehicles. Solving this problem is essential.

The information of how long it takes to charge electric vehicles depends on many factors. One of these factors is battery size and is directly proportional to charging time and is measured in kilowatt hours (kWh). There are also factors such as state of charge and also weather conditions. Batteries operate most efficiently when temperatures are between 20–25°C, and the vehicle will lose power if it falls too low or too high within this temperature range. Also, the charging capacity of the vehicle which is based on the brand and the model of the vehicle is very important. The most vital factor for charging speed is the charging capacities of the charging stations. It has level 1, level 2 and finally level 3 charging known as 'fast charging'.

The charging time of the vehicle depends on many factors and is one of the most important reasons why drivers avoid electric vehicles. Customers have 'range anxiety' due to the lack of charging stations, that is, the fear that the vehicle will run out of charge before they can reach the charging station. In addition, they hesitate about the long charging time required by the vehicle. These reasons cause customers to feel negative towards electric vehicles. To reverse this situation, electric vehicle supporters in the United States aim to educate drivers by relieving their concerns by suggesting to plug the vehicle into the charger overnight or to eat out at a restaurant while it is charging. In any case, the problem is that people generally want to avoid long waits and are afraid of not being able to participate in their daily life.

The proposed innovation is called MINI Cafe. Special vehicle charging opportunities will be offered to the drivers in the cafe, so that drivers will not have to

wait for long charging times by appreciating the cafe's products and services while their vehicles are being charged. The possibility to charge their vehicles will be exclusive to owners of BMW group vehicles. In this way, customers who choose their electric vehicle preference among BMW group vehicles will be rewarded with such an advantage. Customers who own a car of another brand or have not yet bought a car of their own will benefit from the MINI cafe's own products and services, and it will ensure that they feel close to the brand MINI Cooper. The concept of socialising with people while having a coffee in the cafe is very suitable for these customers, as MINI's customer segment is generally the younger generation.

The idea of MINI cafe will be a useful step in promoting electricity trends. In addition, it is planned to invest in sustainable projects with various campaigns in cafe products and to increase the incentive for the sustainability of this innovation.

4.2. The plan in detail

Introducing a new "fueling method" of cars, in this case switching to an electric mode of transport in the mobility sector of life, into society is as hard of a transition as it is. Electric vehicle owners are not used to the prolonged waiting time that comes with charging an electric vehicle. This is why it is important to ease society into this new procedure. Involving a sitting/social area where beverages and food is offered, in other words comfort and distractions is a great way to compensate for the "newness" of this innovation, being the charging stations.

It provides electric vehicle owners ease, when a gastronomical and social aspect is involved and added to the overall picture of the charging stations. This way they can distract themselves from the long waiting time, can enjoy a beverage while socialising with similar people - other electric vehicle owners. This common ground

of people who own electric vehicles can theoretically create a sense of belonging and community between electric vehicle owners. This phenomenon is seen in all other aspects of life. This connectivity that develops makes the overall car charging experience more enjoyable, and comfortable. This automatically makes charging "fun", the word could potentially spread, and thus make electrification and being an electric vehicle owner trendy, or even cool. This could further enhance the and develop a very positive reputation of this new mode of mobility and spur others to join the movement. It could potentially speed up the process of the electrification of vehicles to a great extent.

Also, the more charging stations there are available, as well as the vastness of their dispersion within urban areas as well as outside urban areas, majorly adds to the sense of comfort and trust within electric vehicle owners. This will further encourage potential owners as well as established owners to choose electric vehicles as their mode of mobility.

Another goal in this innovation is to market the MINI brand to potential customers. The electric vehicle charges in the cafe will be exclusive to BMW group vehicle owners, but it will be open to everyone to spend time in the cafe and buy the products of the cafe as well as use the utilities and services provided by the cafe. The people who spend time in the cafe will usually be young people, and they are the customers that MINI's target. One of the main reasons why successful brands attract more customers is the feeling that they sell more than the product they sell. For MINI, for example, it's about feeling young, fast and sporty. As a strong marketing strategy, this feeling will be conveyed to other brand vehicle drivers who will come to the cafe. The atmosphere of this cafe, with the emotion it sells, will make potential MINI

customers feel much more positive about the brand and more likely to want to own a MINI car.

