Consumer activation in circular economy: Towards an understanding of implementing upcycling as a means to establish a circular business model

Anita T. Jepsen, Anne B. Pedersen & Sisse V. Andersen

Aalborg University

Table of Content

Abstract

As finite resources exhaust and pressing environmental issues keep arising, there is a need for breaking with today's 'take-make-dispose' approach and rethink the underlying economic models of society. Instead, circular loops play a pivotal role in ensuring sustainable economic growth. However, fully circular communities that generate economic opportunities and provide societal benefits can only be realised if everyone is part of the system (Ellen MacArthur Foundation, 2017overview, para. 4). By virtue of this, companies need to integrate consumers more actively into their corporate processes to ensure that this vital group of people is included into the change process. Thus, this project examines how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes. Through a comparative case study of two Danish companies, Aage Vestergaard Larsen A/S and Better World Fashion, business-to-business and business-to-consumer respectively, the research seeks to scrutinise their ways of activating consumers through upcycling processes and utilise them as a point of reference for similar companies, confer Flyvbjerg's (2006) notion that what is valid in one case, may also be valid in similar cases (p. 230).

This is done through content analysis of secondary data, along with generating primary data in the form of semi-structured interviews with the CEOs of the two companies and three informants within circular economy and business models. The theoretical apparatus is based on three building blocks from Osterwalder and Pigneur's (2010) Business Model Canvas, namely Key activities; Key resources; and Key partnerships. Within each of these building blocks, different theories and concepts are identified as relevant for the problem formulation. Within key activities, upcycling and change management are deemed relevant, key resources is covered by resource efficient and cleaner production and product life cycle, whilst key partnerships include the concept of co-creation.

The findings from the case studies and the informative interviews allows an inferring of points that can be important for similar companies to consider, namely: 1) Consider the choice of material; 2) Incorporate circular principles and upcycling in a way that accommodates the company; 3) Find efficient ways to facilitate take-back systems; 4) Establish a brand and clearly state the vision; 5) Establish strong co-creation platforms; and 6) Establish trust and loyalty with the consumer segment. The seventh factor entails that consumer activation in circular business development may not differ significantly from consumer activation in traditional business

development, however, establishing efficient take-back systems is a cornerstone of circular economy, which means that the primary objective of consumer activation and upcycling is to get consumers to return used products to ensure that materials and resources stay in closed loops.

Keywords: Circular economy, consumer activation, upcycling, comparative case study, business-to-business, business-to-consumer, content analysis, semi-structured interview, business model, key activities, key resources, key partnerships.

Consumer activation in circular economy: Towards an understanding of implementing upcycling as a means to establish a circular business model

1. Introduction

In contemporary society, 'Limited raw materials are [often] sourced and transformed into a product which is used and eventually landfilled or incinerated. This wasteful and unsustainable way of consumption is responsible for the pollution of the ecosystem and the depletion of natural resources' (Kammerl, Schockenhoff, Hollauer, Wiedmann & Lindemann, 2017, p. 21). Therefore, it is important to waste less resources if we want to ensure that the planet and its resources sustain for future generations. Lewandowski (2016) argues that in order to change this course, it is necessary to switch 'from the current linear model of economy to a circular one [as this] would not only bring savings of hundreds of billions of US dollars to the EU alone, but also significantly reduce the negative impact on the natural environment' (p. 1). As a result, circular economy 'has attracted increased attention as one of the most powerful and most recent moves towards sustainability' (Lewandowski, 2016, p. 1) by virtue of its ability to help maintain the value of products and materials for as long as possible (European Commission, n.d.). This project investigates how the concept of circular business models can be used in small and medium-sized companies working with consumer activation and upcycling processes, however, we have included a literature review in order to clarify the specific research question.

1.1. Literature Review

1.1.1. Business Models. According to Verstraete and Jouison-Laffitte (2011), business model 'is a buzz term' (p. 1), which is used widely and quickly without giving much thought to how it should be understood. The meaning of the term business model is ambiguous and raises questions with regards to the 'limits, meaning and lifespan' (Verstraete and Jouison-Laffitte, 2011, p. 1). Nielsen and Roslender (2014) argue that a business model is 'the platform which enables the strategic choices to become profitable' (p. 3), while Clark, Osterwalder and Pigneur (2012) define the business model as 'the logic by which an enterprise sustains itself financially. Put simply [it is] the logic by which an enterprise earns its livelihood' (p. 26). These two

definitions suggest that business models are mostly about economics, however, in this section, scholars with other perspectives on business models will be included.

In general, there are many different types of business models to be considered, which Nielsen and Roslender (2014) do in their chapter 'Frameworks for understanding and describing business models' from 2014. In this text, six different business models have been presented, namely, 1) Service-Profit Chain; 2) Strategic Systems Auditing; 3) Strategy Maps; 4) Intellectual Capital Statements; 5) Open Business Models; and 6) The Business Model Canvas.

The service-profit chain is generally about shifting the focus from being only on the profit goals and market share, to include a focus on the employees and customers (Heskett et al., as cited in Nielsen & Roslender, 2014, p. 2). The business model is visualised horizontally, where it goes from left to right, having engaged employees leads to engaged customers and ending with creating sustainable profit and growth, which suggests that there is an expectation of the fact that 'if appropriate sustainable relationships are maintained between the company and its customers and staff, long term financial performance will ensue' (Nielsen & Roslender, 2014, p. 3). Strategic systems auditing has more to do with the organisation, as it is argued that there is need for looking at the organisational attributes of a company, however, not at the elements, such as structure, alliances and management processes, but rather at the link between the different attributes (Nielsen & Roslender, 2014, p. 3). According to Bell et al. (as cited in Nielsen & Roslender, 2014), this business model frames 'the interlinking activities carried out within a business entity, the external forces that bear upon the entity, and the business relationships and other [organisations] outside the entity' (p. 3). Therefore, this business model is comprised of six factors being external factors; markets; business processes; alliances; core products; and customers.

The third model is strategy maps which emanated from the balanced score board that was originally developed for management accounting practices (Nielsen & Roslender, 2014, p. 6). It includes four perspectives identified by Kaplan and Norton in 1992 (as cited in Nielsen & Roslender, 2014), which are: learning and development; internal business processes; the customer; and the financial perspectives (p. 6). It is important to note that the strategy maps perspective begins by looking at a company's vision and mission, which forms the basis of the strategy map (Nielsen & Roslender, 2014, p. 10). Thus, the strategy map provides 'the game plan of the enterprise and [is a] tool to help management accomplish long term goals and objectives of

the company' (Kaplan & Norton as cited in Nielsen & Roslender, 2014, p. 7). Intellectual capital statements, henceforth ICS, was the respondent to criticism of a mismatch between market value and their financial statements (Nielsen & Roslender, 2014, p. 10). According to Finscham and Roslender (as cited in Nielsen & Roslender, 2014),

> 'The main difference between the ICS and the scorecard approach to capital reporting is that the former is based on narrative rather than numerical indicators; advocates of the ICS commend the incorporation of a wide range of qualitative reporting, and often talk in terms of visualising intellectual capital rather reporting on it' (p. 10).

It is argued that ICS should be used in the value creation process, where it should inform management about knowledge resources that could solve challenges in a company, however, ICS have also been criticised due to its incapability to be compared, as ICS is comprised of 'textual representations, pictures and other indicators about knowledge management activities' (Nielsen & Roslender, 2014, p. 12), which means that intellectual statements reports can be based on a lot of different things, making them difficult to compare.

The term open business models were developed by Chesbrough and Rosenbloom in 2002, in which they argue that the business model is both a construct that 'integrate previous perspectives on business design into a coherent framework' and a 'focusing device that mediates between technology development and economic value creation' (as cited in Nielsen and Roslender, 2014, p. 12). This perspective operates with six elements of a business model, which are to articulate the value proposition; to identify the market segment; to define the structure of the value chain; to estimate the cost structure and profit potential; to describe the position of the firm within the value network; and to formulate the competitive strategy (Nielsen & Roslender, 2014, p. 12). Furthermore, it is noticeable that an open business model makes use of both internal and external sources to create value.

The last model presented by Nielsen and Roslender (2014) is the business model canvas (BMC), which they argue is a more recent contribution, linking value proposition to infrastructure and to the customers (p. 13). Moreover, they argue that this model will focus on the natural links between the nine building blocks, meaning that there is no specific starting point

as well as giving a clearer understanding of the uniqueness of a company and its customers (Nielsen and Roslender, 2014, p. 14).

The BMC was developed by Osterwalder and Pigneur (2010) and presents nine building blocks crucial to a business model. The nine building blocks are Customer Segments; Value Propositions; Channels; Customer Relationship, Revenue Streams, Key Resources; Key Activities; Key Partnerships; and Cost Structure (Osterwalder & Pigneur, 2010, pp. 16-17). The BMC has been recognised by numerous academics as a significant model for further scholarly endeavours, thus, plays a central role in research throughout the academic world (Lewandowski, 2016, p. 11).

For instance, Barquet, de Oliveira, Amigo, Cunha and Rozenfeld (2013) have used the BMC for developing a framework to support the adoption of product–service systems (PSS) employing the business model concept (p. 693). More specifically, their research is based on existing literature combined with a single case study 'to illustrate an application of the framework in a machine tool manufacturer and provide research insights' (Barquet et al., 2013, p. 693). Here, they have found that such framework functions are a useful reference for companies seeking to implement PSS, as it supports the investigation of various PSS scenarios and their main barriers and challenges (Barquet et al., 2013, p. 693).

Lüdeke-Freund (2010), on the other hand, has applied the BMC to the context of eco-innovation (Lewandowski, 2016, pp. 11-12). More specifically, he has developed a conceptual framework 'that combines sustainability strategies, eco-innovation, the role of business models and pivotal ideas about value creation with regard to private and public benefits' (Lüdeke-Freund, 2010, p. 1). Here, the BMC plays a central role, however, only in combination with other, preceding as well as subsequent, components (Lewandowski, 2016, p. 12).

Lastly, Mentink (2014) has used the BMC in his development of 'the Business Cycle Canvas'. Thereby, the concept of business cycles is applied to the business model framework to support practitioners in developing supply chains with a closed material loop and analysing whether a company's network will support such loops (Mentink, 2014; Lewandowski, 2016, p. 12).

The business model canvas has been criticised to some extent for being too economically focused (Clark et al., 2012, p. 27; Ching & Fauver, 2013, p. 29), which is one of the reasons for why multiple extensions of the model have been developed.

Three of those extensions are the value proposition canvas; the triple layered business model canvas; and the circular business model canvas. The value proposition canvas is an extension of the business model canvas, which Osterwalder, the developer of the original model, has proposed. It focuses on zooming in on two of the nine building blocks, namely value proposition and customer segments (Lewandowski, 2016, p. 10). This should arguably be done in order to find the 'perfect fit between the customer segment and the value proposition' (Ching & Fauver, 2013, p. 30). It works with products or services, gain creators and pain relievers, as well as addressing gains, pains and customer jobs (Pokorná, Pilař, Balcarova and Sergeeva, 2015, p. 125).

Pokorná et al. (2015) have examined the use of the value proposition canvas in relation to farmers' markets, where the intention was to uncover the intentions of customers while at farmers' markets (p. 125). In this research, the data consists of answers in relation to products and services, gain creators, and pain relievers, which provides answers for the main gains, the main pains, and the main customer jobs. For example, the research reveals that the main gain is getting fresh and healthy food, whereas main pains are higher prices than supermarkets, and inconvenient opening hours. In terms of customer jobs, it is revealed that customers do everything for their own benefit (Pokorná et al., 2015, pp. 126-127). In conclusion, this research explores what creates value for the customers on farmers' markets.

Joyce and Paquin (2015) introduce the triple layered business model, as they argue that organisations are expected to address a large range of issues such as 'financial crisis, economic and social inequalities, environmental events, material resource scarcity, energy demands and technological development' (p. 1474). Therefore, the need for a business model that focuses on a broader range of issues rather than only on economics has emerged. This means that Joyce and Paquin (2015) have developed two additional canvases to support the existing economic canvas, namely one focused on the environmental issues and one dedicated to the social issues. The environmental canvas consists of nine elements, which are Functional Value; Materials; Production; Suppliers and Outsourcing; Distribution; Use Phase; End-of-life; Environmental Impacts; and Environmental Benefits (Joyce & Paquin, 2015, pp. 1478-1479). Similarly, the social canvas has nine components. In this case, the components are Social Value; Employee; Governance; Communities; Social Culture; Scale of Outreach; End-users; Social Impacts; and Social Benefits (Joyce & Paquin, 2015, pp. 1479-1481). The three canvases each explicitly

covers a range of issues related to the field of either economic, environmental, or social issues, but can also address issues across layers.

Joyce and Paquin (2015) use the triple layered business model to analyse Nespresso in each of the three canvases by obtaining information from Nestlé and Nespresso sources (p. 1477). This involves looking at Nespresso as a case through each of the building blocks and consider which things fall under particular categories. For example, in the economic layer, customer segments are identified as being offices and households and the customer relationship was formed in a membership club. Costs are, for example, associated with marketing, manufacturing and distributing (Joyce & Paquin, 2015, p. 1476). In the environmental layer, Joyce and Paquin (2015) research how much environmental impact Nespresso has, by, for example, looking at the capsules, the machines, the usage, including use of water and energy, as well as how the company distributes its product (p. 1479). Finally, in the social layer, it is researched, for example, which social culture Nespresso generates, how large the scale of outreach is, and which social value is generated through the Nespresso products (Joyce & Paquin, 2015, p. 1480).

The circular business model is another variation of the business model canvas, where the nine building blocks are relevant and used, however, where two additional blocks have been introduced, namely take-back system and adoption factors, which ensure that the flow in the supply chain is both forward and reverse, as well as taking internal and external factors for adapting to the circular business economy principle into account (Lewandowski, 2016, p. 20).

1.1.2. Circular Economy. In academia, de Jesus and Mendonca (2018) define circular economy as a ‘multidimensional, dynamic, integrative approach, promoting a reformed socio-technical template for carrying out economic development, in an environmentally sustainable way, by re-matching, re-balancing and re-wiring industrial processes and consumption habits into a new usage-production closed-loop system’ (p. 76) where in ‘grey’ literature (non-academic literature), the Ellen MacArthur Foundation (2017d) argues that ‘looking beyond the current “take, make and dispose” extractive industrial model, the circular economy is restorative and regenerative by design. Relying on system-wide innovation, it aims to redefine products and services to design waste out, while minimising negative impacts’ (para. 1). Stahl (2016) adds that ‘circular-economy business models fall in two groups: those that foster reuse and extend service

life through repair, remanufacture, upgrades and retrofits; and those that turn old goods into as-new resources by recycling the materials' (p. 435).

de Jesus and Mendonca (2018) have made an analysis of academic literature from 1992 to 2015 and grey literature from 2006 to 2015 on circular economy, and they have found that the two types of literature have different foci. See table 1.

	Academic literature	Grey literature
Time span	1992–2015	2006–2015
Focus	■ Engineering solutions ■ Environmental studies	■ Economic benefits and costs Social sciences
Geography	■ Cases identified around the world	■ More focused in developed countries cases
Target audiences	■ Academic ■ Governmental agents	■ Governmental agencies ■ Enterprises
Outcome	■ Adding to the available knowledge-base on the CE ■ Recommendations or guidelines for the public policies	■ Promote enterprise achievements and case studies ■ Recommendations or guidelines for the public policies

***Table 1*: Academic and non-academic literature on circular economy**

Pomponi and Moncaster's (2017) research focuses on the construction sector, as does Cheshire's (2016). There has also been extensive research on circular economy and the implementation of the concept in China (Jianguo, Jingxing, Wenjun, Xushu, Bin & Hong, 2016; Zengwei, Jun & Yuichi, 2006; Yong & Doberstein, 2008; Biwei, Almas, Yong & Xiaoman, 2013; Mathews & Tan; 2011).

In their research, de Jesus and Mendonca (2018) analyse drivers and barriers in the development of circular economy and argue that 'availability of technical solutions is an essential condition for balancing product durability, efficiency, and quality, as well as for designing optimal product life-cycle scenarios for new products and processes' (p. 81) and that 'SMEs have particular difficulties in financing the innovation involved in the transition to a CE [circular economy]' (p. 82) and Stahl (2016) argues that

> 'excellence in metallurgical and chemical sciences is a precondition for a circular economy to succeed. Yet there is too little research on finding ways to disassemble material blends at the atomic level. The body of a modern car

> incorporates more than a dozen steel and aluminium alloys, each of which needs to be retrieved' (p. 436).

The Ellen MacArthur Foundation is a driving factor in relation to circular economy. It 'was established in 2010 with the mission to accelerate the transition to a circular economy. [It works] with business, government and academia to build a framework for an economy which is restorative and regenerative by design' (Ellen MacArthur Foundation, 2017b, p. 2). The foundation argues that 'transitioning to a circular economy does not only amount to adjustments aimed at reducing the negative impacts of the linear economy. Rather, it represents a systemic shift that builds long-term resilience, generates business and economic opportunities, and provides environmental and societal benefit' (Ellen MacArthur Foundation, 2017c, para. 4). It has, moreover, created a model that shows how the circular economy works (see figure 1) and explains that

> 'the model distinguishes between technical and biological cycles. Consumption happens only in biological cycles, where food and biologically-based materials (such as cotton or wood) are designed to feed back into the system through processes like composting and anaerobic digestion. These cycles regenerate living systems, such as soil, which provide renewable resources for the economy. Technical cycles recover and restore products, components, and materials through strategies like reuse, repair, remanufacture or (in the last resort) recycling' (Ellen MacArthur Foundation, 2017c, para. 5).

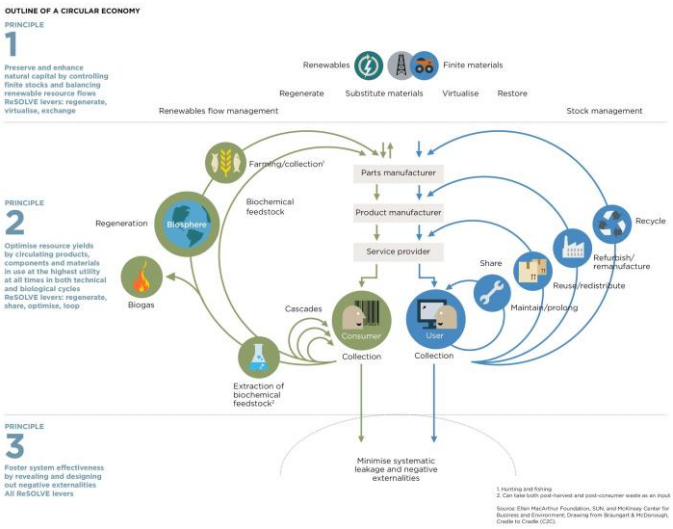


***Figure 1*: The circular business model**

According to Stahl (2016), ‘a study of seven European nations found that a shift to a circular economy would reduce each nation’s greenhouse-gas emissions by up to 70 [per cent] and grow its workforce by about 4 [per cent] — the ultimate lowcarbon economy’ (p. 435), and the British Standards Institution (2017) argues that ‘transitioning to a circular economy could offer a significant contribution to solving the emerging resource and climate problems and create opportunities for shared value’ (p. 3), which goes to show that a circular economy is relevant and an efficient way of reducing waste and carbon emission.

In order for companies to implement circular economy, the British Standards Institution has developed a framework for implementing circular economy in companies. The British Standards Institution (2017) argues that even though it was aimed primarily at companies in the UK, it can be used in other sectors as well, as that users bear the sole responsibility for the usage and correct application of the framework (p. iv).

All in all, ‘the circular economy is about [organisations] “turning things on their head” and completely re-thinking how resources are managed in order to enhance financial, environmental and social benefits, both in the short and long term’ (British Standards Institution, 2017, p. 4).

1.1.3. Showcases of H&M and Filippa K. Hvass (2015) argues that 'two broad strategies can be distinguished of how companies address the downstream value chain issues through business model innovation' (p. 13). The first strategy includes implementing take-back schemes in-store 'allowing consumers to drop off their used garments often in exchange for a discount voucher' (p. 13), H&M is one such company. The second strategy includes 'developing resell/reuse platforms for prolonging the life of garments and thereby capturing the resell value they offer' (p. 14), and Filippa K is such a company. Therefore, these two companies are included as showcases for the two strategies and to depict the level of consumer activation at present.

In 2013, H&M initiated its take-back scheme where customers can dispose of old clothes and home textiles not matter the brand or condition and that it has collected 55,000 tonnes of garment, an equivalent of 270 million t-shirts, so far (H&M, 2017, para, 1; para. 5-6). According to H&M (2017), its partner I:CO collects the garment and divides them into three categories: rewear, reuse, and recycle. H&M (2017) argues that 'currently, one single garment can contain up to 20 [per cent] recycled fibres (recycled cotton or recycled wool from collected garments) without any loss of quality or durability. (...). When using other recycled material (blended or pure) such as recycled polyester, a garment can already now be made of 100 [per cent] recycled material' (para. 8).

Filippa K (2017) works with what it calls the four R's: Reduce, Repair, Reuse, and Recycle. The company promises to reduce the negative impact its products have; it promises to mend broken products and encourage its customers to take care of their products; it offers its customers to rent clothes so customers do not have to buy clothes they know they will only use a few times, old Filippa K clothes can, furthermore, be purchased in the company's online second hand shop, and finally; the company promises to receive old Filippa K products in exchange for a 15 per cent discount to the customer that brings the clothes back (pp. 23-28).

1.1.4. Upcycling. One way of making the consumers more active is through upcycling. In their book from 2016, Creativity — A New Vocabulary*,* editors Vlad Petre Glăveanu, Lene Tanggaard & Charlotte Wegener have encouraged numerous scholars to 'think about a concept from [their] own area that is not usually associated with creativity but could help us develop a new way of understanding creativity as a dynamic, relational, developmental phenomenon'

(Glăveanu et al., 2016, p. 6). More specifically, the book seeks to present new approaches to and perspectives on the notion of creativity, through highlighting different concepts, one of these being upcycling (Glăveanu et al., 2016, p. 6; Wegener, 2016). Therefore, the chapter on upcycling is not only presenting the concept as 'the practice of taking something and transforming it into something of greater value' (Wegener, 2016, p. 181) as well as emphasising its distinctive feature, the 'upcycling story', which is 'the incorporation of the transformation process in the product' (Wegener, 2016, p. 183); the chapter also stresses how creativity and upcycling are closely linked, as the process of upcycling very much calls for new ways of thinking, both for designers as well as consumers (Wegener, 2016, pp. 183-184). Wegener (2016) notes that within upcycling, creativity means 'the ability to look into other worlds, reconsider value and envision future value' (Wegener, 2016, p. 186). The author states that 'creativity is not a matter of newness and value per se; rather, when resources move and combine with other resources in other domains, ["]they become novel for their unfamiliar origins and valuable for their established elements["]' (Wegener, 2016, p. 186; Hargadon as cited in Wegener, 2016, p. 186).

In her conference proceedings from 2015, A review on upcycling: Current body of literature, knowledge gaps and a way forward, Kyungeun Sung seeks to analyse and summarise the contemporaneous body of literature on upcycling, focusing mainly on 'different definitions, trends in practices, benefits, drawbacks and barriers in a number of subject areas' (Sung, 2015, p. 28). As a result of this work, Sung states that two major approaches are usually adopted within upcycling research; namely, conceptual studies and case studies. Thereby, validating that the field is relatively new and unexplored 'because, in general, when there is little previous knowledge, conceptual papers tend to appear more frequently, and case studies are considered to be an appropriate choice for study' (Sung, 2015, p. 32). Moreover, Sung's (2016) review of the current body of literature on upcycling reveals that the research has mainly been done within the fields of engineering, technology, design and business (Sung, 2015, p. 32).

Likewise, in his conceptual paper from 2016, When creative consumers go green: understanding consumer upcycling, Matthew Wilson aims to present and define the environmentally conscious form of creative consumption known as upcycling, especially by identifying gaps in the literature as well as 'avenues for future research and theory development' (Wilson, 2016, p. 394). In his research, Wilson (2016) defines a creative consumer as 'a

consumer who adapts, modifies or transforms existing offerings' (Wilson, 2016, p. 394), thus, it is arguably a consumer who innovates through changing existing offerings (Berthon et al. as cited in Wilson, 2016, p. 394). In relation to this, Wilson (2016) states that companies have to decide on their stance towards such consumers (p. 397). Based on Berthon et al.'s (2007) typology, Wilson (2016) specifies that companies can adopt either a positive or negative attitude towards creative consumers as well as take active or passive actions (p. 397).

In continuation of this categorisation of companies' stance towards creative consumers, Wilson (2016) proposes different paths for further research within the field of upcycling. Firstly, he suggests that scholars investigate consumer perceptions towards brands that facilitate upcycling, as this may reveal certain corporate benefits, which could 'motivate managers to consider upcycling in their end-of-product life planning' (Wilson, 2016, p. 397). Secondly, Wilson (2016) proposes that further research on creative consumption and upcycling focuses on 'the benefits of communicating (...) potential alternative uses and methods of extending the use of a product over time' (Wilson, 2016, p. 398), as consumers may possibly make certain purchase decisions based on such potential alternative uses. Thirdly, Wilson also suggests that further research 'delve into the negative aspects of upcycling and investigate how companies should factor upcycling into their end of product planning (Wilson, 2016, p. 398).

1.2. Problem Statement

As previous research suggests, business models have had a tendency to focus on the financial dimension of companies, which is a rather limited focus that does not take vision, mission and strategy into account. Multiple variations of business models have emerged, some of which are focusing on several issues, for example, the triple layered business model canvas and the circular business model canvas, where both environment and social issues are taken into account. However, it is evident that the consumer is never considered to be an active part of the business model, but rather the end-station for products or services.

The research on circular economy shows both academic and non-academic drivers in spreading the message of circular economy and practical implementation of the concept. The research is focused on supply chain management and sustainable development, but it is significant to notice that also here, the consumer is a forgotten stakeholder that is left unaccounted for. This can be seen in the showcases of both H&M and Filippa K, where it is

obvious that the consumer only participates in the circular economy by submitting old garments at stores as a very limited and simple way of engaging the consumer. This means that there is a need for companies to rethink their business models in order to include consumers more actively into processes and strategies, thus, to give them a more substantial role within the circular loops. Fully circular societies are not possible if a substantial group of people is neglected in the process, which means that activating consumers is crucial for establishing a system that truly 'builds long-term resilience, generates business and economic opportunities, and provides environmental and societal benefit' (Ellen MacArthur Foundation, 2017c, para. 4), thereby, ensuring development without compromising the functioning of the planet and future generations. As mentioned previously, upcycling has been identified as one way of getting the consumers more involved in circular processes, therefore, the following problem formulation has been derived:

How can small and medium-sized companies be assisted in entering the circular economy by activating the consumer in upcycling processes?

In order to investigate this problem formulation, we will be doing a comparative case study of two Danish companies as cases. These two companies are Aage Vestergaard Larsen A/S (AVL A/S) and Better World Fashion (BWF), which both operate with circular business models. Furthermore, both companies work with upcycling of raw material, which makes them different from the showcases and the simple take-back schemes they apply. It is important to note that the companies work with different consumer segments, as AVL A/S has other companies as clients, whereas BWF has regular customers.

2. Methodology

This section will be presenting the methodological considerations for the research. These considerations include philosophy of science, research design, qualitative methods, and data collection. The section ends with an overview of the project structure.

2.1. Philosophy of Science

In order to do research, including reflections on ontology and epistemology is crucial, as different research requires different ways of viewing the world, and it is important to consider whether social sciences can be studied in the same way as natural sciences (Bryman, 2016, p. 26). Therefore, this section will present the reflections on ontology and epistemology in regard to this research.

According to Walliman (2006), ontology is concerned with the theory of social entities and about what exists to be investigated (p. 15) or, in other words, what is regarded to be reality (Waller, Farquharson & Dempsey, 2016, p. 9). Bryman (2016) notes two major ontological stances, namely positivism and constructionism, however, he neglects social constructivism, which is the ontological approach applied in this project. Neimeyer and Levitt (2001) note that constructionism and social constructivism share similarities, as the approaches are concerned with 'revealing the personal or ["]local["] meanings (...) and strive for pragmatic utility rather than objective veracity (...)' (p. 724). However, social constructivism is focused on the fact that 'social properties are constructed through interactions between people (...)' (Robson & McCartan, 2016, p. 24), which suggests that meaning in the world is constructed by human actors, as they engage in social phenomena. Burr (2015) comments on this notion, when stating that 'as a culture or society we construct our own versions of reality between us' (p. 9).

