



CFR EARLY INSIGHT #36

Making Retail Circular: The Role of Consumers

Center for Retailing (CFR) at the Stockholm School of Economics has a mission to provide high-level academic education and to conduct world-class research on retailing in close collaboration with the Swedish retail industry. CFR Early Insights is a breakfast seminar series through which CFR faculty members share insights from ongoing research projects. The series provides a platform for employees at our partner companies to meet and discuss current challenges in retailing.



Circular economy:

“an economic system that is based on business models which replace the ‘end-of-life’ concept with reducing, alternatively reusing, recycling and recovering materials in production/distribution and consumption processes”
(Kirchherr, Reike & Hekkert 2017, p. 244).

LEVELS OF CHANGE FOR THE ECONOMIC SYSTEM

- Systems
- Firms
- Consumers



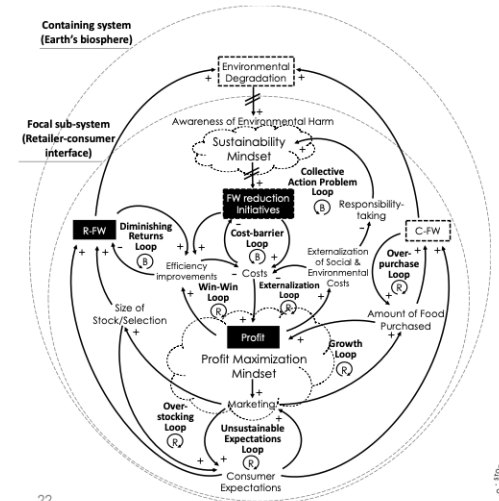
Professor
SUVI NENONEN



Associate Professor
KAISA KOSKELA-HUOTARI

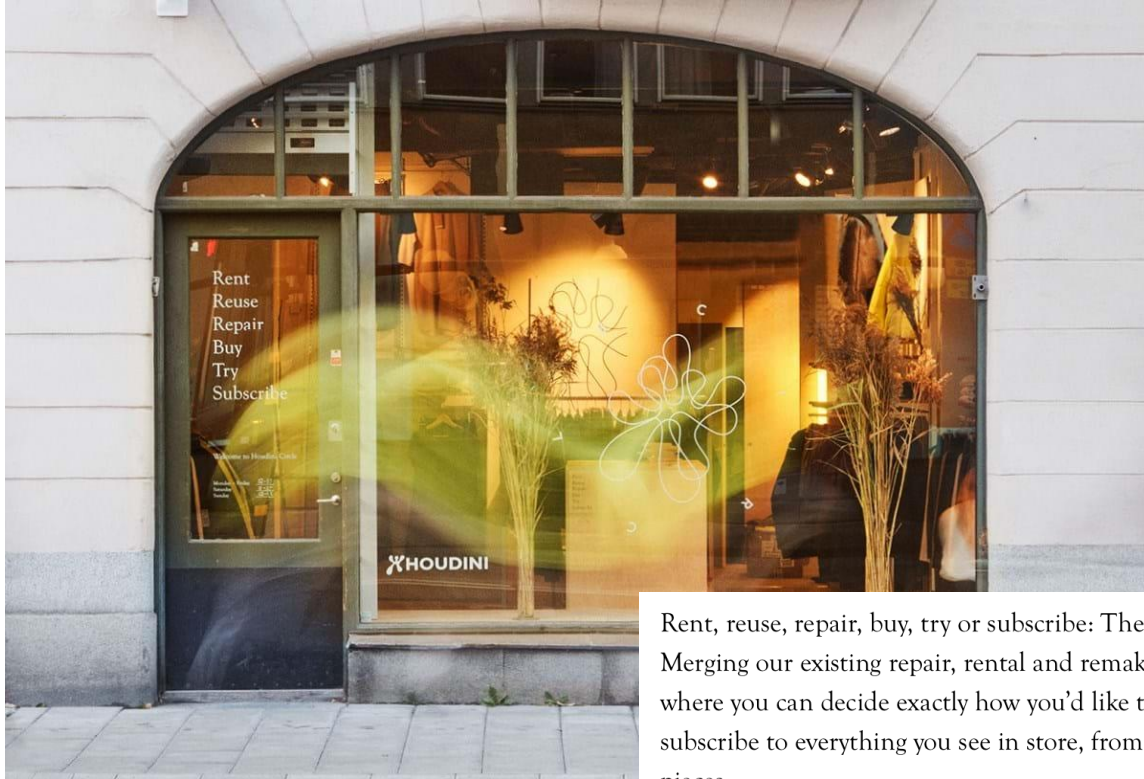


Department of Marketing and Strategy,
Stockholm School of Economics



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Rent, reuse, repair, buy, try or subscribe: The choice is yours in our newly opened Houdini Circle hub. Merging our existing repair, rental and remake services, we're now opening the world's first circular store where you can decide exactly how you'd like to have access to your Houdini gear. You can buy, rent or subscribe to everything you see in store, from new to second-hand garments and repaired and reworked pieces.

SHARING ECONOMY AS INSPIRATION

- A technologically enabled socioeconomic system with five key characteristics
 - temporary access
 - transfer of economic value
 - platform mediation
 - expanded consumer role
 - crowdsourced supply

- Challenges three key foundations of marketing:
 - institutions (e.g., consumers, firms and channels, regulators),
 - processes (e.g., innovation, branding, customer experience, value appropriation),
 - value creation (e.g., value for consumers, value for firms, value for society)

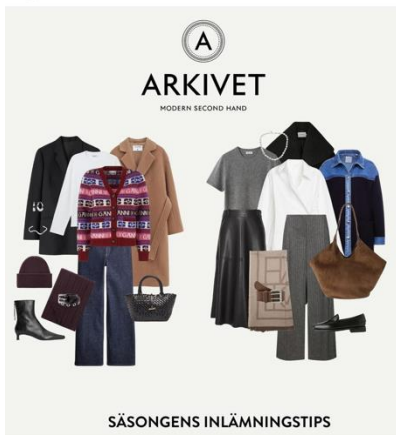


ARKIVET

MODERN SECOND HAND

arkivetsthlm

arkivetsthlm



SÅSONGENS INLÄMNINGSTIPS

171 likes and 1 comment

arkivetsthlm Höstens inlämningstips 🍂 Rensa era garderobser och kom förbi någon av våra butiker för inlämning. Välkomna in på drop-in eller boka tid på arkivet.com 🍀 #arkivesecondhand