In addition to the MINI Cafes and the charging stations, a new feature will be applied to the already existing MINI Connected App. This feature will be the "MINI Cafe" feature where MINI Cafes can be located on the App's already existing map feature indicating where the nearest potential charging stations are located. Through this new feature MINI and BMW owners (as well as other car brand owners) will have access to features such as a charging station map, where charging-stations can be located and temporarily reserved (free reservation only up to 10 minutes. As of 10 min paid reservation starts) for a charging session of up to 30 min. This map will allow MINI-owners to see which charging stations are currently available and which are currently in use. Hence, MINI-owners can easily reserve a free charging station through the App within seconds and can comfortably navigate to the respective station for charging without having to wait long periods for another car to finish charging. Further App features that MINI-owners can benefit from are updated information about MINI Cafe discounts, offers, campaigns, BMW Deutschland news, MINI Deutschland news, and of course the MINI Cafe gastronomy Menu. In terms of payment, App-users can pay for their purchases of coupons, products of the MINI Cafe Menu, or a charging session via Klarna, credit card, SEPA Lastschrift, Paypal, or per cash in MINI Cafes.

4.3. Investing in another industry - the Perks

Investing in other industries as an established company can be tricky. It is important to calculate and figure out if it is worth it and even relevant or beneficial. Investing in another industry may not always be advantageous for brands. There have been many brands that negatively affected the brand's image with wrong strategies. This is why it is important to consider which additional industry is appropriate to enter in terms of brand image and further revenue and whether the company will benefit from it financially or whether it will be more of a financial burden of profit loss.

According to new research, one of the safest industries to invest in is the food industry (*The Safest Industries to Invest In*, 2022). Because it is a necessity for human life, the gastronomical industry tends to be a safe bet which will continue to grow. It is one of the primary pass-time activities society participates in in their free time or when killing time. Hence, it would be beneficial to MINI if they attached a "MINI Cafe" to their charging stations. This would create further revenue because the company is providing on-brand beverages, food, seating, and entertainment - comfort and distractions - during the time frame in which their MINI vehicle is charging. These MINI owners will feel compelled to take advantage of these services while they wait, because they will be available. The pre-sale costs of the food and beverages should have a reasonable quality-cost ratio, and should be sold at MINI's standard. There is bound to be profit from this.

4.4. An Exclusive Feature for BMW Group Car Owners

MINI cafe innovation comes with many advantages. But there are extra benefits, especially for MINI owners and all customers who own BMW group vehicles. The first and, of course, the most important advantage is the possibility for these drivers to charge their special electric vehicles. A place where they can spend time while their car is charging and program their days comfortably. But apart from that, there will be different advantages, campaigns and promotions for these customers.

It is planned to provide discounts to BMW group vehicle owners with certain campaigns on food and beverages. And with these campaigns, sustainability issues, which is the main aim of the cafe, will be promoted. For example, a customer who owns a MINI will receive a 20% discount on coffee, and the money raised from this discount will be invested in sustainability goals within the BMW group. In addition, besides the BMW brand, other sustainable projects are sponsored under the name of MINI, and the name of MINI can be maintained. In addition, besides the BMW brand, other sustainable projects will be sponsored under the name of MINI and will contribute to the recognition of MINI's name as a 'sustainable brand'.

5. Strategies for Launching the Product

When it comes to the goal of MINI Cafe, it is the customer experience that is most vital. MINI Cafe should not only be considered a common cafe but a community-niche space. It should be a special experience for any visitor, whether it is a MINI owner who wants to charge his or her vehicle or a MINI or a car enthusiast who wants to sit in, and enjoy a qualitative beverage and interesting conversation with other car enthusiasts. MINI Cafe is a cafe that provides MINI-owners and car

enthusiasts an informative yet comfortable and premium space to become informed about MINI and the automobile industry, whilst waiting for their electric vehicle to charge. This service is more beneficial than the standard process of simply waiting for 30 minutes at a usual charging station at the side of the road. The atmosphere of MINI Cafe should be as MINI-oriented as possible, in the sense visually, decorative-wise, and value-wise. The environment should be modern, and should best mirror the goals, values, and characteristics of MINI. The use of technology in this space is essential. Interactive screens should be made available to display global trends in the automobile industry, present information on MINI as a brand as well as on its car model line, evolution, and these car's characteristics, as well as especially information about sustainability and electrification, BMW Group News, etc. It should be an interactive, charming, fun, cultured, and modern space in which MINI-owners and car enthusiasts consciously decide to visit to spend quality time. Apart from providing premium comfort and abundant valuable information, a cafe with premium food and beverages is made available. Also, the MINI Cafe needs to reflect the classic British concept and MINI character and tradition. Hopefully through the implementation of all these factors, both the young and loyal old MINI generations will find pleasure in coming to these MINI Cafes.

This type of informative environment is essential to promoting sustainability as well as spreading awareness on electrification. If this information is presented in this format utilising a comfortable space such as a niche Cafe, people are more inclined to take interest and possibly even accept new concepts and a new mindset. Many individuals are weary of the electrification of vehicles and find it hard to grasp

the concept and welcome the transition. If it is introduced in a nurturing and modernised format, the likeliness of conversion to the new mentality is higher.