As social constructivism deals with many versions of reality, Burr (2015) argues that as a researcher, '[you are invited] to be critical of the idea that our observations of the world unproblematically yield its nature to us, to challenge the view that conventional knowledge is based upon objective, unbiased observation of the world' (p. 2). This quotation reveals that in social constructivism, subjectivity is allowed, because it is important to understand different accounts of reality. Robson and McCartan (2016) note that the 'values of the researcher and other are assumed to exist and subjectivity is an integral part of the research' (p. 25). Social constructivism is deemed the most appropriate stance in relation to this research, as this approach allows us to use, for example, interviews as a method for data collection. During interviews, specific realities and truths are constructed between the interviewer and interviewee, which fits with the notion that in social constructivism, '(...) we construct our own versions of reality between us' (Burr, 2015, p. 9). Furthermore, when using context-dependent cases, a degree of

subjectivity will be evident, again corresponding to social constructivism, where subjectivity is seen to be an integral part of research (Robson & McCartan, 2016, p. 25).

Epistemology has more to do with how we know things and what we can regard as acceptable knowledge in a specific discipline (Walliman, 2006, p. 15; Bryman, 2016, p. 24). There are different types of epistemological stances including positivism and interpretivism. The interpretivist epistemology is taken in this project, as it is a great fit with the ontological stance of social constructivism because both approaches allow a degree of subjectivity in research. Bryman (2016) argues that interpretivism requires the researcher to grasp subjective meanings (p. 26). Furthermore, Walliman (2006) argues that interpretivism recognises that 'subjective meanings play a crucial role in social actions' (p. 25). Moreover, both social constructivism and interpretivism argue that there are multiple realities. As noted by Sheppard (2006), 'interpretivism (...) stresses that there is not one single view of the world, and that individuals and groups can interpret the world in widely different fashions' (p. 153).

The fit between social constructivism and interpretivism is also described by Robson and McCartan (2016), who state that the constructivist approaches are sometimes called 'interpretive/interpretivist approaches, indicating a focus on how the social world is interpreted by those involved in it' (p. 24). It is evident that the interpretivist approach is a counter approach to positivism, as the key ingredient in positivism is to explain phenomena, whereas understanding phenomena is a major component of interpretivism (Walliman, 2006, p. 23; Bryman, 2016, p. 26). Interpretivism is the most appropriate approach for this research because human narratives, thereby subjectivity, are taken into account, especially when using interviews as a data collection method. Furthermore, when gathering answers through interviews, the data will be interpreted in the analysis, which means that there will be a degree of subjectivity during that process as well.

2.2. Research Design

Throughout this project, there will be a constant movement between the theory and the data set, continuously adjusting where necessary, in order to ensure that no superfluous data will be included. This means that the data set will be generated on the basis of theoretical relevance, which, therefore, means that it is inspired by the notion of theoretical saturation. This concept has originally been associated with grounded theory methodology but has come to be 'widely

used as a fundamental concept in interview-based qualitative research' (Rowlands, Waddell & McKenna, 2016, p. 40). Rowlands et al. (2016) essentially argue that '[theoretical saturation] provides a cut-off point that researchers, including [non-Grounded Theory researchers], use to decide when s/he has enough data to derive a set of research descriptors upon which to base conclusions' (p. 43). Theoretical saturation is the point in research, where no new insights, themes or issues can be identified and when new data does not incline new theoretical understandings (Strauss & Corbin as cited in Bowen, 2008, p. 140; Chamaz as cited in Bryman, 2016, p. 411). In other words, saturation has been reached when nothing new is being added, and all aspects of the studied phenomenon has been adequately explained (Bowen, 2008, p. 140; Hyde as cited in Bowen, 2008, p. 141). As theoretical saturation is based on the conducted research, it is impossible to establish beforehand, whether the study reach the point of theoretical saturation, however, we strive to obtain it by having an iterative approach, which ensures constant movement between theory and data throughout the research.

Another reason for having an iterative approach, is the fact that our problem statement is derived on the basis of an extensive literature review. Bryman (2016) argues that the iterative approach involves 'an interplay between interpretation and [theorising], on the one hand, and data collection, on the other' (p. 379). In other words, it refers to the fact that the researcher might collect further data 'in order to establish the conditions in which a theory will and will not hold' (Bryman, 2016, p. 23). In this project, the iterative approach is explicitly found as our problem statement has been based on prior knowledge in the area of business models and circular economy, and in relation to an area that needs to be investigated further (Bryman, 2016, p. 21); namely, how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes.

In order to examine this problem statement, two cases will be brought in, namely the Danish plastics company Aage Vestergaard Larsen A/S and the Danish fashion brand Better World Fashion. According to Yin (2009), a case study can technically be defined as an in-depth empirical investigation of a particular contemporary phenomenon within its real-life context (p. 18; Yin as cited in Robson & McCartan, 2016, p. 150; Kohlbacher, 2006). A case study typically relies on multiple sources of evidence (Yin, 2009, p. 18; Kohlbacher, 2006), thereby, enhancing the validity of the research, as it does not merely depend on 'a single incident or data point' (Creswell & Miller, 2000, pp. 126-127). In other words, the cases, AVL A/S and BWF, bring in

an additional dimension to the study by providing a more practical perspective and producing substantial context-dependent knowledge, significant when exemplifying complex issues, such as upcycling and circular practices, which may not be obtained solely on the basis of theoretical research (Flyvbjerg, 2006, pp. 219-222).

More specifically, this means that the investigation of the two companies' work with upcycling of products and their involvement of consumers is included to provide a better foundation for conducting the study, because it encompasses examinations of two real-life companies and their implemented strategies within upcycling and circular economy. In this way, the context-dependent knowledge obtained through the two cases can be used as a basis for a broader discussion and provide a more general answer to the problem formulation. This means that what is in evidence in the case of the two companies may also be in evidence in cases with similar companies seeking to use upcycling as a means to activate the consumer and thereby enter the circular economy (Flyvbjerg, 2006, p. 230; Andersen, Jepsen & Pedersen, 2017, p. 10).

There are several reasons for choosing to include the two respective cases in this study. Firstly, AVL A/S and BWF both focus on upcycling, as they transform old material, plastic waste and old leather products, into something of a greater value, namely plastic granulate that can be used as a resource in the production of new products and new leather jackets (Aage Vestergaard Larsen, n.d.j; Better World Fashion, n.d.h). Likewise, both companies were in the running to be elected as the most circular company in the region of Northern Jutland in 2017 (Aalborg Universitet, 2017). By virtue of this, both companies arguably possess great knowledge, valuable for understanding business strategies relevant within the fields of upcycling and circular economy. A thorough description of the cases can be seen below.

2.2.1. Aage Vestergaard Larsen. AVL A/S is 'Scandinavia's largest plastic recycling company, and one of the most knowledgeable firms [within] the field' (Aage Vestergaard Larsen, n.d.j), having received numerous awards and honours for its work within the plastics industry, especially due to its sustainable and eco-friendly mindset when upcycling plastic waste (Aage Vestergaard Larsen, n.d.f; Aage Vestergaard Larsen, n.d.j). The company was founded in 1972 and, thereby, has more than 45 years of experience in regenerating plastic materials. AVL A/S has its own 'well-equipped' (Aage Vestergaard Larsen, n.d.j) in-house laboratory, in which all products are regularly analysed, and, combined with 'high-tech inventory of machine equipment'

(Aage Vestergaard Larsen, n.d.j), this procedure ensures high and uniform quality of the produced materials (Aage Vestergaard Larsen, n.d.j).

According to its website, AVL A/S, '[as] the industry's leading cooperating partner' (Aage Vestergaard Larsen, n.d.h), seeks to create long-term value for its stakeholders, especially by enabling reutilisation more than once. Likewise, the company has adopted a vision of '[developing] sustainable solutions in a circular economy in collaboration with [its] stakeholders, in order to ensure that waste becomes a valuable resource, thereby, reducing global CO2 emissions' (Aage Vestergaard Larsen, n.d.h). AVL A/S's business model adheres to the Paris-agreement in relation to CO2 reduction, as there is a reduction of 2.4 kilos of CO2 for every kilo of upcycled plastic compared to the production of a kilo of new plastic (Andersen, 2018).

The waste material used in the company's production is purchased from various sources, including the plastic industry, retailers, environmental companies, recycling centres, utilities as well as construction industries (Aage Vestergaard Larsen, n.d.l). Furthermore, Gitte Buk Larsen from AVL A/S (as cited in Andersen, 2018) argues that she doubts that 'many of the plastic-heavy companies, for example, within the construction industry, strictly speaking are aware of the value their plastic actually has' (Andersen, 2018). AVL A/S mainly purchases thermoplastics from 'the plastic industry, retailers, environmental companies, recycling centres, utilities and construction industries' (Aage Vestergaard Larsen, n.d.l). This type of plastic is characterised by its ability to melt when heated and then become solid when cooled again, almost like candle wax, and this process can be repeated several times, thus, making it the optimum type for upcycling and multiple cycles of use, as waste and old products can likewise be melted and reutilised (Aage Vestergaard Larsen, n.d.l).

AVL A/S states that it buys almost all sorted plastic cut-off and residues of plastic. The company affirms that it can be plastic residue which, for some reason, has been incorrectly produced, discarded or is not usable for other reasons. The company specialises in 'regeneration, grinding, milling and compounding of plastic' (Aage Vestergaard Larsen, n.d.j), both within common types of thermoplastics (PP, PE, PS and ABS) and more technical types of plastics (PA, POM, PET and PBT) (Aage Vestergaard Larsen, n.d.j).

Regeneration is a process in which the plastic is reproduced, or regenerated, into new plastic, which can be used as raw material in the production of new plastic items (Aage Vestergaard Larsen, n.d.n). According to AVL A/S, regenerated plastic can often be used in the

plastics industry ‘on an equal footing with virgin plastic’ (Aage Vestergaard Larsen, n.d.n). The process of regeneration includes cleaning the shredded plastic waste, mixing it and adding additives before melting it and pelletising it into a new raw material (Aage Vestergaard Larsen, n.d.n). *Grinding* is a process in which plastic is broken down. More specifically, the plastic is grinded, or broken down, into flakes the size of 8-15 mm, and this is typically the first production process in upcycling the plastic waste, which the company gathers (Aage Vestergaard Larsen, n.d.g). According to AVL A/S, for some plastic processing industries, the grinded plastic can immediately figure in their productions, but oftentimes, the grinding is just a subprocess leading to regeneration (Aage Vestergaard Larsen, n.d.g). *Milling* is a process in which plastic granulate is broken down by means of a mill, thus, it is pulverised into a degree of fineness of 2,500 – 500 µ. The milled plastic is typically used in rotational casting, master-batch production or compounding (Aage Vestergaard Larsen, n.d.e). *Compounding* is the process in which melted plastic is blended and mixed with different fillers, additives, etcetera to create a homogeneous product. Thus, the compounding process secures a product with significantly modified qualities (Aage Vestergaard Larsen, n.d.c). According to the company’s website, AVL A/S offers compounding of thermoplastics mixed with the customers’ requested materials, such as chalk, talc and BaSo4 (Aage Vestergaard Larsen, n.d.c).

2.2.2. Better World Fashion. BWF is a Danish fashion company that produces new leather jackets from old leather. The company argues that

> ‘Our BWF jackets and bags are made from [upcycled] leather, where we keep the original value of the leather and out-design [“]waste[”] already in this first step. Once, the life of a BWF jacket comes to an ultimate end, we re-use it again and make bags and backpacks from it. This means, [*sic*] that the leather again stays in a closed loop. But even before, we try to increase the lifetime of our products as much as possible, by repairing and upgrading them. Plus, with our leasing and buyback agreements, we offer great flexibility and freedom to our customers’ (Better World Fashion, n.d.h).

In an interview with My Pleasure (Klingenberg, 2016), Reimer Ivang relates how the idea occurred to him and fellow co-founders Kresten Thomsen and Karsten Lund at an unrelated meeting in 2014. They worked on the idea and in autumn 2015, they used Kickstater.com as a platform to raise money to start the company. When it comes to producing jackets, the company states that it '[handpicks] reclaimed leather, collected by [its] NGO partners in Denmark' (Better World Fashion, n.d.d). The leather BWF uses for its jackets comes from old leather jackets that gets cleaned up in sawdust after a complete deconstruction. When the leather has been cleaned up, the tailors construct a new leather jacket by hand by placing all the individual pieces until it resembles a jacket. The leather is then 'sewn together with the linen that comes from recycled plastic bottles' (Better World Fashion, n.d.d) and in the end, the buttons and zippers are added. The company

> 'only [uses] 100 [per cent] repurposed leather (...). This means, [*sic*] that all the leather [it uses] for jacket [*sic*] and bags are old second-hand leather garments (...). [It follows] the same approach for the linen. [Its] linen is made from 100 [per cent] premium recycled polyester, made from reused plastics. Also, [its] buttons and zippers are re-melted, recycled and premium YKK hardware, exact for that purpose. Bulletproof. The sewing is the only part that comes from non-recycled materials yet' (Better Wold Fashion, n.d.h).

The jackets being handmade from old leather means that all BWF jackets are unique and one-of-a-kind as no jackets are alike. On its website, BWF argues that its jackets are far more sustainable than other leather jackets and states that its business model makes an impact. According to the company, its

> 'jackets literally come without any negative environmental impact. Compared to the industry standard [its] jackets produce only 1 kg of CO2, due to transport emissions. [It uses] zero water, zero chemicals and create zero waste as [it operates] on a closed-loop model. Thereby [its] negative environmental impact is nearly zero' (Better World Fashion, n.d.e).

By doing this, the company argues that itself and its consumers has saved 8,000 kilos of CO2, 170,000 litres of water, 3,000 kilos of waste and 1,875 kilos of chemicals and stresses that this could not have been done without people buying its jackets (Better World Fashion, n.d.e).

Better World Fashion was founded upon the wish for value creation within what the company calls 'basic needs': housing, food, and something to wear. It chose the fashion industry as 'a lot of valuable resources are lost among [*sic*] the way and our planet cannot keep up with our steadily increasing consumption needs' (Better World Fashion, n.d.j). Due to easy access and multiple choices of the take-make-dispose thinking of the linear economy, a lot of clothes are wasted. According to BWF 'on average, all clothes are only washed 6-7 times before they are discarded, 93 [per cent] of all clothes end up in the trash, even though they could be recycled and 80 [per cent] of all discarded clothes would still have left around two thirds of their life ahead' (Better World Fashion, n.d.j). This is what BWF wants to break with in upcycling old leather into new leather jackets. The company argues that people do not necessarily need to own all their clothes for a lifetime in order to be sustainable. This is the background behind its leasing and buyback schemes. It allows consumers to change a part of their wardrobe regularly without throwing away relatively new clothes and staying a sustainable consumer (Better World Fashion, n.d.j). In September 2017, CSR.dk - a Danish fora for sustainable business - reported that BWF had won an environmental award from the American non-profit organisation B Lab for being 'Best for Environment'. BWF was awarded the prize for its work in minimising water consumption, reducing waste and chemicals, and for its circular business model (CSR.dk, 2017).

2.2. Research Design

It is crucial to note that the two companies focus on different consumer segments, as AVL A/S's consumers are other businesses (business-to-business), whereas BWF's consumers are primarily private individuals (business-to-consumer) (Aage Vestergaard Larsen, n.d.d; Better World Fashion, n.d.a); this is what Flyvbjerg, (2006) calls 'Maximum variation cases' (p. 230) where cases are chosen on the grounds that they are dissimilar on one crucial ground, in this case the consumer segments. This means that the investigation will include two companies that are both involved with upcycling, however, they work with different raw materials, and they concentrate on different consumer categories. Therefore, the applied research strategy will be a comparative case study, focusing on different cases with potentially similar outcomes, that is the

'Method of Agreement', as the research is aimed at looking for common factors within the business strategies of the two companies (Caramani, 2017, p. 14; Caramani, 2017, p. 10). More specifically, both AVL A/S and BWF are small and medium-sized companies working with circular principles through upcycling, but the companies have different consumer segments, which makes the cases different. However, because they are both working with circular principles and upcycling, it can be assumed that the outcomes are potentially similar.

Additionally, working with two cases with different consumer segments provides a broader understanding of consumer activation, as it allows us to consider multiple types of consumers rather than relying on one group of consumers, meaning that we can discuss consumer activation in relation to B2B and B2C companies and in which ways the companies may learn from strategies usually associated with the other type of business. This arguably provides a better foundation for explaining how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes, as such approach allows for reflections upon whether the specific type of consumer influences the companies strategies in activating these, by making it possible to uncover special characteristics, which a single-case study may neglect or consider as truisms or natural conditions, thus, features and perspectives that may only be obvious in comparison with others (Campbell, 2010, p. 176; Bryman, 2016, p. 68). In this specific context, when operating with different cases with potentially similar outcomes, the comparative research design allows for the study to scrutinise any similarities and/or differences in consumer activation in B2B and B2C companies respectively. Such factors arguably provide a better foundation for discussing how small and medium-sized companies can be assisted in entering the circular economy.

Even though the two selected cases are both Danish, we argue that the findings of the study will be relevant and applicable for similar companies, regardless of their national context. Thus, according to Flyvbjerg's (2006) argumentation presented above, what is valid for two selected Danish cases, may also be valid for similar cases seeking to enter the circular economy by activating consumers, both in the form of other businesses and private individuals, in upcycling processes (p. 230).

2.3. Qualitative Methods and Data Collection

In order to investigate how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes, it is necessary to utilise a combination of different methods in order to collect primary and secondary data from the two companies in the case studies. As this project operates with two comparative cases, it is evident that the research is context-specific, which means that using qualitative methods will be most appropriate (Maxwell, 2009, p. 221). Furthermore, using qualitative methods can provide a more tangible way of understanding how small and medium-sized companies can activate the consumer in upcycling processes, as it is examined through cases, which provides insight into specific instances, and how these can be of more general interest (Maxwell, 2009, p. 222). The qualitative methods, which have been incorporated in this project, are content analysis of various sources and interviews with three informants as well as the CEOs of AVL A/S and BWF.

2.3.1. Content Analysis. As mentioned above, content analysis will be one of the methods used in this project. In general, content analysis deals with the analysis of, including but not limited to, documents of publications, websites, television, radio, films (Walliman, 2006, p. 112). Robson and McCartan (2016) specify that the documents in question are, in the majority of the cases, developed for other purposes than the research they are analysed for (p. 357). Furthermore, it is important to note that content analysis is often used in small scale research about specific organisations, where it is used to collect information about the particular organisation, and thereby used as a supplementary source (Robson & McCartan, 2016, p. 360). In this project, content analysis will be used in the manner described by Robson and McCartan (2016), namely for collecting background information on and from the two companies AVL A/S and BWF, which means that we will use the website of each company as well as articles written about them to be subjected to content analysis. In addition, we have chosen to include various sources from the two companies, YouTube videos, Facebook posts, Instagram posts and LinkedIn, which will also be analysed in terms of the content of these, as understanding the way the companies utilise online platforms might enable us to understand how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes. As it can be seen, we will be using content analysis on written text, videos and pictures.

Moreover, content analysis serves as a secondary and supplementary method in this project, as it will also be included in order to assist in the formulation of the questions for the interviews, hence, it will be brought in to ensure that the primary data will be as rich and strong as possible. It is important to note that some of the secondary data has been collected in Danish, for example some of the content from AVL A/S's website and articles about the companies. Therefore, when it comes to direct quotes and paraphrasing, it has been necessary to translate the data. We will make these translations; however, we will seek to sustain the original meaning of the words.

2.3.2. Interviews. In this project, interviews will be employed as a primary method for collecting data. We have chosen interviews, because it allows us to get in-depth answers from the two companies on their ways of activating the consumer in upcycling processes. Mason (2002) argues that interviewing is 'one of the most commonly [recognised] of qualitative research [methods]' (p. 63). Generally, interviews involve a conversation between two or more people, where the purpose is, for one of those, to gather information from the other (Lampard & Pole, 2002, p. 126). Both Lampard and Pole (2002) and Kvale (2007) note that interviews are socially constructed, where Lampard and Pole (2002) state that it is 'social constructed events [resulting in] information collection about a particular phenomena' (p. 127), and Kvale (2007) says that 'the research interview is an interview where knowledge is constructed in the interaction between the interviewer and the interviewee' (p. 2), which suggests that using interviews as a method fits well with the ontological approach of social constructivism.

The interview can vary in terms of structure; however, it is characterised by having a purpose that is specified by the interviewer (Bogdan & Biklen, Lincoln & Guba, Burgess as cited in Lampard & Pole, 2002, p. 126), which means that regardless of the structure of the interview, the interviewer always has a range of topics which are the focus of the interview. Robson and McCartan (2016) distinguish between three types of structure when it comes to interviews, namely structured, semi-structured and unstructured (p. 284), where the structure of the interview refers to which type of answers that are necessary to generate. It depends on the type of data, which type of interviews is deemed most appropriate to use (Lampard & Pole, 2002, p. 128). In this project, we will be employing the semi-structured interviews, which means that we

will only explore what is meant by this category, whilst not describing structured and unstructured interviews in detail.

Semi-structured interviews. As the semi-structured word implies, this approach is between the fully structured and the unstructured interviews, which means that semi-structured interviews incorporate characteristics from the other two, which is useful as it allows the interviewer to 'ask factual questions with short predetermined answers and some [which] require a more explanatory answer' (Lampard & Pole, 2002, p. 128). This means that semi-structured interviews employ a combination of open-ended and closed questions. Closed questions means that the answers are somewhat predetermined, or that the interviewee is forced to choose from a list of answers, whereas open-ended questions have no restrictions on the content or manner of reply (Robson & McCartan, 2016, pp. 288-289). Mason (2002) argues that semi-structured interviews are characterised by being an interactional exchange of dialogue, which is relatively informal in its style with a thematic or topic-centred approach, which means that the interviewer has a number of topics necessary to be covered (pp. 62-63).

Robson and McCartan (2016) note that semi-structured interviews are usually based on an interview guide, where there is a checklist of topics to be covered, but that the way the questions are asked and in which order can differ from interview to interview based on the flow in that particular interview (p. 285). In this way, this type of interview can vary more or less in time and structure, but it is common that the semi-structured interview starts with highly structured or closed questions to obtain facts, and afterwards, employ open-ended questions to get in-depth knowledge about the phenomenon.

In general, interviews are often one-to-one and face-to-face, but there are alternatives to this approach, for example, using the telephone or internet to conduct the interview (Robson & McCartan, 2016, p. 284). The semi-structured approach to interviews has been deemed the most appropriate for this project because we operate with specific topics in mind. These topics are based on the theoretical apparatus and the problem formulation, how to activate the consumer through upcycling processes, which means that we sought to get information in regard to this, however, also being open towards topics that occur during the interview. This means that we will be aware of interesting topics that might arise during the interview, and be able to ask follow-up questions in another direction, if the topic is relevant. This is a characteristic of semi-structured interviews, as the researcher is allowed to follow up on interviewees' replies (Bryman, 2016, p.

467). Furthermore, we have used a combination of closed and open-ended questions, as we need the factual, short answers, as well as the in-depth answers on how the two companies, AVL A/S and BWF, use upcycling as a way of integrating the consumer more actively in the circular economy. Moreover, according to Bryman (2016), semi-structured interviews are appropriate when more than one person conduct the interviews, as he states that when 'more than one person is to carry out the fieldwork, in order to ensure some comparability of interviewing style, it is likely that semi-structured interviewing will be preferred', which is the case in this project.

In this project, have conducted five interviews with different perspectives, as we have chosen to interview two CEOs and three informants in the area of circular economy and business models. This means that we have different interview guides (Appendix A) for the different interviews depending on the interviewee. The five interviewees are three informants, Christina Myrdal (CM), Anette Priess Gade (APG) and Dan Kristian Kristensen (DKK), the CEO of AVL A/S, Franz Cuculiza (FC), as well as the CEO of BWF, Reimer Ivang (RI).

Christina Myrdal is a Project Leader at Netværk for Bæredygtig Erhvervsudvikling NordDanmark (Network for Sustainable Business Development Northern Denmark). NBE NordDanmark is 'a forum in which companies' work with sustainability is advanced. The purpose of the network is to strengthen the participating companies' competitive performance through concentrated effort towards enhancing environmental and energy sustainability' (Netværk for Bæredygtig Erhvervsudvikling NordDanmark, n.d.). Anette Priess Gade is a Lab Agent within circular economy at Innovation Lab. She has a lot of experience in product-, concept-, and business development (Innovationlab, n.d.a). Innovation Lab is a company, which helps organisations to think differently and adopt to the constantly changing world (Innovationlab, n.d.b). Dan Kristian Kristensen has conducted a lot of research in the area of sustainable transition and circular economy. He has experience using circular economy in hands-on contexts, both in public and private companies (Omdan.Earth, n.d.). Currently, he has his own company called Omdan Advisory+Action, which offers experience in the way companies can work with circular economy and which mindset is necessary to implement circular economy principles (Omdan.Earth, n.d.).

The interviews with CM, APG and DKK were conducted first, as we assumed that they might provide informative data that could assist the secondary data and themes from the theoretical apparatus in the two main interviews with the CEOs of AVL A/S and BWF. It is

important to note that the questions from the interview guides (Appendix A) were forwarded to the respective interviewees before conducting the interview. Furthermore, three interviews, namely the one with APG, DKK and RI were conducted face-to-face, whereas the interview with CM was conducted via telephone, and the interview with FC was conducted via email. The different interview types induce differences in the way the interviews were conducted, as it was easier to shift the order of the questions or change the subject in the interviews conducted face-to-face and via telephone, whereas the interview via email was less flexible as there was no interaction with the interviewee.

The use of different data for composing the interview questions can be described as a triangulation of data. Creswell and Miller (2000) state that triangulation is a process where 'researchers search for convergence among multiple and different sources of information to form themes or categories in a study' (p. 126). Arguably, triangulation makes the account valid 'because researchers go through this process and rely on multiple forms of evidence rather than a single incident or data point in the study' (Creswell & Miller, 2000, p. 127). According to Denzin (as cited in Creswell & Miller, 2000), there are four types of triangulation, namely, across data sources, theories, methods and investigators (pp. 126-127). In this case, we employ triangulation of data sources in order to compose questions for the main interviews, as we scrutinise the theoretical apparatus, the secondary data and primary data in the form of the informative interviews to find relevant themes to formulate appropriate questions from. Furthermore, '[this] method of collecting data from multiple sources (…) assists [us] not only to collect more comprehensive relevant information but also to cross-check [the] consistency in order to enhance the robustness of findings' (Wahyuni, 2012, p. 73).

We are aware that having only five interviews might seem to be a few and give us a narrow perspective, however, the fact that we have included different types of people can provide us with several viewpoints and, thus, help us answer the problem formulation more broadly. Furthermore, interviewing the CEOs of the companies AVL A/S and BWF ensures that we will get comprehensive interview answers, as it can be expected that CEOs have an insight into all aspects of the company, whereas interviewing regular employees might only provide an insight into one aspect, meaning that it would be necessary to conduct more interviews to get the full perspective. It is important to note that the interviews are conducted in Danish in order to avoid language barriers and allow the interviewees to speak freely. This means that the data is

translated in the analysis, where we try to sustain the original meaning of the answers. The interview guide is attached as Appendix A, and the final questions both in Danish and English are attached as appendices B-D. The answers, that is the audio files from four interviews and the text from the interview with FC, are included as appendices E-I.

2.4. Project Structure

Firstly, this project includes a presentation of the theoretical apparatus, which is structured after three building blocks found in the Business Model Canvas (BMC). It includes the concept of upcycling, the theory of change management, the theory of resource efficient and cleaner production, the theory of product life cycle and the concept of co-creation. The section contains an elaboration of the different theories and concepts, as well as an explanation of their respective contribution to the research of how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes. This is followed by a section regarding the operationalisation of the theories and concepts, elaborating on which aspects from the theoretical apparatus that are relevant for making the interview guides (Appendix A).

Subsequently, the analytical part of the study figures, which contains a thematic analysis structured after relevant themes found in the data set. More specifically, the analysis includes a scrutiny of the themes, consumer engagement; the role of online platforms; upcycling challenges; circular economy and business models; and well-established versus newly started companies. Throughout the analysis, the cases of AVL A/S and BWF are brought in to present tangible examples of the analytical themes. The discussion section is featured next, which contains a discussion of the three building blocks deemed relevant in the theoretical apparatus, a discussion of the similarities and differences of B2B and B2C companies, as well as a discussion of internal and external factors that might be influential for companies that want to enter the circular economy. This is followed by a general discussion. This discussion of the different aspects related to the problem formulation leads to the concluding remarks on the research.

3. Theoretical Apparatus

The following section outlines the different theoretical and conceptual approaches that are included in the theoretical apparatus in this project. The theoretical and conceptual apparatus is based on three components from the business model canvas, a model that will be used to describe and analyse the business models of both Aage Vestergaard Larsen A/S and Better World Fashion. Therefore, the theoretical apparatus is structured after the three building blocks, key activities, key resources, and key partnerships. Key activities comprise the concept of upcycling, which is included into the theoretical apparatus, because it has been identified as a significant activity within circular economy and consumer activation, thus, it is crucial to understand how the process is practiced by both AVL A/S and BWF. Moreover, change management is included within key activities, as it is important to consider for companies when wanting to undergo organisational change.

