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Circularity improves customer loyalty, drives profitable sales growth

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The circular economy, from reselling pre-owned products to new ownership formats, is not only sustainable but can help retailers to improve customer loyalty and generate profitable sales growth, according to experts at DELIVER Europe 2024 in Amsterdam this week.

Those were the key messages from the three female panellists in a discussion entitled "The Future Is Circular" and covering a diverse range of topics, from business models and strategies to practical steps for retailers.

Different 'circular offers'

Laurence Fontinoy, Head of Circularity at French retailer Decathlon, stressed how circularity at the company had full management and employee support. Staff dedicated to pre-owned goods were in place throughout the business and these products had been integrated into the sales business model, she said.

Decathlon had developed four different kinds of "second life" offers in a number of different markets, Fontinoy explained. These included repurchasing goods from customers and reselling them; renting out seasonal products such as winter sports equipment; product subscriptions; and in-store repairs to enable reselling of reconditioned products.

One example of a product subscription was refurbished children's bicycles, enabling families to obtain the right size of bicycles as their children grew up and without having to buy a new bicycle every few years.

Source: CEP-Research