BAS

*Klänning via algråten t.ex. Arket, COS, Filippa K, Sjösten, Toteme, Yvonne Massimi Datto och Manila Road
*Klänningar i längre modeller t.ex. Ruediger, CANNI, Swania, Rosate, Maje, Second Sense, Cus, H&M Studio/Conscious och Zara
*Mörk, mjukt och mass tycker (i svarta, blått, vitt, ocker, svart) t.ex. Arket Gallery, By Malene Birger, Ruediger, CANNI och Zara
*Söckade tröjor & koftor gärna i badminton t.ex. Liu Yang, Soft Goat, David, Toteme, Arket, Sjösten, Samsøe & Samsøe, By Malene Birger, COS, Filippa K, Hope och Dagmar
*Kvinnor i såväl modeller t.ex. Toteme, Sjösten, Filippa K, Dagmar, Manila Road, Acne Bing och Arket
*Kortbyxor t.ex. Acne Studios, Filippa K, Dagmar, Maja, Mara och 8 Other Stories, Jaani, ISH och gj i tätt t.ex. Toteme, Janssone, Acne Studios, M.J.H., Frame, Mother, Lark, Naga, Lark, Arket, Dagmar och Weekday
*Västar t.ex. ATP Atelier, Acne Studios, Puhene, Marinmakko, Lillie Liffar, Decadent och Cocoonella
*Skjor och tyger t.ex. Lames, Gucci, Sabell, Filippa K, Ralph Lauren, Toteme och Acne Studios
*Björstövlar t.ex. Nooska, All Blues, Louis Abiel, Maria Nilsson, Wox, Perille Canyon och Lu Scudo
*Huvudsäckar i aktuella modeller från t.ex. Bottega Veneta, Prada, Saint Laurent och Louis

SÅSONG

*Ujjackor och kappor i längre modeller t.ex. COS, Toteme, Dagmar, Arket, Weekday, By Malene Birger och Sjösten
*Dumstas och tummen dragbar t.ex. Sjösten, Marlier och Calmar
*Skinn mockgastar Arket, H&M premium, Samsøe & Samsøe, ZARA
*Färgglada blusar t.ex. 8 Other Stories, Cus, Ruediger, Cus, Swania, CANNI
*Länga jeans och shorts/jeans t.ex. Arket, COS, Filippa K, CANNI och Massimo Dutti
*Sweatere t.ex. Adidas, New Balance, Vap, Eytys, Axel Angelo
*Stövlar och boots t.ex. Vagabond, Cus, Filippa K, Nooska, Rizzo och Massimo Dutti
*Västar och badkläder t.ex. Acne Studios, Soft Goat, Toteme, By Malene Birger
*Leofrys och badlinnansor t.ex. Vagabond, ATP Atelier, Marco, Nooska, Ganni
*Solskyddstyg t.ex. Galina, Day, Ben, Chien, Saint Laurent

171 likes and 1 comment

arkivetsthlm Höstens inlämningstips 🍂 Rensa era garderobser och kom förbi någon av våra butiker för inlämning. Välkomna in på drop-in eller boka tid på arkivet.com 🍀 #arkivesecondhand

Here is the translation of the text from Swedish to English:

Post:
Arkivet
Modern Second Hand

Text on image:
This season's submission tips

Caption:
*Autumn submission tips 🍂. Clean out your wardrobes and stop by one of our stores to submit items. Welcome to drop in or book a time on arkivet.nu. #arkivesecondhand

BAS (Basics)

Examples of brands we love and continuously accept: Acne, A.P.C., By Malene Birger, BLK DNM, Filippa K, Hope, House of Dagmar, J. Lindeberg, Totême, Rodebjer, Ralph Lauren, Samsøe Samsøe, Tiger of Sweden, and many more.

We also accept the following products from brands like Zara, H&M, & Other Stories, COS, Arket, and Uniqlo:

- Outerwear such as jackets and coats
- Blazers
- Denim
- Knitwear such as sweaters and cardigans
- Shirts and blouses
- Shoes in good condition (without major signs of wear, stains, or damage)

We refrain from accepting basic items such as tank tops, t-shirts, and synthetic sportswear from the above brands.

SÅSONG (Season)

Examples of brands we love and continuously accept: Acne, A.P.C., By Malene Birger, BLK DNM, Filippa K, Hope, House of Dagmar, J. Lindeberg, Totême, Rodebjer, Ralph Lauren, Samsøe Samsøe, Tiger of Sweden, and many more.

Seasonal items we are looking for right now:

- Autumn and winter outerwear (jackets, coats, and wool coats)
- Winter shoes (boots, lace-up shoes, and sneakers)
- Scarves, hats, and gloves
- Knitted sweaters and cardigans
- Party and festive clothing
- Bags and accessories

Table 2 - Summary of motives for consumers to participate

Motive	Description
Utility	Sharing is often much more convenient and time saving (close proximity to neighbours vs. hardware store outside the resident area)
Economic	Reducing costs through financial or quasi-financial gains (community currency such as time in time banks).
Enjoyment	Hedonic value in having the opportunity to afford upscale goods such as second-hand designer clothes.
Collaboration	Many social souls seek ways to synergistically co-create things with like-minded individuals.
Decluttering	Many don't feel comfortable anymore with the burden of ownership, as many goods occupy too much idle capacity (From excess to access).
Ecology	Environmental concerns are particularly prevalent within shared mobility, given the enormous amounts of unnecessary single rides leading to excessive CO2 emissions.

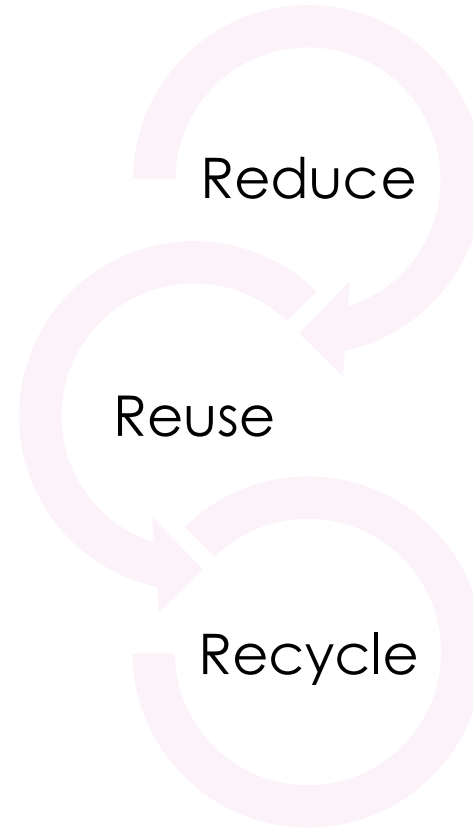
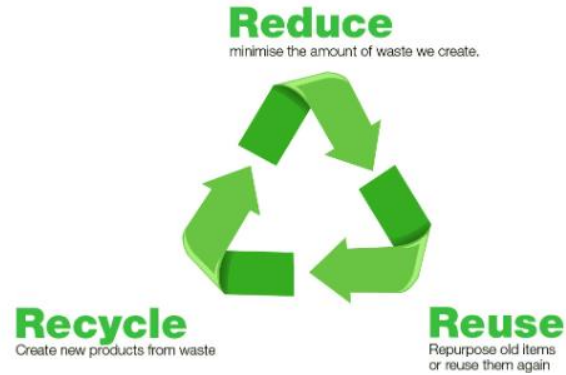
SHARING ECONOMY IN RETAILING