Key resources are covered by the theories of resource efficient and cleaner production and product life cycle. Resource efficient and cleaner production is included, as it can be used to identify processes that can be optimised and possibly changed before companies can enter the circular economy. The theoretical approach to product life cycle is incorporated, because it can help highlight specific factors necessary for small and medium-sized companies to consider when striving for a business model that favours circular principles.

Key partnerships are covered by the concept of co-creation. The concept of co-creation has been included, as it entails customers working with the company through partnerships, and therefore, it can help explain how the consumer can become a more active partner for companies to work with, for example, through upcycling processes. In general, the theoretical apparatus as a whole contributes to the understanding of the case studies of AVL A/S and BWF as circular businesses, which leads to a broader discussion of how small and medium-sized can be assisted in entering the circular economy by activating the consumer in upcycling processes.

3.1. The Business Model Canvas

As mentioned in the introduction, many different business models have been developed and have emerged as new variations of existing models. In order to gain understanding of how small and medium-sized companies can be assisted in entering the circular economy by

activating the consumer in upcycling processes, it is important to outline the BMC in more detail below, as this model provides the foundation for discussing some of the aspects of the canvas more explicitly and include other theories. The BMC will be presented, because it provides a clear understanding of how a business operates. Therefore, it provides the foundation for going into depth with three of the nine building blocks, namely key activities, key resources, and key partnerships. However, to understand these three building blocks, it is important to outline the entire model. This means that the BMC will not be applied explicitly in the project, but implicitly, because it is needed to understand other parts of the theoretical apparatus.

As mentioned in the introduction, the BMC was developed by Alexander Osterwalder and Yves Pigneur in their book, The Business Model Generation from 2010. Osterwalder and Pigneur (2010) argue that the business model can best be described through 'the nine building blocks that show the logic of how a company intends to make money' (p. 15). The nine building blocks of the BMC have been developed as a means to cover the four main areas of business, namely customers, offer, infrastructure and financial viability (Osterwalder & Pigneur, 2010, p. 15). The nine components of the BMC are customer segments; value propositions; channels; customer relationship; revenue streams; key activities; key resources; key partnerships; and cost structure (Osterwalder & Pigneur, 2010, pp. 16-17). It is visualised in figure 2 below.

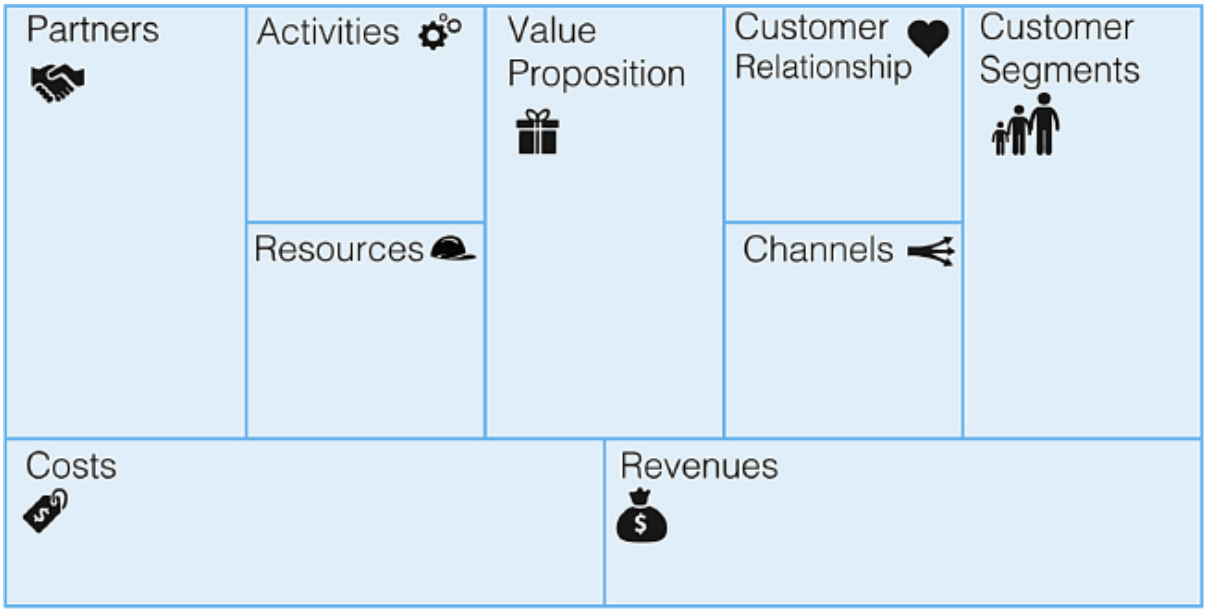


***Figure 2*: Business Model Canvas**

Customer segments mean that every company serves one or more groups of customers, which all require different things within the other eight building blocks (Clark et al., 2012, p. 35). More specifically, companies can have different types of customers, for example businesses, making them B2B companies, or consumers, making them B2C companies (Clark et al., 2012, p. 35). Value proposition is imperative, as it is the ability to solve customer problems and meet customer needs, in other words, it is key for why customers choose one company over other companies (Osterwalder & Pigneur, 2010, p. 16; Clark et al., 2012, p. 36). It has been argued that there are six types of value proposition namely convenience, which is about saving customers' trouble and time; price, which is about saving money; design, which deals with how customers are willing to pay for an excellent product/service design; brand or status, which is about helping customers to feel prestigious; cost reduction, which deals with how companies can help other enterprises reduce costs; and risk reduction, which deals with reducing risk, especially investment-related risk (pp. 36-37).

Channels are the ways in which the value proposition is delivered to customers, for example through communication, distribution or sales (Osterwalder & Pigneur, 2010, p. 16). Furthermore, Clark et al. (2012) argue that channels perform five functions, which are to create awareness of services or products; to help potential customers evaluate services or products; to enable customers to purchase; to deliver value to customers and to ensure post-purchase satisfaction (p. 38). These channels could, for example, be telephone, stores, physical delivery, social media or other types of media, for instance television, newspapers, etcetera. Customer relationship is tightly connected with customer segments, as a company establishes and maintains relationships with each customer segment (Osterwalder & Pigneur, 2010, p. 16). The relationships can differ in terms of what the company wants to get out of the customers, thereby, the relationships can have different purposes, which might change over time (Clark et al., 2012, p. 39). Revenue streams are the result of successful value proposition (Osterwalder & Pigneur, 2010, p. 17). Clark et al. (2012) argue that there are two types, one-time customer payments and recurring payments for products or services (p. 40). For example, customers buying a physical product purchase ownership, whereas leasing or renting something results in recurring payments.

Clark et al. (2012) define key activities as the most important thing that a company needs to do to function. It includes making, manufacturing, designing and delivering products as well as selling, that is promote and advertise, and support, which helps the company work smoothly

without being directly linked to making or selling products and services (p. 43). Key resources covers which ‘assets are required to offer and deliver [products and services]’ (Osterwalder & Pigneur, 2010, p. 17). These resources can be categorised into four groups, namely human, physical, intellectual, and financial. Human resources are about needing people, or employees, where it is evident that some business models rely heavier on human resources than others. Physical resources are things you need to produce products and services, such as material, land, buildings, machines, vehicles, etcetera. Intellectual resources are intangible, as it includes the methods to do work, software and brands, developed by a company. Lastly, financial resources include all kinds of financial issues, such as cash and lines of credit (Clark et al., 2012, p. 42). Key partnerships have to do with making the business model as effective as possible, which means that some activities need to be outsourced, and some resources are acquired outside the company (Osterwalder & Pigneur, 2010, p. 17; Clark et al., 2012, p. 44).

The last building block, cost structure, is described as ‘cash [being] needed to create and deliver value, maintain customer relationships, and generate value. Costs can be roughly calculated after defining key resources, key activities and key partners’ (Clark et al., 2012, p. 45), which means that the cost structure is dependent on and has influence on the other eight building blocks of the BMC.

Generally, the business model canvas is extremely economically oriented, but Clark et al. (2012) note that every organisation in need of money to carry out some type of work has a business model, including non-profit, for-profit and governmental organisations (p. 27). The focus on economic issues alone has made the BMC vulnerable to criticism, as it has been argued that other things, besides the financial, can drive an organisation, which can, for example, be seen in social enterprises and non-governmental organisations (Komisar & Lineback as cited in Ching & Fauver, 2013, p. 29). This means that multiple variations of the BMC have been developed.

As it can be seen above, the BMC contains a lot of different elements for a company to explore. To determine how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes, it is crucial to focus on a few of the building blocks to understand how the consumer can become an active stakeholder. Therefore, this project will look into the three building blocks: key activities; key resources; and key partnerships. These building blocks have been favoured as it is arguably within these

practises that the consumer has to be activated. Upcycling has been recognised as the key activity in our cases, as AVL A/S and BWF upcycle and add value to used material. On the other hand, change management is included, as it may become a crucial activity for companies wanting to convert to a business model that favours circular strategies. Choosing to look into key resources makes sense in relation to the problem formulation, as it is key to scrutinising the resources that are used in a production process and because resource optimisation is important when it comes to circular economy. Looking into key resources could also potentially reveal processes where the consumer can be activated. Key partnerships has been chosen, because in order for a consumer to become an active partner rather than a passive target, companies have to consider how to activate consumers and, thereby, make them a key partnership to collaborate with.

3.2. Key Activities

As Clark et al. (2012) argue, key activities are crucial to the functioning of a company (p. 43). Thus, it is a vital building block to consider in all business cases. In this study, it is important to define key activities, as it is a decisive factor for being able to enter into the circular economy. Upcycling has been identified as a key activity both in relation to the case studies and circular economy. Upcycling was included in the literature review, however, in that section the focus was an account for upcycling as a concept and what it covers. In this section, the focus within upcycling is the conceptual clarification, which entails how the upcycling process can be defined in order to understand how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer. Furthermore, change management has been included as a key activity, as it is essential for all companies to consider when undergoing organisational change, for instance when shifting to a circular business model.

3.2.1. Upcycling. According to Wilson (2016), upcycling is not a new phenomenon (p. 396). Instead, he argues, similar practices were common already in the 1930s and 1940s, as families often reused and repurposed items instead of buying new ones. He does, however, state that the concept has not received great academic attention throughout the years (Wilson, 2016, p. 396). Szaky (as cited in Sung, 2015) considers upcycling as one of the most sustainable circular solutions, as it typically requires a low level of energy input and can help reduce or even eliminate the need for new products made from virgin materials (p. 28).

According to Wegener (2016), upcycling is 'the perfect mix between ["]upgrading["] and ["]recycling["]' (p. 181), as the process is concerned with creating something better out of what is already at hand, thus, converting something disposable into something of greater value and/or quality (Wegener, 2016, p. 181; Sung, 2015, p. 28). Contrary to this, upgrading is adding value to something, while recycling is simply the reuse of a product (Wegener, 2016, 181). Likewise, upcycling can be distinguished to downcycling, as downcycling is a process 'in which materials are broken down into lower-value raw materials. For example, when paper is broken down and used to create recycled paper, this is a form of downcycling as it involves downgrading the original material into a material of lesser quality' (Wilson, 2016, p. 395).

Besides the value creation, another distinctive feature of upcycling is the *upcycling story*, focusing on the reinvention or rehabilitation process (Wegener, 2016, p. 184). Whereas, for instance, recycling is the destruction of soda cans to make new ones, upcycling could instead be the crafting of purses and bags using soda can lids, and the items would then be 'launched with a story of how the cans were collected in the slum, crafted into colourful items by women in a grassroots company run with the help of microloans, and how the money is used for the schooling of their children' (Wegener, 2016, p. 182). Likewise, any other upcycled product has a similar narrative describing its upcycling story, thus, how it was reinvented or rehabilitated and transformed into something of a higher value. As Wegener (2016) describes, upcycled products are useful, and often highly aesthetic, but their stories are generally what makes them attractive to customers (p. 183). She states that '[the] remaking process and the ethical statement of embracing sustainable consumer behaviour is [often] the commodity, not the thing itself' (Wegener, 2016, p. 183).

In his work from 2016, Wilson identifies a variety of benefits that customers may seek when engaging in upcycling or purchasing upcycled products (p. 396). These are: 1) aesthetic appeal; 2) economic savings; 3) environmental benefits; and 4) intrinsic enjoyment (Wilson, 2016, p. 396). Firstly, some customers may appreciate the specific look of an upcycled end-product, thereby, finding its visual appearance 'superior to an equivalent new item' (Wilson, 2016, p. 396). Secondly, some customers may benefit financially from upcycling, 'as this practise extracts additional value from something that is otherwise ready to be discarded' (Wilson, 2016, p. 397). Thirdly, some customers may be very conscious about their consumed resources and produced waste, thus, include environmental considerations when deciding to

engage in upcycling or buy upcycled products. For such customers, upcycling can be an opportunity to 'both consume less and divert more waste from landfills' (Wilson, 2016, p. 396). Such environmental benefits are commonly thought to be the primary ones for engaging in or with the process of upcycling (Wilson, 2016, p. 396). Lastly, some customers may be motivated intrinsically, 'or via a sense of joy and accomplishment' (Wilson, 2016, p. 397). Thereby, their engagement in or with upcycling may be less based on the specific output, economic savings or environmentally friendly outcomes than their creative experience, such as 'do-it-yourself' projects, or the upcycling story (Wilson, 2016, p. 397).

Aside from the obvious benefits of upcycling, for instance the environmental ones, it is important to state that there may also be more negative aspects to the process. For instance, Wilson (2016) argues that upcycling can actually end up doing more harm than good (p. 398). This is the case 'when items that were once recyclable are converted to objects that are destined for a landfill' (Wilson, 2016, p. 398), as affixing different types of materials together, such as metal and plastic, can make an item difficult and expensive to re- or upcycle in the future (Wilson, 2016, p. 398). Therefore, it is crucial that companies carefully consider how upcycling fits into their end-of-product life planning, thus, if upcycling does in fact extend the product's lifespan (Wilson, 2016, p. 398).

An additional thing for companies to consider when engaging in upcycling is the type of waste material to include in the process. Waste material can be divided into three groups, namely pre-consumer waste, production waste and post-consumer waste. Generally, it is possible to include all three types of waste in the production of new items or products, depending on the context of course. However, they each require 'a different technique when used as an input material' (Cuc & Tripa, 2018, p. 33). Thus, it is crucial for companies to consider which type of material may be the most optimum solution for their specific work and context.

In this project, upcycling can arguably be seen as a key activity within the BMC, because the two chosen cases both have a great focus on the process. As mentioned previously, the companies transform old material, plastic waste and old leather products, into something of a greater value (Aage Vestergaard Larsen, n.d.j; Better World Fashion, n.d.h), inevitably establishing the process as a main activity.

3.2.2. Change Management. Change management is a structured approach to change from the current situation ('the familiar') to a desired future situation ('the new'). More specifically, change management can be defined as 'the coordination of a structured period of transition from situation A to situation B in order to achieve lasting change within an [organisation]' (BNET Business Dictionary as cited in Connelly, n.d.). The transformation process aims at establishing great organisational acceptance of the change, thus, acceptance amongst employees or members of the organisation (Folkmann, 2010). Arguably, 'Change Management is not just about changing strategies, structures and systems, it is about changing the mindset of the employees, as these are what produce strategies, structures and systems' (Folkmann, 2010).

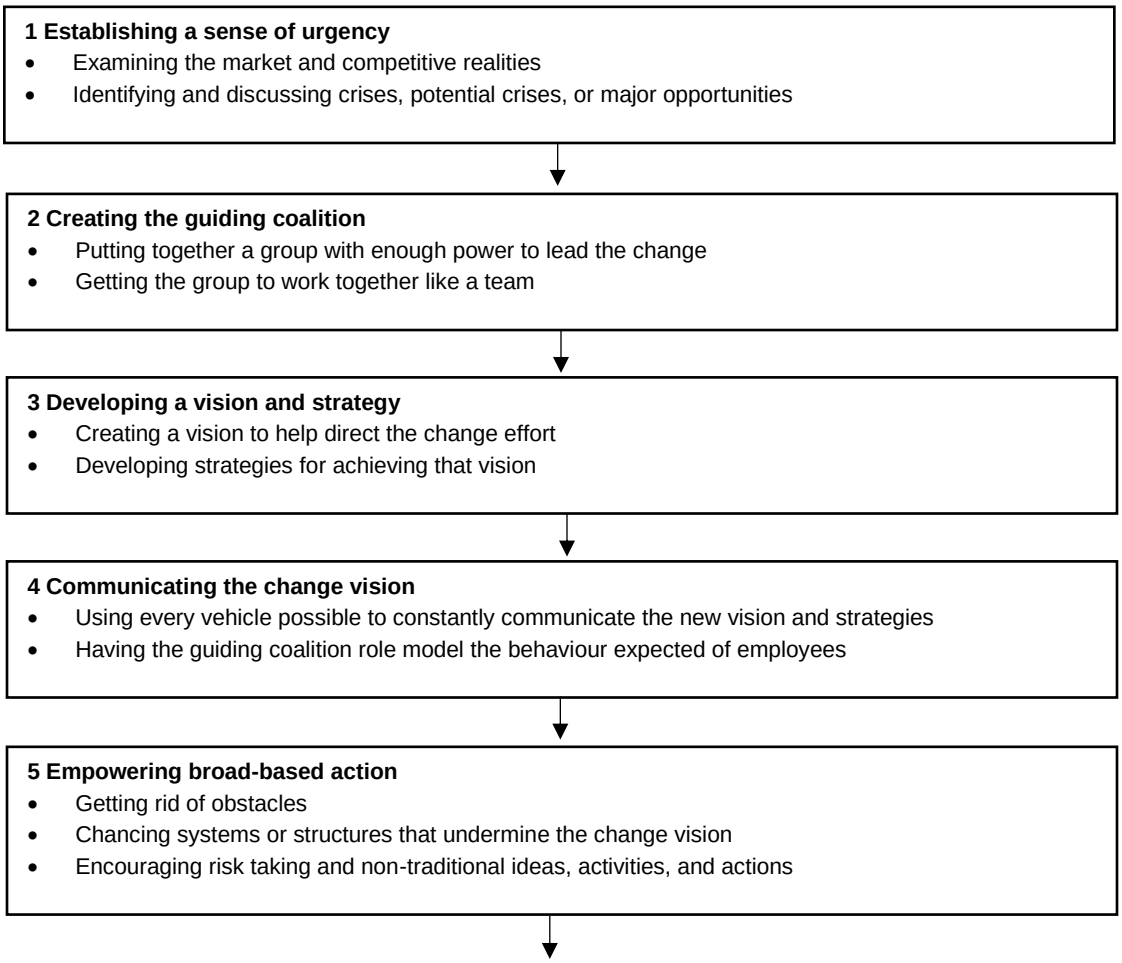
Innumerable research studies and scholarly articles have been conducted upon strategies to successfully implement change in organisations. However, John P. Kotter's extensive examination of companies' efforts to transform themselves into better competitors was first presented in his 1997 book Leading Change, which 15 years later was reprinted, emphasising the international acclaim for the scholar's work. In his book, Kotter (2012) 'identifies the most common mistakes [that] leaders and managers make in attempting to create change' (Leading change, n.d.) along with offering an eight-step process to overcome the obstacles and, thereby, achieve sustainable results (Kotter, 2012; Leading change, n.d.).

More specifically, Kotter (2012) stresses how every successful and major transformation relies on one fundamental insight; namely that such change will not happen easily (p. 22). This has numerous reasons. For instance, it is explained that:

> '[even] if an objective observer can clearly see that costs are too high, or products are not good enough, or shifting customer requirements are not being adequately addressed, needed change can still stall because of inwardly focused cultures, [paralysing] bureaucracy, parochial politics, a low level of trust, lack of teamwork, arrogant attitudes, a lack of leadership in middle management, and the general fear of the unknown' (Kotter, 2012, p. 22).

Therefore, Kotter (2012) argues that a method with the aim of effectively changing strategies and processes must naturally address such barriers in a successful manner (p. 22). By

virtue of this, he has developed the Eight-Stage Change Process Model to help produce ‘successful change of any magnitude in [organisations]’ (Kotter, 2012, p. 22). The mode consists of the following eight steps: 1) establishing a sense of urgency; 2) creating the guiding coalition; 3) developing a vision and strategy; 4) communicating the change vision; 5) empowering a broad base of people to take action; 6) generating short-term wins; 7) consolidating gains and producing even more change; and 8) institutionalising new approaches in the culture (Kotter, 2012, pp. 22-23). Each of these stages are associated with one of the eight fundamental errors that obstructs or undermine change efforts (Kotter, 2012, pp. 23-24).



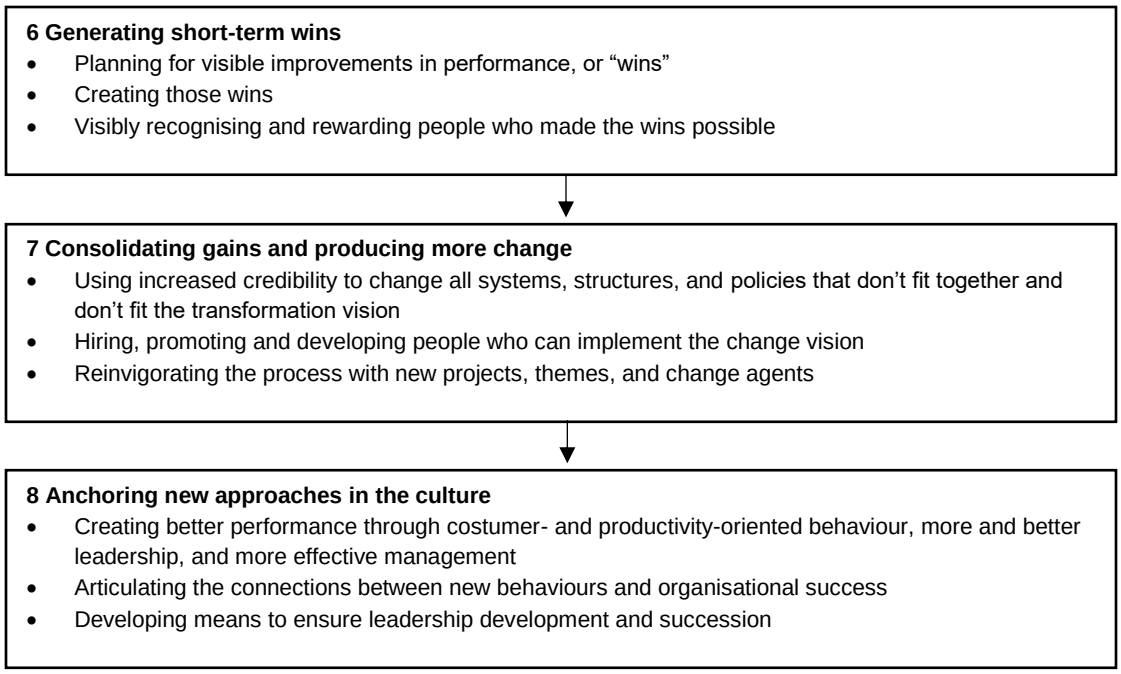


***Figure 3*: The eight-stage process of creating major change**

According to Kotter (2012), 'The first four steps in the transformation process help defrost a hardened status quo' (p. 24), while stages five to seven are about introducing numerous new practices within the organisation. Lastly, the final step focuses on grounding the changes in the corporate culture and helps ensure that they remain (Kotter, 2012, p. 24).

Arguably, people will often try to skip certain stages in their attempts to create major changes and reorganisations, especially if they are under pressure to show results. However, Kotter (2012) argues, such action will likely result in great resistance amongst organisational members, as they may feel that the new structures are being 'crammed down their throats' (p. 25), thus, will find ways to undermine the behavioural changes desired by managements and leaders (Kotter, 2012, p. 24-25).

Likewise, some people may fail in reinforcing 'earlier stages as they move on, and as a result the sense of urgency dissipates or the guiding coalition breaks up' (Kotter, 2012, p. 25). However, Kotter (2012) emphasises the urgency of firmly establishing and permeating each step before proceeding, as this is the only way of generating lasting changes (p. 25). In this way, each stage is equally important, and usually the progress happens in the same sequence as shown in

the figure, though, Kotter (2012) explains that it is standard practice to operate in multiple phases at once (p. 26). More specifically, he explains that:

> 'After getting well into the urgency phase (#1), all change efforts end up operating in multiple stages at once, but initiating action in any order other than the one shown in [Eight-Stage Change Process Model] rarely works well. It doesn't build and develop in a natural way. It comes across as contrived, forced, or mechanistic. It doesn't create the momentum needed to overcome enormously powerful sources of inertia' (Kotter, 2012, pp. 26-27).

In his work, Kotter (2012) also emphasises the importance of distinguishing between management and leadership when implementing change within an organisation. As he explains, '[management] is a set of processes that can keep a complicated system of people and technology running smoothly' (p. 28), whilst '[leadership] is a set of processes that creates [organisations] in the first place or adapts them to significantly changing circumstances' (Kotter, 2012, p. 28). He further illustrates that management is about planning, budgeting, organising, staffing, controlling, and problem solving, whereas leadership is about defining future plans, aligning people with these visions as well as inspiring them to realise such visions in spite of potential obstacles (Kotter, 2012, p. 28). Kotter (2012) argues that the distinction between these two concepts is absolutely crucial, as successful transformation is based on '70 to 90 [per cent] leadership and only 10-30 [per cent] management' (p. 28), even though numerous contemporary organisations fail in possessing sufficient leadership and tend to believe that change is mainly about management, as such mentality has been institutionalised into corporate cultures as a result of previous organisational needs (Kotter, 2012, pp. 28-30). Despite the greater attention to leadership in the transformation process, however, the importance of managing change should not be undermined, because '[without] competent management, the transformation process can get out of control (...) [but] [only] leadership can motivate the actions needed to alter [behaviour] in any significant way (...) [and] get change to stick by anchoring it in the very culture of an [organisation]' (Kotter, 2012, p. 33).

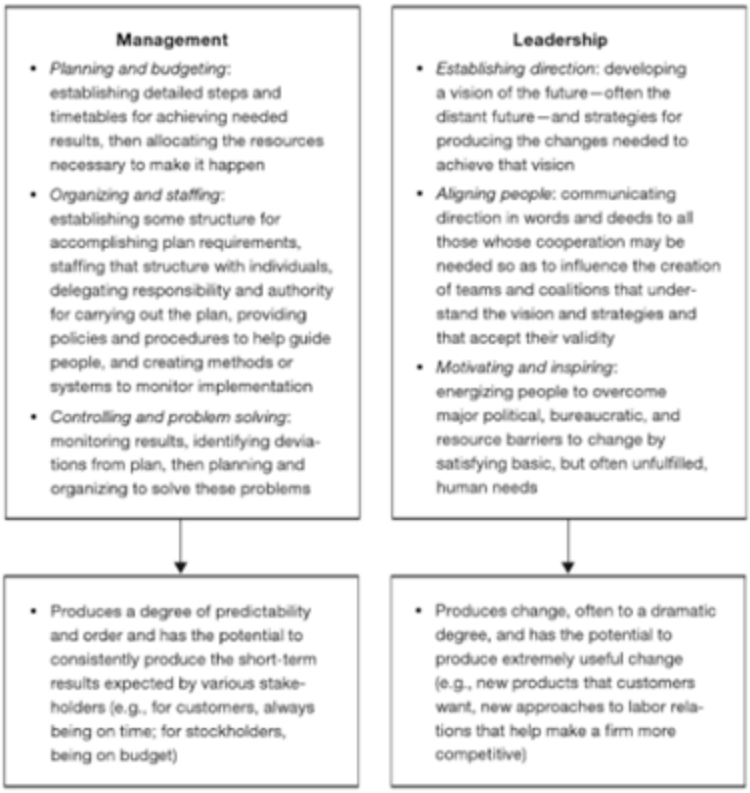


***Figure 4*: Management versus leadership**

3.3. Key Resources

Osterwalder and Pigneur (2010) state that key resources are the assets 'required to offer and deliver [products and services]' (p. 17), which means that in order to make products, this building block is crucial to understand in all business cases. In this study, it is important to consider key resources as companies have to map out and understand these before implementing circular strategies and activating the consumer in upcycling processes. Key resources, in this context, are covered by two theories concerning resource optimisation; resource efficient and cleaner production as well a product life cycle. The theory of resource efficient and cleaner production has been chosen as it is important to look into how AVL A/S and BWF's have worked internally with resource optimisation in their production processes as minimising waste and using less resources are cornerstones of circular economy. Product life cycle, on the other hand, is included as it can provide knowledge on which considerations the two companies make in this regard, especially in relation to the upcycling process.

