

STAKEHOLDER MEETING

Consumer Insights into the Circular Economy

25th October 2018

European Economic and Social Committee (EESC), Brussels

Meeting Report



Imprint

The Stakeholder Meeting: Consumer Insights into the Circular Economy was co-organised by the Collaborating Centre on Sustainable Consumption (CSCP) with the support of the European Economic and Social Committee (EESC), as part of the work plan of the European Circular Economy Stakeholder Platform (ECESP) Coordination Group.

This report gathers the main insights discussed during the meeting in terms of needs, promising practices and benefits of integrating consumer insight into the circular economy, as well as the concrete actions suggested by the participating high-level stakeholders for taking the topic forward.

Acknowledgements

We would like to thank the meeting attendees and speakers for their active participation and contribution with insights and energy crystallised in this document.

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Contributions: Meeting speakers and participants

Brussels, 25 October 2018.

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Report summary

The Stakeholder Meeting: Consumer Insights into the Circular Economy gathered high-level stakeholders to jointly discuss:

- What are the needs in terms of understanding and integrating consumer insights and behaviour knowledge into the circular economy transition;
- What we already know in terms of promising practices and benefits that make the case for taking consumer insights into consideration in circular economy strategies;
- Which concrete actions we should take on the way forward in order to institutionalise the topic and make it relevant in the circular economy agenda.

Key needs

The highlights in terms of key knowledge and integration needs are summarised below:

Need to...

1. Address rebound effects and increase of resource consumption
2. Develop a realistic view of human behaviour
3. Move beyond assumptions of rationality
4. Understand and explore 'prosumerism'
5. Explore new ways to introduce circular economy policies
6. Build living labs to create circular economy solutions
7. Gather and share existing knowledge

Concrete actions for the way forward

Based on the identified needs, along with a view of promising practices and potential benefits of integrating consumer insights

in the circular economy, the participating stakeholders discussed game-changing actions in order to take the topic forward:

- ▶ Establish a Consumer Insight Panel
- ▶ Boost further the EU Retailer Forum
- ▶ Create a 'Consumption Knowledge Innovation Community (KIC)'
- ▶ Link to the international dimension
- ▶ Establish a Consumer Insights Working Group within the European Circular Economy Stakeholder Platform Coordination Group



Meeting background

The purpose of the Stakeholder Meeting: Consumer Insights into the Circular Economy was to discuss how consumer needs, perspectives and behavioural insights can be better integrated into the circular economy transition, what we already know in terms of promising practices and benefits in this realm, and which actions we should take on the way forward in order to institutionalise the topic and make it relevant in the circular economy agenda.

For that, we have invited expert representatives from various stakeholder groups, including policy makers, business, NGOs and academia. This report brings together the highlights of the discussion points brought up during the meeting.

In preparation for the meeting

While preparing for the meeting, we have collected relevant pieces of EU policies and research that clearly recognised the importance of understanding and integrating

consumer knowledge and behavioural insight into the circular economy transition. These pieces were highlighted in the opening of the meeting and are transcribed below:

“Transition to a more circular economy requires changes throughout value chains, from product design to new business and market models, from new ways of turning waste into a resource to **new modes of consumer behaviour.**” COM(2014) 398 final, Towards a circular economy

“The **choices made by millions of consumers can support or hamper the circular economy.** These choices are shaped by the information to which consumers have access, the range and prices of existing products, and the regulatory framework. This phase is also crucial for preventing and reducing the generation of household waste.”