When it comes to competition in the market, MINI Cafe has no direct competitors yet because brands that offer the same things as you can become direct competitors. While other car brands have cafes or restaurants, they don't have anything in this concept yet. MINI's charging station concept takes advantage.

Customers are the younger generation, as mentioned earlier. Various promotions and marketing strategies should be developed to attract them to the cafe. For example, marketing tactics such as 'bring a friend, get a discount' can be used to attract extra young customers. Also, the music playing in the cafe and the ambiance will be adjusted to suit the youth by following the trends. In addition, it will be aimed to keep the target group's attention fresh with such a rich product range, as successful coffee companies do, such as with fruit drinks special for summer and different coffee options special for winter. Social media will be the best option to reach these people. Moreover, the emergence of MINI Cafes will be announced and promoted on all MINI and BMW GROUP social media platforms.

Where the cafe will be located is also a very important issue. Because for a successful business strategy, it is necessary to choose the perfect location. Perhaps the most important factor in choosing a location in the food industry is the target audience. First of all, demographics must be understood. The target audience of this project should be clearly defined and the location should be determined accordingly. There should be information about who will fill the desired location, including things like age range, education level and of course the income level. The next step in determining the location is accessibility and visibility. The most popular locations are

those that are easily seen by people walking or driving. When people notice the restaurant or cafe, they should be curious and schedule a visit. Although a place that is always full of vehicles is considered ideal, streets with high traffic and busy may cause the cafe to go unnoticed. Another issue to consider when choosing a location is the space requirements, which is of great importance especially for the MINI Cafe example. There should be enough space for charging sources, which is the main importance of the cafe. The cafe should be built with a place like a parking lot which has the charging places for multiple vehicles. Since a large area will be allocated to the parking part, the cafe part should be relatively smaller in order not to spend much. Our suggestion is to have one cafe in Munich since this innovative project will be costly. Also, for the reasons mentioned above to choose a location, we propose the MINI Cafe to be located in an area such as Maxvorstadt. We think that this region can make sense with criteria such as age group, income level, being central and being busy without traffic.

6. Conclusion

Upon considering all the facts stated in the previous sections of this paper, having explored the multiple perspectives of the global trend; sustainability, and the vision of our innovation; the MINI Cafe, it appears that electrification can potentially provide our society and the future automobile industry with an array of advantages and benefits. Not only will the well-being of the environment be greatly aided through the reduction of carbon emissions by transitioning from traditional combustion engine vehicles to electrified models, but also a new culture in the automobile industry will hopefully be established. Ideally, electrification will become a lifestyle that will bring society together, and mobility will no longer only be seen as serving its main function,

but people will appreciate it to the extent that a sense of community will be created amongst car enthusiasts and functional users. About the MINI Cafe, this is what its main goal is: to promote electrification and bring society together. MINI's traditional motto: being young, sporty, and daring will only be enhanced with the implementation of the MINI Cafe. With the MINI Cafe, it is no longer just the MINI car that gives the feeling of being part of a dynamic community, now MINI owners can connect physically at this location and share experiences, ideas, and knowledge. The MINI Cafe will thus shed a very positive light on the brand image of MINI, as it shows great initiative and taking steps to evolve with the future.

Of course, there will be challenges that would have to be faced in the process of implementation of the MINI Cafe. For one, it would be finding the right location to address the right target group of potential customers and being able to buy that location plot for building the MINI CAFE. Charging stations must also be well-dispersed so the plot would have to be large enough to meet the capacity of stations with cars. It is also important to acknowledge that this plan is an investment and that funds will be costly. Another challenge is society is still wary about and critical of the concept of electrification and is avoiding it or refraining from transitioning to an electric model until it becomes officially popular. The prolonged charging times and expensiveness of the vehicles both play a big role in this weariness. The solution to this issue is purely by raising awareness of electrification by acknowledging it and teaching about it as often as possible through media channels to the public. The more input the public receives on this topic, the faster it will grow accustomed to it, receive it positively, and trust it. The last challenge will be the fast-growing market for electric vehicles. There are many competitors in this global trend, all waiting for the

public to accept this new transition. It is therefore important that MINI finds a unique way to stand out from the rest of its competition. It is essential to stay disciplined with cross-checking these aspects and challenges and be as updated as possible to tend to them promptly to remain a leader in the industry. It would be optimal for MINI to continue embracing the concept of sustainability, as well as make significant contributions to its brand, culture, image, and tradition, as well as to the environment by promoting electrification; to the extent of becoming the new lifestyle.

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