- Digitalization enables new retail offers, which could be developed by the retailer themselves or in collaboration with existing actors
- Sustainability requires new retail offers, which could be developed by the retailer themselves or in collaboration with existing actors
- When adapting sharing elements, it is important to consider key characteristics as well as foundations
- There is no “one size fit all” or clear best practice, but rather a continuous evolution – with many failures along the way

RETAIL AS INFRASTRUCTURE FOR CIRCULARITY

1. Moving focus from permanent ownership to temporary access
2. Temporary access involves economic transactions or quid-pro-quo exchanges that transfer value from one entity to another
3. Requires a platform that identifies appropriate matches between providers and users of resources and facilitates their exchange
4. Expanding the role of consumers, typically seeing them take on roles from both the “demand side” and the “supply side” of the economic equation

THE 3RS OF CIRCULAR



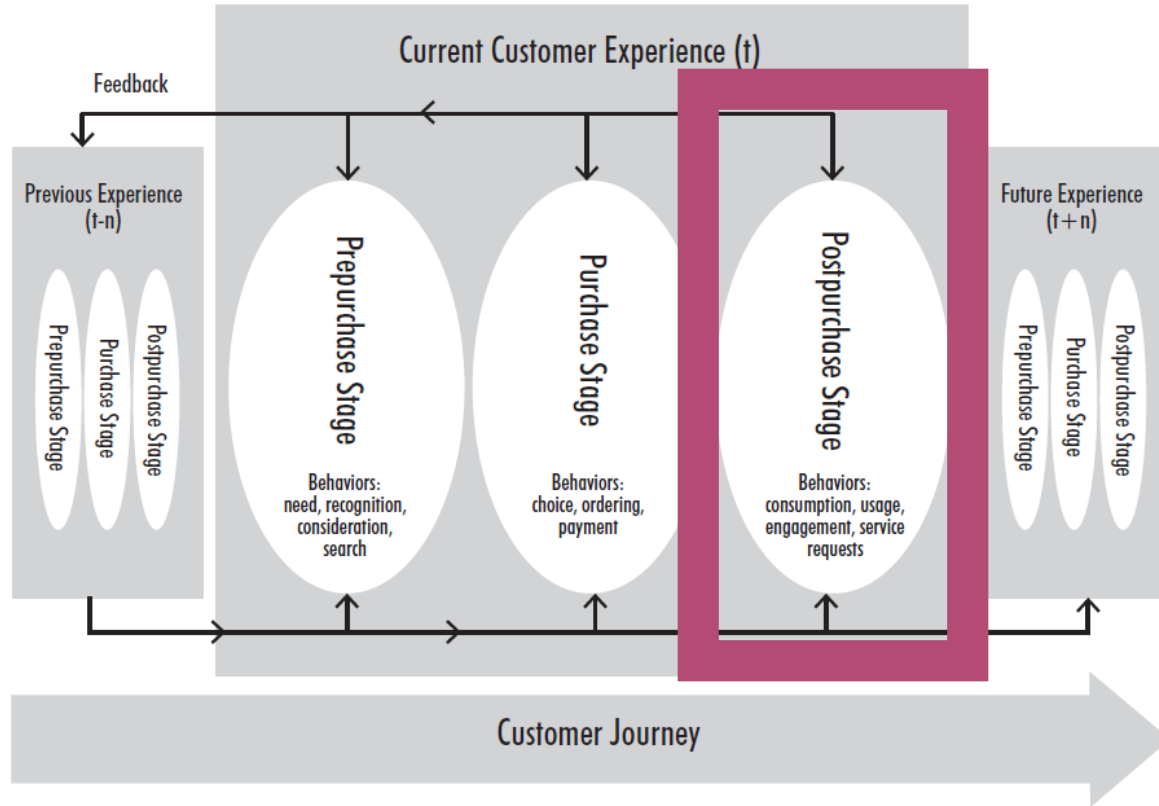


Figure 4.1. Process model for customer journeys (adapted from Lemon and Verhoef, 2016)



Reduce consumption:

- Buy less
- Repair

DON'T BUY THIS JACKET



It's Black Friday, the day in the year retail firms turn red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.

Because Patagonia wants to be in business for a good long time—and leave a world inhabitable for our kids—we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else.

Environmental bankruptcy, as with corporate bankruptcy, can happen very slowly, then all at a sudden. This is what we face unless we slow down, then reverse the damage. We're running short on fresh water, topsoil, fisheries, wetlands—all our planet's natural systems and resources that support business, and life, including our own.

The environmental cost of everything we make is astonishing. Consider the R2[®] Jacket shown, one of our best sellers. To make it required 136 liters of

COMMON THREADS INITIATIVE

REDUCE

WE make useful gear that lasts a long time
YOU don't buy what you don't need

REPAIR

WE help you repair your Patagonia gear
YOU pledge to fix what's broken

REUSE

WE help find a home for Patagonia gear you no longer need
YOU sell or pass it on*

RECYCLE

WE will take back your Patagonia gear that is worn out
YOU pledge to keep your stuff out of the landfill and incinerator

REIMAGINE

TOGETHER we reimagine a world where we take only what nature can replace

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TOGETHER we reimagine a world where we take only what nature can replace

water, enough to meet the daily needs three glasses a day of 45 people. Its journey from its origin as 60% recycled polyester to our Reno warehouse generated nearly 20 pounds of carbon dioxide, 24 times the weight of the finished product. This jacket left behind, on its way to Reno, two-thirds its weight in waste.

And this is a 60% recycled polyester jacket, lent and seen to a high standard. It is exceptionally durable, so you won't have to replace it as often. And when it comes to the end of its useful life we'll take it back to recycle into a product of equal value. But, as is true of all the things we can make and you can buy, this jacket comes with an environmental cost higher than its price.

There is much to be done and plenty for us all to do. Don't buy what you don't need. Think twice before you buy anything. Go to patagonia.com/CommonThreads or scan the QR code below. Take the Common Threads Initiative pledge, and join us in this 10% "No" to reimagine a world where we take only what nature can replace.

patagonia
patagonia.com



Product Repair

You can start your mail-in repair here. Once we receive your product, it takes us **up to 4 weeks on average to repair it and send it back.**

Please make sure you clean your product before sending it in, or the item will be returned to you to wash.

Here are some other things to consider before you start:

We can repair many but not all issues



Repaired items may not look like new



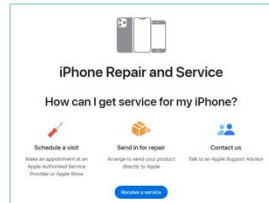
Repairs require a small fee



To learn more or contact us with questions, please visit our [Help Center](#) ↗

PRODUCT REPAIR AS A SERVICE

- Increasing numbers of businesses and organizations offer repair as a service, due to concern for the environment and the pressure under the “right to repair” legislation (U.S., U.K., Europe, Australia).