3.3.1. Resource Efficient and Cleaner Production. According to Staniskis and Katiliute (2017), resource efficient and cleaner production entails: 'Avoiding or reducing the amount of waste produced, using energy and resources efficiently, producing environmentally sounder products and services, and generating less waste, reducing costs and increasing profits' (p. 388). Resource efficient and cleaner production strategies use the following eight 'prevention strategies': Good housekeeping; input substitution; better process control; equipment modification; technology change; product modification; using energy efficiently; and on-site recovery/reuse (Staniskis & Katiliute, 2017, p. 388).

Good housekeeping means 'taking appropriate managerial and operational provisions to prevent leaks and spills (...) and to enforce the existing working instructions (through proper supervision, training [etcetera])' (Staniskis & Katiliute, 2017, p. 388). Input substitution means substituting input materials with 'less toxic or by renewable materials or by adjunct materials (...), which have a longer service life-time in production' (Staniskis & Katiliute, 2017, p. 388). When it comes to better process control, it is important to modify the existing working processes, thus, optimise the production process securing better safety, less waste and toxic materials at a higher efficiency. Equipment modification handles 'modification of the (existing) productive equipment and utilities, for instance, through addition of measuring and controlling devices, in order to run the processes at a higher efficiency and lower waste and emission generation rates' (Staniskis & Katiliute, 2017, p. 388). The technology change deals with keeping up to date on the newest technology in order to 'minimise waste and emission generation during production' (Staniskis & Katiliute, 2017, p. 389). Modifying the product can also help minimising the environmental costs, especially in relation to the use phase or the disposal of the product. When it comes to using energy efficiently, 'the environmental impacts resulting from energy use can be decreased by improved energy efficiency as well as by using energy from renewable sources, such as the sun and wind' (Staniskis & Katiliute, 2017, p. 389). Lastly, on-site recovery/reuse deals with the 'reuse of waste materials in the same process or for another useful application within the company' (Staniskis & Katiliute, 2017, p. 389).

This theory will be used in order to determine how AVL A/S and BWF have utilised the eight prevention strategies to optimise their use of resources and reduce waste, which may

provide insight into where, in the production process, similar companies should consider doing the same.

3.3.2. Product Life Cycle. According to Andrews (2015), product design is crucial to the development of a circular economy, as companies and their designers, engineers, etcetera '(...) need to consider the broader and longer term implication of their activities, which again emphasises the need for a change in design thinking and education about and for sustainability' (p. 311; Andrews, 2015, p. 305). In other words, the product life cycle is an important factor for companies to consider when designing a business model that favours circular principles.

Arguably, a traditional product life cycle includes four stages, namely: 1) raw materials extraction and processing; 2) manufacture; 3) use; and 4) end of life. Within this more linear strategy, end-of-life materials are generally regarded as waste, meaning that such materials 'are either sent to landfill or incinerated' (Andrews, 2015, p. 309), whereas a circular strategy would imply keeping materials in circulation and eliminating the initial life cycle stage (Andrews, 2015, p. 310). As Matsuyama, Matsuno, Fukushige and Umeda (2014) describe it, life cycle design is, thus, 'a promising approach for introducing efficient resource circulation' (p. 455). By virtue of this, the four authors emphasise the idea of product life cycle design; that is an integrated design of a product as well as its life cycle flow (Matsuyama et al., 2014, p. 455). A key issue within such design planning is the balancing of demand and supply for resources, thus, ensuring resource efficiency. In more conventional productions without resource circulations, such factors are more controllable, but in product life cycle design, the resources 'are contained in products and parts that have individual different and changing states throughout the product [life cycle]' (Matsuyama et al., 2014, p. 455).

Matsuyama et al. (2014) stress that even though products are produced from the same nominal information, including equivalent materials, each product will inevitably change its state variously as a result of its different life history, meaning its 'different operation in diverse user environments' (Matsuyama et al., 2014, p. 455). Likewise, quantities of products also varies with time due to individual circulation paths. States of products and their entities change through their life cycles as a result of diverse treatment, as some products may get damaged during transportation or deteriorate during use, or in consequence of material defects and manufacturing process errors, causing differences in performance and quality (Matsuyama et al., 2014, p. 456).

Quantities of products and their entities can vary due to two factors. Firstly, products often end up following diverse circulation paths according to their individual circumstances. More specifically, each product is treated differently at its end-of-life stage due to variations in the degree of deterioration, meaning that less deteriorated products or parts may be directly reused, whereas severely deteriorated products require a process of re- or upcycling to serve its purpose. Secondly, there may also be a difference of circulation timing of each product, as 'some users dispose of products after using them for a long term, while others dispose of them in a short term' (Matsuyama et al., 2014, p. 456).

These possible variations in products outlined by Matsuyama et al. (2014) underline the necessity for companies to consider individual product life cycle strategies, thus 'tailored approaches' (Bakker, Wang, Huisman & den Hollander, 2014, p. 10) to product life cycle design, when seeking to design a circular business model. As Bakker et al. (2014) argue, '[in] order to design products that fit within a circular economy ("circular products"), it is important to first of all understand how to [optimise] product lifespan from a sustainability perspective without compromising the product's economic viability' (p. 15).

The concepts of product life cycle and product life cycle design are included to identify the approaches and strategies that AVL A/S and BWF adopt to such issues when activating consumers through upcycling, thereby, entering the circular economy, as this may be useful for similar companies as well.

3.4. Key Partnerships

Osterwalder & Pigneur (2010) and Clark et al. (2012) state that key partnerships deal with making the business model as effective as possible (p. 44), which means that key partnerships are important for all businesses to consider, as effective partnerships can potentially make the company more successful. In this project, the focus is on the consumer as a partner for the companies, and therefore, it is about making the consumer an active partner rather than a passive target. This process could be explained by looking at the concept of co-creation. The concept of co-creation has been included in order to discuss how and where in the production process the consumer can be included as an active part, hence, making the consumers partners for the company as they participate in the value creation.

3.4.1. Co-Creation. According to Anderson and Narus, and Mizik and Jacobsen (as cited in Jaakkola and Hakanen, 2011) '(...) value for the customer and value for the supplier [have] predominantly [been] discussed and [analysed] as separate phenomena (p. 48). At the same time, companies want to be innovative, and according to Akhilesh (2017), the efforts towards innovation are largely dependent on the connections to various stakeholders, for instance customers, suppliers and other partners (p. 1). In relation to this, the concept of co-creation has emerged as 'a medium to improvise innovation and value creation capability' (Sawhney et al.; Prandelli et al.; von Stamm as cited in Akhilesh, 2017, p. 1). The concept of co-creation implies that 'value emerges when actors integrate and apply resources in interaction with other actors' (Jaakkola & Hakanen, 2011, p. 47), and thereby, contradicts the notion that the value is often discussed separately. This means that through collaborations between suppliers, customers and network partners, value is co-created (Mele, 2007, p. 1378; Ramaswamy & Ozcan, 2014, p. 15). In this process, these partners co-create the value by contributing appropriate inputs to the service delivery, which can be either mental, physical or emotional inputs (Greer, 2013, p. 238).

Akhilesh (2017) argue that co-creation is a way of developing new solutions, products and services that can satisfy human wants as collaborations with customers, stakeholders and other partners can give unique inputs from other viewpoints, which can provide more nuanced solutions (pp. 2-3). This means that co-creation is an active, creative and social process linking producers and consumers with help from the company, where the customer is actively entailed during the process of creating value (Piller et al. as cited in Akhilesh, 2017, pp. 2-3). In this way, the concept of co-creation differs from the more conventional view of an active organisation and a passive market construct (Akhilesh, 2017, p. 3). Therefore, the concept of co-creation

> 'calls for a change in the manner in which an [organisation] interacts with its employees, customers, or stakeholders. It includes the need to establish new modes of interactive platforms, like a meeting or a store (physical platforms) or a website (virtual platform), that allows the customers to be a part of the [organisation's] value chain' (Akhilesh, 2017, p. 3).

Co-creation can be practised by any organisation that has to do with customer experiences in any way, regardless of the size of the company (Akhilesh, 2017, p. 5).

Furthermore, co-creation has also been observed in B2B frameworks, as the core principle of co-creation lies in valuable experiences from people gathered through constant networking (Ramaswamy & Gouillart as cited in Akhilesh, 2017, p. 12). In general, Akhilesh (2017) argues that co-creation plays a crucial role in the survival and prosperity of organisations of all sizes across all sectors (p. 41).

Ramaswamy and Ozcan (2014) operate with two fundamental ways of implementing co-creation. One where the process goes from the organisation to the stakeholders, and the other goes from the stakeholders to the organisation (p. 15). The first process entails that the organisations initiate the process by having or gaining the capabilities to generate platforms that can open up stakeholder activity (Ramaswamy & Ozcan, 2014, p. 15). This is called bringing the outside in, as stakeholders are brought into the enterprise activities of value creation (Ramaswamy & Ozcan, 2014, p. 16). The second process, going from stakeholders to the organisation, is about 'tapping into user communities and social networking' (Ramaswamy & Ozcan, 2014, p. 15), which means that the resource base of the organisation should be extended through practices such as crowdsourcing, mass collaboration and open innovation, which in turn, can allow customers to personalise products and services (Ramaswamy & Ozcan, 2014, p. 15). This process is about bringing the inside out, thus, including the enterprise and its capabilities in the stakeholders' value creation (Ramaswamy & Ozcan, 2014, p. 16).

Akhilesh (2017) presents Prahalad and Ramaswamy's DART model for successfully implementing co-creation, which is about greater participation of customers as partners in value creation (p. 8). The DART model is comprised by four elements, Dialogue (D); Access (A); Risk assessment (R); and Transparency (T). It is visualised below (figure 5).

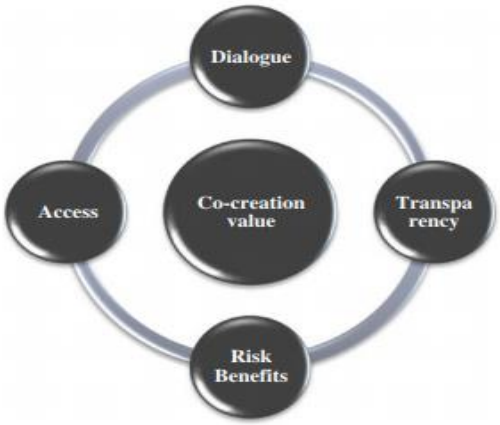


***Figure 5*: DART model**

Dialogue is referred to as the dialogue between companies and consumers, which improves knowledge sharing and promotes a better understanding of each other. Furthermore, this is the component where customers can express ideas and views. Access means that companies can expand business opportunities by involving customers' views. Risk assessment is about customers sharing the responsibility in value creation, both when knowing about the risk, but also on how to deal with the risks. Transparency between customers and companies is crucial in trust building between them. Accessibility of information enables the transparency process between customers and companies (Akhilesh, 2017, p. 8).

In conclusion, co-creation is a process of invention, in which organisations and partners, for example, customers, comply with each other to provide benefits for both participants (Akhilesh, 2017, p. 14). It happens in a shared space, either by meeting directly or communicating online. Moreover, it is important to note that co-creation is not an event happening at one point in the organisation. It is a process, which involves collaborating, exchanging, creating and developing ideas, solutions and products. This starts with the motivation from the organisation and should be sustained throughout the period of co-creation (Akhilesh, 2017, p. 15).

As with a lot of concepts, co-creation has also been criticised for having several limitations. Akhilesh (2017) argues that these limitations include, but are not limited to, 'becoming vulnerable to takeovers, loss of critical talent and know-how, theft of customer data and business approaches, and conflicts leading to legal proceedings and arbitration' (p. 41). For example, small companies or start-up companies may collaborate with larger companies and, thereby, experience the risk of a hostile takeover. Loss of talent may be due to the fact that during collaborations with other companies, questions about salary, culture, incentives, security, etcetera, might be discussed, and, as a result, the talents with knowledge and expertise could be driven to join another company (Akhilesh, 2017, pp. 41-42). If the knowledge sharing process is not controlled, data can be transferred from one company to another, as they are supposed to be working towards similar value creation for customers and stakeholders by sharing data (Akhilesh, 2017, p. 42). Lastly, these companies are often bound by legal contracts in order to share, for example, infrastructure, tools, machinery, people and work. Therefore, minor differences between the companies might escalate and lead to conflicts, which can lead to legal proceedings that can be damaging for the company. Hence, it is important for companies to have

a plan, if these conflicts happen, and be able to handle them internally (Akhilesh, 2017, p. 42). Furthermore, it is important to note that co-creation is dependent on the context in which it is fostered and dependent on the partners involved in the process (Akhilesh, 2017, p. 2).

As it can be seen, co-creation has to do with making consumers at all levels a part of the value creation in a company, getting them to participate and give input to solutions and products. In this way, consumers become more actively involved, which is especially evident in the DART model, where consumers have to be aware of and know how to deal with risks in the company, thereby, sharing the responsibility with the company and becoming partnerships for the company. Furthermore, the concept of co-creation is arguably one approach of getting the consumer activated for small and medium-sized companies.

4. Operationalisation

This section outlines the operationalisation of the theoretical apparatus. '[Operationalisation] involves the translation of a theoretical construct into observable variables by specifying empirical indicators for the concept and its subdomains' (Hox, 1997, p. 53). In other words, operationalisation is about transforming the abstract concepts into tangible themes that can be used to formulate precise questions in the interview guides. Thus, going through the operationalisation process in order to formulate our interview questions increases the relevancy of the primary data generated, in this case, from five interviews, and ensures that the theoretical apparatus and primary data work together to create strong and rich empirical data.

Our theoretical apparatus consists of theories and concepts within the three buildings blocks from Osterwalder and Pigneur's (2010) business model canvas, key activities; key resources; and key partnerships. Going into these specific building blocks provides an understanding of where companies need to take initiative if they want to enter the circular economy by activating the consumer in upcycling processes. The section will be structured after these building blocks, meaning that firstly, the key activities will be operationalised, followed by the key resources, and lastly, the key partnerships.

As mentioned in the theoretical apparatus, upcycling was identified as a key activity in this project for activating the consumer. This means that the upcycling concept is included in this building block. As Wegener (2016) and Sung (2015) note, upcycling is about creating something better out of what is already at hand, thus, converting something disposable into something of

greater value and/or quality, while at the same time highlighting the upcycling story, that is the reinvention or rehabilitation process. Generally, waste material can be divided into different groups that each require different techniques if they are to be used as an input material and thereby eliminate the need for virgin material (Cuc & Tripa, 2018, p. 33; Szaky as cited in Sung, 2015, p. 28). By virtue of this, the conceptual understanding of upcycling can help pinpoint how AVL A/S and BWF has incorporated upcycling strategies into their core businesses. Likewise, how the two companies choose to present their respective upcycling stories, and lastly, their considerations upon which type of material may be the most optimum solution for their specific work and context.

Similarly, change management has been identified as a key activity for companies wanting to enter the circular economy by activating consumers in upcycling processes. As mentioned in the theoretical apparatus, change management can be defined as 'the coordination of a structured period of transition from situation A to situation B in order to achieve lasting change within an [organisation]' (BNET Business Dictionary as cited in Connelly, n.d.), and it deals with changing the mindset of organisational members (Folkmann, 2010). Arguably, transformation is a complicated process that requires time and coordinated effort to last (Kotter, 2012). Thus, the theory of change management can provide valuable insight into how circular principles can be implemented into the core business as a lasting key strategy for well-established companies, as this may call for organised procedures aimed at changing the mindsets of staff members, for instance, Kotter's (2012) Eight-Stage Change Process Model. This means that the theory may not be particularly useful in relation to the two cases, as both AVL A/S and BWF have arguably been working with upcycling since the founding of the respective businesses. However, it may be relevant for functioning companies wanting to transform existing strategies and thereby enter the circular economy by activating consumers in upcycling processes.

Key resources cover two theories, namely resource efficient and cleaner production and product life cycle. The theory of resource efficient and cleaner production deals with 'avoiding or reducing the amount of waste produced, using energy and resources efficiently, producing environmentally sounder products and services, and generating less waste, reducing costs and increasing profits' (Staniskis & Katiliute, 2017, p. 388), and operates with eight prevention strategies, namely good housekeeping; input substitution; better process control; equipment

modification; technology change; product modification; using energy efficiently and on-site recovery/reuse (Staniskis & Katiliute, 2017, p. 388), which are crucial to consider on the way to becoming more resource efficient and have a cleaner production. Thus, this theoretical understanding can be used to understand how AVL A/S and BWF have optimised their production and resource use in order to make a circular product, for example how to get material, or how to process material whilst minimising the use of resources.

Similarly, the theory of product life cycle is relevant in circular economy, as it is crucial to think about product design when developing a circular product. As Matsuyama et al. (2014) note it is 'a promising approach for introducing efficient resource circulation' (p. 455). In this way, companies need to consider the longer-term implication of their activities (Andrews, 2015). Product life cycle has four stages, namely, raw materials extraction and processing; manufacture; use; and end of life. The theoretical understanding of product life cycle and the four stages will be the basis for understanding how AVL A/S and BWF has considered product design in the development of their products. Furthermore, it will be used to understand how, especially, the end of life stage should be rethought in circular economy, as the product needs to be reutilised, as well as which measures needs to be taken to reinvent the product after the end of life stage according to the state of the product.

Key partnerships cover the concept of co-creation. According to Akhilesh (2017), it is a way of collaborating with different partners to develop new solutions, products and services (pp. 2-3). This means that co-creation is an active, creative and social process linking producers and consumers with help from the company, where the customer is actively entailed during the process of creating value (Piller et al. as cited in Akhilesh, 2017, pp. 2-3). In this process, these partners co-create the value by contributing appropriate inputs to the service delivery, which can be either mental, physical or emotional inputs (Greer, 2013, p. 238). Ramaswamy and Ozcan (2014) argue that co-creation is either driven by the organisation or the stakeholder, where dialog is initiated in order to provide benefits for both participants (Akhilesh, 2017, p. 8; Akhilesh, 2017, p. 14). The concept of co-creation is relevant for understanding how the consumer can be activated, as it entails communication with stakeholders. Here, it will be used to understand how AVL A/S and BWF enable co-creation with their consumer segments, for example by generating co-creation platforms or entering into dialog with the consumers.

The BMC provides a clear understanding of how a company operates, however, going into these specific building blocks is a way of gaining insight into how companies can adjust the model to fit the context, hence, understanding how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling.

5. Analysis

This section features the analysis of the data set consisting of primary and secondary data. In order to comprehend the amount of data that we have, we have to consider the notion of data coding, which means that we scrutinise the data in order to find relevant themes or patterns. This has led to a thematic analysis, as relevant themes emerged. Thematic analysis is sometimes seen as either inductive or deductive, meaning directed by content of the data or by existing concepts (The University of Auckland, n.d.). Nowell, Norris, White and Moules (2017) argue that thematic analysis 'is actually an iterative and reflective process that develops over time and involves a constant moving back and forward between phases' (p. 4).

Therefore, we have adopted the iterative process in the thematic analysis, as we had certain themes in mind, which could be relevant for investigating the problem formulation, how can small and medium-sized companies be assisted in entering the circular economy by activating the consumer through upcycling processes. However, we have also been aware that themes may arise when scrutinising the empirical data, which may also be relevant to analyse. In other words, the themes used to structure the analysis have been found before conducting the interviews, as well as whilst scrutinising the data set in order to cover the most relevant aspects.

In order to ensure coherence, the themes will be presented in the following order: Stakeholder engagement; The role of online platforms; Upcycling challenges; Circular economy and business models; and Well-established versus newly started companies. Stakeholder engagement and the role of online platforms are context-specific, while upcycling challenges addresses the cases as well as the broader aspects of the theme. Lastly, circular economy and business models, and well-established versus newly started companies focus on a broader analysis of the primary data in the form of informative interviews. Understanding case-specific aspects can, confer Flyvbjerg (2006), give an additional dimension to the study, as it provides practical knowledge of intangible concepts, which, along with the broader themes, can give us a

better comprehension of how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes.

5.1. Stakeholder Engagement

This section outlines the theme that centres on stakeholders' engagement. The theme is relevant, as the project addresses the notion of consumer activation, which means that markets should be characterised as having the consumer as an active partner rather than a passive target (Akhilesh, 2017, p. 3). Furthermore, the relevance of this theme was highlighted in the informative interviews, as the notion of getting a tighter relation to the consumer segment was commented on by both CM, APG and DKK. CM focused on the fact that it is important, especially for B2C companies, to establish a relationship with the customers and make sure that the customers get a story rather than just an ordinary product (Appendix E, 05:36-06:14), and APG noted that circular economy might enable a tighter connection to the consumers after the sale has been made (Appendix F, 11:32-11:37). She said that

> '(...) I think that having the contact points to the consumer [is important], even if the consumer does not have the same interest as [the company], but just having the data on a customer, being able to send out information that "now your clothes has been used", maybe not the specific piece of clothes, but just "did you know that we collected clothes in your store last week, this is what it was used for", it is a great story, and [the consumer] feels like it is a part of it' (Appendix F, 13:13-13:43).

In general, APG made the point that the consumer should always be at the centre of the company and being able to understand the consumers and getting close to them was a significant part of her interview (Appendix F, 20:02-20:26). DKK noted a similar fact, namely that circular economy presents the opportunity to get another relation to the consumer, a closer relation as well as the ability to get feedback from the consumers (Appendix G, 00:56-01:15). Furthermore, DKK noted the differences in consumer relations when working with businesses and customers, respectively. DKK said that

> ‘if you are B2B, then you have a professional relation (...) and maybe, if you have a good understanding of one another, then [the relation] can create value for [both companies] (...) well, circular economy, you can by the means of the [circular] principles create a greater extent of consumer loyalty, perhaps you have fewer consumers, but a tighter relationship’ (Appendix G, 09:14-09:44).

Whereas, regarding B2C companies, he stated that

> ‘The consumer (...) they are disloyal, they become disloyal, so you work to establish the loyalty, but you may not have the same feedback and you do not have the same relation [as B2B companies], because [B2B] you can say is “one to a few”, whereas [B2C] is “one to a lot”, and that is more difficult to handle, [difficult] to provide services to each specific consumer’ (Appendix G, 10:37-11:10).

Considering these statements, we decided that the theme about stakeholders and consumers should be included, as it is evident that engaging with the segments may be important for successfully entering the circular economy. Therefore, this section will outline the activities that the two companies AVL A/S and BWF engage in with stakeholders and consumers.

5.1.1. Aage Vestergaard Larsen A/S. For AVL A/S, business development is, first and foremost, about its customers and/or suppliers (Aage Vestergaard Larsen, n.d.a). FC stated that AVL A/S identifies its clients as ‘the plastic producing industry in Europe’ (Appendix H) and identify their most important role as being ‘open to tests and experiments, that they are capable of describing their desires and needs as well as being willing to participate in development projects’ (Appendix H). It is evident when scrutinising AVL A/S’s engagement with stakeholders that the company has a focus on entering into individual agreements with other companies, as is it stated that

> ‘[There usually] is an agreement that [AVL A/S] will purchase the relevant company’s plastic waste. An agreement is drawn up specifying the types of

> plastic covered by the agreement, and how the agreement will be handled logistically. [AVL A/S] subsequently [reprocesses] the plastic to obtain new plastic raw material based on recycled plastic' (Aage Vestergaard Larsen, n.d.i).

Furthermore, when AVL A/S buys plastic from the building and construction industry, an agreement is drawn up, however, 'It often requires several preliminary meetings to clarify how the sorting must be performed (…)' (Aage Vestergaard Larsen, n.d.k), as this leads to the highest value of the upcycled plastic. As it can be seen, the highest value of the plastic can be achieved through partnerships, which is a cornerstone of co-creation, as Mele (2007) as well as Ramaswamy and Ozcan (2014) argue that value is co-created through collaborations between suppliers, customers and network partners (p. 1378; p. 15). Hence, partners contribute with appropriate input to ensure the highest value (Greer, 2013, p. 238).

The main source of procurement for AVL A/S, however, is plastic processing companies. Here, AVL A/S typically buys the plastic waste after it has already been sorted into different types of plastic. This means that the logistical matters are often prearranged, making the process easier for all parties. Thus, such acquisitions 'often lead to [AVL A/S] buying sorted waste on a regular basis from these factories' (Aage Vestergaard Larsen, n.d.m).

The daily tasks of the company are highly varied as they 'are typically based on a strategic partnership with an environmental benefit and an improved bottom line for all parties' (Aage Vestergaard Larsen, n.d.a). Therefore, a team is appointed for each task, consisting of people, who possess the appropriate competencies to optimally execute the relevant work. Such people forming a team are often 'technical experts with in-depth knowledge from the laboratory, the production processes, purchasing and sales' (Aage Vestergaard Larsen, n.d.a). The fact that the partnerships work to improve the bottom line for all parties points to co-creation, as it is a process where companies and partners comply with each other to provide benefits for both participants (Akhilesh, 2017, p. 14).

Furthermore, AVL A/S establishes partnerships with other companies, which entails a different type of stakeholder engagement. For example, around 5 years ago, AVL A/S established a partnership with Arla Foods, Ikadan and FORCE Technology to carry out the project 'Production Denmark' with the aim of producing Arla Foods' familiar green milk crates from

reutilised, or upcycled, plastic, and the result was ‘far better than initially anticipated’ (Aage Vestergaard Larsen, n.d.b). According to AVL A/S (n.d.b), ‘[the] success criterion and the starting point for the project was that about 25 [per cent] of the raw material could be replaced with recycled plastic, but it has been found that it is possible to produce crates with a much higher proportion of recycled plastic without compromising the basic requirements for the product’ (Aage Vestergaard Larsen, n.d.b).

In December 2017, AVL A/S entered into a project partially funded by The Danish Eco-Innovation Program (Det Miljøteknologiske Udviklings- og Demonstrationsprogram); a programme adopted by the Danish Parliament in 2015 to help protect the environment and ‘strengthen green exports and job creation’ (Ministry of Environment and Food of Denmark, n.d.), for instance by promoting new environmental technologies (Ministry of Environment and Food of Denmark, n.d.). The project, which has been initiated with partners such as The Technological Institute and Dansk Affald A/S, is called ‘Udvikling af oparbejdningslinje til optimal genanvendelse af indsamlet plast fra husstande set i et cirkulært perspektiv’ (Development of processing line for optimal reutilisation of household plastic in a circular perspective) (Schiønning, 2017). According to FC (as cited in Schiønning, 2017), the project is an ‘exclusive opportunity to develop technology aiming to ensure that household sorted plastic waste can be processed into high quality granulate, benefitting the plastics industry’, which will help reduce carbon dioxide emissions, thus, benefit the environment at the same time (Schiønning, 2017). The development of the requisite technology will happen in close collaboration with Danish sorting plants, plastics companies and technology suppliers, and the project will lead to the manufacturing of products that can figure in a circular economy (Schiønning, 2017).

In January 2018, FC (as cited in Videbæk & Klitholm, 2018) publicly expressed the company’s desire to establish an academy with the aim of enlightening ‘the entire value chain, anyone associated with the plastics industry’, as AVL A/S believes that these individuals all have ‘a great need and desire (…) for gaining greater knowledge upon how to reutilise and design plastic in order to establish a better recirculation’ (Videbæk & Klitholm, 2018). The plastics academy called CIRKLA will be housed in the company’s buildings in Mariager, as AVL A/S wishes to offer ‘training courses’ for professionals, for instance this could be people employed by companies such as Arla Foods and LEGO. In the long run, these trainings will arguably ‘ensure

that even more plastic remnants, especially from household waste, can be reutilised (…)' (Videbæk & Klitholm, 2018; Andersen, 2018).

For example, Arla Foods hopes that the plastics academy can help professionals within the plastics industry to gain new inspiration for designing and reusing plastic waste, such as its own cheese packaging, in a clever and sustainable way. In particular, the company wishes that the academy can facilitate new thoughts, tests and experiments among young students, as this will lead to even greater development within the plastic life cycle (Videbæk & Klitholm, 2018; Andrews, 2015). Furthermore, CIRKLA should be a thorough update of the data that is available about companies' consumption of plastic and about how much plastic is wasted (Andersen, 2018).

Additionally, FC noted in the interview that AVL A/S is active in various ways, as he stated that 'we are actively participating in external events. Be it political as well as professional assemblies. We are teaching at schools. We are very active on social media platforms. We participate in a lot of different projects' (Appendix H), which indicates that the company has a focus on spreading knowledge about itself, which CM pointed out as being an important factor for B2B companies (Appendix E, 08:25-08:32).

All these partnerships and projects, which AVL A/S enters into point to the fact that co-creation may be important for the company. Being able to have different agreements and understandings with different partners may enable this co-creation, where AVL A/S enters into a dialogue in order to get input from the other company to find the best solution (Akhilesh, 2017, pp. 2-3; Akhilesh, 2017, p. 8). Moreover, if the plastics academy, CIRKLA, is established, it may be a potential co-creation platform, which AVL A/S has created to collaborate with other companies and enable knowledge sharing between companies working with plastics in some way (Ramaswamy & Ozcan, 2014, p. 15). Moreover, being able to co-create with other companies is a different way of spreading knowledge about AVL A/S as a company and its work.