COM(2015) 614 final, EU Action Plan for the Circular Economy

„**Education** will be one of the drivers of wholesale behaviour change and can help establish a **new generation of responsible consumers** with accurately priced, convenient, high quality, ethical consumption options..... Responsible consumer choices require meaningful consumer **information.**” EESC Opinion NAT/676

“(…) in a circular economy where the aim is to circulate products at their highest level of value, the **customer’s behaviour can become an important part of the system**”

Wastling, Charnley and Moreno (2018)

“Alternative business models require consumer acceptance, however a number of **behavioural barriers are currently preventing the development and adoption of a Circular Economy.**”

Muranko et al (2018)



Consumer insights & Circular economy

In the context of an expert panel discussion, panellists and meeting participants were asked the following questions:

- What are the needs in terms of understanding and integrating consumer insights into the circular economy transition?
- What are the promising practices of integrating consumer insights into circular economy policies, business strategies and actions from Civil Society Organizations (CSOs)? (Promising practices: existing

initiatives and approaches that have been implemented and evaluated to varying degrees usually at the local level, with potential for being replicated in other contexts)

- What are the potential benefits of integrating the consumer perspective in circular economy?

Below is a summary of the main discussion points:

Needs



Address rebound effects and increase of resource consumption

- Efficiency gains have not been translated into absolute reduction of consumption
- Most circular business models are solely business oriented



Develop a realistic view of human behaviour

- Need to focus more on what people actually do, instead of on what they say they do
- Several participants shared their concerns about studies exploring consumers' willingness (to pay for a product, to recycle, to repair), considered inaccurate or incomplete

Promising practices & Benefits

→ **Scaling up and mainstreaming** circular business models that (1) support sustainable resource use in closed loops, (2) are truly peer-to-peer and (3) create shared value

→ **Exploring** the role of economic instruments in addressing rebound effects

→ **Adopting** state-of-the art tools to collect insight about people's actual behaviour, e.g. through ethnographic approaches that bring research closer to people's reality, thereby developing targeted circular economy solutions with greater potential to be effective and successful

Needs



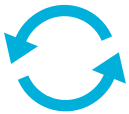
Move beyond assumptions of rationality

- There is often the assumption that because a circular economy solution is available, people will simply adopt it
- There is also the assumption that solutions will fit all, as if people would generally react the same way to them



Understand and explore 'prosumerism'

- Consumers are increasingly moving from a passive to an active role with regards to production
- Need to explore this new, powerful role of consumers



Explore new ways to introduce circular economy policies

- Policies options are often discussed within society only in theory, with little room for testing and trying its actual implications in reality



Build living labs to create circular economy solutions

- Development of innovative solutions require multi-stakeholder actions to be tested in real life settings



Gather and share existing knowledge

- Consumer insight knowledge exists but it is fragmented

Promising practices & Benefits

- **Understanding** the drivers of behaviours and connection among them: personal, social, physical, economic drivers
- **Segmenting** our target groups and develop segment-tailored circular economy solutions
- **Exploring** ways to make circular economy solutions something aspirational and desired by consumers, e.g. by tapping into the potential of social media channels, influencers and social norms

- **Investigating and testing** with prosumerism models in various sectors, e.g. energy, textiles and food
- **Involving** consumers in co-shaping material sourcing and production stages of the value chain

- **Testing and trying** new policy options by engaging citizens at the local level: evidence has shown that enabling citizens to test new regulation at the local level before its actual implementation has helped decreasing resistance to change and increasing citizen engagement with policy processes

- **Tapping** into the potential of cities and city quarters as places to learn from or try new circular economy solutions, e.g. how to design homes that support sharing, reuse, upcycling and social integration simultaneously

- **Making sense of** existing knowledge from various stakeholder groups and translating it into tools of information, education and awareness raising