Circular economy isn't just recycling products; repair and reuse are also vital

The co-founder of the Restart Project, shares the ways policymakers, designers and citizens can support a people-centred circular economy

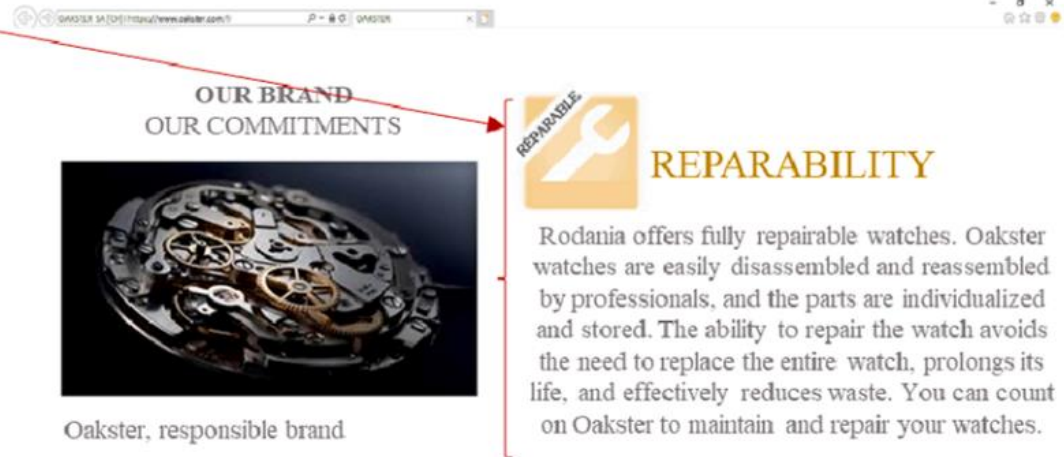


- 177 participants at a U.S. university lab stated a moderate to high likelihood of using repair services if they were offered by the electronic brands from which they frequently buy ($M = 5.49$, $SD = 1.25$, on a 7-point scale: 1 = “not at all”, to 7 = “very much”).
- On average, they were willing to pay 24.4% of the original product’s price to repair their electronic products.

Liu, J., Cakanlar, A., & Nenkov, G. (2024). Repair as commitment:
The role of brand loyalty. working paper.

WHAT DOES REPARABILITY COMMUNICATE?

Repairability
communication: Yes or No



The screenshot shows a browser window with the URL <https://www.oakster.com/>. The page content includes the text "OUR BRAND" and "OUR COMMITMENTS" above a photograph of a watch movement. Below the photo is the text "Oakster, responsible brand". To the right, a yellow icon with a wrench and the word "REPAIRABLE" is positioned above the word "REPARABILITY" in large, bold, yellow letters. Below this, a paragraph of text describes the brand's commitment to repairability.

OUR BRAND
OUR COMMITMENTS

Oakster, responsible brand

REPARABLE

REPARABILITY

Rodania offers fully repairable watches. Oakster watches are easily disassembled and reassembled by professionals, and the parts are individualized and stored. The ability to repair the watch avoids the need to replace the entire watch, prolongs its life, and effectively reduces waste. You can count on Oakster to maintain and repair your watches.

Munten, P., & Vanhamme, J. (2023). To reduce waste, have it repaired! The quality signaling effect of product repairability. *Journal of Business Research*, 156, 113457.

(WHEN) DO CONSUMERS REPAIR THEIR PRODUCTS



There is a negative relationship between brand loyalty and consumers' willingness to repair their electronic products.

This occurs because loyal consumers' commitment to their existing products is weakened by their desire for the latest version of the products.

Liu, J., Cakanlar, A., & Nenkov, G. (2024). Repair as commitment: The role of brand loyalty. working paper.

HOW TO PROMOTE REPAIR BEHAVIOR?

n = 59 online campaigns that encourage consumers to repair their products

- 46% highlighted the environmental benefits of repair services (e.g., “Affordable, Eco-friendly, Fast”; Electro-Techno Repair Services 2023)
- 23% emphasized the social benefits (e.g., “independent shops keep repair fair”; iFixit 2023)
- 10% focused on self-sufficiency (e.g., “Tell everyone you fixed it yourself”; Patagonia 2023)
- 19% utilized consumer-product relationships in their campaign (e.g., “When you fall out of love with your bag, we will buy it from you”; the Handbag Spa 2023)
- 5% specifically focused on product commitment (e.g., “still in love with your favourites?” Repair Label 2023).

HOW TO PROMOTE REPAIR BEHAVIOR?

n = 26 managers in sustainable organizations the US, UK & Sweden

When promoting future repair events/services, to what extent do you think the promotional messages you will use should reflect the following themes? (1 = not at all, 7 = very much)

	Mean	SD
Repair as a sustainable and ethical consumer practice	6.04	1.65
Repair as a fun activity	5.83	1.63
Repair as a useful skill one should master	5.21	1.79
Repair as a cost saving strategy	4.87	2.32
Repair as a convenient way to handle damage products	3.78	2.50
Repair as a commitment to care for one's products	3.62	2.44



Emphasizing product commitment in repair messaging—reminding consumers of their bond with their current—increases brand loyal consumers' willingness to repair compared to the control and environmental messages.



Reduce consumption:

- Buy less
- Repair

Reduce use of virgin materials through reuse:

- Take-back programs
- Secondary markets
- Recovered materials (recycle/upcycle)



Trade in. Upgrade. Save. It's a win-win-win.

With Apple Trade In, you can get a great value for your current device and apply it toward a new one. And you can do it all online or at an Apple Store. If your device isn't eligible for credit, we'll recycle it for free. It's a great deal for you and the planet.



iPhone



Apple Watch



iPad



Mac



Android



Recycling



Swappie

BUY ▾ ABOUT US ▾ REVIEWS HELP ▾

  ENGLISH

Buy a refurbished iPhone

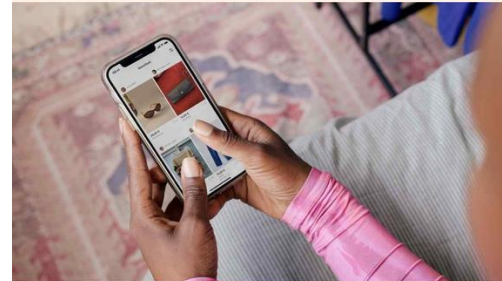
Refurbished in-house by experts and guaranteed to perform like new!