5.1.2. Better World Fashion. When it comes to BWF, it is not as evident that this company has established a lot of partnerships with other companies as in the case of AVL A/S. There is a few examples of partnerships with other companies, however, these are in relation to the production process, where some of the material is handpicked from NGO partners (Better World Fashion, n.d.d), and the zippers are delivered by YKK (Better World Fashion, n.d.h).

These collaborations with Danish NGO partners and YKK point towards co-creation, as the different parties have integrated their resources, which in turn has enhanced the value of the BWF jackets (Jaakkola & Hakanen, 2011, p. 47). In relation to getting closer to its customers, BWF focuses on attending different events in informal settings to meet its customers. For example, Innovationsfonden (The Innovation Fund) invited BWF to Roskilde Festival in 2017 in order for the company to engage with its customers and spread the message of sustainable leather jackets (Innovationsfonden, 2017). RI commented on this way of establishing a closer relation to the customers, by saying that it was primarily done through physical activities that is being at such events. He stated that

> 'We were at Roskilde Festival last year, and we are going again this year. We are probably also going to Skanderborg [Festival], Smukfest, and maybe we will do something with Nibe [Festival]. Then we attend, primarily, some German events (...), we have been to Cologne and we are going to Frankfurt (...) so that is really nice and the way we do it (...)' (Appendix I, 13:49-14:30).

Furthermore, the majority of the consumer engagement happens via social media, where for example, the fact that each jacket has its own online account can make the consumer more attached to the product and, thereby, enhance the consumer engagement. Co-founder, Kresten Thomsen, explains this notion, which means that the consumers can create online lives for all BWF jackets and that this life follows the jackets as it moves from one consumer to another (Aalborg Kommune, 2016). RI also noted that collaborations with stakeholders on social media is coming in the nearest future, as BWF has made agreements with influencers on Instagram, who have more than 150,000 followers, as well as collaborating with bands such as Franz Ferdinand in order to advertise the jackets (Appendix I, 11:04-11:28).

Even though it is not evident that BWF have made partnerships yet, it is indicated by RI that it is something, which the company wants to engage in, in the future, as he said,

> '(...) we are trying to get well-established clothes manufacturers to get onboard a model where we have the platform, meaning that we say to them "as of

> tomorrow, you can say that all your leather is sustainable and it is circular, because if we are allowed to sew a tiny Better World Fashion marker into the clothes, then people can return the clothes through our system, and then you can get your jackets on our website, and they [the customers] can exchange from our jackets to your jackets, or from your jackets to our jackets. (...) but you can say that they [the jackets] are sustainable and circular, and we can handle the whole take-back part of the system"' (Appendix I, 16:44-17:33).

It is evident that BWF is trying to establish collaborations across the fashion industry to create an easier take-back system for the customers, because this could ultimately be definitive in getting customers to return clothes, in this case leather, which could then be reused. This points towards the fact that BWF also wants to establish a co-creation platform, where knowledge sharing is enabled and dialogue between companies can give new input and create better solutions (Akhilesh, 2017, pp. 2-3; Ramaswamy & Ozcan, 2014, p. 15).

It is evident that AVL A/S and BWF are both working to establish co-creation platforms, both to enable knowledge sharing with other companies. However, it is also noticeable that AVL A/S, working with businesses as clients, which is arguably a more professional relation (Appendix G, 09:14-09:44), participates in relatively formal events, such as political and professional assemblies, as well as in teaching situations, whereas BWF takes a more informal approach to meeting their consumer segments, individuals, at informal events such as the different festivals in Denmark, where the company signals that it has both feet on the ground, meeting the consumers at their home ground.

5.2. The Role of Online Platforms

This section outlines the theme on the role of online platforms. This theme has been chosen on the basis of being relevant to investigate in order to get insight into how companies can communicate with its potential consumers. The two companies' use of different online platforms will be outlined below, however, according to CM, there are different challenges when having B2B clients and having B2C customers (Appendix E, 05:25-05:35), and one of these challenges is establishing relations with consumer segments. In both instances, it is important to

externally communicate knowledge about the company and its work, however, it is especially important for B2B companies, as their clients could potentially be choosing between multiple companies, meaning that being able to spread the word about the work you do is imperative (Appendix E, 08:25-08:32). DKK also argues that B2B companies have a professional relation with their clients, which is less personal, but in turn can create value for both companies (Appendix G, 09:10-09:26).

5.2.1. Aage Vestergaard Larsen A/S. AVL A/S primarily uses LinkedIn and Facebook, however, the company has also been active on Instagram for a short period of time, as well as using its own website as a communicative platform, where videos about the company's work have been posted. On LinkedIn, the company posts roughly once a week (Aage Vestergaard Larsen A/S, n.d.), with the posts ranging from being informative to self-promoting. The informative posts are mainly within the environmental area and about the work that AVL A/S can do for potential clients. For example, the company posted this in the end of March:

> 'a plastic bag is the best bag choice, when considering the environment, and we have to! An organic cotton bucket bag has to be used 20.000 times in order for it to have a smaller environmental imprint than a regular plastic bag (...) How many times do you use your cotton bucket bag? 20.000 times?' (Aage Vestergaard Larsen A/S, n.d.)

This post is one of the types of informative posts in which the bigger environmental imprints are presented. In general, other informative posts concerns the work that AVL A/S does, for example, a post about their density sorting of plastic, which is 'one of [their] work processes' (Aage Vestergaard Larsen A/S, n.d.). This was posted alongside a video exemplifying the density sorting (Aage Vestergaard Larsen A/S, n.d.).

The other types of posts are more self-promoting, whilst being about what the company does to further educate its employees in plastic upcycling, for example by participating in environmental assemblies, getting inspirational presentations from the minister of environment, political spokespersons within environment and from the ministry of environment and food, as well as giving presentation to other companies (Aage Vestergaard Larsen A/S, n.d.).

Furthermore, the self-promoting posts includes talking about different awards that the company has been nominated for or won, for example, the KTC's (Kommunal Chefforening - Municipal Manager Association) Innovation Award, as well as posts about having visits from the Queen of Denmark and the Minister for the Environment, where the company talks about being honoured to be recognised for the work it does (Aage Vestergaard Larsen A/S, n.d.).

As mentioned above, Facebook is the other major platform used by AVL A/S. On Facebook, the company posts roughly once a week. A lot of the posts are the same as the ones posted on LinkedIn, but Facebook does appear to be used slightly more, however, not on a scale that makes Facebook significantly more used than LinkedIn. The posts are again informative and self-promoting, but Facebook also displays more internal pictures from the offices (Aage Vestergaard Larsen A/S, 2016). Furthermore, it is evident that AVL A/S also uses Facebook to present meetings and cooperation with other companies, for example Kellpo A/S (Aage Vestergaard Larsen A/S, 2016). It is also evident that Facebook is not used as much as an interactive platform, but merely as LinkedIn, where the company can post informative articles and videos as well as highlight the way it works and how it has been acknowledged for it. This is also evident in visitor posts, where it can be seen that these mostly consists of other people mentioning AVL A/S in a post, rather than being a place where people posts questions and experiences with the company (Aage Vestergaard Larsen A/S, 2016).

Additionally, AVL A/S has an Instagram profile. However, this profile has only been in use from September 2016 to January 2017, where the company has posted 36 times. The most interesting fact about the Instagram posts is that they are much more internal, meaning that they show a lot more from the office, when the employees are working, Christmas in the office, etcetera (avl_as.dk, 2016b; avl_as.dk, 2017a; avl_as.dk, 2017b). Furthermore, it is noticeable that AVL A/S uses Instagram to show which type of values it has as a company, for example by posting statements such as 'at our workplace, we take care of each other as we take care of you and the environment', alongside a picture of a board saying you have to wear a safety west and ear muffs (avl_as.dk, 2016a).

As mentioned above, AVL A/S also uses its website to communicate about its work, in this case through video content. The company has two videos about plastic waste, which can be reused. The first video is an explanatory video, where the speaker emphasises numerous benefits of engaging in the upcycle processes of the company (Video 1, n.d.). This video centres on

plastic tubes from renovations projects and new constructions, which are often in excess. The speaker informs us how AVL A/S has become a company to which other companies hand over plastic waste, which AVL A/S can '[turn] into "new" raw material, in the form of plastic granulate, for plastics manufactures to use in the production of new goods' (Video 1, n.d.), and argues that plastic tubes should be considered a resource instead of waste. The last thing happening is atypical for AVL A/S's use of online platforms, as the company addresses the potential clients directly by saying 'some utility companies are already doing this - these you can find at our website - are you going to be next?' (Video 1, n.d.). This is said while AVL A/S's logo appears on the screen along with the text 'more than 45 years of experience in regenerating plastic materials' (Video 1, n.d.), which is self-promoting and showing why other companies should work with AVL A/S.

The second video is an account of the collaboration between AVL A/S and the Municipality of Rebild. It begins by having four plastic rubbish bins appear on the screen one by one, before going on to explain how Rebild Municipality had more than 11,000 plastic rubbish bins in excess, when the municipality adopted a new waste separation procedure (Video 2, n.d.). The speaker emphasises that 11,000 plastic rubbish bins could have resulted in a harmful practice to the environment as it could have caused an emission of more than 200 tonnes of CO2 into the atmosphere, however, the excess garbage bins was handed over to AVL A/S (Video 2, n.d.). All the garbage bins were transported to AVL A/S which is 'the Nordic region's largest facility in the area of plastic recycling' (Video 2, n.d.). This sentence is self-promotive, showing why other companies should work with AVL A/S. This is followed by a section, in which the speaker elaborates the process from garbage bin to granulate along with footage of this process, which makes it more comprehensive (Video 2, n.d.). As with the other video, the benefits of this process are outlined by the speaker as he states '(...) the positive impression on the environment is very substantial. Every kilo of plastic that is recycled saves 2.4 kg CO2 for the environment' (Video 2, n.d.). The speaker ends this video by telling us that the plastic rubbish bins ended up as millions of new distance blocks, which are used in the construction industry (Video 2, n.d.), thereby highlighting that the plastic granulate made at AVL A/S is of high quality, and can, therefore, be made into new products (Video 2, n.d.).

It can be seen that AVL A/S's video content on the company website has traces of the same elements as the posts on Facebook and LinkedIn, as the videos are mostly informative and

showing facts, however, having self-promoting undertones. Video 1 (n.d.) is one of the only instances of AVL A/S directly addressing potential clients, by ending the video with ‘some utility companies are already doing this - (...) are you going to be next? (Video 1, n.d.). Furthermore, it is evident that the videos present an upcycling story of the plastic, specifically of the plastic tubes in Video 1 and of the plastic rubbish bins in Video 2, by showing the reinvention of the plastic when it arrives at AVL A/S (Wegener, 2016, p. 184).

In general, the online platform strategy of AVL A/S seems to be consisting of informative posts about the way the company works, as well as self-promoting posts showing how the company has been acknowledged for its work with few instances of directly addressing potential clients. FC also noted that the company primarily uses LinkedIn and Facebook to get in contact with the clients, he stated that AVL A/S uses social media ‘to inform about our competences and exciting projects that we are involved in. Often the clients address us after having read about our projects’ (Appendix H). The lack of interaction with clients, or stakeholders, can, for example, be seen on Facebook where the inactive element is non-existent. Furthermore, this points to the fact that Facebook is not used as an online platform for co-creation with stakeholders (Akhilesh, 2017, p. 15).

5.2.2. Better World Fashion. On the other hand, B2C companies also have certain challenges, which CM addresses when saying that creating a story and letting the customer be part of a specific story is important when B2C companies want to establish a relationship with their customers (Appendix E, 05:40-05:54), and DKK talks about the fact that as a B2C company, you have to work to establish customer loyalty, as well as talking about having difficulties getting feedback from the customers (Appendix G, 10:44-10:55). The B2C case in this project is BWF, which CM addresses in the interviews. CM talks about how the BWF app is a smart move in the online world because it outlines a story and creates a relationship between customer and product (Appendix E, 06:09-06:50). Along with the app, BWF primarily operates on Facebook and Instagram, where the company is well-established (Better World Fashion, 2015; Better World Fashion, 2017). Furthermore, BWF has a YouTube channel, where it has posted five videos. On Facebook, the company posts roughly once a week, and the posts consist of informative posts, self-promoting posts and satisfied customer reviews. For example, the

company posted on about the downsides to wasting plastic, when stating that

> ‘Plastic is bad for the environment. Instead of harming wildlife and nature, we must ensure that all of our plastic waste is recycled and reused. Here at Better World, we do everything possible to make sure nothing goes to waste. Did you know that all our lining is made from granulated plastic bottles?’ (Better World Fashion, 2015).

This post illustrates both the informative and slightly self-promoting sides, as BWF ties the disadvantages of plastic waste to its own commodity, which gives the consumer a reason for buying a BWF leather jacket. Another example of self-promoting posts includes a revelation that BWF had been chosen as a Rising Star by Project Just, which is also involved in making clothes more sustainable (Better World Fashion, 2015; Project Just, 2015). Additionally, there are posts, which are reposts of satisfied customers talking about the product, for example one where the customer said, ‘THANK YOU for your amazing jacket. The concept is amazing, especially in relation to the environment. At the same time, the product is really good quality (...). It is just a must-have (...)’ (Better World Fashion, 2015).

It is evident on Instagram that there people are showing the jackets using the hashtags #mybetterworld and #peoplewearingbwf. Some examples of this include a post saying ‘(...) storytelling in the making’ along with a picture of a couple wearing two BWF jackets (betterworldfashion, 2017b), one from Paris with the caption ‘#Tanja [the name of the jacket] going out in Paris (...). We love when you share your pictures with us (...)’ (betterworldfashion, 2017c), and one from Roskilde festival stating, ‘Cool guys wearing Better World Fashion leather jackets during #rf17’ (betterworldfashion, 2017d*)*. This shows that BWF is involved with its customers and want them to further the message of sustainable leather jackets. BWF is not particularly active on Instagram, which can be seen as it has posted 45 times, characterised by uneven use, as some weeks are really active with several posts, whereas other times it is merely once or twice per month. In terms of posts, it is similar to Facebook, with the posts being both informative and self-promoting. The informative posts regards the environment, as seen in the example below,

> ‘Why using new resources and harming the environment, when it is simply not necessary? Yes, that [is] what [we have] been thinking as well… Compared to a conventional leather jacket, each and every of our jackets saves 340 litres of water, 16 kg of carbon dioxide, 6 kg of waste and 3,75 kg of chemicals. The choice is quite obvious, [is it not]?’ (betterworldfashion, 2018a).

This post shows information about the jackets but implies self-promotion as it showcases how much better a BWF jacket is for the environment. BWF is concerned with working together to help the planet, which can be seen in this post saying, ‘we want to make the world we pass on to the next generation a better world’ along with a picture of one of the founders and his daughter (betterworldfashion, 2017a).

It can be seen on Instagram that BWF is trying to create a ‘new normal’, where everyone cooperates to waste less resources. This is a cause, which the company posts a lot of pictures about (Better World Fashion, 2017b*)*. In this campaign, BWF addresses the customer and how every human being should take action. It can, for example, be seen in this caption,

> ‘Take action. Think about the impact. Think about the power you have. Speak up. Change mindsets. Stop environmental degradation. Use less. Think. Acknowledge the power you have. Take more action. Think again: Are you making the difference? Be part of change you want to see in the world. [Let us] all build #thenewnormal’ (betterworldfashion, 2018b).

In general, both the use of Facebook and Instagram points to the fact that BWF does not use the two platforms as co-creation platforms, where it is getting input from the customers (Akhilesh, 2017, pp. 2-3), as well as pointing to the fact that the two platforms have not been created to prompt stakeholder activity (Ramaswamy & Ozcan, 2014, p. 15), but rather used in an advertising way, where the company and its work are being highlighted.

BWF also has a YouTube channel, where it has posted five videos. It is important to note, though, that it is evident from the channel that BWF has utilised YouTube in the beginning of starting up the company. This can be seen as the company has posted a Kickstarter video, which is a video encouraging people to back the idea of a sustainable fashion brand. This video features

the three founders, Reimer Ivang (RI), Kresten Thomsen (KT) and Karsten Moos Lund (KML) talking about the idea. RI starts off by stating that ‘the increasing demand for clothing is a challenge for our planet’, that ‘we can’t continue to over exploit the planet’s resources’ and that ‘we have created a fashion company (...) where you can continue your current lifestyle without limitations, compromises or changing your habits’ (Better World Fashion, 2016). This shows that BWF offers an alternative to fashion without compromising trends and that making exciting clothes does not have to harm the environment. KT gives information on the company’s production process, including how it picks the leather (Better World Fashion, 2016). KML notes that the redesigned jackets reduce the need for new leather and, thereby, save the planet for unnecessary toxic chemicals (Better World Fashion, 2016). RI ends by saying that ‘we really need your help to create a future where reuse and recycling is acknowledged by everybody’ and ‘let us start a movement towards sustainable change’ (Better World Fashion, 2016), which address viewers, and potentially customers, directly and urge them to help getting the company started, and thereby, create an alternative to conventional fashion, which will help the planet.

Another video posted on the YouTube channel is a comprehensive way of understanding the impact of BWF and its way of making leather jackets (Better World Fashion, 2017a). This video starts with a line reading ‘re-wear and share leather jackets for a Better World’ (Better World Fashion, 2017*a*). This is followed by a drawing of the planet, and the speaker telling us that ‘Better World is revolutionising the fashion industry by producing new garments from reused materials’ (Better World Fashion, 2017a). The next section of the video features drawn pictures of the production process. This is a clear, comprehensive way of understanding such facts, which can otherwise be found on other online platforms. The video ends with two statements, one saying that ‘the result is the most sustainable leather jacket in the world’ and the other one being ‘wear what you believe in’, which again speaks to the conscience of the customer, as buying a jacket from BWF will have no harming impacts on the environment. Furthermore, the company urges the customers to wear what they believe in, meaning that believing in sustainable ways of living should be reflected in the clothes you wear.

Lastly, the company has developed an app, which was launched at Roskilde Festival in 2017. The app allows customers to share stories about their jackets. Every jacket has its own serial number that gives access to information about the construction of every single jacket. This serial number is also the key to personalising stories of every jacket. The pictures uploaded to the

app are featured along all the other pictures from other consumers as well as being connected to Facebook. Both the two videos and the app point to the necessity of being able to provide a story about the products to the customers. Therefore, these platforms present the upcycling story of leather, by showing the process from leather to a new leather jacket made from upcycled materials, thereby showing the reinvention process of the material (Wegener, 2016, p. 184). In the app, the customer can not only see the process of making a jacket, but the story of the jacket, where it has been, and what has happened to it.

RI spoke about the way the company uses social media in the interview, where he called the social media platforms 'the primary and most important [communication] channel' (Appendix I, 10:22-10:27). However, RI also commented on the fact that it is not until this spring that the company fully utilises the potential of social media platforms. He stated that:

> 'We have not seriously gone full throttle on social media, because we thought our website was terrible. And now, we have a new website, which is under development at the moment, it is live, but we are working on it and constantly making it better and better, and we are proud of this website and satisfied with it, we think it looks good and professional, so this spring we have put efforts into social media, primarily Facebook and Instagram, and it is going really well. We will do some work with some pretty prominent influencers on Instagram, we already have four agreements in the bag with influencers having more than 150.000 followers on Instagram, and we are also working on getting agreements with a couple of bands, for example Franz Ferdinand and another, so we are really putting efforts into this part' (Appendix I, 10:22-11:34).

It is evident that BWF has increased its use of online platforms and will continue to increase the use of online platforms as a means of communication and advertising in the time to come. Furthermore, RI talked about the app, which CM also commented on as being a unique feature about the company (Appendix E, 06:09-06:50). RI noted that BWF chose to include an app, because the company wanted to get away from the notion of the buy-and-toss concept. He stated that

> ‘Well, [we have included the app], because, if we have to go against the notion of buy and toss, which is based on getting a fix of buying a product, but a fix that lasts a very short amount of time. This means that we want our customers to emotionally attach to products, especially our products. And we believe that this emotional attachment grow bigger if you have the option to follow the jacket you have, is there some parts of it that other people have had, where have they been with this jacket, what happened? Then we believe that the emotional attachment grow bigger with this particular jacket. And therefore, we have the app, but of course, we also believe that there is an international community around this, which we can provide services to through an app (Appendix I, 12:17-13:19).

Moreover, including the app has arguably made the company a frontrunner, as having apps where the clothes can be followed is not a standard feature in most companies. RI commented on the fact that there was probably no other company with this particular feature and said that the idea stemmed from ‘the fact that our jackets are unique and have their own serial number, which meant that we had the opportunity to develop a social media platform around the specific jackets’ (Appendix I, 13:24-13:36).

As noted in this part, the company does not seem to be particularly active on online platforms, however, the use have increased, and RI explained that the use will continue to increase, as well as the inclusion of stakeholders in the form of Instagram influencers will come in the future. Furthermore, it is evident from scrutinising the use of online platforms that there is no obvious interaction with customers, or stakeholders, for example via the visitor posts on Facebook, however, the posts from the company are more directly addressed towards the customers, who are urged to choose BWF as this means that they can be sustainably conscious without compromising their personal style.

In general, the online platforms strategies utilised by AVL A/S and BWF appear to be quite similar, as both companies mostly post informative and self-promoting aspects. However, there is a difference in the online platforms that the companies have chosen to operate on. AVL A/S operates mainly on LinkedIn and Facebook, as well as choosing to post, for example, videos on their own website, whereas BWF is more inclined to use Facebook, Instagram and YouTube

to reach its desired consumers. This may be due to the fact that the companies have different consumer segments, as businesses are more likely to be present on LinkedIn, whereas customers may be easier to reach through Instagram and YouTube. Both companies are active on Facebook, where the use is similar, as the functions and posts are arguably implemented in the equivalent ways.

5.3. Upcycling Challenges

This section presents the theme of upcycling challenges. Looking through the data collected in this study, both secondary and primary data, a theme regarding challenges in upcycling processes arose.

Before going into what challenges companies working with upcycling face, a company has to define what it sees as upcycling. DKK argues that the term has been misused and that upcycling, according to him, is all about keeping a material or resource as pure as possible and that it can be re-circulated in the same way that it was used the first time. He argues that just because a component has been given increased value, it does not mean that it is necessarily upcycling; it is not upcycling when you for example take a nail, bend it, put it on a piece of wood and call it a coat rack. What DKK sees as the difference is not the added value that the new coat rack has gotten, it is the fact that the original intent with the nail has been destroyed and can no longer be used in the way it was first intended to (Appendix G, 13:13-15:04). Both AVL A/S and BWF arguably meet the criteria set forth by DKK, as the products of the two companies can, as point of departure, be circulated multiple times in the same manner as virgin materials, even though components may have been added. In this way, both companies ensures that their chosen material maintain their original intent, meaning that plastics is turned into plastic products and leather is made into clothing items.

5.3.1. Aage Vestergaard Larsen A/S. It is important to note that even though AVL A/S typically uses the term ‘recycling’ about its own work with plastic resources, we categorise it as upcycling instead. Arguably, the company transforms waste material, something useless or unwanted, into ‘new materials of high quality’ (Aage Vestergaard Larsen, n.d.j; Schiønning, 2017), thus, something of a greater value. Thereby, AVL A/S’s work is consistent with Wegener’s (2016) definition of upcycling, stating that it is the process of ‘creating something better out of

what is already at hand, thus, converting something disposable into something of greater value and/or quality' (Wegener, 2016, p. 181). As previously mentioned, this means that upcycling differs from recycling, which is simply the reuse of something, as well as downcycling, as downcycling is a process 'in which materials are broken down into lower-value raw materials' (Wilson, 2016, p. 395; Wegener, 2016, 181). Consequently, we argue that the work of AVL A/S is not simply re- or downcycling, in which the generated item is often of a lower quality than a similar, newly produced item, as the plastic granulate made by AVL A/S is 'a competitive alternative to virgin material products, both in terms of quality as well as price' (Blivplastmager.dk, n.d.).

A challenge for AVL A/S when it comes to upcycling old plastic, is the state of the plastic. Oftentimes, it is more or less soiled and has to be sorted due to plastic type. This often takes several meetings with the companies AVL A/S buys plastic from, as everyone has to agree on the specific sorting processes in every single case (Aage Vestergaard Larsen, n.d.k). AVL A/S has a 'well-equipped' in-house laboratory and 'high-tech inventory of machine equipment' (Aage Vestergaard Larsen, n.d.j). Moreover, Gitte Buk Larsen (as cited in Andersen, 2018), business development and marketing manager of AVL A/S, stated that the business has changed over time, as the company has acquired the capabilities to handle more soiled plastics by investing in new machinery, such as a washing and sorting system in order to be prepared for handling plastic that may be more difficult to handle than the plastic coming from production companies. Being well-equipped and prepared to get the machinery that is necessary are in line with some of the prevention strategies set forth by Staniskis and Katiliute (2017), namely equipment modification and technology change, which are both about getting more efficient in the production process and minimising the amount of waste (pp. 388-389).

According to CM, materiel flow is a major problem for upcycling companies; she states that in order to have a circular product, companies must have access to the right kind of resources and that the quality of the resources is vital. In order to limit this problem, she states that it is important for companies to establish a good value chain that can support the demand that may come (Appendix E, 03:00-04:00). For AVL A/S, it is stated that the company '[has] available capacity in the production, but too little material to process' (Andersen, 2018). In this case a lack of enlightenment and dialogue about the waste of plastic is at the root of having too little material, and therefore, one of the challenges is to structure the compilation of plastic waste

(Andersen, 2018), which would also give AVL A/S more material to process. Moreover, FC stated that this lack of material is one of the company's greatest challenges, as he noted

> 'That the Danish people (both the private as well as the industries and retail) incinerate and export their plastic waste. It is estimated that 200,000 tonnes of plastic waste is incinerated every year. At the same time, we, as a reutilisation company, are short of plastic waste. Nobody wants to sort their plastic waste, even though, this would make it suited for reutilisation' (Appendix H).

In line with this, FC notes that in Denmark, we generate 350,000 tonne of plastic waste, however, only 50,000 tonnes is reutilised, which means that it is 'important for the environment as well as the companies to reutilise the last 300,000 tonne plastic waste, as todays waste is the resource of the future' (Appendix H). Gitte Buk Larsen (as cited in Andersen, 2018) stated that finding a logistical solution in cooperation with the people collecting plastic waste could help sorting this problem, as it would be an easy way of handling the waste.

In order for AVL A/S to compete with conventional products, FC argues that its upcycled plastics is high quality and can be used as an alternative to virgin material and that upcycled plastics 'on average is twenty per cent cheaper than virgin material' (Appendix H). Likewise, AVL A/S enters into individuals agreements (Aage Vestergaard Larsen, n.d.i; Aage Vestergaard Larsen, n.d.k) that are handled 'through strict project management, described procedures, flexible and experienced employees, an IT-system for the entire company [and] ISO 9001, ISO 14001 as well as ISO 50001 certifications' (Appendix H), which may enable the best possible service for each client.

5.3.2. Better World Fashion. In the case of BWF, RI states that it has not been a problem to have access to resources and that the international clothing industry is a multi-billion business (Appendix I, 05:20-05:30). BWF has also had the problem of breaking with the take-make-dispose thinking of the linear economy. According to RI, BWF wants to break with the old thinking that a consumer needs to own its clothes and that the leasing-model allows consumers to change their clothes more often if they want to. It has been a major problem for BWF to make this change, mostly due to technical issues, as the payment system from NETS has only be

developed for on single payment per item and not for monthly leasing payments. For BWF this has meant that its leasing system has been unavailable for customers to use, but RI promises that it will be up and running on the BWF website soon (Appendix I, 07:18-08:10).

In the Ellen MacArthur Foundation case study, RI explains that one of the biggest challenges for BWF was the prizing of the jackets, because consumers found it odd that BWF jackets cost the same as a brand new one, as BWF jackets were not considered 'new' due to the re-use of old and possibly inferior material. Another challenge for BWF is the notion of 'ownership', as the Ellen MacArthur Foundation puts it: the 'question is whether customers will be prepared to wear someone else's clothes, sleep in someone else's bed, or lend a stranger their car. What about the stories that users [do not] add to the history of their jacket?' (n.d.), but the key to BWF's success here is to remind consumers that they do not necessarily pay for ownership, but rather for performance (Ellen MacArthur Foundation, 2017a). RI, however, explains that the company works hard on branding its jackets as new, as the jackets are new just made from reused material and that the consumers not necessarily think that the jackets are of lower quality, just because they are produced from reused material, especially as leather is now softer and more comfortable to wear (Appendix I, 08:37-09:10).