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How to make it happen

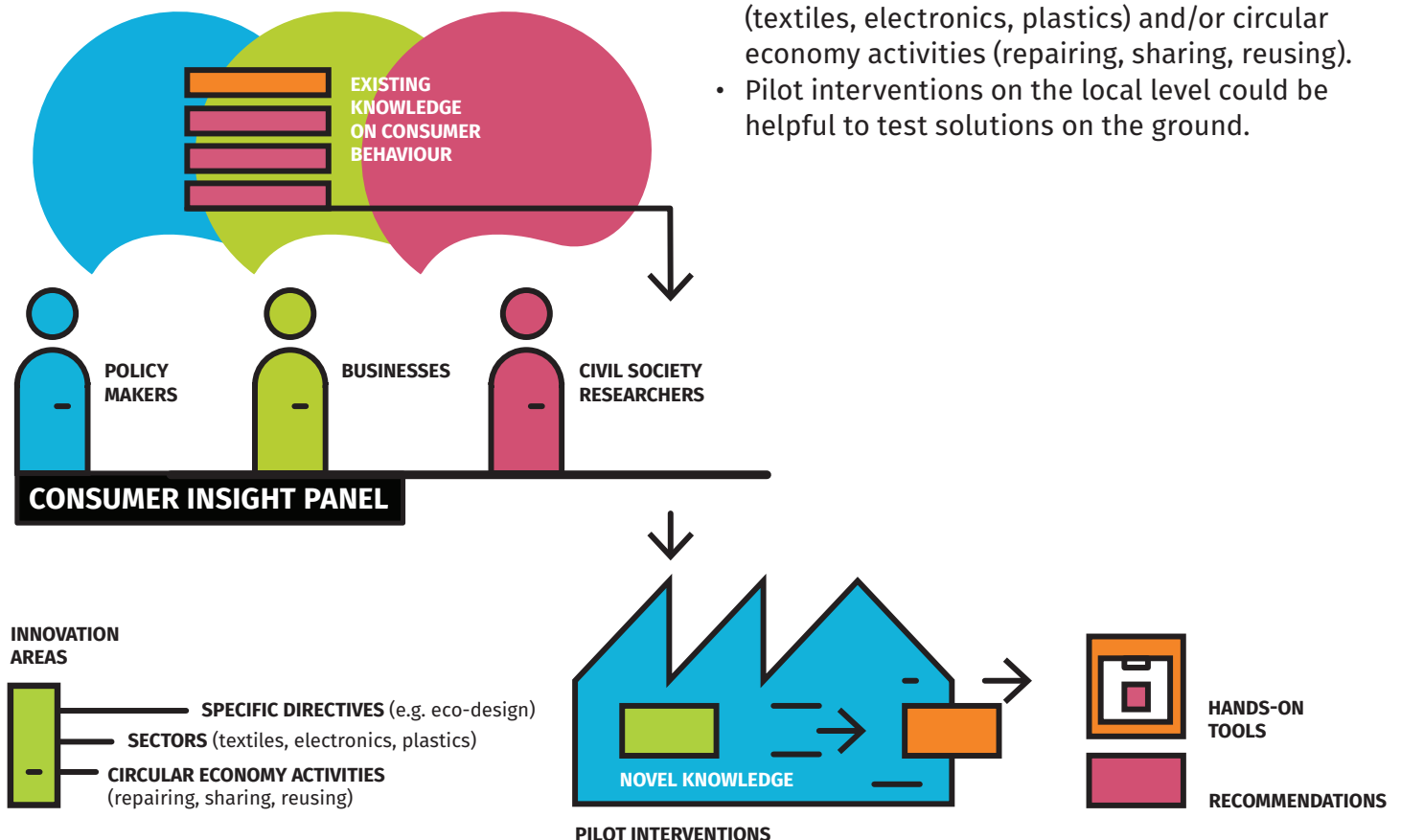
Concrete actions for the way forward

Based on the identified needs, promising practices and potential benefits of integrating consumer insights in the circular economy, in the second half of the meeting the participating stakeholders discussed what they consider to be game-changing actions in order to take the topic forward.

