

# 4 Reasons why business must lead the circular economy revolution

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# 4 Reasons Why Business Must Lead the Circular Economy Revolution

Potential business gains from the circular economy are vast—and adoption is critical to future competitiveness, which US companies are clearly recognizing. A 2019 survey of US executives in the automotive, electronics, food and agriculture, and healthcare industries found that 78% have now adopted or plan to adopt circular economy frameworks. But without consumer buy-in, it may all be in vain. Here are 4 reasons why business must lead the transition, and help consumers see the value of circular practices.

1 Consumers increasingly want to buy from sustainability-oriented brands, and there is a real threat to companies that don't act, as consumers are prepared to vote with their feet.

59%

of consumers are becoming more influenced by a product's environmental impact when they make purchasing decisions.



61%

of consumers say they'd be less willing to buy a company's products if they have poor environmental practices.



2 It is incumbent upon businesses to make it easy and convenient for consumers to embrace circular practices—and to educate consumers about the benefits. Engagement with more-novel circular solutions, like device-sharing or clothing rental models, is being held back by a number of barriers, including the perceived inconvenience.



54%

of consumers still choose low-cost fast-fashion items over more expensive, durable ones.

70%

of consumers said they would be more likely to repair electronic devices if companies offered a low-cost repair service.



## Barriers to Consumer Engagement with Circular Practices

- Education & Awareness
- Circular Infrastructure & Convenience
- Empowerment & Reassurance
- Cost of Goods

3 By making circular models a 'convenience economy,' not only will companies build loyal customers in those who care about sustainability, but even consumers who have no focus on sustainability will find value in circular models.



53%

of consumers that don't have an interest in sustainability would pay more for clothing guaranteed to last longer.

Over a third of this group would be motivated to rent electronic devices because the upfront cost of buying is too expensive and it is easier to keep up with tech updates.

4 Those that don't lead the circular revolution will be missing out on a big business opportunity—first movers are using their environmental credentials as a key selling point to consumers. They also risk alienating both their current and potential customer base—particularly among younger consumers.

20x

rate at which the pre-owned apparel market is growing over the growth rate of the overall apparel industry.

54%

of 18-24 year-olds have boycotted a food brand on perceived poor environmental practices.

37%

of 25-34 year-olds say the environmental impact of clothes is highly important in buying decisions.