In order to compete with conventional products, RI states that BWF has its story, which is clearly in line with Wegener's (2016) notion of upcycling story (pp. 182-184). He says that 'we have a good story, and the people using our jackets wants to tell it. However, we may have a challenge in that our jackets look like traditional jackets, and I think that there are a lot of people who would like to shine more, that this is one of the special jackets'. He also states that he does not think that the jackets are that expensive, as consumers are able to buy jackets from Bestseller at 800 Danish kroner and from Gucci and Hugo Boss for 10,000 Danish kroner. In that sense, BWF jackets are right in the middle, and consumers get a 50 per cent discount when changing jackets (Appendix I, 09:11-10:14). In relation to Wilson's (2016) four consumer-benefits from buying upcycled products (pp. 396-397), BWF lacks the first, aesthetic appeal, as the BWF jackets do not distinguish themselves from conventional products. When it comes to benefit number two, economic savings, it depends on what the consumer is willing to pay; as RI states leather jackets can be found within a large price-range. However, BWF customers do benefit from the third and fourth benefit; environmental benefit and intrinsic enjoyment, as the jackets

are arguably more beneficial to the environment than conventional jackets, and customers get the joy of being part of a story by wearing the BWF jackets.

Another problem upcycling companies have to be aware of, is shipping; in an interview with Aalborg Kommune on new circular businesses, Co-founder Kresten Thomsen tells that the biggest problem for BWF was the logistics of export: How to ensure CO2 neutral transportation around the world, both to the consumer and in the take-back system as well. This leads to contact to BusinessAalborg and business consultant John Kærgaard that facilitated expert advice and contact to UPS, which resulted in a tailored CO2 neutral delivery method.

For BWF, the production of its jackets was also seen as an upcycling problem. The BWF leather jackets are produced in Poland. The company argues that it was important that 'possible production partners' held the same values as BWF. This leads the company to a family-run business in Poland. BWF argues that 'instead of manufacturing in South East Asia, [its] production facility in Poland allows a great coordination and cooperation, not mentioning the CO2 emissions that can be saved' (Better World Fashion, n.d.c). The workers in the Polish factory have great working conditions, and due to the production process of the BWF leather jackets, they are not exposed to toxic chemicals (Better World Fashion, n.d.c). The production partners in Poland have, according to BWF, been with the company from the beginning, and due to the shared value, BWF argues that the jackets are only produced by adults. This, the company argues, 'shows that it is possible to align both fashion and fair production standards' (Better World Fashion, n.d.c). From this, it is evident that in having a sustainable product, it is important to consider the production of a product as well as the material used, thus, to consider the product life cycle design (Matsuyama et al., 2014, p. 455).

When it comes to the resources used in an upcycled product, both APG and DKK agree that companies should not upcycle materials just for the sake of upcycling. APG argues that the problem right now is that there is so much material out there right now that needs to be reused, but these materials may not be either the best or especially environmentally friendly resources. A solution is to work with these materials and get them certified where it is possible, get the harmful chemicals out and not recycle bad products (Appendix F, 06:42-07:33). DKK concur, stating that it can be outright dangerous, and that one needs to not get too excited about an upcycled product just because it is upcycled. When it comes to leather, he argues that old leather contains chrome, that BWF is aware of and acknowledges this, and that in the future, newly

tanned leather may be produced without it. The important thing for companies is to be honest and upfront about the production process to its consumers. He also notes that context is important and that taking a product that was produced to fit into one setting may not be advisable, or even healthy, to put into another setting (Appendix G, 16:10-17:29). This is in line with Wilson's (2016) view that not all material should be recycled or upcycled (p. 398). However, CM argues that a demand for an upcycled product is vital in order to succeed; companies may have excellent solutions when it comes to recirculating materials, but if consumers or clients do not demand upcycled products it can be difficult prosper. She states that in some cases, it is because consumers or clients do not know they need an upcycled product and that getting information about upcycled alternatives to the consumer is a way of making them aware of the different possibilities (Appendix E, 08:14-08:32).

It is evident that AVL A/S and BWF have to deal with similar as well as diverse challenges in relation to their upcycling work. Both companies have to compete with conventional products and distinguish themselves from other companies. In this regard, the companies make use of the notion of an upcycling story, as well as brand themselves as a sustainable alternative. On the other hand, the companies also face challenges specifically related to their respective work. For example, AVL A/S faces the issue of having enough material, which is not a problem for BWF, and due to the material, AVL A/S has a more complicated production process, as the soiled plastics require more working-up. However, BWF faces the issue of price, as some customers may consider the BWF jackets to be expensive compared to a conventional leather jacket, whereas AVL A/S's plastic granulate is often cheaper than virgin material.

5.4. Circular Economy and Business Models

Looking at the primary data, we have gathered, it became clear that circular economy and business models is a theme worth investigating. APG states that she sees potential for circular business models on all levels. She argues that it is important to figure out how far along the companies actually are. Some companies may be far along in the process of becoming circular but may not be very good at branding themselves as circular businesses. For some companies, it may be vital to go circular for their continued survival; 'KLS PurePrint and its vision to be the greenest printing house, is in a business where if it had not done anything then it would have been a business on the downhill, the company would most likely not have existed if it had not

turned its focus completely to being sustainable. This does not mean that it does not still provide conventional products, but it is not what it brands itself on and it is not what attracts new customers' (Appendix F, 01:22-02:19). She states that she thinks that there is a potential for the companies that dare to differentiate themselves and be quick to act. Another factor is the pressure from business leaders; when companies like IKEA starts making demands, it will spread to the supply chain and the companies that are not ready and/or willing to change will be out of the game (Appendix F, 00:24-03:47). CM adds that circular business models are still relatively new and that it creates the opportunity to be a frontrunner and potentially create a new market (Appendix E, 01:49-02.16). Furthermore, APG states that for some companies the main reason for going circular has been an investment that may not have yielded the most lucrative bottom line in the beginning, but the time was suddenly right, and these companies are now in a place where others are not (Appendix F, 03:47-04:16). However, she does also see challenges when it comes to circular business models. In her experience, it is difficult to sell products that costs the double of what a conventional product does even though it is green. Furthermore, she stresses that both the opportunities and challenges may change in ten years; in ten years, everybody may be green, and the branding possibility is now void, as it will be the norm, but right now it is a way of differentiating a company (Appendix F, 04:27-05:43). Yet, this is not always the case, as FC from AVL A/S states that upcycled 'plastics on average is twenty per cent cheaper than virgin material' (Appendix H).

DKK argues that

> 'some of the potential of a circular thinking is that you can maintain your resources, you get a different relationship with your customers and you have the opportunity to continuously expand your value proposition - you get the chance to add, and also because you have a closer relation to the customer and can get some feedback that makes you able to adapt' (Appendix G, 00:49-01:16).

Moreover, he notes that the access to resources and materials will be a critical factor in the future. There has been focus on food-security within countries, now they also have to be resource- and material-secure, and because of this, the EU has a greater focus on keeping

resources within the region: ‘All this is an old discussion, but these borders are starting to be drawn up again where they were completely gone during the heydays of globalisation, now there is a wish to be resource-independent’ (Appendix G, 01:21-02:09). He further argues that he definitely sees potential for companies that are able to incorporate circular principles in their businesses. However, ‘then we have this large system where a lot of value chains are organised in a linear fashion, these different infrastructures, which are at the root of all financial interchange taking place, and the way to make money dictates that you work within a linear system’ (Appendix G, 02:14-03:04). RI also criticises the linear system: He argues that in the established business world, circular business models are challenged when it comes to take-back systems. He states that he has been in dialogue with Gabriel, a textile company, and they do not agree on what is best.

> ‘For a lot of established companies sustainability is all about tidying up their products. That is, ensure that all the textile Gabriel uses is more clean, not filled with rubbish and chemicals and all sorts of things. The problem is that should it succeed then there still is nothing left. That is, if no one takes care of the take-back part then it does not matter. We can compost, and we can do all sorts of thing, but it will not matter, as there will be nothing left’ (Appendix I, 16:05-16:36).

For 20 Euros a month, a customer can lease a BWF leather jacket. While the lease is on a monthly base, a customer has to lease a jacket for a minimum of four months as a starting point. Once those four months are up, the customer decides whether he or she would like to keep it, change to a new design, or altogether deliver it back. If a customer decides to lease a jacket for a total of 24 month the customer now owns the jacket and gets all the benefits of owning a BWF jacket (Better World Fashion, n.d.f).

As a service, BWF offers a 50 per cent buyback on all its jackets. This means that if a customer decides it wants another design, BWF takes back the old jackets and offers a 50 per cent discount on a new one. This also covers jackets that have been damaged, and the offer of a 50 per cent discount is unlimited. In order to access the discount, customers have to buy a new one from the company’s webshop. Once the new jacket has arrived, the customer returns the

used one in the box the new one came in, and when BWF has received the old jacket, it will reimburse the 50 per cent of the purchasing price to the customer. There is no limit to how long a jacket has been used in order to access the 50 per cent buyback, as the company states customers 'can wear the jacket for a month or years - as long as we can see that it is one of our BWF jackets' (Better World Fashion, n.d.b), customers are allowed to use the discount. When it comes to a damaged returned jacket, BWF does seemingly not have a policy in place; it is not clarified to what level of damage a jacket can have for the consumer to access the discount. Furthermore, the company states that even though customers may not want the discount, BWF would still like to have its old jackets back in order to reuse the leather (Better World Fashion, n.d.b).

The buyback scheme is not the only way BWF offers discounts on its jackets. If people have old leather laying around, BWF offers to buy it at 13.50 EUR per kilo: 'send the old leather to us and we will give you a discount on your new jacket. Max. 4kg pr. customer' (Better World Fashion, n.d.i). Moreover, the company offers to take an old leather jacket that customers are attached to and make it new and relevant again by redesigning it with the consultation of the customer. Whether the customer has unlimited choice in design or is limited by the six designs BWF uses, three for men and three for women, is not clear. The reason for doing this, is, as the company argues, that 'leather is like wine – it just gets better with time. Let's take it on a new journey' (Better World Fashion, n.d.i). As mentioned above, the regular BWF jackets lack what Wilson (2016) describes as 'aesthetic appeal', as they cannot easily be distinguished from conventional jackets, however, as the customer is able to give input to the redesign of a jacket, this may mean that the aesthetic appeal is obtained, as the customer gets the specific look it wants (p. 396). Furthermore, as the customer is able to provide input to the redesign, a notion of co-creation is also established in order to create a better product (Akhilesh, 2017, pp. 2-3).

All of the above derive from a company manifesto stating that 'the world is in need of something new. Not new things. But new ideas. Better World Fashion is a new idea. We [revolutionise] the way we produce, sell and own clothes' (Better World Fashion, n.d.g). BWF goes on to argue that it revolutionises the way clothes are produced, as it takes something old and used and turn it into something new and modern, in this case old leather, plastic bottles and metal. According to the company, a reduction of environmental impact is needed. Furthermore, the company states that it revolutionises the way companies sell and consumers own clothes; customers are able to buy a leather jacket, but they are also able to rent one, and as stated above,

once customers no longer want a jacket, they can simply return it again. Moreover, BWF argues that it revolutionise the consumers' relationship with clothes, as its jackets 'come with a personality and are your companions on your everyday adventure. Moments pass, the story stays. Our jackets keep the stories of special moments alive and will pass it on to a new generation' (Better World Fashion, n.d.g). Lastly, the company stresses that there ultimately will be no revolution without customers and defines its customers as 'you, who wants to make a difference in this world and write new stories. You, who cares about today and tomorrow. You, who wants to contribute to a better world' (Better World Fashion, n.d.g).

When asked where the idea for BWF's buy-back system came from, RI states that it was never the intention to make a circular business model. The idea for BWF came from an attempt to link consumer trends and behaviour to business models. When looking at these consumer trends and behaviours, it becomes apparent that consumers like to buy clothes increasingly. RI argues that there are two ways to tackle this tendency: Either prohibit consumers from buying so much clothes or create business models that allow consumers to change without problems (Appendix I, 03:19-04:09). He draws comparison to his own childhood where sustainability was about privation, about not taking long hot showers, not having the lights on when not strictly necessary, biking instead of driving, about not consuming. He states that he does

> 'not think we can get the consumer to not spend because that is the reason for working for a lot of people, earning money they need to spend, and they need to buy something, and instead of starting on what I believe is really uphill, I have sat and thought on how I can make a business model where the consumer can spend without all the negative consequences. And that ended up in a circular business model, so we try to set a "yes-agenda" like Spangsberg's cream puffs, you are allowed, you are allowed! Right? Just keep on buying' (Appendix I, 04:31-05:15).

Moreover, the Ellen MacArthur Foundation has used BWF as a case study of circular businesses and as a contender to the more common fast fashion industry. In this case study, the Ellen MacArthur Foundation states three main reasons for BWF to focus on leather, namely:

> 'Firstly, rearing cattle for food or leather production is highly energy and resource intensive under today's methods. Secondly, it enables the company to explore the inner loops of a circular economy, focusing on the higher value re-use activities rather than simply materials cycling. Finally, leather is one of few clothing materials that actually gets better the more it's used, improving the look and feel of the garment' (Ellen MacArthur Foundation, 2017a)

and by that preventing old leather going to waste. The Ellen MacArthur Foundation has depicted BWF's business model as can be seen in Figure 6.

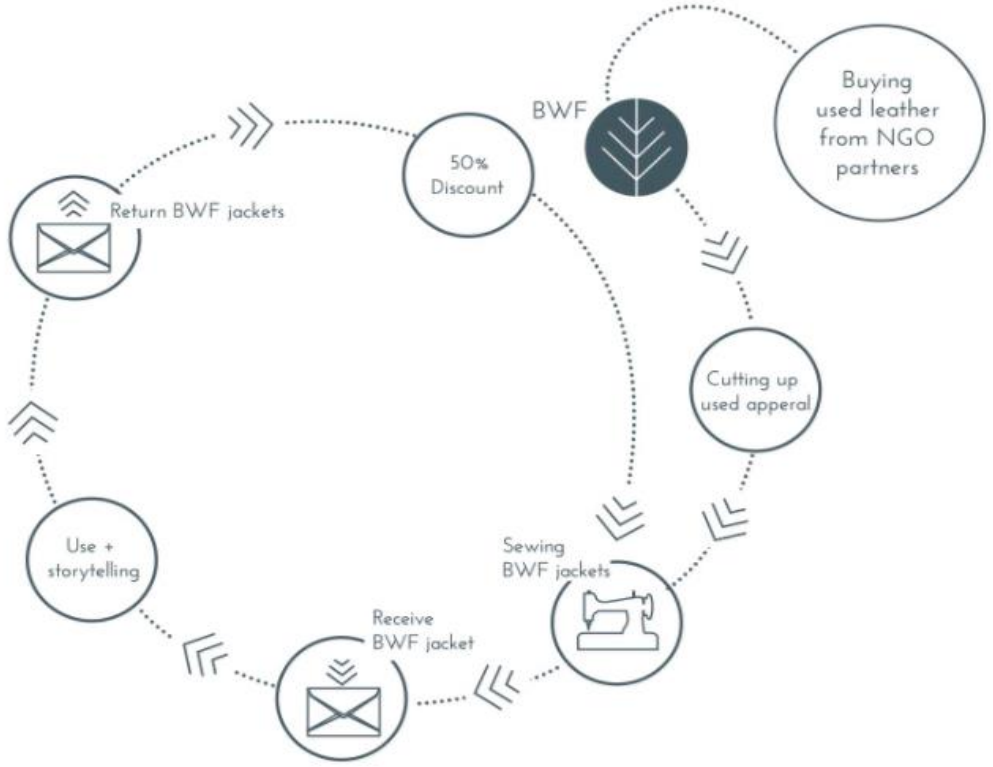


***Figure 6*: Better World Fashion's business model according to the Ellen MacArthur Foundation**

DKK stresses that not all companies have to do what BWF did and argues that there are a lot of tools to use if companies want to go circular. It is about finding what is relevant for the specific company; it can be the extension of a products life cycle, it can be more basic topics like resource and process optimisation etcetera (Appendix G, 21:42-22:10).

AVL A/S developed its business in 1972 ‘on the foundation of processing and reutilising plastics (...), which benefit both the environment and the bottom line’ (Andersen, 2018). More specifically, AVL’s business model ‘is centred round purchasing great quantities of plastic waste from Danish companies such as utility companies, construction companies and retailers’ (Andersen, 2018). In this way, it can be seen that AVL A/S developed the business model before circular economy became a trend. Gitte Buk Larsen (as cited in Andersen, 2018) states that the present time is an advantage for the company, as UN’s Sustainable Development Goals, sustainability and circular economy are subjects mentioned daily in society.

It is evident that for both companies, developing circular business models were not the primary intention. Instead, the companies were founded on the basis of reducing the use of resources, within different types of industries. AVL A/S has been motivated by utilising plastic waste more efficiently instead of discarding or incinerate the plastics, whereas BWF has been motivated by a yes-agenda, meaning that minimising the use of resources should not entail having to compromise on style. In this way, it can be seen that circular business models have existed for a long period of time, even though the term, circular economy, has only recently occurred.

5.5. Well-Established versus Newly Started Companies

Another theme, which appeared when scrutinising the data set, is one concerning the differences between well-established and newly started companies, as the variation in stages within the ‘business lifecycle’ may lead to diverse struggles when implementing circular processes. Thus, the following section draws up specific challenges that small and medium-sized companies, whether in the form of well-established businesses or start-ups, potentially face in relation to establishing circular business models, thus, when entering the circular economy.

According to CM, it may be easier for newly started companies to enter the circular economy, as they are not ‘integrated into something’ (Appendix E, 11:44-11:49), meaning that they do not have to think circular processes into an already functioning business model. In this way, CM argues, start-ups can operate relatively freely, as long as they ‘find themselves a niche’ (Appendix E, 11:13-11:27). In relation to well-established companies, however, CM states that implementing circular processes is getting more and more crucial, if they ‘are to retain or wish to

expand their market potential', as circular economy is currently a great object of attention (Appendix E, 11:49-12:12).

Like CM, APG believes that it is more challenging for well-established companies than for newly started ones to organise a circular business, as sustainability is then a fundamental part of the company's business plan (Appendix F, 14:52-15:18). She states that there can be certain barriers to setting up circular processes alongside a company's original practices, as it might cause revenue loss. More specifically, APG states that

> 'there is a big difference between suddenly having to say "well, we are selling a product, we take it back and then we sell it as second hand", and actually, more and more [businesses] start to do that (...) and it might be that some of the other customers starts to choose second hand, and then you lose some earnings (...) it is this about, well, are we saying no to something or are we saying yes to something more, and that, I believe, will always be a barrier for an existing company, and this is where many probably, especially in sales (...), put up barriers and say "no, no, no, calm down, there is no need for us to go out and sell something when we have all these things in stock", but then you may just be too late instead, then someone else is going to do it instead' (Appendix F, 15:49-16:49).

In relation to whether it can be a challenge for existing companies to have to raise the price on a product, because they need other materials or have to include more, APG says 'yes, no doubt about that (...) when it comes down to the costs, it is not as green after all, then you just choose, actually' (Appendix F, 16:50-17:16). Thus, this indicates that costs could be one of the greatest obstacles to implementing circular systems for well-established companies, as they have existing customer bases and commitments to consider during the process, again, underlining the fact that they may be more bound than newly started companies. However, APG notes that in time, circular transitions may be a necessity for existing companies to initiate. More specifically, she states that

> ‘at some point, I believe that some companies will come to realise that “whoops”, suddenly they are not selling as much as they have [previously], and I actually think that the packaging industry (...) is under pressure, because (...) [companies] start to think “well, these boxes might as well be used three times more, or those that we get from up there we might as well take down here”, so suddenly, you start to find your own systems for buying less, which is good, but it is obvious that those who are just used to shoving products onto the shelves, they are going to feel it, then you need to find something else to sell, services, or whatnot, take-back systems’ (Appendix F, 17:38-18:28).

RI, CEO of the newly started company BWF (Klingenberg, 2016), agrees with CM and APG that it is presumably more difficult for existing companies to establish circular business strategies than for start-ups. More specifically, he states the following:

> ‘You could say that the challenging part of a circular business model, if you think about the well-established business community, is the take-back part, right? (...) I have had some dialogues with Gabriel and so on, and we cannot really agree on how to approach it, because I see it differently than they do. I understand the stance they have chosen, but for many established companies, sustainability is all about tidying up their products. That is, ensure that all the textile Gabriel uses is more clean, not filled with rubbish and chemicals and all sorts of things. The problem is that should it succeed, then there still is nothing left. That is, if no one takes care of the take-back part, then it does not matter. We can compost, and we can do all sorts of thing, but it will not matter, as there will be nothing left. So, for many companies, the take-back part is the actual issue’ (Appendix I, 16:05-16:41).

In relation to this, RI states that BWF is trying to engage established clothing manufacturers in a new model, in which BWF composes a platform for these companies to use. Here, customers of the existing businesses can return old material through BWF’s system as well as buy and exchange jackets from some of these other brands via BWF’s website, thus, allowing

the established companies to be sustainable and part of the circular economy. In return, BWF will sew a small Better World Fashion marker onto the jackets of the other brands (Appendix I, 16:42-17:31). In this way, BWF arguably seeks to facilitate the circular transition for well-established companies, as RI argues, it can be quite challenging, especially the part related to take-back schemes.

Likewise, DKK states that it might be a challenge for existing companies to readjust towards a circular business model due to certain barriers. For instance, he argues, they may have organised their value chains in a linear way, and 'these different infrastructures, which are at the root of all financial interchange taking place, and the way to make money dictates that you work within a linear system' (Appendix G, 02:32-02:54). Therefore, there might be some barriers in relation to adjusting well-established procedures, and the companies may have to work hard to make the circular systems the thing that generates value for them. However, these societal, linear systems might as well be a challenge for newly started companies, as they generally make it difficult to operate in a circular way (Appendix G, 02:32.-03:04).

However, contrary to CM, APG and RI, DKK does not necessarily believe that it is more complicated for well-established companies to enter the circular economy than for start-ups. As he argues, well-established companies often have great experience and possess an immense amount of knowledge, for instance in relation to materials handling. Thus, he states the following:

> 'hopefully, if you sat down with them, and they have the will to adjust, that is to rethink their business towards circular economy, based on a circular business model, then they would potentially have a head start, because they would know how to do it. They would have some insight, which they could build on' (Appendix G, 03:12-03:58).

DKK does, however, state that these existing companies may have a challenge in relation to 'transformation mindsets', meaning that they could possibly adopt a hesitant approach towards implementation of new strategies, as 'this is not how we usually do it' (Appendix G, 03:59-04:04). Within many industries, DKK notes, there has traditionally been a 'tradesmanship thinking', meaning that identity is often constructed through

> 'moving something and getting some money out of it (...) and [in this process], the customers and their interests may not necessarily have been seen as the most important relation (...) it has been quite okay that [the customers] did not know which kind of "goodies" [the companies] owned, because then they could sell it in the other end, right?' (Appendix G, 04:08-04:53),

and then a transition towards circular systems may be more complicated, if this kind of 'distrust' is present between businesses and their consumers (Appendix G, 04:54-04:59). Especially when pinpointing the attitudes of organisational members, DKK's thinking corresponds to approaches seen within change management, as such process generally aims at establishing organisational acceptance of transformation, thus, it often entails changing mindsets (Folkmann, 2010). However, as Kotter (2012) argues, needed change can stall due to 'the general fear of the unknown' (p. 22), and this is exactly what DKK indicates can be one of the greatest challenges for well-established companies in implementing circular strategies.

Compared to the existing companies, DKK notes that newly started companies have a lot to learn from scratch (Appendix G, 05:01-05:15). Thus, this could make the process more difficult, unless they can 'make it an advantage, a kind of "guerrilla tactics", to say that because we do not have this old mindset (...) it is easier for us to get in and do something' (Appendix G, 05:17-05:30). In this relation, DKK points to Elon Musk, stating that he does not hire people from the car industry, but rather people from other lines of businesses, as they impart new, valuable knowledge, which incumbent industry-specific people would not have (Appendix G, 05:37-06:05). Here, DKK points to the fact that newly started companies may be more agile and innovative, as they are new to the industry (Appendix G, 06:06-06:11). However, he states that more and more existing companies, for instance Lendager Group, 'are starting to be good at (...) [including new people] and maybe making them see things in a new way or taking them in at a different time in the process' (Appendix G, 06:19-06:38).

Even though APG and DKK may not agree upon whether it is more challenging for well-established or newly started companies to enter into the circular economy, they both offer direction on how existing companies can set up new, circular strategies alongside their traditional ones. APG's advice for well-established companies who wish to incorporate circular processes

into the core business is mainly to start the process lightly and keep concentrating on consumers. More specifically, she says:

> 'I think they should start small. Start by [introducing] a new product line, start by [engaging] a new customer segment, or something that may not disturb so much, or yeah, it is not going to disturb, that is a wrong term (...) you should always keep focus on how to bring most value to your customers (...) [and] I think that being close to your customers and understand your customers is just even more crucial, because it is not the product, well, the product is also important, but it is really about being attentive to what is happening among the customers, how are they changing their behaviour and purchasing patterns and so on, so the customer in the centre' (Appendix F, 18:28-20:16).

Likewise, DKK emphasises the importance of taking things slow. As he puts it,

> 'slow is steady, steady is fast (...) Take small steps, then you will get there faster instead of following all kinds of crazy paths, because (...) you have communicated something, well, "now we are 100 per cent circular", and then people come and [demolish it] (...) Then it is better to be honest and communicate regularly and communicate internally what we seek to achieve with this, and onboard one's organisation in this way' (Appendix G, 20:08-20:49).

In connection with this, DKK notes that the implementation of circular principles within the core business is 'a process [that] requires traditional change management within your own organisation' (Appendix G, 21:23-21:30), and he continues by stating that what really matters is the things companies do internally, as this is the only thing that will cause progress in the long run (Appendix G, 21:31-21:40). It is evident that they both focus on not rushing the transformation process. In this way, the thoughts of the two interviewees are consistent with those of Kotter's (2012), who argue that when wanting to generate major change, it is often seen that people skip some of the eight stages of the Change Process Model to get there faster,

however, this can prevent the change from being successful, meaning that each step should be established before proceeding to ensure lasting change (p. 25).

As the scrutiny of the theme of well-established versus newly started companies shows, both types of businesses are likely to face challenges in the process of establishing circular business models, as, in all probability, such procedure is complicated no matter the context, especially as a result of the more linear organisation of societal structures (Appendix G, 02:32.-03:04). However, the two types of businesses are likely to face diverse challenges, based on their different points of departure. Newly started companies may have the advantage of being able to think circularity into their businesses from the beginning, which means that they are likely to avoid complicated transformation processes, that is engaging in change management strategies and rethinking certain aspects of the business in order to make a more circular plan. More specifically, such start-ups do not have 'fixed' customer bases, value chains or operating schemes to consider while setting up circular practices. On the other hand, existing companies may have the advantage of extensive industry-specific knowledge, which could arguably make the process of organising circular business models easier compared to the notion of 'starting from scratch'.

Even though this theme does not address the cases of AVL A/S and BWF specifically, it is evident that the two companies have had the mindset of reducing the use of resources from the establishment of their businesses. This may mean that, especially for AVL A/S, which is a well-established company, the complicated process of change management has not been relevant, as the company has not gone through major changes in the business model, but merely implemented continuous business development (Hansen, 2016). However, the process of change management may be relevant for similar companies to consider, if the mindset of reducing the use of resources is not present, meaning that it is necessary to implement major changes in the business model.

5.6. The Findings

The analytical section has provided a comprehensive overview of the relevant themes found in the data set, which revealed differences and similarities in the work of the two cases, more specifically how they use upcycling to activate their consumers. While AVL A/S focuses primarily on their physical co-creation platforms, BWF uses online ones. The companies have different challenges regarding upcycling, as it is evident that AVL A/S is short of material,

whereas BWF has an excess of material, as well as AVL A/S has a more complicated upcycling process, whilst BWF faces the issues of price and traditional ownership. However, both companies have included the upcycling story into their work with waste material, though the degree varies, as BWF's consumers are much more involved in the process than AVL A/S's. Likewise, it emerged that both companies have not intentionally developed circular business models, but merely started with a sustainable mindset focusing on reducing resource use. The findings of the analysis will be the basis for a discussion of the three building blocks identified in the theoretical apparatus, a discussion of the differences between B2B and B2C companies, as well as a discussion of which internal and external factors that may have an impact on companies wanting to enter the circular economy.

6. Discussion

This part of the study will feature a discussion of the findings in relation to the problem formulation, how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes. This will be discussed in relation to the three building blocks of the Business Model Canvas, key activities, key resources and key partnerships, identified in the theoretical apparatus, as well as in relation to B2B and B2C companies. Furthermore, this section will contain a discussion of internal and external factors, which might have an impact on companies' ability to become circular. Lastly, there will be a general discussion of the findings, which highlights the aspects relevant for similar companies to consider confer Flyvbjerg (2006).

6.1. The Three Building Blocks

This section presents a discussion of the three building blocks chosen from the BMC in relation to the problem formulation. More specifically, the notion of consumer activation will be discussed in relation to key activities, key resources, and key partnerships.

