



# Are Businesses Leaving Money on the Table?

*Creating Value through  
Circularity*

*In collaboration between*



**WRAP**



**OC&C**  
Strategy consultants

uncommon sense™





# Value Opportunity *of Circular Living*

**CIRCULAR LIVING** IS A TERM COINED BY WRAP TO DESCRIBE THE PEOPLE-CENTRED CHANGE FROM OUR CURRENT, LINEAR, **TAKE-MAKE-DISPOSE** MODEL TO A CIRCULAR **DESIGN-MAKE-REUSE** APPROACH. IT IS CIRCULARITY SEEN THROUGH THE LENS OF PEOPLE'S EVERYDAY LIVES, AND A TRANSFORMED SYSTEM OF GOODS AND SERVICES AROUND THEM.





## THE GLOBAL SHIFT TOWARDS CIRCULARITY IS MUCH MORE THAN AN ENVIRONMENTAL IMPERATIVE: IT'S A STRATEGIC BUSINESS OPPORTUNITY.

This report highlights the benefits to businesses of circularity and that today, the opportunity it offers is only at a fraction of its full potential.

**There is a strong business case for adopting circular principles. Companies can benefit from multiple levers:**

- **Revenue growth** from new propositions, unlocking additional customer segments and driving customer lifetime value among current users
- **Cost savings** from increased efficiencies and waste reduction across supply chains
- **Competitive advantage**, by being on the forefront of business system change
- Increased **supply chain resilience** through value retention of raw materials
- **Support towards sustainability targets** including compliance requirements

.....  
**Successful circularity initiatives in practice typically require a combination of the following factors to succeed:**

1. **Clear proposition to consumers** (financial benefits and convenience are key drivers of consumer adoption of circular products/services)
2. **Sufficient scale to support attractive unit economics** and commercial viability
3. **Compelling business case** to secure internal buy-in across your company
4. **Application of data and technology** to bring insight and enable optimisation
5. **Strong regulatory or compliance drivers**

Across industries, leading companies are already investing and deploying circularity within their operations and already benefiting from value creation through doing so. There is also however a risk of standing still. Increasing regulation and consumer demands means that companies who fail to embrace the opportunities that circularity offers risk being left behind.





## OC&C AND WRAP HAVE PARTNERED TO EXPLORE HOW BUSINESSES CAN CREATE VALUE THROUGH CIRCULARITY

*The shift to circular living is a powerful commercial, social, and regulatory force that is reshaping how products are designed, used and recovered.*

*This report unpacks what this means for businesses' commercial strategies.*

### OUR VIEWS ARE BASED ON...

- **Consumer Survey**

OC&C-led consumer survey to assess awareness of and appetite for circularity, and identify key barriers and enablers to adoption



**1,448**  
Respondents

- **Business Survey 1,039 Respondents**

WRAP-led survey of businesses across sizes and sectors to assess current understanding and implementation of circular initiatives, and plans to scale them



**1,039**  
Respondents

- **23 Interviews with companies pursuing circularity**

Interviews with WRAP partners and OC&C clients to test the state of circularity across industries and commercial viability of specific initiatives with quantitative and qualitative details



**23**  
Interviews

- **Assessment of >200 companies with circular propositions**

Research of FTSE100 Annual and Sustainable Reports, price and revenue benchmarking of circular-native vs. linear players to evaluate the state (and likely future direction) of boardrooms



**200**  
Assessments

- **Industry research analysis** of third-party data platforms (Euromonitor, GlobalData, SimilarWeb etc.) and public datasets to provide quantitative evidence



Industry  
Research Analysis

- **Interviews with active circularity investors** to gain fuller understanding of the commercial / financial opportunity around circularity and investor attitudes.



Active Circularity  
Investors Interviews



# What is *Circular Living?*

CIRCULAR LIVING SEPARATES VALUE CREATION FROM THE EVER-INCREASING CONSUMPTION OF VIRGIN RAW MATERIALS. IT MEANS ADOPTING A **DESIGN-MAKE-REUSE** APPROACH THAT RADICALLY REDUCES WASTE AND CARBON EMISSIONS FROM EVERYDAY PRODUCTS.

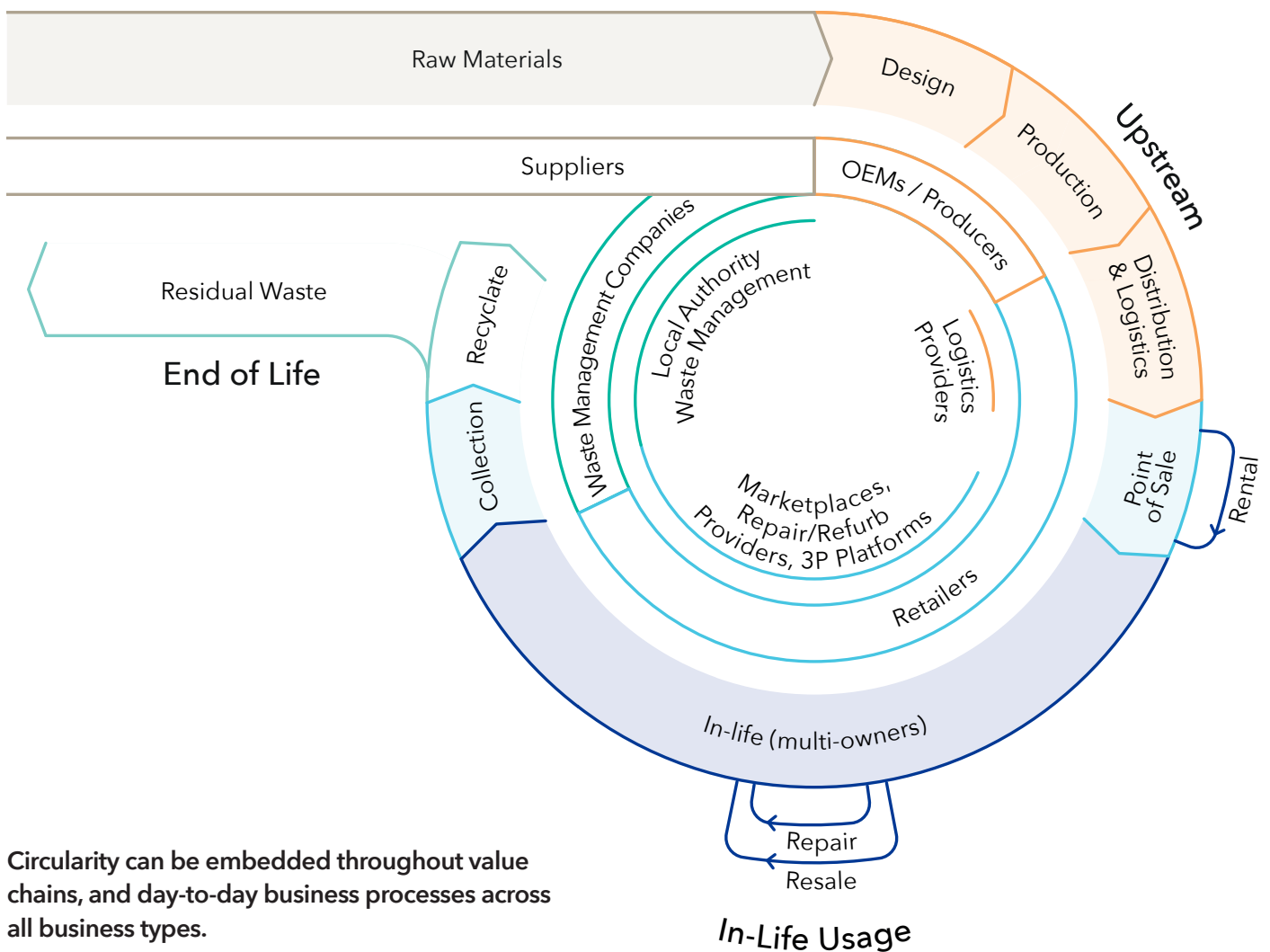


**For consumers**, this means striving to purchase considerately and seeking to extend product lifetimes through repair and resale.



**For businesses**, this means optimising design, prolonging product lifetimes and enabling effective recycling, whilst striving for more resource-efficient production and shifting towards more circular business models.

## CIRCULARITY VALUE CHAIN



Circularity can be embedded throughout value chains, and day-to-day business processes across all business types.

In this report, we focus on the opportunities circularity offers for businesses, rather than the problems it may be perceived to cause.