Action ideas were jointly discussed as they were mentioned in the room. Identifying a preferred type of action by the participants was not part of the scope of the exercise. The highlights of the discussion are presented below, and will be taken as a basis for further developing and launching the next steps in the process:

Establish a Consumer Insight Panel

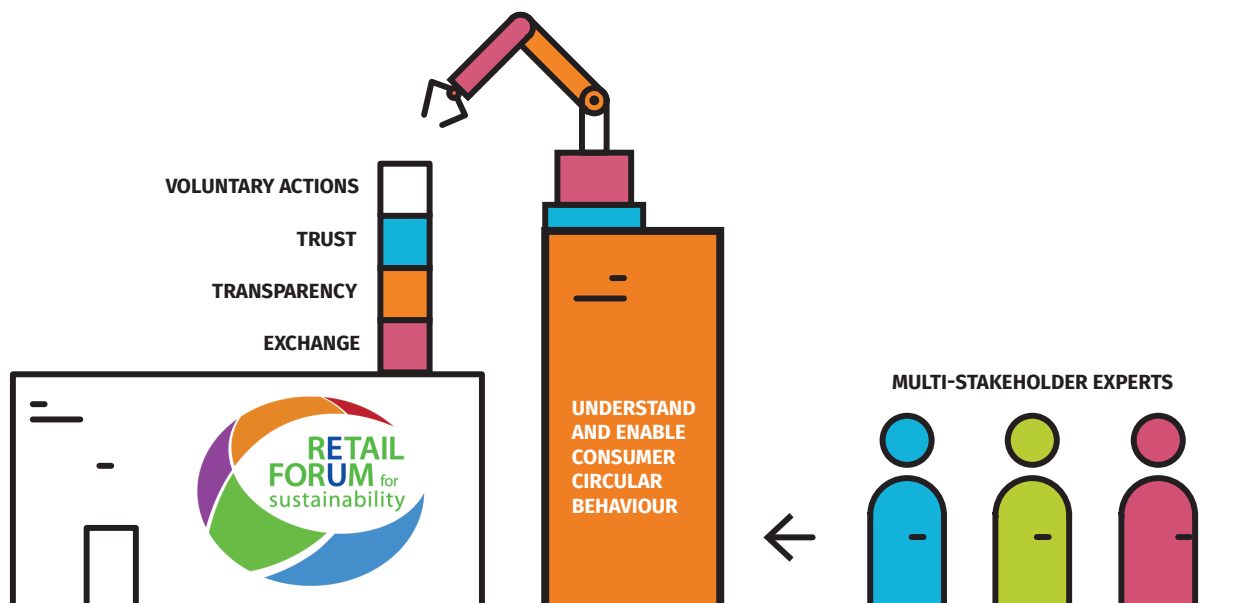
- Participants shared the understanding that such multi-stakeholder meetings should not be a one-off event.
- There is a need for continuity in understanding and dialoguing about how to better integrate consumer knowledge and behavioural insight into the circular economy transition.
- A panel with multi-stakeholder expert representation in a series of meetings/workshops would be crucial for knowledge brokerage.
- The goal would be to translate existing knowledge on consumer behaviour into hands-on tools and recommendations to guide policy makers, businesses and civil society in enabling the circular economy. Novel knowledge could also be created to address potential knowledge gaps.
- Resulting recommendations could focus on specific directives (e.g. eco-design), sectors (textiles, electronics, plastics) and/or circular economy activities (repairing, sharing, reusing).
- Pilot interventions on the local level could be helpful to test solutions on the ground.



Boost further the EU Retail Forum

- The EU Retail Forum has the potential to put businesses in the driving seat, by fostering ambitious and voluntary actions to support the circular economy based on a new understanding of the consumer.

- The goal would be to foster exchange and trust among members of the forum, seen as an exclusive institution for pushing innovative actions.
- Business actions are important drivers of human behaviour, by influencing product choice and aspirations.



Create a 'Consumption Knowledge Innovation Community (KIC)'

- Bring together businesses (large corporates, SMEs, start-ups), research organisations and higher education institutions as partners.
- Create a favourable environment for creative thought and innovation to flourish.

- Lead to innovative products and services, business models and entrepreneurial thinking based on a realistic and engaging understanding of human behaviour.