< Top Stories  


Vinted [+ Add to myFT](#)

TPG in talks to buy stake in Vinted at €5bn valuation

US private equity group's interest highlights growing demand for second-hand goods from consumers and investors



Vinted was last valued at €3.5bn in May 2021 © Vinted

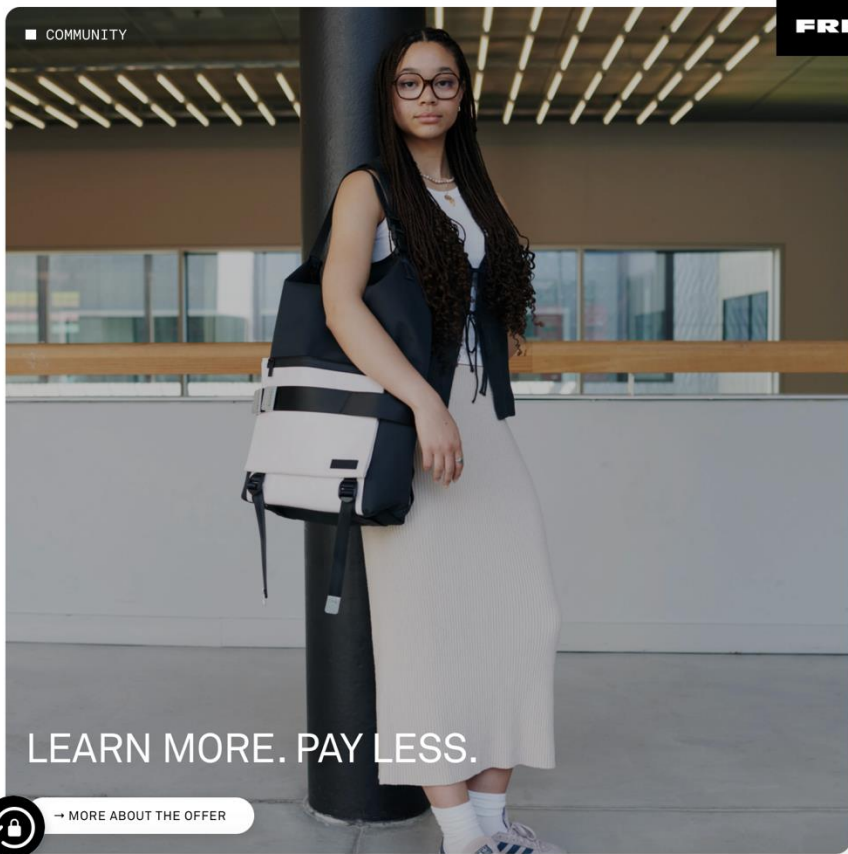
By **Ivan Levingston** in London, **Eric Platt** in New York  5 and **Richard Milne** in Oslo 3 HOURS AGO



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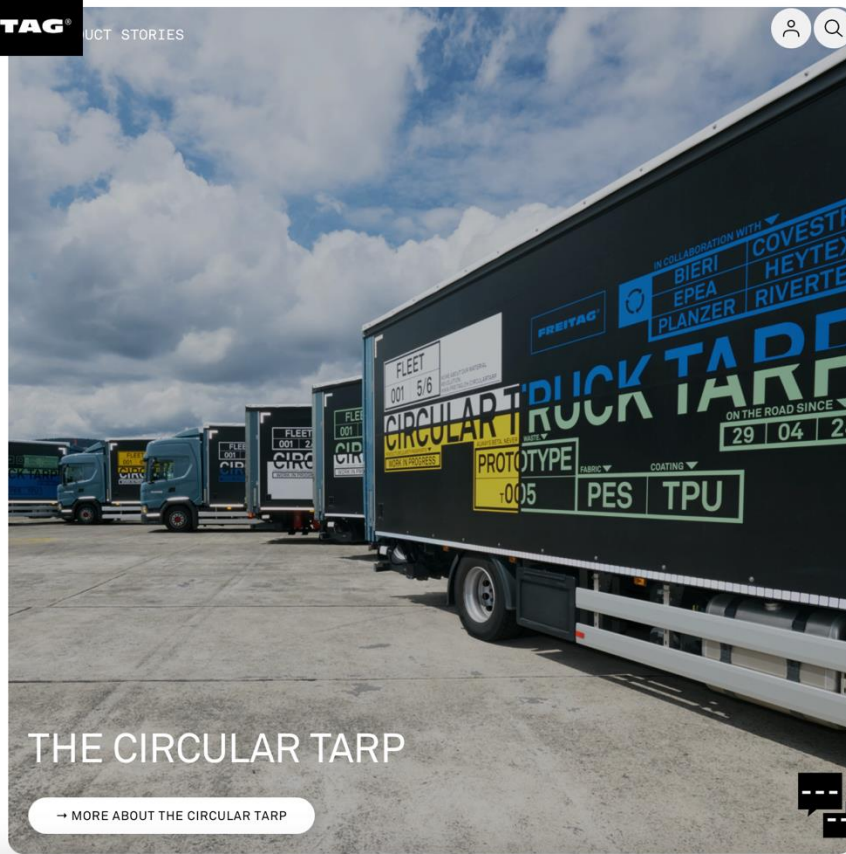
3 min listen

US private equity group TPG is in talks to buy a stake in Europe's largest second-hand fashion site Vinted at a €5bn valuation,



LEARN MORE. PAY LESS.

→ MORE ABOUT THE OFFER



THE CIRCULAR TARP

→ MORE ABOUT THE CIRCULAR TARP

CONSUMER REACTIONS TO TAKE-BACK PROGRAMS

How much would you be willing to pay for this armchair (\$0-\$350)?



Tari, A., & Trudel, R. (2024). Affording disposal control: the effect of circular take-back programs on psychological ownership and valuation. *Journal of Marketing*, 88(3), 110-126.

CONSUMER REACTIONS TO TAKE-BACK PROGRAMS

How much would you be willing to pay for this armchair (\$0-\$350)?



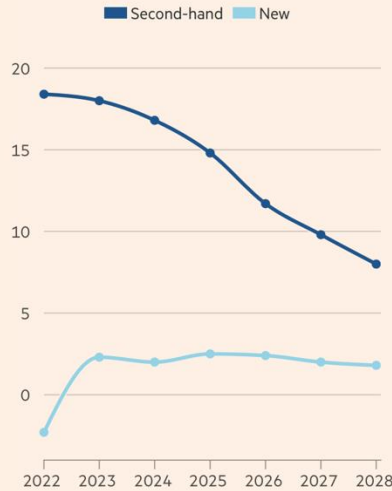
Increased participants willingness to pay %12

Second-hand is growing at a consistently higher rate than the new apparel market

Size of the apparel market* (\$bn)



Growth rates of the market (% year-on-year)



FINANCIAL TIMES

Sources: ThredUp; Euromonitor International • *second-hand measured by gross merchandise value and new is measured by retail sales price; new market does not include footwear

74% of retail executives who don't currently offer resale are either considering or planning on getting into resale in the future, **up 5 pts** from 2022.³

BRANDS WHO LAUNCHED RESALE PROGRAMS IN 2023⁴

STURKEY'S

Smartwool.

FABLETICS | yilly

H&M

TOMS

kate spade
NEW YORK

AMERICAN EAGLE

J.CREW

Ikea launches secondhand marketplace to compete with eBay

Furniture retailer challenges digital classified ads 'oligopoly' with peer-to-peer sales platform for its products



Ikea Preowned will be tested in Madrid and Oslo until the end of the year © FT montage/Alamy

Richard Milne, Nordic and Baltic Correspondent AUGUST 26 2024

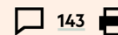


Ikea is taking on the likes of eBay, Craigslist and Gumtree with a peer-to-peer marketplace for customers to sell secondhand furniture to each other.

The relentless rise of second-hand

From Ikea to Vinted, younger consumers are showing a taste for pre-owned clothes and furniture. But can the sector actually make money?