*“Demand for pre-loved and second-hand is growing without a doubt as sustainability is more on people’s minds today.”*

eBay

# The state of Consumer Living Rooms

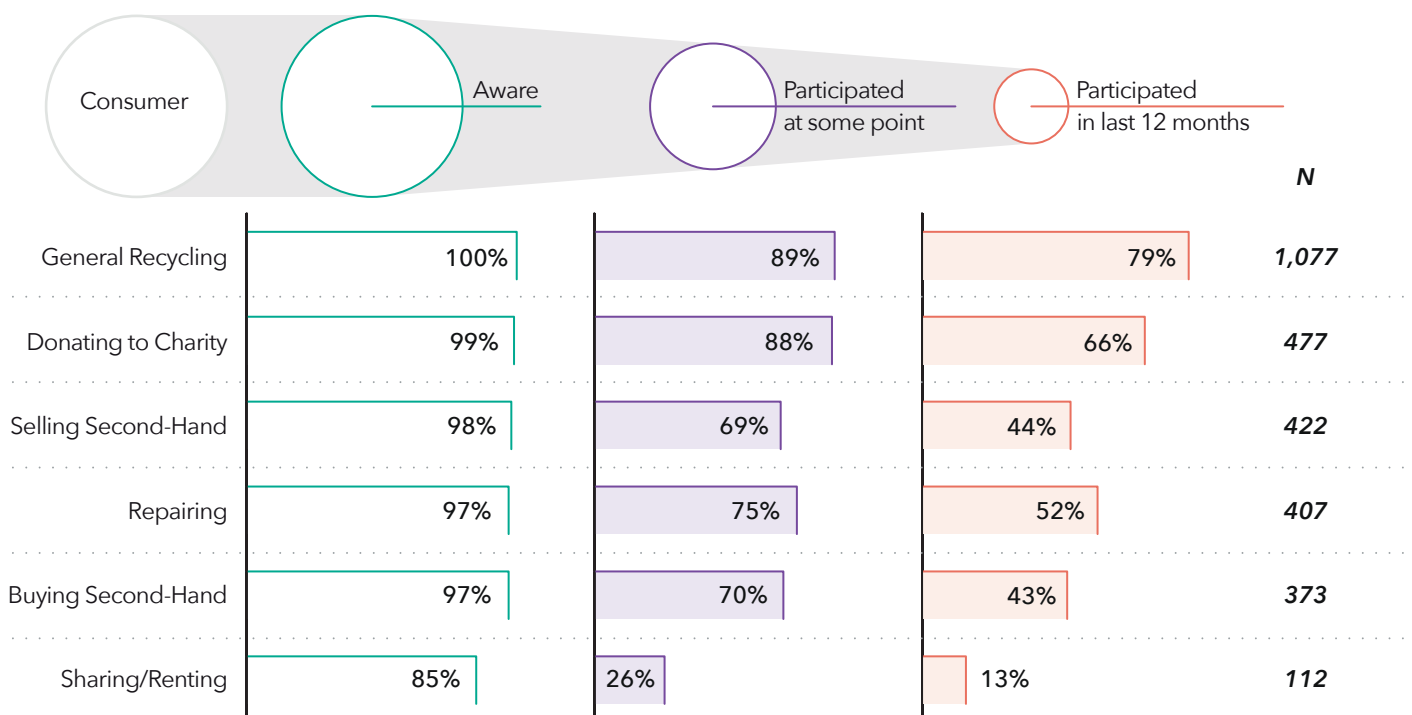
CIRCULAR BEHAVIOURS ARE ALREADY COMMON WITHIN CONSUMER HABITS - BUT ARE NOT YET AT THEIR FULL POTENTIAL

**78%** of consumers participated in at least one ‘circular’ activity in the last 12 months (excl. household recycling)

**52%** of consumers repaired an item in the last 12 months

**43%** of consumers bought second-hand in the last 12 months (44% sold a second-hand item)

## AWARENESS FUNNEL BY CIRCULAR ACTIVITIES (% total respondents)



Source: OC&C Consumer Survey N = 1448





### Implications for Businesses:

Avoid relying solely on environmental impact as a price lever. Instead, focus on creating circular propositions that deliver consumer value – without a significant convenience barrier.



## CONSUMERS CARE ABOUT ENVIRONMENTAL IMPACT

**44%** of consumers consider environmental impact important when buying products

**40%** of consumers are willing to pay more for options with lower environmental impact (+13% average price uplift)

## ENVIRONMENTAL IMPACT ALONE IS NOT ENOUGH TO DRIVE ADOPTION OF CIRCULARITY – ECONOMIC AND CONVENIENCE FACTORS ARE CRITICAL

### KEY DRIVERS AND BARRIERS FOR CONSUMER ADOPTION OF CIRCULAR ACTIVITIES

Key Drivers		Key Barriers	
Second-Hand Buying	55% 55% of consumers bought second-hand because it was <b>more affordable</b> than new	71% 71% of consumers don't buy second-hand <b>due to lack of suitable options</b>	
C2C or C2B Resale	38% 38% of consumers resold items to <b>make money</b>	32% 32% of consumers don't resell items <b>due to inconvenience</b>	
Rental	52% 52% of consumers rented as it was <b>more cost effective vs. buying</b>	58% 58% of consumers believe <b>renting is inconvenient or there are too few options</b>	
Repair	77% 77% of consumers repaired because it <b>was cost effective</b>	55% 55% of consumers don't repair as they <b>lack the skill / access to repair options</b>	

UK household recycling is an example of systemic consumer change towards circular activities without financial incentive. It has been enabled by the creation of a convenient recycling system supported by policy and behaviour change programmes. Resultant recycling rates have significantly increased, +53% since 2000 (based on Wales Household Recycling Study).

Source: WRAP Wales Household Recycling Study



# The State of Board Rooms

**Awareness of circularity is relatively high in businesses, but adoption is still nascent – none are fully capturing the opportunity:**

Circular design initiatives are most commonly adopted amongst business, with **~60%** of businesses designing products for durability or repairability. In contrast, in-life initiatives are less developed – only **~38%** of businesses are exploring product-as-a-service (PaaS) / rental models, and **~40%** are exploring take back schemes <sup>1</sup>

**Companies are interested in investing more in circular models, and this is gaining traction from investors.**

**Impact funds attract significant capital...**

**£76.8 bn** Assets under Management impact investing market as of end of 2023

**...and circular businesses benefit well<sup>2</sup>**

**184** financial investments were made in circular economy in 2023 (+42% from 2022); investment volume growth of **+34% pa** 2018-22.<sup>3</sup>

**Circular initiatives are supporting higher business growth:**

**+1.2ppt pa** higher gross value add growth in circular vs. linear industries since 2010<sup>4</sup> (+3.1ppt pa since 2020).

**2x** last 5-6 years revenue growth in sample of 40 circular-native businesses vs. 47 linear competitors.<sup>5,6</sup>

**Employees are also increasingly valuing circularity:**

**25%** of employees would choose or stay with a company based on sustainability efforts (which can include circular initiatives).<sup>7</sup>

1. WRAP Business Survey 2025

2. Impact Investing Institute Market Sizing Report.

3. BDO circular Economy Series 2024.

4. Calculated using ONS Gross Value Add data by SIC code, which were tagged based on whether they represent circular industries or not.

5. ONS Gross Value Add, analysed by SIC codes.

6. Based on a sample of competitors within the same industries to get as like-for-like view as possible.

7. OC&C Consumer Survey 2025 (n=1,448).

## Implications for Businesses:

It is time to act now, or risk being left behind – circular activities are supporting higher revenue growth and investor appetite.





# Creating value through *Circularity*

CIRCULARITY IS NOT A ONE-SIZE-FITS-ALL SOLUTION, BUT IT CAN UNLOCK VALUE ACROSS A WIDE RANGE OF BUSINESSES AND MODELS. OUR RESEARCH HIGHLIGHTS EIGHT COMMON VALUE DRIVERS WHERE CIRCULARITY DELIVERS TANGIBLE, COMMERCIAL IMPACT:

## Revenue and Customer



### Generating additional revenue streams

Unlock additional income from new product lines or services e.g., selling/re-purposing by-products, refurbishing and selling of excess stock/second-hand goods, and expanding into repair service lines.



### Providing competitive differentiation

Stand out with circular propositions, particularly where these disrupt traditional models (for example, 'as-a-service' models).



