

The background of the entire page is a solid red color. It is decorated with a repeating pattern of stylized white eyes. Each eye is composed of a simple outline of the eye shape with several short, radiating lines above it to represent eyelashes. The eyes are arranged in a grid-like pattern, with some overlapping slightly.

# THE CIRCULAR ECONOMY IN PRACTICE

through the micro-initiatives uncovered each month by

# l'œil

de L'Observatoire Cetelem

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# THE CIRCULAR ECONOMY AS A TOOL FOR TRANSFORMATION

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Having been revitalised by the circular economy, which has prompted the emergence of consumer entrepreneurs and assigned them the task of driving circularity, retail now has everything it needs to provide a forum for people to meet and trade. It now operates in closer concert with the online platforms, marketplaces and second-hand websites that fuel interaction between all those who are inspired by the same values, the same desire to share and reinvent, and the same urge to act responsibly, based on the principles of civic engagement and citizenship. The concept of community retail may soon become a reality. The future is already here.

## THE RISE OF THE CONSUMER ENTREPRENEUR

Traditionally, the consumer has been seen as the final destroyer, as the party who ends the life cycle of a product when they decide to dispose of it. With the development of the circular economy, consumers are becoming more entrepreneurial about their own consumption and thus becoming more complex figures. This is a development that is profoundly altering the practices of brands and retailers.

### THE FIGURE OF THE CONSUMER ENTREPRENEUR IS A QUESTION OF TRANSFORMATION

What is transforming is the role of individuals, because buyers are increasingly becoming occasional sellers. Their awareness is also transforming, because they are increasingly considering the impact of their purchases on the environment. And their desires are being transformed by the opportunity they now have to shape the products that are aimed at them. Having traditionally considered consumers purely

in terms of their purchasing power, brands and retailers are discovering that individuals now have the power to sell their old goods, a willingness to buy more responsibly and a newfound sense of creativity. All of these are signs of their eagerness to gain greater control over their consumption.

We are not born entrepreneurs of our own consumption, we become so gradually because our environment is conducive to these practices. Transforming this potential into behaviours and even into habits is now one of the missions of all brands and retailers.



### BEING BOTH A BUYER AND A SELLER

To encourage the emergence of consumers who are both buyers and sellers, various retailers are changing the ways in which their departments are organised and their products are sold. A revolution.

- In Los Angeles, second-hand store **Redress** is now renting out clothes rails to its customers. Each rail can hold up to 50 items that an individual wishes to sell. Bookings are made online and customers are free to set their own prices, share their rail with a friend and post an ad on social media.
- Textile retailer **Kiabi** now has its own second-hand department. There, customers can buy pre-owned clothing, but also drop off items they no longer need. These items don't have to be from the Kiabi brand.
- In Metz, Lens, Forbach and Haguenau, **Cora** hypermarkets now feature corners where used products can be bought and sold, thanks to a partnership with the **Easy Cash chain**. In Belgium, the Cora hypermarket in Rocourt hosts a corner in conjunction with **Cash Converters**, which specialises in buying and selling second-hand items.

Some retailers are going as far as to invent new systems of equivalence between what is sold and what is bought. This is one way of encouraging buyers to become sellers.

- **La Redoute** recently launched a website that allows consumers to sell their old items. The proceeds of sales are converted into kitties or vouchers that can be redeemed for products from its catalogue. This new service has been christened **La Reboucle**.
- Set up in the centre of Lille, **Greendy Pact** is a store that allows customers to drop off clothing they no longer wear in exchange for a virtual currency known as **Greendy**, which is credited to their online account and can be spent on other items collected by the shop.
- Startup **Redonner** rewards private individuals for the clothes they donate. All they have to do is bring their items to a collection point for recycling and take a photo of the goods to receive **Re points**, an exchange currency that gives them access to discounts from the startup's partner brands.
- To encourage customers to recycle, **Veepee** has come up with the **Re-cycle** service, which rewards them with a voucher whenever they return clothes or accessories from a specific brand. After **Aigle**, the focus turned to **Jennyfer**. Lightly used clothes are put back into circulation on **Veepee Re-cycle**, while the rest are recycled.