Link to the international dimension

- Tap into the potential of existing international funding programmes, such as Switch Asia or Switch Africa Green.

- Learn from other countries about how people behave and how consumer insight can be integrated in more effective circular economy solutions.

Establish a Consumer Insights strand of work within the European Circular Economy Stakeholder Platform Coordination Group

- Tap into the potential of the existing group and structure, including the European Circular Economy Stakeholder Platform's website and its interactive forum.

- Start a series of workshops to distil targeted insights to be shared with circular economy stakeholders about consumer insights

ANNEX I

Meeting agenda

09:00 **Registration and welcome coffee**

09:30 **Welcome and introduction**

- Evangelia Kekeleki, EESC Member
- Michael Kuhndt, Executive Director, CSCP

09:45 **Tour de table**

- Participants to share their name and the organisation they are representing

09:55 **Setting the scene**

- Presentation of the European Commission behavioural study on consumer engagement in the Circular Economy, by Jeroen Van Laer, Directorate-General for Justice and Consumers (DG JUST), European Commission

10:10 **Panel discussion: Integrating consumer insights in the circular economy: needs, benefits and best practices**

Focus questions:

- What are the needs in terms of understanding and integrating consumer insights into the circular economy transition?
- What are the promising practices of integrating consumer insights into circular economy policies, business strategies and actions from Civil Society Organizations (CSOs)?
- What are the potential benefits of integrating the consumer perspective in circular economy?

- Soenke Lorenzen, Research Manager, Greenpeace International
- Alexandre Affre, Director for the Industrial Affairs department, BUSINESSEUROPE
- Rachel Gray, Behaviour Change Manager, WRAP
- Oksana Mont, Professor, The International Institute for Industrial Environmental Economics at Lund University
- Lars Fogh Mortensen, Consumption, Products and Plastics Expert, European Environment Agency
- Sari Laine, Sustainable Lifestyle Specialist, SITRA

- Michael Kuhndt, Executive Director, CSCP (Moderator)

11:00 **Coffee break**

ANNEX I

11:15 **World cafe: Integrating consumer insights in the circular economy transition: how to make it happen**

Focus questions:

- Understanding & Learning: How to best harvest, develop and use knowledge on consumer insights that is helpful to the circular economy transition? (room: JDE2252)
- Networking & Connecting: How to best help and connect stakeholders? What are the potential synergies with the ongoing or planned initiatives from the stakeholders? (room: JDE2210)
- Applying & Grounding: How to apply solutions to actual policy processes? How to best support local, regional, national and EU policy makers? (room: JDE2249)

12:30 **Identifying the next steps**

Focus questions:

- What concrete actions are needed to accelerate the integration of consumer insights in the circular economy transition?
- How can we build on the experience and initiatives from stakeholders?

12:50 **Wrap up and take aways**

13:00 **Closing of the meeting**

ANNEX II

List of participants

Speakers

Rachel Gray, WRAP
Soenke Lorenzen, Greenpeace International
Alexandre Affre, BusinessEurope
Sari Laine, SITRA
Oksana Mont, IIEEE, Lund University
Lars Mortensen, EEA
Jeroen Van Laer, DG JUST, EC

Participants

Fabien Porcher, DG GROW, EC
Renatas Mazeika, DG JUST, EC
Elisa Casazza, CSR Europe
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Eva van Velzen, Netwerk Bewust Verbruiken
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Organisers & Hosts

Michael Kuhndt, CSCP
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Janine Borg, ECESP Secretariat
Evangelia Kekeleki, EESC
Maria Nikolopoulou, EESC
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ANNEX III

Photo documentation



ANNEX IV

EC Behavioural study on consumers' engagement in the Circular Economy

The report was presented in the meeting by Jeroen Van Laer, DG JUST, EC and can be downloaded in the following link:

https://ec.europa.eu/info/live-work-travel-eu/consumers/sustainable-consumption_en