### Unlocking new customer segments

Reach new, price-conscious audiences via second-hand, discounted, or rental channels – expanding brand footprint beyond full-price / first-hand buyers.



### Increasing consumer and brand loyalty

Build engagement and stickiness with after-sale services (e.g., repair, rental, take-back), enhancing brand affinity, improving customer lifetime value and driving communication effectiveness through additional touchpoints.

## Cost and Operations



### Increasing supply chain resilience

Retain access to key raw materials via end-of-life recovery and circularity, reducing exposure to supply shocks and input volatility and optimising overall resilience. Highly relevant given recent increases in geopolitical and trade-related uncertainty.



### Reducing costs

Reduce material, energy, production, and disposal costs through supply chain efficiencies and waste reduction – especially in raw materials / manufacturing supply chains and stock returns for brands and retailers.

## Regulation and Governance



### Meeting sustainability regulation / targets

Accelerate progress towards sustainability goals and stay ahead of evolving regulation, such as recyclability, additional taxation and extended producer responsibility.



### Meeting board / investor requirements

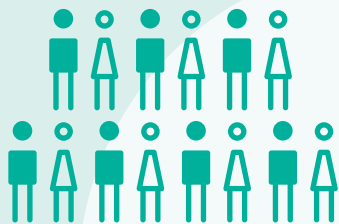
Respond to increasing demand for circularity from boards and investors with the goal of identifying and delivering long-term value creation, and risk mitigation.

# Themes for *Success*

WE SEE FOUR KEY THEMES WHICH SUPPORT SUCCESSFUL DEPLOYMENT OF CIRCULARITY; SCALE OF OPERATIONS, UNDERLYING RESIDUAL VALUE IN PRODUCTS/MATERIALS, CAPTURE AND USE OF DATA AND INFORMATION, AND SUPPORTING TECHNOLOGIES.

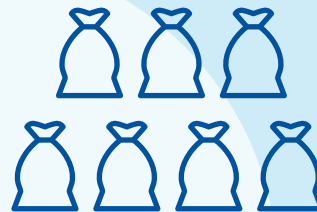
- Scale of operations (both demand and supply side) is essential to unlock commercial viability across a range of circular activities.
- Scale enables efficiency in logistics, processing and infrastructure.
- It also justifies investment in marketing and GTM.
- Specialist third parties can play a critical role to create scale in disparate supply chains - examples of which already exist today.

## Scale



- Residual value supports in-life circularity - products retaining value post-first sale/use can be more viably resold, reused or rented.
- Both high starting value and value retention of products drives consumer engagement, e.g., high value items may be more affordable in resale, driving demand for second-hand. Items with residual value are more likely to be resold, driving second-hand supply.

## Residual Value

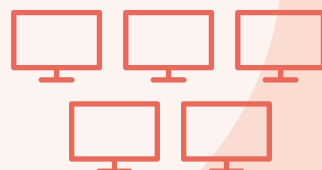


## Data & Information



- For businesses: data is critical across the value chain to understand situations and identify opportunities - e.g., material selection, demand forecasting & resource use to product lifecycles, and sale/re-sale value.
- For consumers: data and information can support improved buying choices and increase confidence in circular models e.g., quality certification when buying second-hand or highlighting the environmental advantages of circular business practices in marketing.

## Technology



- Technology is already proving to be a key unlock for circular activities.
- Technology helps businesses streamline operations and unlock margin through automation and intelligence.
- Key tools include AI/ML for forecasting, grading, valuing 2nd hand items and product passports, robotic waste sorting, and reverse logistics platforms.
- Innovation reduces friction and improves returns across the circular lifecycle.

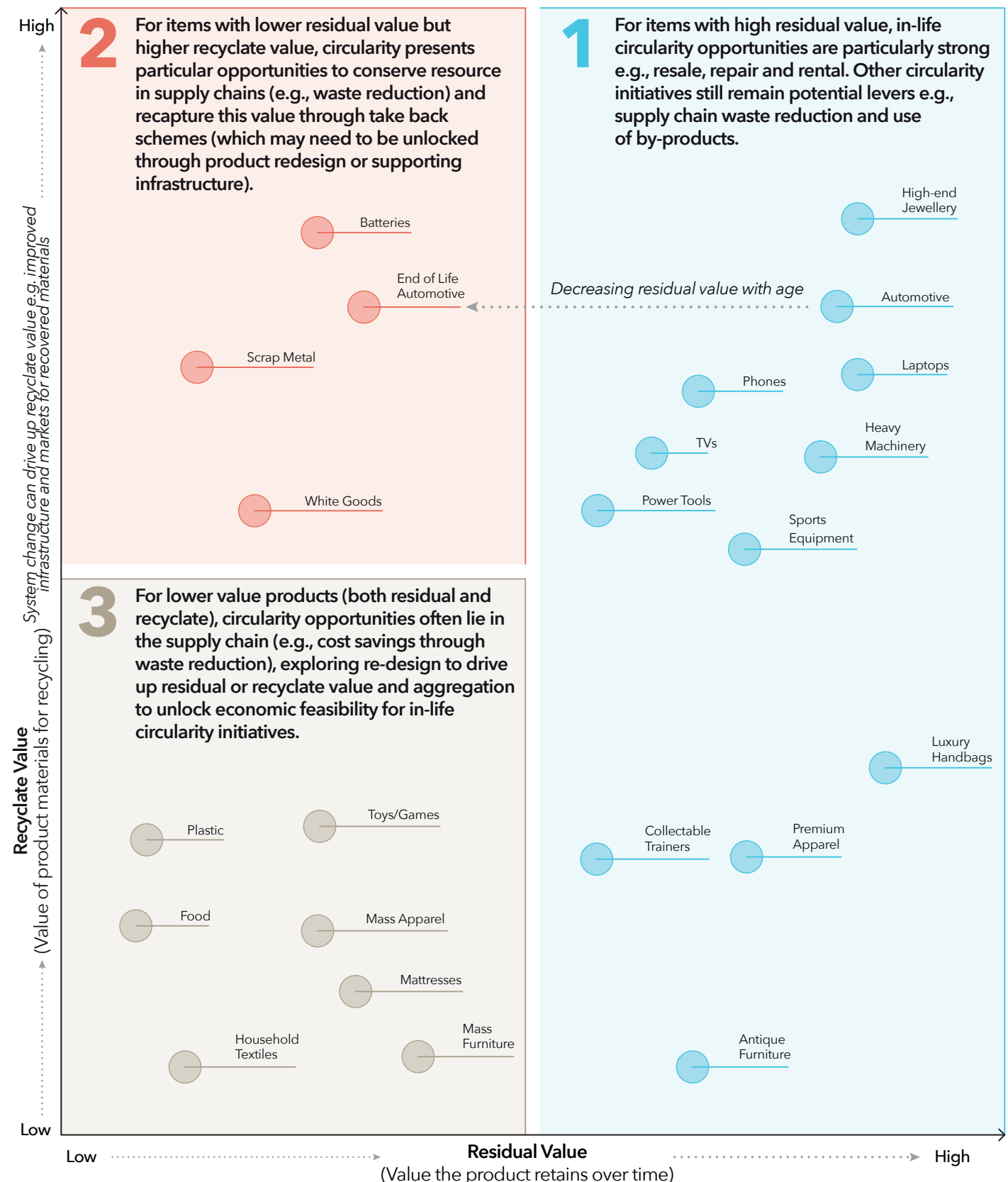


THERE ARE OPPORTUNITIES TO DEPLOY CIRCULARITY ACROSS ALL VALUE CHAINS.

HOWEVER, THERE IS CORRELATION BETWEEN RESIDUAL AND RECYCLATE VALUES AND MOST FEASIBLE CIRCULARITY INITIATIVES.

## MAP OF PRODUCT RESIDUAL AND RECYCLATE VALUE

*Item placement is highly illustrative*





# Upstream in *Supply Chain*

DESIGNING FOR CIRCULARITY CAN BE COMMERCIALY BENEFICIAL BY ALLOWING GREATER VALUE EXTRACTION THROUGH EXTENDED PRODUCT LIFE, AND/OR HIGHER RECYCLATE VALUE AT END OF LIFE.