### MORE AWARE

The more consumers contribute to the circular economy, the more aware they will be of the ecological and human issues that their consumption links into. First and foremost, becoming a consumer entrepreneur is about being a responsible consumer.

- The **H&M** store in Stockholm features a machine, christened **Loop**, that recycles clothes before its customers' eyes. Garments are washed and then shredded into fibres, which are filtered and carded to obtain a new thread that is ready to be woven.
- To valorise its organic waste, the **Super U** supermarket in Evron (near Le Mans) transforms everything that would previously have ended up in the bin into compost, which customers are free to use.
- **IKEA** and Dutch sustainable jeans manufacturer **Mud Jeans** have joined forces to offer a couch cover made from 40% recycled jeans. The cover fits the **Klippan** model the furniture retailer has been selling since 1980.
- **Simple Maps** is an app that displays a map allowing users to find the most responsible associations, businesses and restaurants near them. The more an organisation respects the environment and supports a zero-waste approach, short supply chains and the circular economy, the more visible its logo will be on the map.



## MORE RE-CREATIVE THAN EVER

Recycling, reusing or reducing the impact of a product are not just ways for consumers to announce their values to the world. They also allow them to express their creativity.

For consumer entrepreneurs, personal expression can also serve the collective interest.

- In Pantin, **La Requincaillerie** strives to promote self-manufacturing and the recovery and re-use of materials. The site has a collection point, a shop and a workshop, *Fabricothèque*, which is accessible to local residents, associations and institutions.
- Upcycling brand **Super Marché** has teamed up with **Leboncoin** to market a collection based on clothes sold via the latter. The items are assembled at a sewing and professional integration workshop in L'Île-Saint-Denis and 50% of the profits generated are donated to the humanitarian charity *Fashion Revolution France*.
- Mail order company **Blancheporte** has called upon the services of the Plateau Fertile manufacturing workshop in Roubaix to give a new lease of life to unsold linen and make it marketable once again, by turning it into bags and luggage accessories.

Creative professionals are seizing upon the success of the circular economy to come up with new concepts and materials. Imagination takes centre stage!

- **Ashoka Paris**, a young Parisian leather goods label, has designed a line of bags made partially from dried apple peels, which are ground into powder before being mixed with cotton and polyester.
- British designer **Stella McCartney** recently launched its first garments made from a mushroom-based alternative to leather.
- In Belgium, sustainable drugstore **La Ressource** offers its customers private and personalised sessions to teach them how to make their own cosmetics and cleaning products in less than 30 minutes.

## RETAIL AS A DRIVER OF CIRCULARITY

The development of the circular economy is also having an impact on the role of retail.

Its purpose is no longer just to sell, but also to facilitate the circulation of products in order to extend their lifetime for as long as possible.

### ITS NEW CHALLENGE REVOLVES AROUND THE FLOW OF GOODS

Today's shops are points of sale and, in some cases, living spaces. Tomorrow, they will be places where people interact and products are given a new lease of life. Having always been synonymous with accumulation and "utilisation", consumption is becoming increasingly synonymous with circulation, through refurbishing and renting, but also

with "resurrection", through restoration and transformation. Circulation is becoming essential.

The circular economy has turned traditional retail practices on their head. It offers a wealth of opportunities for retailers to differentiate themselves from their e-commerce rivals and to offer new experiences that can meet their customers' growing appetite for surprise. The circular economy is a fantastic opportunity for retail.



## REFURBISHING

To give their products a new lease of life, brands must see their stores as the beginning of a new story. But this can also be an opportunity to showcase their know-how.