6.1.1. Key Activities. As stated in the theoretical apparatus, Clark et al. (2012) note that key activities within the BMC include making, manufacturing, designing and delivering products as well as selling, that is promote and advertise, and support, which helps the company work

smoothly without being directly linked to making or selling products and services (p. 43). As stated in the theoretical apparatus, upcycling has been identified as the key activity within the two companies used in this case study.

When wanting to activate the consumer in upcycling processes, it is first and foremost important to realise that not all remanufacturing processes are categorised as upcycling. Where Wegener (2016) and Sung (2015) state that upcycling is the processes of converting something disposable to something of a greater value and/or quality (p. 181; p. 28), DKK, on the other hand, focuses more on the actual intent with the upcycled product; it is important that components can be used in the same manner as was first intended (Appendix G, 13:13-15:04). This means that it is important for companies to evaluate how components can be recirculated before a product is actually produced in the first way. In order to activate the consumer in upcycling processes, it is important to look into how the consumers can help recirculate either entire products or single components.

It is, however, crucial to consider the materials used in an already produced product that has to be recirculated. Both APG (Appendix F, 06:42-07:33) and DKK (Appendix G, 16:10-17:29) argue that not all materials should be upcycled, as they may do more harm than good. In this way, it is important that consumers are aware of this, and that companies acknowledge this problem as well as mitigate it in the long run. Another problem is the state of the recirculated product. For AVL A/S, the plastic the company upcycles is often soiled and the sorting process of different plastics can be long and difficult (Aage Vestergaard Larsen, n.d.k) and in order to combat this, the company has acquired new machinery to tackle the less clean plastics and the sorting of different plastics types, all in line with the equipment modification and technology change prevention strategies set by Staniskis and Katiliute (2017).

In order to help a company and further activate the consumer, a company could have set regulations about the standard of which it wants to receive a product; consumers could make sure to clean up a product and/or sort different materials into different containers. In relation to this, it is important that companies consider how to make this process as easy as possible for the consumers, as this may prompt consumers to engage in delivering products back (Appendix F, 09:09-10:37). This can, for example, be seen in the two cases, where AVL A/S has provided containers for collection of plastic tubes, which are transported to AVL A/S (Video 1, n.d.), while, in the case of BWF, the customers receive a box for returning the jacket in (Better World

Fashion, n.d.b), which means that it is easy for the customers, as it can be done from home and the boxes can be shipped from the nearest postal place. In these instances, the companies have made it as easy as possible for the consumers to engage in returning the products. Furthermore, getting the consumers to return the material is beneficial, as it has been noted by CM that for circular businesses, it can be a problem to ensure material flow (Appendix E, 03:00-04:00).

Another way of activating consumers is by getting them engaged in the upcycling story of the products. This can be seen in the case of BWF, where the development of the app has provided a platform for consumers to share stories and pictures about the jackets, which in turn adds to the entire upcycling story of each jacket. In this way, the consumers may get a closer connection to the jacket, which may prompt them to return it after use. In the case of AVL A/S, the upcycling story is, for example, present in the video where rubbish bins are turned into distance blocks used in construction, however, it is not as distinctive, as it only shows the process that AVL A/S is involved in. Here, AVL A/S could learn from BWF in order to get the consumers more engaged in the upcycling story, hence, in returning products, however, in a different way, as it may not be as easy to track plastics and give it serial numbers. APG argues that just being able to communicate to the consumers that the material they delivered has been used for different purposes creates a story, which the consumer may feel more engaged in (Appendix F, 13:13-13:43). In this way, AVL A/S could potentially benefit from communicating to its clients that the plastic, which they have delivered, has been turned into plastic granulate used for a specific purpose, or share more upcycling stories on online platforms.

6.1.2. Key resources. Key resources covers which ‘assets are required to offer and deliver [products and services]’ (Osterwalder & Pigneur, 2010, p. 17). These resources can be categorised into four groups, namely, human, physical, intellectual and financial (Clark et al., 2012, p. 42). In order to activate the consumers through upcycling processes, it is clear that physical and intellectual resources are the most important types to focus on. The physical resources, for example, include material. Considering upcycling, it is crucial that material is returned, which means that getting the consumers engaged in upcycling could be through take-back systems allowing them to deliver products back. Currently, the societal linear structures and people’s motivation to sort waste material present a barrier for fully relying on take-back systems, as there is a challenge of ensuring enough material even though it is actually present

(Appendix H; Appendix I, 01:58-02:23). Ideally, in the long run, the majority of the material should come from the consumers through the take-back systems, which is why the physical resources, especially material, is an important category when activating the consumers. To effectively facilitate this process, it is, therefore, necessary for companies to develop a sufficient product life cycle design, as this could potentially ease the process. For instance, the product should be constructed in a way that allows for long-time use, but without wearing out the material so much that consumers come to think that there is no point in returning it. Moreover, the product, comprising the return-service, should be designed in a way that complicates the role of the consumer as little as possible, for instance, in the way that they do not have to pay an immense amount of money to return it or that the product is easy to handle.

Intellectual resources are important to consider when engaging consumers in upcycling processes, as this category include intangible resources such as input and developing a company's brand (Clark et al., 2012, p. 42). It can be seen in the cases that both companies have their consumers in mind within this category of resources. AVL A/S develops individual agreements with its clients (Aage Vestergaard Larsen, n.d.i), which enables the company to get input from the clients regarding the process, which is then specifically tailored for them. In the case of BWF, the customers have been considered in the process of developing the brand, as the inclusion of the app (Innovationsfonden, 2017) to its online platforms allows the consumers to engage in the upcycling story of the jackets, which in turn contributes to the continuous brand development.

6.1.3. Key partnerships. In the theoretical apparatus, key partnerships are described as a way of optimising the business model, as some activities need to be outsourced, and some resources are acquired outside the company (Osterwalder & Pigneur, 2010, p. 17; Clark et al., 2012, p. 44). In other words, key partners are the stakeholders of a company, and ultimately, these can help to enhance the success of a company. However, it is crucial to note that the partnerships should entail visible gains for both ends, otherwise it may not be seen as healthy and sustainable (Anastasia, 2015). Traditionally, key partners are seen as other businesses, thus, the partnership often consists of two or more commercial entities forming an alliance (Anastasia, 2015). This is also seen in the cases of AVL A/S and BWF. For instance, AVL A/S engages in different projects with the aim of integrating more household-sorted plastic waste into the

plastics production. In this way, co-creation is established, as the company enters into dialogue with other organisations to find the best solution (Akhilesh, 2017, pp. 2-3; Akhilesh, 2017, p. 8). Likewise, BWF collaborates with Danish NGO partners and YKK, which delivers zippers, in order to integrate the resources of each party and ultimately enhance the company's own products, namely the jackets and bags (Jaakkola & Hakanen, 2011, p. 47). However, as this project centres on the activation of the consumer, there is a need for integrating the consumers as a key partner in the business model as well, as this is crucial to engaging them properly in the upcycling processes. As mentioned in the theoretical apparatus, value is created through collaborations between suppliers, customers and network partners (Mele, 2007, p. 1378; Ramaswamy & Ozcan, 2014, p. 15), all contributing with appropriate inputs to the service delivery, whether these are mental, physical or emotional inputs (Greer, 2013, p. 238). Furthermore, co-creation is about doing innovation with the consumers instead of for the consumers, which is crucial when wanting to activate the consumer in the business model, hence, transforming the consumer from a passive target to an active partner (Roser as cited in Akhilesh, 2017, p. 6; Akhilesh, 2017, p. 3).

It is evident from the two cases that co-creation with the consumers can happen both online and physically. Both AVL A/S and BWF are working to set up co-creation platforms, which has been noted by Ramaswamy and Ozcan (2014) as being one of the primary objectives for companies that want to engage in co-creation (pp. 15-16). In this way, both cases follow the process of co-creation that deals with bringing the outside in, meaning that it goes from the organisation to the stakeholders, as it is the company that has to initiate the process of co-creation by generating, for example, online or physical platforms that can prompt stakeholder activity (Ramaswamy & Ozcan, 2014, pp. 15-16). In the cases, these platforms can, for example, be seen when AVL A/S is working to establish a plastics academy, in order to enable knowledge sharing about plastic waste and reuse (Videbæk & Klitholm, 2018), as this academy could be the place where the company enters into dialogue with other companies in order to develop new solutions, products and services with input from different viewpoints (Akhilesh, 2017, pp. 2-3). Hence, if the plastics academy is established, it would be a physical co-creation platform. Another example of a co-creation platform is the app that BWF has developed, which enables co-creation of the brand that continuously develops, as it allows the customers of the jackets to

share stories about them, which can contribute to the brand development. In this case, BWF has provided an online co-creation platform.

In this way, it can be seen that co-creation is one of the most vital concepts to consider for companies that have a desire to activate the consumer, as it is the most direct way of getting in touch with the consumers and get input from them, which can provide better solutions, that is better products and services. This means that there are benefits for both partners in the process of co-creation, which also prompt the consumer to remain active in order to get the best products, whilst encouraging consumer loyalty as well. This aligns with DKK's statement that circular strategies should be seen as a means for creating closer relations with customers and get feedback from them, which can allow the business to adapt (Appendix G, 00:49-01:16).

6.2. B2B versus B2C

As mentioned in the methodology section, the study focuses on two specific cases, namely AVL A/S and BWF. These have been included by virtue of their experience within the fields of upcycling and circular business models. However, as a result of their work with different raw materials and their diverse consumer segments, especially, the adopted approach came to be a comparative case study, focusing on different cases with potentially similar outcomes, aiming at looking for common and/or diverse factors within the business strategies of the two companies (Caramani, 2017, p. 14; Caramani, 2017, p. 10). Therefore, the following part of the discussion will include a deliberation on the different advantages and strategies that are possibly associated with being a B2B and B2C company respectively. Likewise, the section will include considerations upon whether the two types of companies may be able to learn from each other. More specifically, if there are aspects within circular strategies of B2B companies that may be beneficial for B2C companies to consider and vice versa, and consequently, if AVL A/S and BWF have already done so.

As evident, the upcycling story, or the reinvention process, (Wegener, 2016, p. 184), is much more distinctive within BWF than with AVL A/S, and BWF has clearly established itself as a company wanting to revolutionise both the production, selling and owning of clothes, but the company is constantly aware of ascertaining that such 'revolution' is not possible without the customer, that is 'you, who wants to make a difference in this world and write new stories. You, who cares about today and tomorrow. You, who wants to contribute to a better world' (Better

World Fashion, n.d.g). Compared to this, AVL A/S has 'merely' branded itself as a competent business, pinpointing experience and qualifications. Thereby, the company creates a more professional image. Thus, the two companies arguably establish different narratives, and this may be a result of consumers focusing more on emotions whereas '[business] buyers are using more rational thought when selecting a product or service for their company' (Murphy, 2007).

As Murphy (2007) states, business-consumers are typically motivated by 'increasing productivity or raising profitability', while consumers may be motivated by factors such as desire or brands. However, she notes that this does not mean that 'a professionally developed brand is not important for a B2B business. A quality brand is needed in any business in order to make a good first impression, but putting excessive marketing dollars into building brand awareness is not what counts in [a] B2B marketing plan' (Murphy, 2007). Here, however, it becomes apparent that B2B companies may learn from B2C companies, especially as the focus on sustainability and circularity increases. Circular economy, especially, is still at a stage right now, at which companies have the ability to be frontrunners in relation to implementing circular business models, but concurrently with it becoming more common, it may also be necessary for B2B companies to brand themselves even more and thereby bring focus to the softer values as well (Appendix E, 01:49-02.16).

In this regard then, one could argue that AVL A/S, as a B2B company, is already doing this. For instance, the company has worked with plastic waste and upcycling for more than 45 years, and on its online platforms, the company makes clear the importance of considering resources and environment, if the planet is to function in the future. This means that even though AVL A/S may not focus as much on creating a sustainable brand as BWF, seen from a B2B-perspective, the company may be on the forefront of including such motivational and emotional aspects of buying decisions rather merely focusing the rational ones, thus, of establishing a strong circular and sustainable brand (Murphy, 2007).

As DKK mentioned, B2B entails a professional relation and 'a good understanding of one another (…) [which] can create value for [both companies]' and he stated that circular principles could potentially help create an even greater consumer loyalty for B2B companies: 'perhaps you have fewer consumers, but a tighter relationship' (Appendix G, 09:14-09:44). Such loyalty may often be harder for B2C companies to institute, as end-consumers generally become 'disloyal', 'because [B2B] you can say is "one to a few", whereas [B2C] is "one to a lot", and that is more

difficult to handle, [difficult] to provide services to each specific consumer' (Appendix G, 10:37-11:10). Arguably, it is 'a very different, emotional experience' (Murphy, 2007) being a person buying something for themselves compared to for a company. 'B2C purchases are more likely to be one-off transactions or transactions with more limited time frames' (Cohn, 2015, p. 2), whereas B2B models often entail longer relations (Cohn, 2015, pp. 1-2). Thus, as APG noted, circular economy might be a means of enabling a tighter connection to the consumers after the sale has been made (Appendix F, 11:32-11:37). In this regard, it is evident that AVL A/S has also established tight relations to their customers, for instance, by basing their relations on 'strategic [partnerships] with an environmental benefit and an improved bottom line for all parties' (Aage Vestergaard Larsen, n.d.a), thus, generating mutual value. Likewise, through its various project-based work and its desire to establish a plastics academy, the company expresses a great desire to enter into dialogue with customers as well as get input and encourage knowledge sharing, and in doing so, maximise the value of the relationship for every part involved (Murphy, 2007).

Thereby, one could argue that B2C companies could potentially learn from the close company-consumer relation present at B2B companies, even though it may be difficult to establish in this context. However, CM clearly stated that this was a crucial aspect for B2C companies wanting to engage in circular processes and upcycling (Appendix E, 05:36-06:14). Arguably, this is what BWF is seeking to do with its app, its company-specific hashtags, and the possibility to follow 'the life' of the jackets. By virtue of this, the company wishes to attach the consumers to the product, in this particular case the jacket or the bag, and thereby having them return and exchange them, which evades one-time buys and ensures a higher level of loyalty towards the company.

As APG noted, it is essential to make the consumers feel like they are a part of the company's story, 'even if the consumer does not have the same interest as [the company]', and here she emphasised strategies helpful to facilitating such process, for instance 'being able to send out information that "now your clothes have been used", maybe not the specific piece of clothes, but just "did you know that we collected clothes in your store last week, this is what it was used for"' (Appendix F, 13:13-13:43), and this is exactly what BWF intends to do with its different 'storytelling' initiatives.

The two cases were chosen on the basis of being different with potentially similar outcome, and, as evident from the above-mentioned, both companies appear to have included

strategies commonly associated with the other type of business. More specifically, this means that AVL A/S has incorporated 'softer' and more emotionally based branding strategies, whereas BWF seeks to establish a greater consumer loyalty, which is typically seen in B2B relations. Likewise, both companies have succeeded in integrating upcycling into their core businesses, thereby, they are activating their different consumer segments, for instance, through take-back systems, online platforms, development strategies and project work, and ultimately, the result is a circular business model that considers the consumers in the majority of its aspects.

6.3. Internal and External Factors

According to Lewandowski (2016), 'there are internal and external factors affecting the adaptation (...) to the circular economy principles' (p. 20). Therefore, we have chosen to discuss these factors that may have an impact on how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes. Lewandowski (2016) argues that internal factors deal with the company's capability to shift to circular principles, which includes 'intangible resources, like team motivation and [organisational] culture, knowledge and transition procedures' (p. 20). Furthermore, it is argued that these internal factors are developed through human resources, team building and the application of change management instruments (Lewandowski, 2016, p. 20). On the contrary, external factors 'comprise technological, political, sociocultural, and economic issues' (Lewandowski, 2016, p. 20). Technological issues are about having adequate IT systems and data management, as well as monitoring legislation and political incentives (Lewandowski, 2016, p. 20). Sociocultural issues, for example, have to do with customer habits and public opinion, whereas economic issues are, for example, predicting the demand for products in the future (Lewandowski, 2016, p. 20). The list of external factors is wide and open-ended, meaning that there are a large range of factors that may have an impact on how companies can change towards circular principles (Lewandowski, 2016, p. 20).

When it comes to internal factors, it can be seen that there is an agreement on the fact that team motivation and organisational culture, as well as utilising change management instruments, are important. For example, it is mentioned by DKK that one of the most important aspects is the internal communication, which enables that the entire company is onboard having circular principles implemented (Appendix G, 20:08-20:49). This indicates that team motivation is

important. This is arguably more important in a well-established company where there might be some reluctance among the employees, and where changing the mindset and making sure that the entire organisation is onboard the idea are important (Appendix G, 20:08-20:49; Folkmann, 2010). One way of enhancing team motivation, or employee motivation, can be seen in the case of AVL A/S as the company makes sure to appoint a skilled team for each task, which changes from task to task, meaning that the employees are appointed for the tasks they are most relevant for. In this way, the employees are ensured that they are able to execute the work, as well as having to solve different tasks in their time at work. It is important to note that team motivation is also important in newly established companies, as it is always crucial to have the motivation in order to succeed.

It is evident that it is important to have the consumer in mind in all aspects of the key activity of upcycling. In this way, the consumer does not necessarily have to be physically present, however, has to be considered in the processes of developing a take-back system, developing an upcycling story and/or developing a system for leasing products, etcetera.

It has also been noted multiple times that implementing change management as a means to shift to the circular economy principles is primarily effective for well-established companies. Both DKK and APG mentioned taking small steps towards change in the organisation, as APG talked about starting with a new product line or consumer segment (Appendix F, 18:28-20:16), whilst DKK noted that a company might change faster when taking small steps (Appendix G, 20:08-20:49), thus, the thoughts align with Kotter's (2012) notion of change management. In this way, it can be argued that small and medium-sized companies wishing to enter the circular economy could be in need of going through the change management process to establish lasting change. Kotter (2012), similarly to APG and DKK, argued that it is necessary to go through each of the eight stages, 1) establishing a sense of urgency; 2) creating the guiding coalition; 3) developing a vision and strategy; 4) communicating the change vision; 5) empowering a broad base of people to take action; 6) generating short-term wins; 7) consolidating gains and producing even more change; and 8) institutionalising new approaches in the culture (pp. 22-23), if the change, in this case, becoming circular, is going to last and be implemented firmly in the organisation, which is the only way to make it successful. Hence, Kotter (2012) indicates that the change process is a protracted one. Furthermore, DKK also mentioned 'classic change management' as a tool that could be used in well-established companies in order to ensure that

converting to circular principles is sustained (Appendix G, 21:31-21:40). This is due to the fact that change management offers a structured approach to changing from the current situation to a desired future situation (BNET Business Dictionary as cited in Connelly, n.d; Folkmann, 2010).

It is also crucial to discuss resource efficient and cleaner production as an internal factor for companies that wants to be circular. As this theory deals with how a company can avoid or reduce the amount of waste, use resources efficiently, and provide environmentally sound products (Staniskis & Katiliute, 2017, p. 388), this may be one of the first steps a company needs to consider internally in order to have a business model that is built on circular and sustainable principles. This can also be seen in the two cases, where AVL A/S is constantly aware of being up to date with their equipment and technology (Aage Vestergaard Larsen, n.d.j), which is important to be able to make products of the highest possible quality (Staniskis & Katiliute, 2017, pp. 388-389). In the case of BWF, it can be seen that the company is aware of being resource efficient, as it has, for example, been awarded a price for minimising water consumption and reducing waste and chemicals (CSR.dk, 2017). Furthermore, BWF is aware of reducing CO2 in its transportation of the jackets, as the company has developed a tailored CO2 neutral delivery (Aalborg Kommune, 2016). Through the two cases, it can be seen that internally considering being resource efficient and using cleaner production is important in order to establish a business model that favours circular principles.

In this way, it can be seen that the internal adaptation factors are important in order to enter the circular economy, no matter the type of company. It is important to establish team motivation and an organisational culture that favours circular principles, which everyone in the company adheres to. This team motivation might be established by giving relevant assignments to relevant employees, which may provide a sense of success, as well as providing a varied work environment that can keep the employees excited about the work, as seen in the case of AVL A/S. It might not be necessary to go through the change management process, at least if it is a newly started company that can implement circular principles from the beginning, however, it is important to consider change management in well-established companies, because this process can enable successful change and, thereby, ensure that the company implement circular principles in a lasting way.

The external factors also have an impact on the process of entering the circular economy for small and medium-sized companies, because, even though circular economy is a popular

concept to discuss currently (Appendix E, 02:20-02:49), the bigger economic and societal system is organised in a linear way. DKK noted that the value chains and infrastructures at the root of financial interchange are organised in a linear way, which is arguably a barrier for a conversion towards a circular economy (Appendix G, 02:14-03:04). RI agreed that the linear system presents a challenge to circular businesses, for example when it comes to take-back systems (Appendix I, 16:05-16:36). Furthermore, it was noted by RI that there are also technological issues that are in the way of making a business more circular as, for example, the payment system NETS is not ready for monthly payments, which are required when wanting to have a leasing system for products, in the case of BWF jackets (Appendix I, 07:18-08:10). In this way, technology is not developed enough to deal with circularity, which can also present a challenge for businesses wanting to deliver a circular product, for example, through leasing of the product.

Another external factor relates more to consumer habits within sociocultural issues (Lewandowski, 2016, p. 20), however, linked to the issue of a linear economy, as BWF wants to get away from a take-make-dispose thinking, which creates a lot of waste, no matter the material. This thinking is a consumer habit formed in the linear economy, which businesses operating in a circular way have to break with, as it is important that the products are delivered back in order to circulate them. In line with this, the notion of ownership is a consumer habit, which have to be adjusted, as consumers usually find it necessary to own every product they have, but switching to, for example, a leasing model, or one where the product is returned after use, breaks with the traditional notion of ownership (Ellen MacArthur Foundation, 2017a.; Appendix F, 07:18-08:10). This means that the habits of the consumer have to change, however, this is an external factor, which can be hard for one company to change. Another consumer habit observed by AVL A/S is how the Danish people generate a lot of plastic waste and are unaware how little an amount of the plastic waste that is reutilised (Andersen, 2018). Here, it is argued that breaking the consumer habits has to be an easy process to get the consumers to do it.

It can be seen that external factors also have an impact on the process of entering the circular economy, however, these factors are difficult for the companies to handle as opposed to the internal factors, which can only be dealt with by the company itself. The external factors are major, and one factor covers multiple issues that have to be dealt with in society. For example, one company can do very little to break with the linear economic system, as well as with the technology that is in place, which means that until this changes, it may be necessary for

companies to work around these factors instead. When it comes to the matter of consumer habits, it may be a bit easier to work with, as, for example, branding of the company and its products can persuade consumers into changing these habits. However, again, it is noticeable that for one company it can be hard to break with the habits of all consumers and the general thinking among consumers in the linear system. These external factors might change in the future, because circular economy is still a relatively new approach, which has not been implemented by a lot of companies (Appendix E, 01:49-02:16).

6.4. General Discussion

This part of the discussion will extract the important factors found in the analysis, that is, in the primary and secondary data, as well as in the discussion in order to highlight the measures that can potentially be helpful for similar companies to consider.

Firstly, it is important for companies to consider the material they choose to upcycle. It is evident from the cases of AVL A/S and BWF that both companies have contemplated the potential of their chosen upcycling material. For example, FC argues that the plastic waste of today is the resource of the future, however, only 50,000 tonnes out of 350,000 tonnes is recycled in Denmark (Appendix H), and RI of BWF argues that leather is one of the most resource-intensive and pollutive processes in the textile industry, whilst having immense durability, which only gets better as it is used (Appendix I, 01:22-01:45). Furthermore, two of the informative interviews revealed that you should not upcycle just for the sake of upcycling, as not all materials make sense to upcycle. Therefore, it is important to carefully consider the choice of material as there is a lot of material that needs to be reused, but not all of them are the best or the most environmentally friendly resources, as they may contain harmful chemicals and can be dangerous to reuse (Appendix F, 06:42-07:33; Appendix G, 16:10-17:29). Likewise, it is also crucial that the companies make sure to include resource efficient strategies and ensure that the production is relatively clean, as it may be self-contradictory if companies wanting to enter the circular economy emit great amounts of CO_2 through their production or are the cause of other harmful procedures.

Secondly, it is important to incorporate circular principles and upcycling in a way that accommodates the company. In this way, it is crucial to establish organisational acceptance and make sure to onboard the entire company. For example, DKK notes that it is important to

consider the entire company, as well as being able to see oneself in relation to incorporating circular principles. He argues that the mindset has to be integrated slowly, that is, taking small steps and making sure that the entire company is onboard (Appendix G, 07:21-08:25). Similarly, APG argues that it is about starting small and incorporate a new product line or a new consumer segment, which does not disturb the company (Appendix F, 18:40-18:52). This factor may, however, be more relevant for well-established companies that convert to circular principles as they are more likely to meet organisational resistance when changing current strategies, whereas newly started companies have the opportunity to incorporate the circular mindset from the beginning. However, regardless of the type of company, it is important to start entering the circular economy, that is activating the consumer in upcycling processes, in a way that accommodates the specific company.

Thirdly, finding efficient ways to facilitate the return process and establish take-back systems for consumers are imperative factors. It is noted by RI that the take-back systems are the most important part of the circular business model, and that if nobody takes care of getting the products returned, all other processes to have a sustainable product are irrelevant, because there will be nothing left (Appendix I, 16:05-16:41). For example, BWF has established an effective take-back system, which RI noted that the company wants to get well-established clothes manufacturers to use in order to get as many products back as possible (Appendix I, 16:44-17:33). In the case of AVL A/S, it can, for example, be seen in Video 1 (n.d.) where the company has provided containers for the disposing of plastic tubes, which are transported to AVL A/S. This is in line with what APG notes, as she states that it has to be easy for the consumer to, for example, deliver the products back (Appendix F, 14:31-14:41). Therefore, it is important for companies that want to enter the circular economy to consider the measures that are needed for an efficient and easy take-back system.

Fourthly, it is important for companies to establish a brand and clearly stating the vision of being a circular company. For example, APG noted several times during the interview that it is important to be able to brand a company (Appendix F, 01:04-01:09; 05:22-05:32). She states that it is necessary to use branding as a tool to distinguish your company from other companies that may produce similar products (Appendix F, 04:56-05:10). In this way, this resembles the traditional ideas of corporate promotion, as it is always important to be able to stand out from other companies and establish recognition amongst consumers (Strategy – Marketing &

Technology Solutions, 2017). CM also notes that spreading knowledge about the company and its work is imperative in order to get clients, especially in B2B cases (Appendix E, 08:14-08:32), whereas regarding B2C companies, she notes that they have to be able to create a story with the brand (Appendix E, 05:56-06:03). AVL A/S brands itself of being the largest in Scandinavia as well as on having more than 45 years of experience with plastic reutilisation (Aage Vestergaard Larsen, n.d.j; Video 1, n.d.), which is a professional way of creating a brand focusing on the work experience, while also including 'softer' notions, highlighting the importance of CO2 reductions and environmentally-friendly solutions. On the other hand, BWF has created a story by giving the jackets unique serial numbers, which enables the customers to follow the story of the jacket via the app (Appendix I, 13:24-13:36). In this way, BWF includes the customers in the brand development, as they can provide pictures and stories about the jackets. Furthermore, RI notes that BWF competes with conventional leather jackets through this story (Appendix I, 09:13-09:18).

Fifthly, in relation to establishing a brand and spreading knowledge about the company, it is important to establish strong co-creation platforms, either physical or online (Akhilesh, 2017, pp. 14-15). It is evident in both cases that having co-creation platforms enables knowledge sharing, brand development, better products and services and better solutions. AVL A/S relies mostly on physical co-creation platforms, where the company meets its clients in order to enter into dialogue and create the best agreement for the product development (Aage Vestergaard Larsen, n.d.i) or participates in external events that can, for example, be political or educational assemblies (Appendix H). Furthermore, AVL A/S has a desire to facilitate a plastics academy, which may enable knowledge sharing throughout the value chain, and thereby, become a co-creation platform. BWF relies on both online and physical co-creation platforms, as, for example, the company's app is one of the most prominent platforms, which is a part of the brand development. BWF also participates in informal events, where the company meets its customers, for example at different festivals and at various German events (Appendix I, 13:49-14:30). Furthermore, BWF also have a potential co-creation platform under development, namely establishing a model where the company facilitate the take-back system for the well-established clothes manufacturers and in turn gets to sew a BWF marker into the leather jackets from other companies (Appendix I, 16:44-17:33). Additionally, entering into collaborations across the industries may help to change the societal barriers, for example, the linear economic system.