## DESIGN FOR DURABILITY AND REPAIRABILITY

Designing products to last longer both physically and emotionally, and to be easily repaired, is a core principle of circularity. Some brands may consider these aspects of circularity at odds with their commercial objectives, but we disagree - there are commercial benefits to realise, including fewer returns, lower warranty claims, and stronger brand equity built on perceived quality and emotional sentiment/desirability. Durability also enables brands and retailers to engage customers beyond the initial purchase, through repair services, upgrades, and resale programmes, especially given premium brands typically command 1.5-2x residual value (as a % of RRP) vs. non-premium products.

- Price Premium
- Greater Cash Contribution
- Less Overproduction
- Fewer Markdowns / Returns
- Improved Brand Perception



### CASE STUDY

PRIMARK®

This is not just a lever accessible to high-end products. Primark Cares is focusing on durability: providing consumers affordable clothes that last. As well as benefitting customers, engagement with suppliers has led to a programme of continuous improvements of design and production changes.



### CASE STUDY

**Miele**

Miele products are designed with a 20-year life expectancy (vs. 10-15-year market average) through the use of high-quality materials. Many customers highly value this superior quality allowing Miele to command a price premium of 25-50% vs. competitors.

Source: Miele website, product benchmarking.





## DESIGN FOR RECYCLABILITY

Recyclability starts with how a product is designed: fewer materials, single polymers, non-toxic coatings, and clearer disassembly all improve recycle value. Circular design makes it easier to recover high-quality materials at end-of-life, helping businesses and societies unlock closed-loop systems, increase supply chain resilience and respond to future regulation e.g., on recyclability and extended producer responsibility.

- Higher Supply Resilience
- Lower Virgin Material Use

## USE OF RECYCLED MATERIALS


Many businesses are incorporating recycled materials into products and packaging, driven by sustainability targets and buyer pressures, and to ensure supply chain resilience.

While recycled inputs may not yet be the lowest-cost option across the board, the gap is closing. As infrastructure improves and demand continues to grow, cost parity, or cost advantage, is likely.

For businesses, this is a chance to get ahead: using recycled content helps mitigate regulatory risk, reduce dependency on volatile raw materials, and signal sustainability leadership to investors, customers and supply chain partners.

- Higher Supply Resilience
- Lower Virgin Material Use
- Lower Regulatory Risk

For WRAP's Circular Design Toolkit for textiles, [click here](#) 

For WRAP's guide on how to transition to reusable and refillable packaging, [click here](#) 

IN PARALLEL, THERE IS SIGNIFICANT VALUE LOST DURING MANUFACTURING PROCESSES. IN THE UK, THERE IS APPROXIMATELY 1.7 MILLION TONNES OF TEXTILE WASTE DUE TO INEFFICIENCIES IN PRODUCTION AND DEMAND PLANNING.

Source: Waste Direct.

IN FASHION, 10-40% OF PRODUCTION IS UNSOLD, AND 33% OF FOOD PRODUCED FOR HUMAN CONSUMPTION IS LOST OR WASTED EACH YEAR - A CLEAR OPPORTUNITY FOR CIRCULAR INTERVENTIONS TO SIMULTANEOUSLY REDUCE COST AND WASTE.

Source: WGSN x OC&C Report: Doing more for less.

## OPTIMISED PRODUCTION AND INVENTORY

To reduce waste and improve efficiency, businesses are rethinking how they produce and manage stock. Approaches such as repurposed production waste, made-to-order production, and component commonality are helping to streamline operations, minimise excess, and reduce costs.



### CASE STUDY

UK-based retailer Unfolded sells made-to-order clothing to >75k customers with a zero-waste approach allowing them to be price competitive (claiming c.35% lower prices than high street brands).

Data and Technology are playing a key role. UK manufacturers and retailers are adopting AI-powered forecasting tools (e.g., Blue Yonder, RELEX Solutions and o9 Solutions) to improve alignment between supply and real time demand.

**Example:** An OC&C study estimated improved forecasting data in fashion supply chains could deliver 5-15% reduction in overproduction in product categories, delivering 1-3% improvement in contribution margin and a 3% reduction in carbon emissions.



### CASE STUDY

Lidl UK uses AI to improve fresh food forecasting (AI forecasting led to a c.15% reduction in food waste as per a pilot study in USA of two large retailers). Lidl has been able to reduce store waste by 43% since 2016, avoiding more than 9k tonnes of waste.

Source: Lidl GB 'Good Food' report.

- Greater Cash Contribution
- Less Unsold Stock
- Less Overproduction





## USE OF BY-PRODUCTS

There is value to be captured by repurposing or selling by-products from manufacturing into adjacent supply chains. Already companies are converting their supply chain 'waste' into secondary products or energy sources, creating both environmental and commercial returns. While some initiatives remain in early stages, others are beginning to scale.



### CASE STUDY



Branston converts sub-standard potatoes into functional protein and starch, enabling 100% utilisation of the c.350k tonnes processed per year.

Source: Branston Interviews.



### CASE STUDY



McDonald's UK recycles used cooking oil into biodiesel, which is then used to fuel its delivery trucks. Since 2018, c.42% of their delivery fleet are powered by this.

Source: McDonald's website.

#### Producer:

- ☐ Higher Revenue
- ☐ Lower Disposal Cost

#### Recipient:

- ☐ Higher Supply Resilience
- ☐ Lower Virgin Material Use

## Are businesses leaving value on the table?

- What is the cost of overproduction in your supply chain?
- What is the customer / consumer benefit of more durable design?
- Could you monetise / reduce costs more effectively from by-products?
- What raw material value could be extracted via recycling? Could this drive resilience?
- Is there a regulatory threat to current products e.g., EPR / DRS?



For more detail on WRAP's work on Circular pathways in supply chain, [click here](#) 



# To Sell or *Not to Sell?*

CONSIDERING HOW TO EXTRACT THE MOST VALUE FROM THEIR PRODUCTS IS A PRIORITY FOR BUSINESSES; THINKING OUTSIDE OF THE LINEAR 'SELL' AND EXPLORING ALTERNATIVE MODELS MAY HELP IDENTIFY UNTAPPED OPPORTUNITIES.

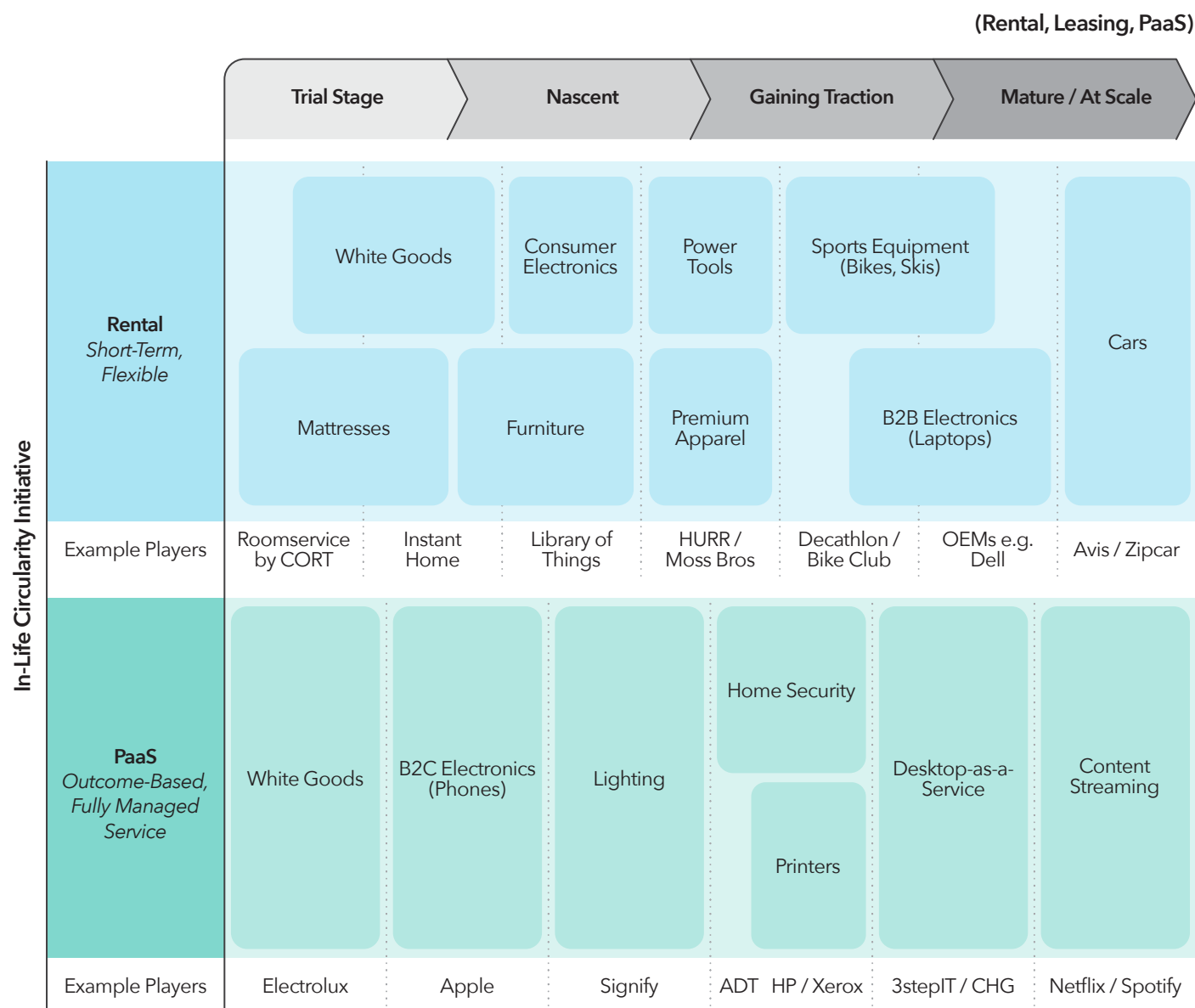
Alternative ownership models such as rental and product-as-a-service (PaaS) are becoming more prominent, offering a compelling value proposition for business: recurring revenue generation, ongoing customer relationships, and ability to maximise asset value over time. This value has been most realised in categories such as cars and B2B technology.