- Shoe manufacturer **Weston** has opened a new department, dubbed *Weston Vintage*, in its two Parisian stores. It will offer discontinued models that have been restored by the brand.
- **Eram** has set up a system whereby shoes from any brand can be refurbished in its stores on a cobbler's bench positioned to allow customers to watch, the aim being to add a little life to the shop and demonstrate its know-how.
- In Bordeaux, at its store on the Darwin brownfield site, sustainable sneaker brand **Veja** has set up a cobbler's workshop (to refurbish used pairs of sneakers) and a space where shoes that are beyond repair are collected and recycled. It also offers prototypes and sneakers with minor defects at reduced prices, as well as pairs from old collections.



## RECLAIMING

Extending the life of products is all about putting discarded goods back into the consumption cycle. When retail acts for the greater good while also promoting its know-how.

- Retailer **Jardiland** uses the **Too Good To Go** app to sell plants that are nearing the end of their cycle at discounted prices. Around 100 of its stores already offer this service.
- **Nous**, the anti-waste grocery store, offers products that supermarkets reject (short use-by dates, damaged packaging, "ugly" fruit and vegetables), as well as surplus production, at an average discount of 30%.
- In the Netherlands, one **Albert Heijn** store suggests that customers drop off their old clothes at an automated collection point in exchange for 50 cents off their purchases. The system works like a bottle deposit.
- The desire not to waste anything can also lead retailers to create outlets where reclamation goes hand in hand with creativity.
- **The Body Shop** recently opened stores in Dijon, Marseille and Anglet based around a new concept, dubbed *Activist Maker Workshop*. One feature that marks the stores out is the use of second-hand furniture in their interior design. The concept was first launched in London.
- **Castorama** offers a collection service for old jeans, which are turned into acoustic and thermal insulation. The scheme is run in partnership with *Le Relais*, an association specialising in professional reintegration.
- In three of its stores and as part of its environmental initiatives, **Kiabi** is trialling recyclable hangers made from used textiles. These can subsequently be collected to be recycled anew.
- South Korean automaker **Hyundai** has used airbags, windscreens and other parts from vehicles that have reached the end of their useful life to create a clothing collection dubbed *RE : Style*. It now sells these items via the online stores of *L'Eclairer* and *Boon the Shop*.



## REPAIRING

In response to the suspicion that brands are engaging in planned obsolescence, some have decided to offer the option of repairing the products they sell, thus creating new forms of relationship with their customers.

- Fashion retailer **Jules** offers a clothing repair service in 13 of its stores. Customers who are cardholders receive one free repair and two free alterations.
- **IKEA** now offers spare parts online, enabling customers to repair broken furniture or freshen up old furniture by buying new covers or table legs, for example.
- Retailer **King Jouet** sells a range of spare parts, manuals and user instructions to encourage buyers to repair toys rather than throwing them away.



## RENTING

Renting may well be the form of consumption that best epitomises the circular economy. It allows you to possess and enjoy a product, but only temporarily, so that others can enjoy it too.

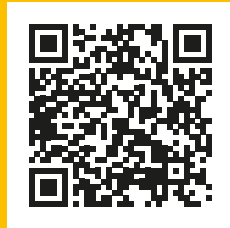
- An **H&M** store in Stockholm allows customers to rent skirts and dresses from its eco-friendly Conscious Exclusive collection. For a fee of 350 Swedish krona (€32) per garment, members of the programme can borrow up to three items for one week.
- It is now possible to rent furniture from **Ligne Roset** with an option to purchase after five years. The rental service includes a free clean and a visit from an interior designer to help choose the right furniture. Recovering and refurbishing this furniture will allow the retailer to market a second-hand offering in the future.
- **Twinsset**, an Italian women's fashion brand, has launched *Pleasedontbuy*, an offering devoted entirely to renting out clothing for special occasions, such as ceremonies, birthdays and job interviews, with a special focus on Generation Z, which is yet to represent a significant proportion of its clientele.
- In Belgium, **Decathlon** is trialling the rental of sports equipment at six of its stores. Christened *We Play Circular*, the offering includes 40,000 models whose rental price varies according to the duration and which consumers can subsequently buy.

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