Richard Milne, Nordic and Baltic Correspondent AUGUST 31 2024



When Lego started testing a service to receive and re-use second-hand bricks, the Danish toymaker soon ran into a problem: people would send in other things as well. Soda cans, shoes, lots of hair — all came mingled in with the iconic plastic bricks, according to a senior executive.

Worst of all: workers once opened a Lego treasure chest to find an entire set of children's teeth in it.

Brands from Shein and Zara to H&M and Lego are throwing themselves into a booming second-hand economy. They are joining a growing number of start-ups such as Vinted, Depop, ThredUp, and Vestiaire Collective in attempting to make money from a rush to embrace used and “preloved” items, whether due to cost or environmental concerns. Celebrities such as Bella Hadid, Rihanna and Sarah Jessica Parker have all embraced thrift as has even cult TV show Love Island.

PREDICTORS OF SECOND HAND BASED ON PREVIOUS RESEARCH

- Price sensitivity
- Ethical and environmental concerns
- Nostalgic pleasures

SOCIAL VALUE OF SECONDHAND PRODUCTS

Control Group

wrote about a typical day in their lives

Lonely group

wrote about a lonely experience.

Imagine that you would like to buy the book called “the Little Prince”. When you check your options online, you find two different books. Which one would you choose?
(0 = A new book (\$6.70), 1 = A used book in the good condition (\$3.50))

Huang, F., & Fishbach, A. (2021). Feeling lonely increases interest in previously owned products. *Journal of Marketing Research*, 58(5), 968-980.

SOCIAL VALUE OF SECONDHAND PRODUCTS

Control Group

wrote about a typical day in their lives

69%

select used book

Lonely group

wrote about a lonely experience.

85%

select used book

Used products symbolically connect present consumers with past ones.

Huang, F., & Fishbach, A. (2021). Feeling lonely increases interest in previously owned products. *Journal of Marketing Research*, 58(5), 968-980.

Lonely-used condition



Neutral-used condition



Lonely-new condition



Neutral-new condition



Lonely-used condition



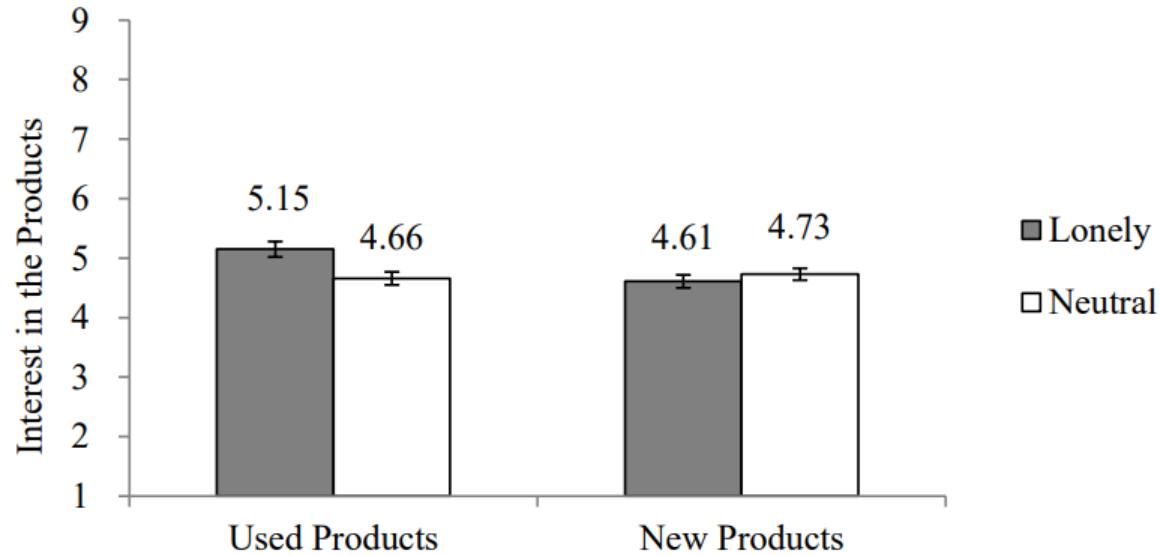
Neutral-used condition



Lonely-new condition



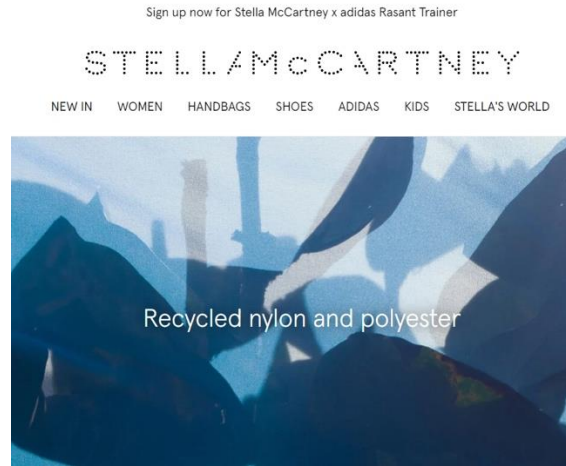
Neutral-new condition



PREDICTORS OF SECOND HAND BASED ON PREVIOUS RESEARCH

- Price sensitivity
- Ethical and environmental concerns
- Nostalgic pleasures
- Social value

CHALLENGES WHEN USING RECYCLED MATERIALS



Meng, M. D., & Leary, R. B. (2021). It might be ethical, but I won't buy it: Perceived contamination of, and disgust towards, clothing made from recycled plastic bottles. *Psychology & Marketing*, 38(2), 298-312.

Group 1



- Made from 100% **used plastic bottles**
- Standard sizing
- Double stitching
- Comes in a variety of colors