Historically rental businesses struggled if they lacked network effects, operational scale, or the unit economics to succeed, but the landscape is evolving. As customer expectations evolve and brands seek to increase product lifetime value, we expect broader adoption of these models, particularly where they enable new service-led revenue streams.

- Longer Product Lifetime Value
- Stronger Customer Loyalty



## IN-LIFE CIRCULARITY ACTIVITIES BY CATEGORY MATURITY



Businesses should assess their potential to play in this space, especially where products are high-value, durable, and under-utilised by consumers. For the right categories, these models can be both disruptive and financially compelling, especially in B2B settings where service and uptime are more valuable than ownership.

### Are businesses leaving value on the table?

- Is there potential to optimise product LTV through these models?
- Could rental / leasing PaaS models improve the product proposition to your consumers?
- Does retaining ownership allow more sustainable decision making / improved service?





# Alternative *Circular Business Models*

## Rental

Rental works best where cost of ownership outweighs the benefit, typically for high-value, durable items with infrequent or specialised use. Success depends on generating sufficient revenue to cover depreciation, handling, and logistics - which in turn rely on scale. Today, rental is well established in cars and B2B tech, and is gaining traction in fashion, bikes, and household tools.

## B2C Rental

B2C platforms such as HURR (apparel) and Library of Things (household tools) offer greater control over product quality and brand experience. However, they rely on significant volume to cover the operational costs of cleaning, fulfilment, and logistics.

Companies like ACS Clothing help unlock B2C rental by managing logistics and rental operations across brands and improving unit economics.

LIBRARY OF THINGS

HURR  
ACS

## P2P Rental

Peer-to-peer (P2P) platforms like By Rotation (apparel) and Fat Llama (household goods/electronics) operate with lower overheads and minimal capital investment, enabling economic viability at smaller scale vs. platforms where the stock is owned/operated by the business.

- By Rotation reaches 500k users, offering 120k items to rent at < 5% of the new item RRP per day.

Source: By Rotation.

- Fat Llama serves >1.2m users in 2024 with over 350k listings.

Source: Fat Llama.







## Product-as-a-Service

Under PaaS models, providers retain ownership, and customers pay for usage or output, aligning incentives across the lifecycle. PaaS for consumers remains relatively nascent, but is emerging in sectors where uptime, availability, service and performance matter more than ownership. There are many learnings to be taken from successful models in B2B sectors e.g Philips MRI scanners.

### Philips - B2B

Philips offers MRI scanners as a service, allowing hospitals to pay for imaging capacity, not capital equipment. The model delivers operational and commercial value: 35% of issues are resolved remotely, and an 82% first-time fix rate reduces downtime by 14%, unlocking 135 extra hours of scanner availability per year. 24% of revenue is circular today (+c.10ppt vs. 2020 when the service launched).

Source: Philips.

**PHILIPS**

### Bike Club - B2C

Bike Club offers a children's bike subscription service, allowing families to rent bikes and swap sizes as children grow. With over 55k members across the UK and Germany, subscriptions start from £4.49 per month, providing access to a range of new and refurbished bikes.

Source: Bike Club website.

**bike  
club**







# In-Life Opportunities

## *(Repair, Refurb, Resale)*

FOR MOST MANUFACTURERS AND RETAILERS, VALUE IS TRADITIONALLY TRANSFERRED AT THE POINT OF SALE. CIRCULARITY PROVIDES A WAY TO RETAIN VALUE BEYOND THIS TRANSACTION.

In-life circularity models, such as repair, collection of used goods for refurbishment, and resale, allow businesses to capture incremental value after the initial sale, not just through revenue generation, but also through increasing customer touchpoints, building brand recognition, and strengthening customer loyalty.

Not all goods are equally suited to such initiatives. The critical factor in adoption is residual value: products that hold value during and after use are more likely to be repaired or resold. The maturity of categories today varies considerably: categories such as cars and electronics are advanced, apparel is scaling, while furniture and white goods are still emerging.

- Additional Customer Touchpoints
- Longer Product Lifetime Value
- Lower Regulatory Risk



## IN-LIFE CIRCULARITY ACTIVITIES BY CATEGORY MATURITY

		Trial Stage		Nascent		Gaining Traction		Mature / At Scale	
In-Life Circularity Initiative	Repair	Mass Apparel		Premium Apparel		Luxury Retail (Jewellery / Watches)		Cars	
	Example Players	SOJO		Furniture Clinic / IKEA		SOJO / Arc'teryx		British Gas	
				Furniture		White Goods		Consumer Electronics (All)	
								Apple / Currys	
B2C Refurb + Resale		Sports Equipment (e.g. weights)		Apparel		Consumer Electronics (TVs, Appliances)		Consumer Electronics (Laptops & Phones)	
	Example Players	Pinnacle Fitness		Screwfix		Nike / Reskinned		Appliances Direct	
				Power Tools (e.g. Drills)		White Goods		Back Market / eBay	
								Back Market / eBay	
C2C Resale		White Goods		Toys / Games		Furniture (All)		Consumer Electronics & Power Equip.	
	Example Players	Facebook Marketplace		eBay		Vinterior / Facebook Marketplace		Depop / Vinted / eBay	
								Luxury Retail (Handbags)	
								Apparel (All)	
								Sports Equipment (e.g. Bikes, Skis, Weights)	
								Cars	

### Are businesses leaving value on the table?

- How large is the opportunity for your business to offer in-life services?
- How much residual value are you losing by discarding products that could be resold or repaired?
- What are the costs required to produce products compatible with in-life circularity?



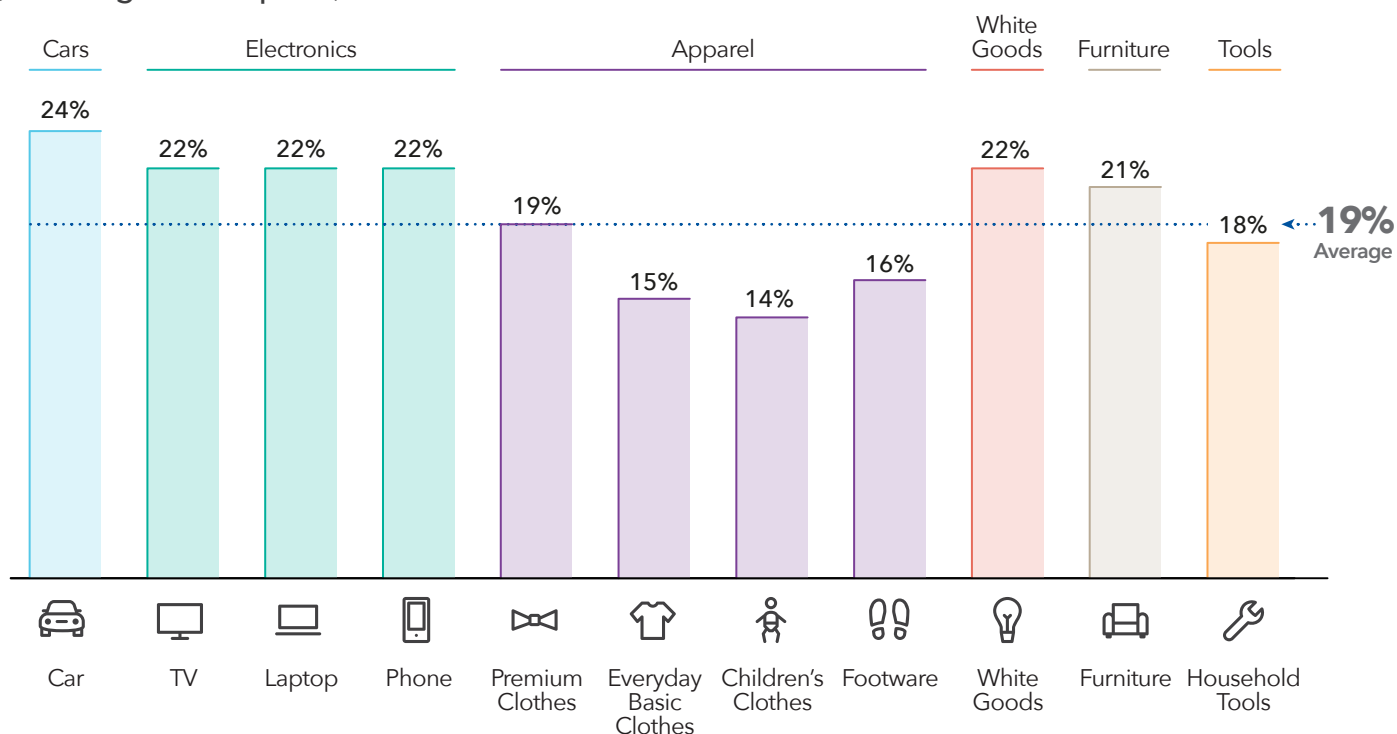
*Consumers indicated they would be willing to pay c.20% of a product's original value to repair vs. buying new.*

Source: OC&C Consumer Survey 2025.

# Repair

REPAIR BUSINESS MODELS SUCCEED WHEN THE PROCESS FOR GETTING A REPAIR IS EASY AND ACCESSIBLE FOR CONSUMERS, AND BUSINESSES CAN VIABLY OFFER IT AT A SIGNIFICANTLY LOWER PRICE POINT THAN BUYING NEW.

## REPAIR PRICE THRESHOLD<sup>1,2</sup> (% of original sale price)



1. Provided the process to repair an item was convenient, what % of the original sale price would you be prepared to pay to repair the following items?
2. How much does an item need to cost to buy new to consider repairing it?





**1.4m**  
Repairs in FY23/24

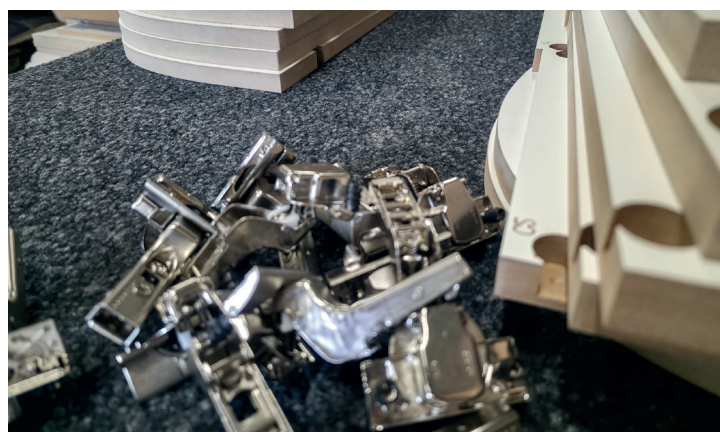


Currys' in-house repair service is a key part of its omnichannel proposition, allowing them to compete with online players who do not typically offer repair. It carried out 1.4m repairs in FY23/24, comprising 15% of revenue with headroom to expand.

Source: Currys' Annual Report 2023/24, Currys' Circular Agenda.

Repair works best for durable, high-value, premium brands that have a low residual value decay curve, and / or, for consumers, for emotionally significant products. Products designed with repairability in mind can enable the unit economics for businesses to offer cost-effective repairs:

- Repair services can offer tangible and intangible benefits e.g., generating additional revenue, increasing customer engagement and touchpoints, increasing brand affinity and loyalty
- Repair is well established in cars and bikes and growing in consumer electronics
- Furniture, white goods, and tools are categories with lower adoption but are gaining traction.



**532k**  
Spare parts sent in FY23



IKEA designs its flatpack furniture with standardised, replaceable parts, making repair simpler and more cost-effective. 532k spare parts were sent by IKEA in FY23 in the UK (23m worldwide). Likewise, >9.5k of IKEA products have been assessed for circularity.

Source: IKEA - Our Circular Agenda.

## Are businesses leaving value on the table?

- Could you make repair economically viable for less than c.20% of RRP?
- Does this create increased consumer touchpoints and loyalty?
- Could repair create a new revenue stream?





# Refurbishment and Resale

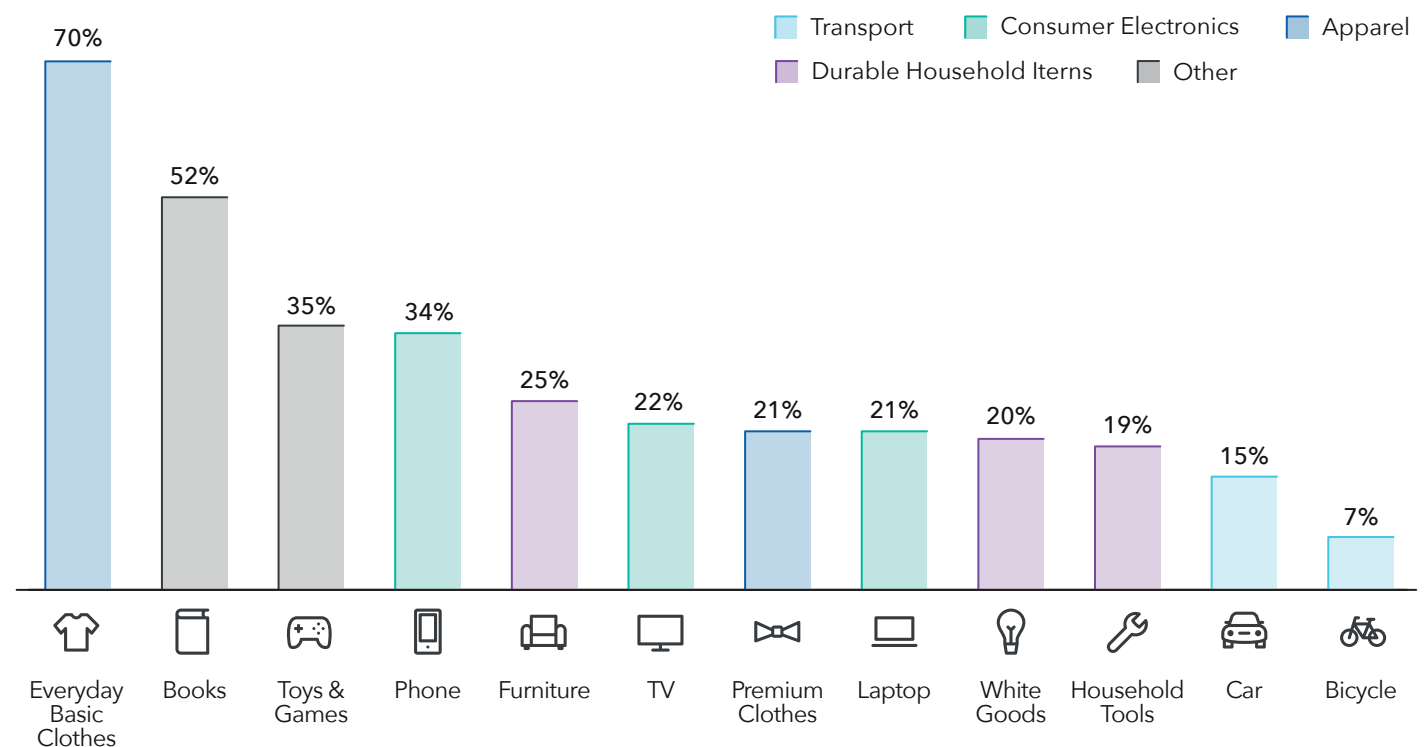
THE RESALE MARKET IS LARGE, GROWING, AND BECOMING INCREASINGLY MAINSTREAM - PARTICULARLY IN CATEGORIES SUCH AS APPAREL, ELECTRONICS, FURNITURE AND TOOLS. 44% OF SURVEYED RESPONDENTS HAD BOUGHT OR SOLD A PRODUCT ON A SECOND-HAND MARKET IN THE LAST 12 MONTHS.<sup>1</sup>

IN APPAREL ALONE, THE UK ONLINE SECOND-HAND MARKET WAS WORTH €4BN IN 2023 AND IS FORECASTED TO MORE THAN DOUBLE TO REACH €9BN IN 2029.<sup>2</sup>

TODAY, MOST OF THIS IS C2C - AN UNTAPPED OPPORTUNITY FOR BUSINESSES.