Group 2

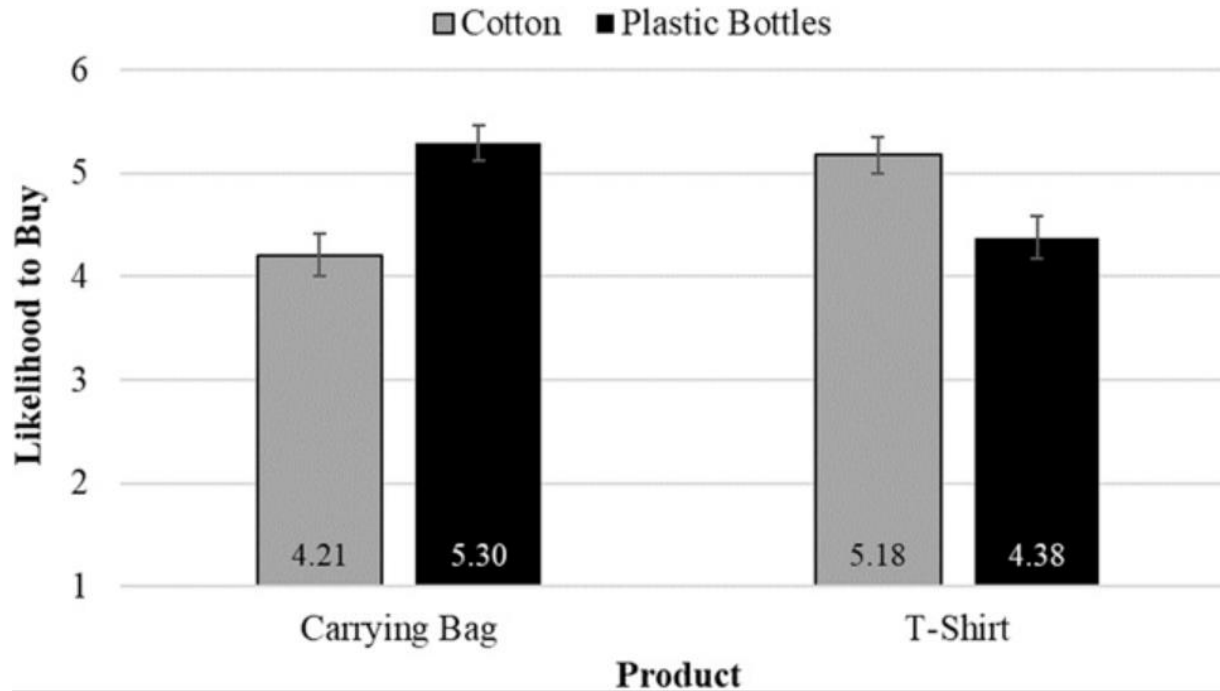


- Made from 100% **unused plastic bottles**
- Standard sizing
- Double stitching
- Comes in a variety of colors

How likely are you to buy this t-shirt? (1 = *Extremely unlikely*, 7 = *Extremely likely*)



Consumers consider T-shirts made from used plastic bottles to be dirty, which decreases the likelihood of purchasing the T-shirt.



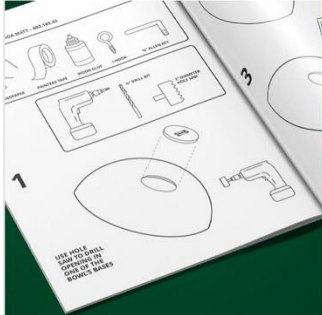
The effect of perceived contamination is present only when the product is intended to be worn close to the skin, as contamination is heightened through touch.

The effect is not expected to be present when the intended use is not in constant contact with the skin (e.g., carrying bags).

08-09-21

Ikea wants you to repurpose its products, and these instructions tell you exactly how to do it

Go ahead, turn that cabinet into a beehive.



"Turning salad bowls into bird houses. Brilliant."

Forbes

"Hacking IKEA just got easier thanks to IKEA."

THUFFPOSTI

"Brilliant way to keep furniture out of landfills."

FAST COMPANY

- dwell
- hunker
- THUFFPOSTI
- FAST COMPANY
- Daily Mail
- TAXI
- AdAge
- Gardeningetc
- Forbes
- MARCITY







Reuse and recycle with Samsung Upcycle Packaging



Seven incredible designs to choose from

Select your TV
The Serif The Frame The Sero

- | | | | |
|--|--|---|--|
| 
Cat Tunnel
55" only
Learn more | 
Bookshelf
All box sizes
Learn more | 
Desk Shelf
All box sizes
Learn more | 
Storage Shelf
All box sizes
Learn more |
|--|--|---|--|



Eco
++
Denim

EcoDenim is Where Fashion Meets Sustainability:
**We Help Your Clothes Get Reused
Transform Your Jeans, Give Them New Life**

Purchase EcoDenim jeans and receive a manual filled with countless creative ideas for repurposing and reusing your jeans after they've been worn out.

Give your old jeans a new life and transform them into something new!

Transformation Group



Eco
++
Denim

EcoDenim is Where Fashion Meets Sustainability:
**We offset our CO2 emissions
Wear our line of carbon neutral jeans**

Purchase EcoDenim jeans and receive a manual filled with information on how you too can offset your carbon footprint.

Wear carbon neutral jeans!

Sustainability Group

Cakanlar, A., Nenkov, G., and Winterich K. P.,
"Transformation and Reuse", (working paper)





Eco
+++
Denim

EcoDenim is Where Fashion Meets Sustainability:
We Help Your Clothes Get Reused
Transform Your Jeans, Give Them New Life

Purchase EcoDenim jeans and receive a manual filled with countless creative ideas for repurposing and reusing your jeans after they've been worn out.

Give your old jeans a new life and transform them into something new!

Transformation Group



Eco
+++
Denim

EcoDenim is Where Fashion Meets Sustainability:
We offset our CO2 emissions
Wear our line of carbon neutral jeans

Purchase EcoDenim jeans and receive a manual filled with information on how you too can offset your carbon footprint.

Wear carbon neutral jeans!

Sustainability Group

What is your evaluation of *Eco Denim*?

	1	2	3	4	5	6	7	
Unfavorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Favorable
Bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Good
Poor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Excellent
Dislike it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Like it



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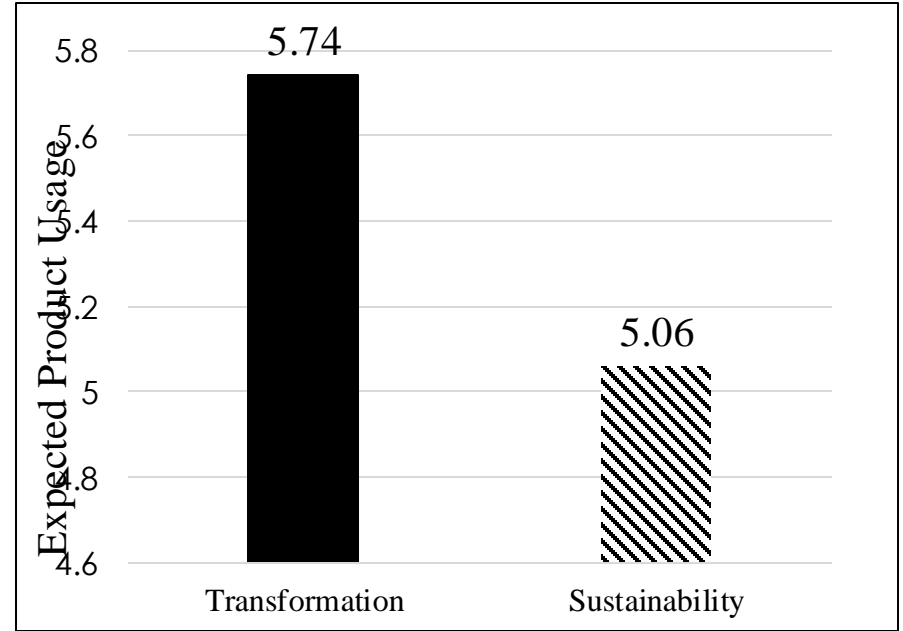
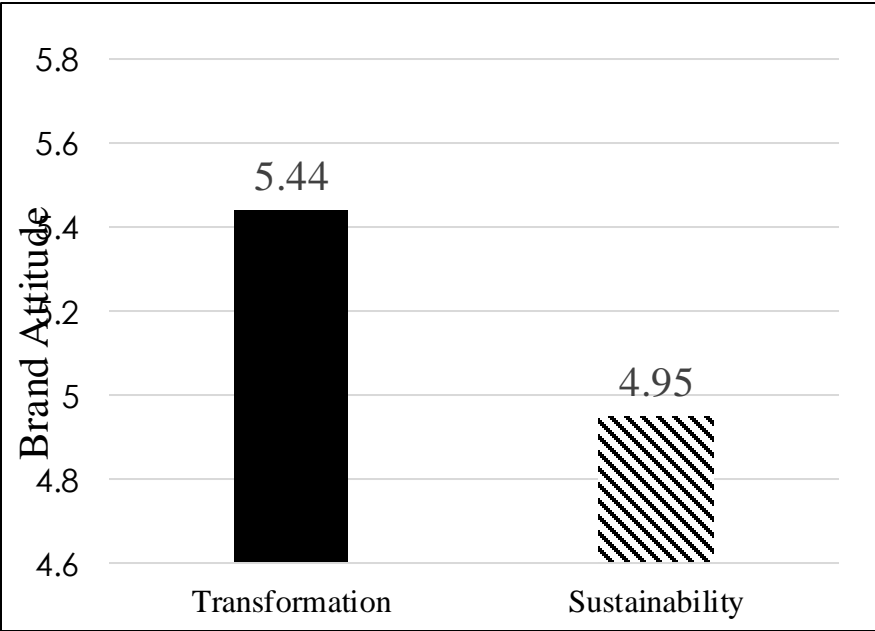
Wear carbon neutral jeans!