## SECOND-HAND PURCHASE BEHAVIOUR BY ITEM<sup>3</sup>

(% total respondents that have bought item second-hand in the last 12 months)



1. OC&C Consumer Survey 2025.

2. OC&C Analysis.

3. Which of the following have you bought second-hand in the last 12 months?

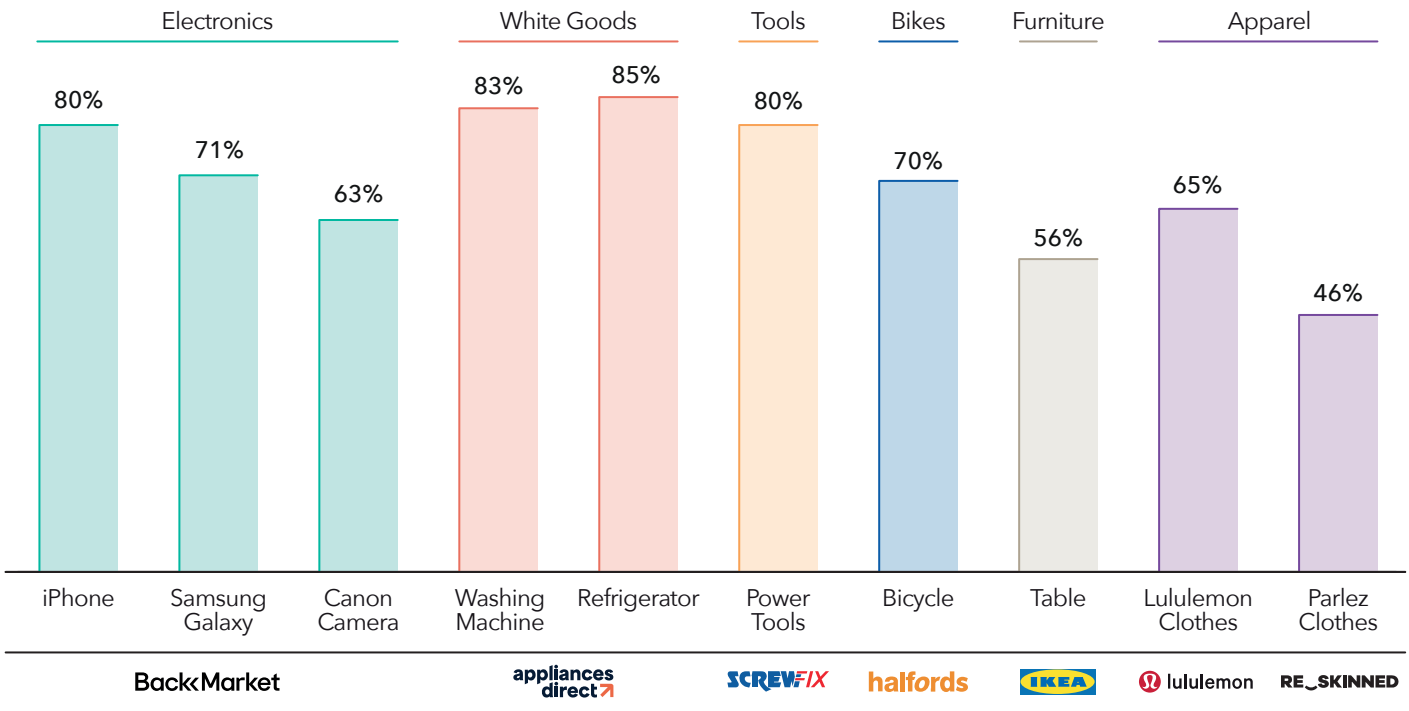


Categories and products naturally hold different levels of value at resale. OC&C's analysis of second-hand marketplaces shows that branded consumer electronics currently retain the highest value, selling at 70-80% of their original retail price, while mainstream apparel tends to hold the lowest, at 45-65%.

Source: OC&C Analysis.

REFURBISHED ITEM PRICE AS A PROPORTION OF NEW RRP  
(% of new RRP)

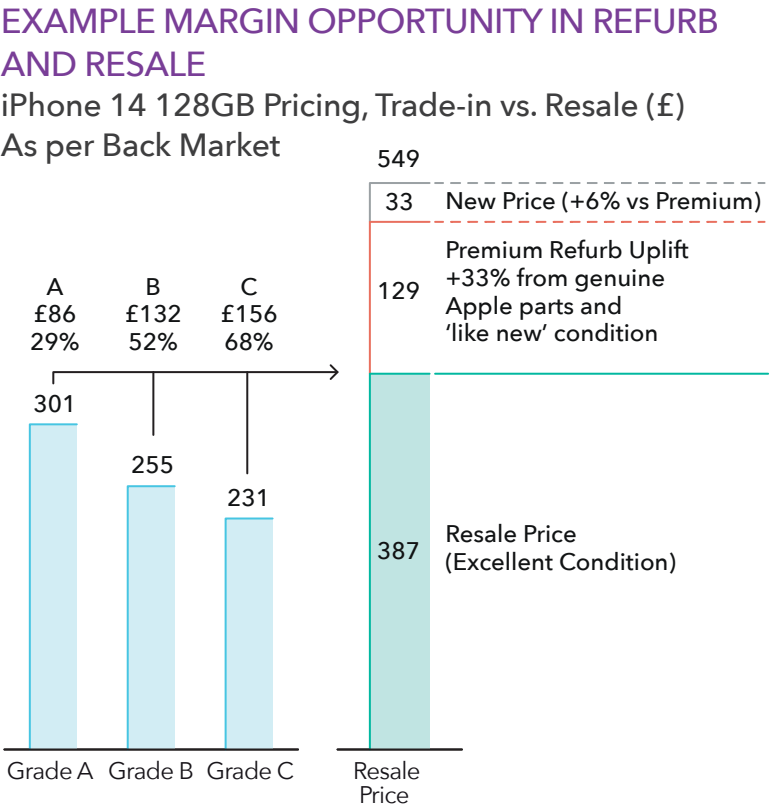
Grade A / Excellent Quality Items Only.  
Indicative - Based on Individual Websites



Refurb and Resale  
margin opportunity

To maximise resale value—especially in higher-value categories such as technology and bikes—warranties have proven to be a powerful lever. They help build consumer trust, increase willingness to pay, and differentiate refurbished offerings from peer-to-peer resale.

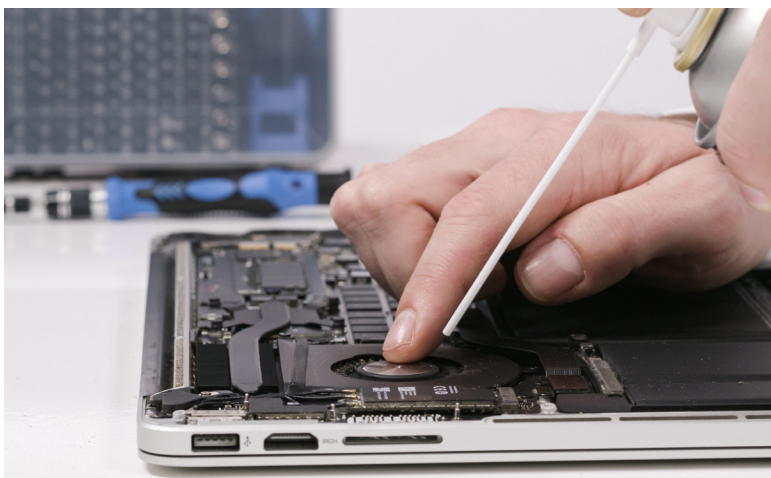
Many businesses are already tapping into this opportunity by investing in product aggregation, sorting, grading, and refurbishment. When done effectively, these activities can unlock meaningful commercial value from second-hand goods. Here, scale, technology (to automate processes), and data (for accurate demand forecasting) are proving to be critical enablers in achieving viable unit economics and making circular resale models commercially attractive.



# Examples of companies establishing refurbishment and resale capabilities

## Brand or Retailer-Led

Some leading brands and retailers are already running refurbishment and/or resale programmes e.g., Apple, Nike, and Dyson:



**dyson**

Dyson Renewed offers 20-30% discounts on refurbished products using genuine parts. Items are tested, certified, and sold via Dyson's website and eBay, backed by a one-year warranty.

Source: Dyson Renewed.

**20-30%**

Refurbished discount  
on RRP



Apple's certified refurbished programme uses value-add services (e.g., authentic parts only, AppleCare+) on refurbished products to extract higher residual value (c.85% of RRP vs 70% on average achieved by third-party refurbishers). Apple refurbished 12.8m devices in 2023, contributing 3% sales volume.

Source: Apple Environmental Impact FY23.

**12.8m**

Refurbished devices



Nike Refurbished operates in-house through owned facilities and is available in only 15 stores across Europe. In its opening year in 2021, Nike handled 225k pairs of shoes, and now processes 5k pairs per day.

Source: Nike – How Reverse Logistics can Save Millions of Shoes.

**5k**

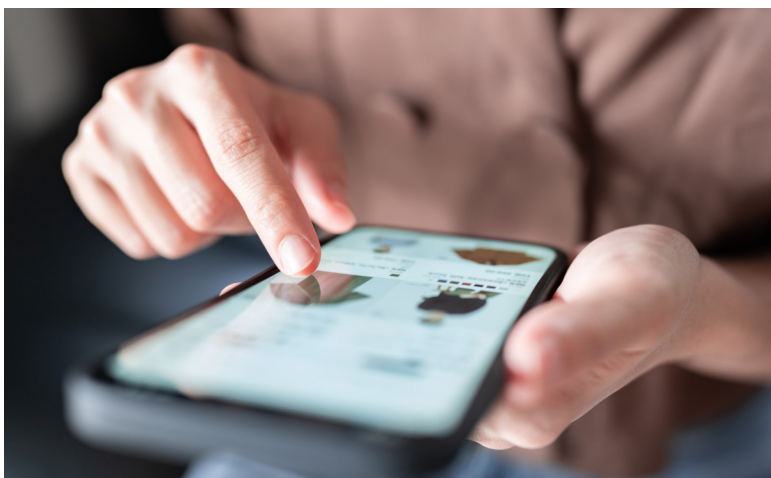
Pairs of refurbished  
shoes per day





*“Fashion resale is happening, but is dominated by peer-to-peer platforms, which control how the brand’s product is presented. There is a fantastic opportunity for fashion brands and retailers to shift this control back. Partnerships with circular service providers are a great way to reduce the barriers to entry and bring a solution to market faster.”*

ACS



## Third-Party Enablers

A broad ecosystem is already positioned to capture value from product refurbishment and resale:

- **C2C/B2C marketplaces:** Vinted, Gumtree, Back Market, musicMagpie, eBay
- **Aggregators & refurbishers (typically category-specific) examples included:**
  - **Foxway (electronics):** refurbished over 2.4m electronic devices in 2023
  - **ACS (apparel):** works with Moss Bros, North Face, and LK Bennett

These players provide full-stack solutions (diagnostics, repair, grading, logistics, and customer support), delivering both scale and margin.

### Are businesses leaving value on the table?

- Are you missing out on additional customer segments?
- Are you seeing a decline in first-hand sales?
- Could the second-hand market enable you to differentiate yourself?



For OC&C’s perspective on opportunities of brands and retailers in second-hand apparel, [click here](#)

For OC&C’s latest research on the marketplaces ecosystems, [click here](#)

For WRAP’s guide on how to implement circular business models in fashion, [click here](#)

*“One of the main drivers for circularity right now is regulation such as EPR- retailers are focused on compliance, the key will be ensuring regulation opens up to industry innovation.”*

British Retail Consortium (BRC)

# End of Life

CIRCULARITY AT END OF LIFE OFFERS THE OPPORTUNITY TO RECOVER PRODUCTS AND RAW MATERIALS, UNLOCKING FINANCIAL VALUE AND INCREASING SUPPLY CHAIN RESILIENCE.

This is particularly important in categories relying on constrained inputs, such as batteries, electronics, and tools, where access to materials is becoming a strategic concern. Beyond commercial return, end-of-life solutions such as recycling and remanufacturing can also deliver broader benefits e.g., supporting domestic recycling infrastructure, creating jobs, and advancing sustainability goals.

Brands can play a central role in value recapture by launching or partnering on take-back schemes. These programmes recover valuable materials, strengthen customer relationships and increase footfall via new touchpoints, and build brand reputation through visible circular initiatives.



Patagonia sources most of its recycled inputs through its Worn Wear take-back programme. In 2023, recycled fibres made up 94% of wool, 92% of nylon, 92% of polyester, 82% of cotton, and 33% of down used in its collections.

Source: Patagonia Environmental Impact.



Currys offers a take-back and recycling scheme for old tech, available in-store or via collection. The business recycles 60k tonnes of unwanted electronics each year.

Source: Currys Recycling.

94%



of wool was made up of recycled fibres in 2023

60k



Tonnes of unwanted electronics recycled each year

As regulations tighten, from extended producer responsibility (EPR) to minimum recycled content targets, recycling will shift from optional to essential. Businesses that act early will be best placed to manage costs, maintain supply, and differentiate on sustainability.



# Implications for *Businesses*

IN SUMMARY, CIRCULARITY IS NO LONGER JUST A SUSTAINABILITY AMBITION – IT'S A COMMERCIAL STRATEGY.

By rethinking how circularity can create, capture and retain value, businesses can build resilience, decouple growth from impact and stay ahead in a changing market landscape.

Cross-industry partnerships and collaboration are key levers in overcoming shared barriers and accelerating towards a circular economy. Whether through industry groups, coalitions or bilateral partnerships, collective action has been proven to accelerate change and deliver more systemic impact.

All businesses should take 3 steps to maximise value from circularity



1

**Remove lost value:** eliminate waste throughout the supply chain and recapture at end of life.



2

**Create new value from circular propositions:**

improving brand perception and customer loyalty. Unlock new customer channels e.g second-hand, rental, repair.



3

**Build defensibility and**

**resilience:** Strengthen supply chains through more local sourcing and greater value recovery. Apply circularity for competitive advantages and to satisfy stakeholders.

*“We have an opportunity to end the throwaway society and move to a futureproofed economy.”*

Environment Secretary Steve Reed – Circular Economy speech – GOV.UK



## How WRAP can help

WRAP offers technical expertise, impartial evidence base and cross-sector collaboration to businesses looking to embrace and embed circular principles. We work across plastics, textiles, food, electrical and waste sectors – partnering with businesses of all sizes to offer support and unlock the systemic change our system needs. Please get in touch to learn more about the programmes and activities we run and how they may help your business.

## About WRAP

WRAP is a global environmental action NGO working to transform the systems behind the products we use and the food we eat. We champion Circular Living – a people-centred approach to reducing waste and carbon emissions from everyday products. For over 20 years we've delivered programmes that reduce CO<sub>2</sub> and waste, restore nature and change people's behaviour. WRAP is on the side of the doers, bringing together businesses, NGOs and governments to create systemic change. For more information about WRAP, please visit **WRAP.ngo**.

## How OC&C can help

At OC&C, we believe circularity is not only a strategic opportunity, but an attractive step toward building more resilient, responsible, and future-fit businesses. As a Certified B Corp™, we're committed to helping organisations turn sustainability ambition into practical action.

Wherever you are on your circularity journey, OC&C has the experience and expertise to help you define your strategy and take the next step. Please get in touch to find out more.

## About OC&C

Founded in 1987, OC&C is a leading global strategy consulting firm that brings clear thinking to the most complex issues facing today's management teams. OC&C's client roster includes some of the world's most respected companies throughout the retail, consumer goods, leisure & hospitality, media, technology, industrial products and services and private equity sectors. For more information about OC&C Strategy Consultants, please visit **occstrategy.com**.



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