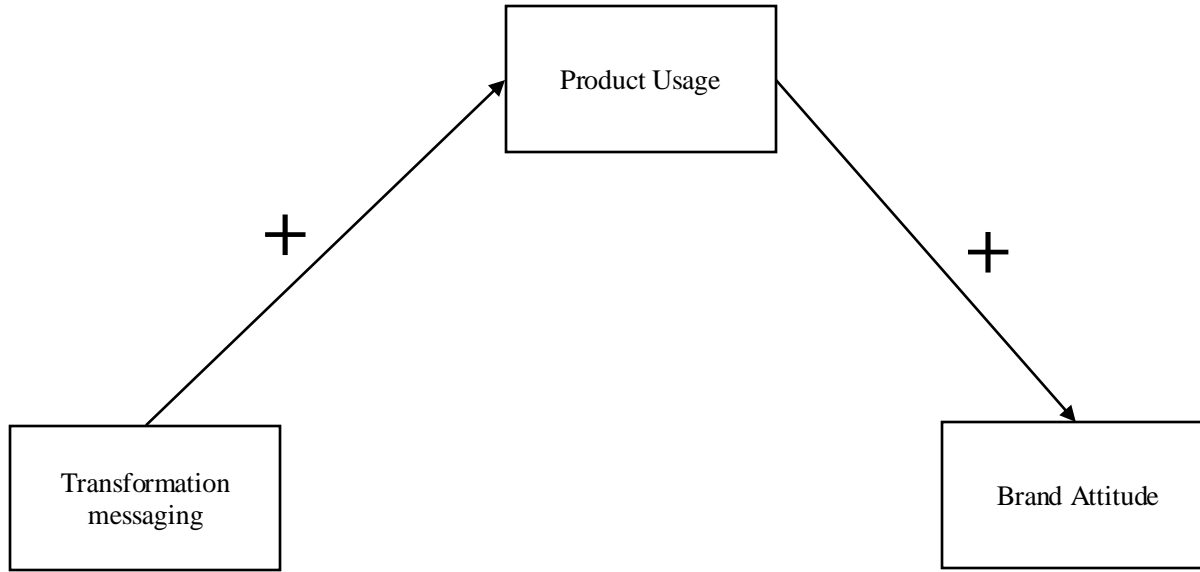
Sustainability Group

How long do you think you will be able to use this product?

	1	2	3	4	5	6	7	
Very short time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very long time

STUDY 3





Transformational messaging encourages consumers to see greater utility in products, highlighting not just their immediate usefulness but also their capacity to deliver benefits and meet needs over a longer period leading to an expectation to use products longer. The expectation of an extended product life positively affects their brand evaluations and buying decisions.



Leveraging transformational messages can create a win-win situation by increasing consumer interest, extending product usage, and reducing environmental impact.



Reduce consumption:

- Buy less
- Repair

Reduce use of virgin materials through reuse:

- Take-back programs
- Secondary markets
- Recovered materials (recycle/upcycle)

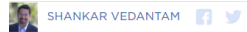
Making sure that reuse is possible by stimulating recycling

RECYCLING

- Recycling is at the end of the 3R Principle of Reduce Reuse, Recycle for good reason, as it has its limitations (e.g., downgrading and limited market for recycled plastics; Hopewell et al., 2009; OECD , 2023).

Why Recycling Options Lead People To Waste More

June 2, 2017 · 5:02 AM ET
Heard on Morning Edition



SHANKAR VEDANTAM

3-Minute Listen

People used more cups and paper when recycling was an option versus when they had to put them in the trash. Researchers say people's guilt for wasting is overridden by the good feelings for recycling.



CONCLUSIONS: MAKING RETAIL CIRCULAR

- Increasingly retailers are required to take responsibility of their products "from cradle to grave" – this requires new offers and relationships with consumers.
- Retail is well-positioned to use existing infrastructures in new ways, creating room for circular and sharing features that could potentially help shape a more sustainable future. Making retailing more sustainable will most likely require big changes in both operations and business models.
- Currently many retailers are looking at ways to make their business more circular. Reduce, reuse, recycle (3Rs) are central tenants in the circular economy, implementing them in retail comes with several opportunities but also challenges – especially when you want to engage consumers in their application.

EXAMPLES OF OTHER ONGOING RESEARCH PROJECTS

- Wiley Wakeman (social goals for repairs + repair and loyalty)
- Christoph Baldauf (take-back + circular packaging in e-com)
- Maja Fors (take-back + preference for professional/peer second hand)
- Alexander Mafael (returns and payments + misbehavior in sharing economy)



The CFR Course Notes are developed primarily for use in the BSc in Retail Management program at the Stockholm School of Economics and offer brief summaries that are meant to complement course readings on important topics not covered in the main textbooks or articles.

CFR Course Note #007 Rosengren and Cakanlar (2024) Circular Retail

CFR Course Note #006 Andersson, Natorina and Rosengren (2022) Artificial Intelligence (AI) in Retail

CFR Course Note #005 Chimenti (2021) The Sharing Economy

CFR Course Note #004 Lange and Kaij (2021) Category Management

CFR Course Note #003 Rosengren and Bianchi (2020) Retailing Business Models

CFR Course Note #002 Blom and Rosengren (2020) Sustainable Shopping Behaviors

CFR Course Note #001 Rosengren and Lerpold (2024) Retailing and Sustainability

NEXT CFR EARLY INSIGHTS

Thoughts, comments, ideas:
karl.strelis@hhs.se

February 19

May 14

September 24

November 19

Topics will be shared in January 2025