Sixthly, for companies wanting to enter the circular economy by activating consumers through upcycling processes, establishing a notion of trust is key. More specifically, it is crucial to build a loyal consumer segment, as loyalty to a company and the products may prompt the consumers to engage in returning the products, as well as engaging in co-creation. APG and DKK both noted that circular economy could be a means of getting a closer relation to the consumers, and for example, has the possibility to get feedback (Appendix F, 11:32-11:37; Appendix FG 01:00- 01:15). Furthermore, it may be easier in a B2B company, as these companies often work with fewer, but more loyal consumers, whereas B2C companies are working with a lot of consumers, however, establishing this loyalty is a crucial aspect for both types of companies. AVL A/S establish consumer loyalty by engaging with the clients in a physical setting and basing its relations on strategic partnerships developed during preliminary meetings that seeks to create mutual value (Aage Vestergaard Larsen, n.d.a). In the case of BWF, RI noted that the app is one of the most crucial aspects of establishing customer loyalty, because this feature breaks with the buy and dispose notion and seeks to create an emotional attachment to the products (Appendix I, 12:17-13:05), which in turn generates customer loyalty and a willingness to return the product, as well as engage in the co-creation of the brand via the app. Hence, it is evident that establishing consumer loyalty relies on the engagement with the consumers from the company.

Lastly, from this research, it has become evident that entering the circular economy or converting to circular principles may not entail a tremendous change in the organisation. For example, DKK notes that it may not be necessary to readjust the entire business, but it could just entail ‘filing a few corners’ of the business model in a new way (Appendix G, 08:25-08:56). Furthermore, APG emphasises that the consumers should be at the centre of the work a company do (Appendix F, 20:04-20:16), as well as stating that fundamentally, it is not that different to do business development in a circular way compared to other types of business developments, because it has always entailed having the consumer at the centre (Appendix F, 20:28-20:52). This means that the traditional way of doing business development has understanding customer needs at the centre, that is taking a customer-first approach (Goldman, n.d.), which is also highlighted as being an important factor in the circular economy, by for example, keeping the take-back systems easy and simple for the consumer to use. Furthermore, Dubois (2010) argues that ‘If you [do not] have any kind of relationship with a customer, [they are] simply not going to be a

customer', as well as stating that customer loyalty is a cornerstone of 'today's market conditions', which means that establishing a loyal relationship with the consumer segment is not limited to businesses operating with circular principles or wanting to enter the circular economy.

This can, for example, be done through frequent communication via various channels, by using technology to improve customer experiences or by developing products based on customer feedback (Entrepreneur Europe, 2004; Goldman, n.d.; Dubois, 2010). Frequent communication means that it is important to communicate frequently and doing it through various channels (Entrepreneur Europe, 2004; Dubois, 2010), which is evident in the cases of AVL A/S and BWF. Both companies communicate via various online platforms, which ensures that consumers feel connected to the company and the products (Entrepreneur Europe, 2004). Furthermore, both companies use technology to improve the customer experience. For example, AVL A/S's teams working with customers include 'technical experts with in-depth knowledge from the laboratory, the production processes, purchasing and sales' (Aage Vestergaard Larsen, n.d.a), thus, the technological knowledge is a crucial part of the services and products delivered by the company. In the case of BWF, the app is the most obvious aspect of creating a better customer experience, because customers can engage and post pictures and stories of the jackets, which potentially creates an emotional attachment to the products (Appendix I, 12:17-13:05). Finally, it is important to note that the companies used in this research did not start their companies with the goal of being circular. AVL A/S has worked with reutilisation of plastic for more than 45 years, thereby, having started before circular economy was put on the global agenda, whilst RI of BWF stated that the intention was never to create a circular business model but link consumer trends and behaviour with business models (Appendix I, 03:19-03:39). All this shows that circular business development is not an entirely new concept, but rather a new way of using the traditional way of thinking, that is classical consumer relations with a new goal.

7. Conclusion

As mentioned in the methodology section, we have strived to reach theoretical saturation by basing our interview guides on themes found in the theoretical apparatus and secondary data, as well as including three informative interviews, which provided additional information for the questions for the main interviews. In this way, we have ensured that the theories provided relevant aspects for the research, eliminating unnecessary theories. Following, we were able to

conduct a thematic analysis from which we could ‘derive a set of research descriptors upon which to base [our] conclusions’ (Rowlands et al., 2016, p. 43). In other words, the following points have been derived from the thematic analysis, meaning that the research has reached theoretical saturation as we have scrutinised the data set to the point where no new themes could be identified (Strauss & Corbin as cited in Bowen, 2008, p. 140; Chamaz as cited in Bryman, 2016, p. 411).

In this project, we have investigated how small and medium-sized companies can be assisted in entering the circular economy by activating the consumer in upcycling processes. This has been done through a comparative case study of Aage Vestergaard Larsen A/S and Better World Fashion, which are companies with different consumer segments, meaning that we have obtained a broader knowledge of how different consumers can be activated, be it other businesses or customers. The cases were chosen on the basis of being most different with potentially similar outcome, and our research suggests that in addition to the strategies commonly associated with their type of consumer segments, the companies also include strategies to activate consumers that are usually associated with the other type of business, which means that the two companies’ consumer activation and work with upcycling are similar. This can, for example, be seen in the companies’ employment of co-creation and the upcycling story. It is evident that both companies use co-creation as a means to create a better product and brand by engaging the consumers via different platforms generated by the company. Furthermore, the upcycling story is expressed through videos about the production process, however, BWF has an additional dimension to the upcycling story by having the app for customers to post pictures and stories on. It is also important to note that both companies have facilitated efficient take-back systems, which makes it easy for the consumers to return material.

These case studies, in collaboration with information obtained from informative interviews, have provided relevant points that can be important for similar companies to consider when activating their specific consumer segment. Flyvbjerg’s (2006) notion of what is valid in one case, may be valid in similar cases (p. 230) allows us to utilise the two cases, and thereby, AVL A/S’s and BWF’s work with upcycling and consumer activation, as a point of reference. We have inferred the following points for other small and medium-sized companies wanting to enter the circular economy by activating the consumer in upcycling processes to consider: 1) Consider the choice of material; 2) Incorporate circular principles and upcycling in a way that

accommodates the company; 3) Find efficient ways to facilitate take-back systems; 4) Establish a brand and clearly state the vision; 5) Establish strong co-creation platforms; and 6) Establish trust and loyalty with the consumer segment. These points are relevant regardless of the consumer segment, however, it is important to note that having different consumer segments may entail that companies need different approaches to the six steps.

The seventh factor, that it may not require a tremendous change, points to the fact that consumer activation through upcycling may not differ significantly from traditional consumer activation, that is engaging consumers in corporate strategies. In other words, as a result of global changes and socially conscious consumers' perception of what they want, companies need to adjust in order to meet demands. Therefore, what may characterise a circular business model is the take-back system, allowing the materials and resources to stay within closed loops, and having the consumers return their used products is the primary objective of consumer activation through upcycling.

8. References

Aage Vestergaard Larsen. (n.d.a). Business development. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/business-development/ [8 March 2018]

Aage Vestergaard Larsen. (n.d.b). Cases. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/business-development/cases/ [4 April 2018]

Aage Vestergaard Larsen. (n.d.c). Compoundering. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/salg/vores-kernekompetencer/compoundering/ [7 March 2018]

Aage Vestergaard Larsen. (n.d.d). Contract work. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/contract-work/ [7 March 2018]

Aage Vestergaard Larsen. (n.d.e). Finformaling. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/salg/vores-kernekompetencer/finformaling/ [7 March 2018]

Aage Vestergaard Larsen. (n.d.f). History. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/aage-vestergaard-larsen-plastic-recycling/history/ [8 March 2018]

Aage Vestergaard Larsen. (n.d.g). Kværning. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/salg/vores-kernekompetencer/kvaerning/ [7 March 2018]

Aage Vestergaard Larsen. (n.d.h). Mission, vision and values. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/aage-vestergaard-larsen-plastic-recycling/mission-vision-and-values/ [8 March 2018]

Aage Vestergaard Larsen. (n.d.i). Off-cut and plastic residues. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/procurement/what-we-buy/off-cut-and-plastic-residues/ [4 April 2018]

Aage Vestergaard Larsen. (n.d.j). Plastic Recycling Aage Vestergaard Larsen. *Aage Vestergaard Larsen*. Retrieved from http://avl.dk/en/aage-vestergaard-larsen-plastic-recycling/ [7 March 2018]

Aage Vestergaard Larsen. (n.d.k). Plastic waste from e.g. the building and construction sector and from recycling facilities. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/procurement/what-we-buy/plastic-waste-from-e-g-the-building-and-construction-sector-and-from-recycling-facilities/ [4 April 2018]

Aage Vestergaard Larsen. (n.d.l). Procurement. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/procurement/ [8 March 2018]

Aage Vestergaard Larsen. (n.d.m). Production waste from plastic processing companies. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/procurement/what-we-buy/production-waste-from-plastic-processing-companies/ [4 April 2018]

Aage Vestergaard Larsen (n.d.n). Regeneration. *Aage Vestergaard Larsen*. Retrieved from: http://avl.dk/en/sales/our-core-competencies/regeneration/ [7 March 2018]

Aage Vestergaard Larsen A/S. (2016, January 11). In *Facebook* [Group page]. Retrieved from: https://www.facebook.com/AageVestergaardLarsen/ [20 April, 2018]

Aage Vestergaard Larsen A/S. (n.d.). *LinkedIn* [Profile page]. Retrieved from: https://www.linkedin.com/company/aage-vestergaard-larsen-a-s/ [20 April, 2018]

Aalborg Kommune. (2016). Better World Fashion. *Aalborg Kommune*. Retrieved from: https://www.aalborg.dk/business/erhvervsnyheder/2016/2016/02/better-world-fashion [31 March 2018]

Aalborg Universitet (2017). Kåring af Nordjyllands mest cirkulære virksomhed og workshops om cirkulær økonomi. *Aalborg Universitet*. Retrieved from: http://www.aau.dk /arrangementer/vis/kaaring-af-nordjyllands-mest-cirkulaere-virksomhed-2017-og-workshops-om-cirkulaer-oekonomi-.cid315025 [7 March 2018]

Akhilesh, K.B. (2017). *Co-creation and learning: Concepts and cases*. New Delhi, India: Springer Nature

Anastasia. (2015, 16 March). Key partners in business model canvas. *Cleverism*. Retrieved from: https://www.cleverism.com/key-partners-in-business-model-canvas/ [16 May 2018]

Andersen, M.S. (2018, 25 April). Prisvindende virksomhed har fundet formlen til at genanvende plast. *IDA Universe*. Retrieved from: https://universe.ida.dk/artikel/prisvindende-virksomhed-har-fundet-formlen-til-at-genanvende-plast-57766/ [3 May 2018]

Andersen, S. V., Jepsen, A. T. & Pedersen, A. B. (2017). *How to use CSR proactively: A case study of Call Me* (Unpublished semester project). Aalborg University, Aalborg, DK

Andrews, D. (2015). The circular economy, design thinking and education for sustainability. *Local Economy, 30(3)*, 305-315. doi: 10.1177/0269094215578226

avl_as.dk. (2016a, 26 September). Hos os passer vi på hinanden, som vi også passer på dig og miljøet [At our workplace, we take care of each other as we take care of you and the environment]. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BKz-Lbxgk7W/?taken-by=avl_as.dk [27 March, 2018]

avl_as.dk. (2016b, 22 December). Så var det meste af fabrikken samlet til juleafslutning med smørrebrød og feriehilsen fra Franz, vores direktør. Vi ønsker jer alle en rigtig glædelig jul og et sikkert, men rigtig godt nytår [Then, the most of the factory was together for end of season celebration with open sandwiches and a vacation greeting from Franz, our CEO. We wish you all a merry christmas and a safe, but happy new year]. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BOUf_k-F7m7/?taken-by=avl_as.dk [27 March, 2018]

avl_as.dk. (2017a, 10 January). Så er vi endelig ved at være ved vej ende med årsafslutningen 2016, og vi ser virkelig frem til en lidt mere 'normaliseret' gang i økonomiafdelingen [Then, we are finally on the way to the end of the year 2016, and we are really looking forward to a more 'normalised' course in the economy department]. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BPFWWxcleCj/?taken-by=avl_as.dk [27 March 2018]

avl_as.dk. (2017b, 18 January). Vores fantastiske kollegaer Camilla og Kim er godt i gang med at nyde den interne indvielse af vores super lækre nye #newsfeed #genanvendelse og #opgradering af hjemmeside #aagevestergaardlarsenas Se bio for link. [Our amazing colleagues Camilla and Kim are enjoying the internal inauguration of our awesome, new #newsfeed #recycling and #upgrade of the website #aagevestergaardlarsensas, see bio for link]. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BPaMEIsFfdO/?taken-by=avl_as.dk [27 March 2018]

Bakker, C., Wang, F., Huisman, J., & den Hollander, M. (2014). Products that go round: Exploring product life extension through design. *Journal of Cleaner Production, 69*, 10-16. https://doi.org/10.1016/j.jclepro.2014.01.028

Barquet, A. P. B., de Oliveira, M. G., Amigo, C. R., Cunha, V. P., & Rozenfeld, H. (2013). Employing the business model concept to support the adoption of product–service systems (PSS). *Industrial Marketing Management, 42(5)*, 693-704. http://dx.doi.org/10.1016/j.indmarman.2013.05.003

betterworldfashion. (2017a, 30 March). 'We want to make the world we pass on to the next generation a better world'. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BSRW3N-jvwM/?taken-by=betterworldfashion [29 March, 2018]

betterworldfashion. (2017b, 4 April). Love this picture of @thomasa2310 and @rp_2008 in their #Peter and #Dayana jackets. Storytelling in the making. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BSd5A7uFWE5/?taken-by=betterworldfashion [29 March, 2018]

betterworldfashion. (2017c, 3 June). #Tanja going out in Paris. Looking 👌 We love when you share pictures with us in our app and here on Instagram. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BU4T9hpl5Qa/?taken-by=betterworldfashion [29 March, 2018]

betterworldfashion. (2017d, 9 July). Cool guys wearing Better World Fashion leather jackets during #rf17. Thanks for having us @roskildefestival and @innovationsfonden - we had a great festival. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BWVKwQRlYsR/?taken-by=betterworldfashion [29 March, 2018]

betterworldfashion. (2018a, 22 February). Why using new resources and harming the environment, when it is simply not necessary? Yes, that's what we've been thinking as well… Compared to a conventional leather jacket, each and every of our jackets saves 340 litres of water, 16 kg of carbon dioxide, 6 kg of waste and 3,75 kg of chemicals. The choice is quite obvious, isn't it? [Instagram Post]. Retrieved from: https://www.instagram.com/p/BfgpjWWlWDw/?taken-by=betterworldfashion [29 March, 2018]

betterworldfashion. (2018b, 23 March). Take action. Think about the impact. Think about the power you have. Speak up. Change mindsets. Stop environmental degradation. Use less. Think. Acknowledge to power you have. Take more action. Think again: Are you making the difference? Be part of the change you want to see in the world. Let's all build #thenewnormal. [Instagram Post]. Retrieved from: https://www.instagram.com/p/BgqRMBKFBtM/?taken-by=betterworldfashion [29 March, 2018]

Better World Fashion (2015, 23 November). In *Facebook* [Group page]. Retrieved from: https://www.facebook.com/pg/betterworldfashion/posts/?ref=page_internal [29 March, 2018]

Better World Fashion. [Better World Fashion]. (2016, February 12). *Better World Fashion - Kickstarter Video 2016*. [Video file]. Retrieved from: https://www.youtube.com/watch?v=Ry_sKBBSWwk [10 April 2018]

Better World Fashion. [Better World Fashion]. (2017a, 13 January). *Better World Fashion*. [Video file]. Retrieved from: https://www.youtube.com/watch?v=KlkdhvniaKI [10 April 2018]

Better World Fashion (2017b, 12 March). In *Instagram* [Profile page]. Retrieved from: https://www.instagram.com/betterworldfashion/ [29 March 2018]

Better World Fashion. (n.d.a) Better World Fashion. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/ [7 March 2018]

Better World Fashion. (n.d.b) Buyback guarantee. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/touch-base/buyback-guarantee.htm [27 March 2018]

Better World Fashion. (n.d.c). How we do it - People. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/what-we-do/how-we-do-it-people.htm [23 March 2018]

Better World Fashion. (n.d.d) How we do it - Product. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/what-we-do/how-we-do-it-product.htm [23 March 2018]

Better World Fashion. (n.d.e) Impact. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/what-we-do/impact.htm [27 March 2018]

Better World Fashion. (n.d.f) Lease a jacket. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/touch-base/ [30 March 2018]

Better World Fashion. (n.d.g) Our manifest. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/who-we-are/our-manifest.htm [27 March 2018]

Better World Fashion. (n.d.h). Production. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/what-we-do/ [7 March 2018]

Better World Fashion. (n.d.i) We buy your leather. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/touch-base/we-buy-your-leather.htm [27 March 2018]

Better World Fashion. (n.d.j) Why we do it. *Better World Fashion*. Retrieved from: http://www.betterworldfashion.com/en/about/who-we-are/why-we-do-it.htm [27 March 2018]

Biwei, S., Almas, H., Yong, G. & Xiaoman, Y. (2013). A review of the circular economy in China: Moving from rhetoric to implementation. *Journal of Cleaner Production, 42*. 215-227. doi: 10.1016/j.jclepro.2012.11.020

Blivplastmager.dk. (n.d.). Arbejd med cirkulær økonomi som plastmagerlærling hos Aage Vestergaard Larsen A/S. *Blivplastmager.dk*. Retrieved from: http://www.blivplastmager.dk/jobs/du-fortjener-komplet-uddannelse-kan-vi-give-dig/ [7 March 2018]

Bowen, G. A. (2008). Naturalistic inquiry and the saturation concept: A research note. *Qualitative research, 8(1)*, 137-152. https://doi.org/10.1177/1468794107085301

British Standards Institution. (2017). *Framework for implementing the principles of the circular economy in organizations: Guide*. London: BSI Standards Limited

Bryman, A. (2016). *Social research methods* (5th ed.). Oxford, UK: Oxford university press

Burr, V. (2015). *Social constructionism*. Hove, East Sussex: Routledge

Campbell, S. (2010). Comparative case study. In A. J. Mills, G. Durepos & E. Wiebe (Eds.), *Encyclopedia of case study research* (pp. 175-176). Thousand Oaks, CA: SAGE Publications Ltd. doi:10.4135/9781412957397.n64

Caramani, D. (2017). Introduction to comparative politics. In Caramani, D. (Ed.), *Comparative politics*, 4th ed. (pp. 1-18). Oxford, UK: Oxford University Press

Cheshire, D. (2016). *Building revolutions: Applying the circular economy to the built environment.* Newcastle upon Tyne: RIBA Publishing.

Ching, H.Y., & Fauver, C. (2013). Criticisms, variations and experiences with business model canvas. *European Journal of Agriculture and Forestry Research, 1(2)*. Pp. 26-37. Retrieved from: http://citeseerx.ist.psu.edu/viewdoc/download;jsessionid=BA2FD3AE71DFDA2C785743AED565C010?doi=10.1.1.452.1207&rep=rep1&type=pdf [12 February, 2018]

Clark, T., Osterwalder, A., & Pigneur, Y. (2012). *Business model you: A one-page method for reinventing your career*. New Jersey, USA: John Wiley & Sons

Cohn, C. (2015, 16 June). Differences in selling B2B vs. B2C. *Forbes*. Retrieved from: https://www.forbes.com/sites/chuckcohn/2015/06/16/differences-in-selling-b2b-vs-b2c/#5926b8f04fb2 [14 May 2018].

Connelly, M. (n.d.). Definition of change management [Web log post]. Retrieved from https://www.change-management-coach.com/definition-of-change-management.html [30 March 2018].

Creswell, J. W., & Miller, D. L. (2000). Determining validity in qualitative inquiry. *Theory into practice, 39(3)*, 124-130. doi:10.1207/s15430421tip3903_2

CSR.dk. (2017). Genbrugsskindjakker hædret med pris. *CSR.dk*. Retrieved from: http://csr.dk/genbrugsskindjakker-h%C3%A6dret-med-pris [31 March 2018]

Cuc, S. & Tripa, S. (2018). Redesign and upcycling – A solution for the competitiveness of small and medium-sized enterprises in the clothing industry. *Industria Textila, 69(1)*, pp. 31-16

de Jesus, A. & Mendonca, S. (2018). Lost in transition? Drivers and barriers in the eco-innovation road to the circular economy. *Ecological Economics, 145*. 75-89. doi:10.1016/j.ecolecon.2017.08.001

Dubois, L. (2010, 4 August). How to build personal relationships with customers. *Inc.com*. Retrieved from: https://www.inc.com/guides/2010/08/how-to-build-personal-relationships-with-customers.html [21 May 2018]

Ellen MacArthur Foundation. (2017a). Better World Fashion: Finding a fast fashion business model that lasts. *Ellen MacArthur Foundation*. Retrieved from: https://www.ellenmacarthurfoundation.org/case-studies/a-model-for-fast-fashion-that-lasts [31 March 2018]

Ellen MacArthur Foundation. (2017b). Circular economy and curriculum development in higher education. *Ellen MacArthur Foundation*. Retrieved from: https://www.ellenmacarthurfoundation.org/assets/downloads/EMF_HE-Curriculum-Brochure-03.10.17.pdf [13 February 2018]

Ellen MacArthur Foundation. (2017c). Circular economy overview. *Ellen MacArthur Foundation*. Retrieved from: https://www.ellenmacarthurfoundation.org/circular-economy/overview/concept [13 February 2018]

Ellen MacArthur Foundation. (2017d). What is a circular economy? *Ellen MacArthur Foundation*. Retrieved from: https://www.ellenmacarthurfoundation.org/circular-economy [13 February 2018]

Entrepreneur Europe. (2004, 5 January). 7 relationship-building strategies for your business. *Entrepreneur Europe*. Retrieved from: https://www.entrepreneur.com/article/66228 [21 May 2018]

European Commission. (n.d.). Circular economy. *European Commission*. Retrieved from: https://ec.europa.eu/growth/industry/sustainability/circular-economy_en [11 April 2018]

Filippa K. (2017). Sustainability report 2017. Retrieved from: https://www.filippa-k.com/media/wysiwyg/filippa-k-world/sustainability/reports/Filippa-K-Sustainability-Report-2017.pdf [19 February 2018]

Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative inquiry, 12(2)*, 219-245

Folkmann, B. (2010, November 2). Change management organizational principles process models plan. *Net2Change*. Retrieved from https://net2change.dk/change-management-organizational-principles-process-models-plan/#.Wrjwi4hubDc [30 March 2018]

Glăveanu, V. P., Tanggaard, L., & Wegener, C. (2016). Why do we need a new vocabulary for creativity? In Glăveanu, V. P., Tanggaard, L., & Wegener, C. (Eds.) *Creativity - a new vocabulary* (pp. 1-9). London, UK: Palgrave Macmillan

Goldman, M. (n.d.). How to manage customer relationships effectively. *Tenfold*. Retrieved from: https://www.tenfold.com/customer-relationships/manage-customer-relationships-effectively [21 May 2018]

Greer, D.A. (2013). Defective co-creation: Developing a typology of consumer dysfunction in professional services. *European Journal of Marketing, 49(1)*. Pp. 238-261. doi:10.1108/EJM-07-2012-0411

Hansen, K. (2016, 26 October). Dette års vinder af Mariagerfjord Miljøpris blev Aage Vestergaard Larsen A/S. *Fjordavisen*. Retrieved from: http://www.fjordavisen.nu/?Id=18519 [28 May 2018]

Hox, J. J. (1997). From theoretical concept to survey question. 1997): *Survey Measurement and Process Quality*. New York ua: John Wiley & Sons, 45-69

Hvass, K. K. (2015). Business model innovation through second hand retailing. *Journal of Corporate Citizenship, (57)*. doi:10.9774/GLEAF.5001.2015.ma.00005

H&M. (2017). Recycle your clothes. *H&M*. Retrieved from: http://about.hm.com/en/sustainability/get-involved/recycle-your-clothes.html [19 February 2018]

Innovationlab. (n.d.a). Anette Priess Gade. *InnovationLab*. Retrieved from: https://ilab.dk/labagent/anette-priess-gade [11 April 2018]

Innovationlab. (n.d.b). Om Innovation Lab. *InnovationLab*. Retrieved from: https://ilab.dk/om-innovation-lab [11 April 2018]

Innovationsfonden. (2017, 23 May). Unikke skindjakker udfordrer brug og smid væk-kulturen. *Innovationsfonden*. Retrieved from: https://innovationsfonden.dk/da/presse/unikke-skindjakker-udfordrer-brug-og-smid-vaek-kulturen [26 March 2018].

Jaakkola, E., & Hakanen, T. (2011). Value co-creation in solution networks. *Industrial Marketing Management, 42*. Pp. 47-58

Jianguo Q., Jingxing Z., Wenjun L., Xushu P., Bin W. & Hong W. (2016). *Development of circular economy in China*. Singapore: Springer Singapore

Joyce, A. & Paquin, R. L. (2016). The triple layered business model canvas: A tool to design more sustainable business models. *Journal of Cleaner Production 135*, 1474-1486. doi:10.1016/j.jclepro.2016.06.067

Kammerl, D., Schockenhoff, D., Hollauer, C., Wiedmann, D., & Lindemann, U. (2017). A framework for sustainable product development. In Matsumoto, M., Masui, K., Fukushige, S., and Kondoh, S. (Eds.), *Sustainability through innovation in product life cycle design* (pp. 21-32). Japan: Springer

Klingenberg, N. (2016, 18 February). Better World Fashion - Længe leve læderet. *My Pleasure*. Retrieved from: https://my-pleasure.dk/2016/02/better-world-fashion-laenge-leve-laederet/: [26 March 2018]

Kohlbacher, F. (2006). The use of qualitative content analysis in case study research. *Forum: Qualitative Social Research, 7(1)*. Retrieved from: http://www.qualitative-research.net/index.php/fqs/article/view/75 [29 May 2018]

Kotter, J. P. (2012). *Leading change, with a new preface from the author*. (Reprinted from Leading change). Boston, MA: Harvard business school press

Kvale, S. (2007). *Doing interviews*. London, UK: SAGE Publications

Lampard, R., & Pole, C. (2002). *Practical social investigation: qualitative and quantitative methods in social research*. Pearson Education Ltd.

Leading change. (n.d.). [Book summary]. *Google Books*. Retrieved from https://books.google.dk/books/about/Leading_Change.html?id=ib9Xzb5eFGQC&redir_esc=y [27 March 2018]

Lewandowski, M. (2016). Designing the business model for circular economy - Towards the conceptual framework. *Sustainability, 8(1)*. Pp. 1-28. doi:10.3390/su8010043

Lüdeke-Freund, F. (2010). Towards a conceptual framework of business models for sustainability. In Wever, R., Quist, J., Tukker, A., Woudstra, J., Boons, F. & Beute N. (Eds.) *Knowledge collaboration & learning for sustainable innovation*. Delft

Mason, J. (2002). *Qualitative researching*. (2nd ed). London, UK: SAGE Publications

Mathews, J. A. & Tan, H. (2011). Progress toward a circular economy in China. *Journal of Industrial Ecology, 15(3)*. 435-457. doi:10.1111/j.1530-9290.2011.00332.x

Matsuyama, Y., Matsuno, T., Fukushige, S., & Umeda, Y. (2014). *Study of life cycle design focusing on resource balance throughout product life cycles*. Paper presented at 21st CIRP Conference on Life Cycle Engineering, Trondheim, Norway, 18-20 June 2014. doi: 10.1016/j.procir.2014.06.080

Maxwell, J. A. (2009). Designing a qualitative study. In Bickman, L. & Rog, D. J. (Eds.), *The SAGE handbook of applied social research methods* (pp. 214-253). SAGE Publications

Mentink, B. (2014). *Circular business model innovation: A process framework and a tool for business model innovation in a circular economy*. (Master thesis). Delft University of Technology & Leiden University. Retrieved from: https://repository.tudelft.nl/islandora/object/uuid:c2554c91-8aaf-4fdd-91b7-4ca08e8ea621?collection=education [19 February 2018]

Mele, C. (2007). Conflicts and value co-creation in project networks. *Industrial Marketing Management, 40*. Pp. 1377-1385

Ministry of Environment and Food of Denmark. (n.d.). The Danish eco-innovation program. *Ministry of Environment and Food of Denmark*. Retrieved from: http://eng.ecoinnovation.dk/the-danish-eco-innovation-program/ [15 March 2018]

Murphy, D. (2007, 6 April). Marketing for B2B vs. B2C – Similar but different. *Masterful Marketing*. Retrieved from: https://masterful-marketing.com/marketing-b2b-vs-b2c/ [14 May 2018]

Neimeyer, R. A., & Levitt, H. (2001). Constructivism and constructionism: Methodology. *International Encyclopedia of the Social & Behavioral Sciences (Second Edition),* pp. 724-728. https://doi.org/10.1016/B978-0-08-097086-8.44009-2

Netværk for Bæredygtig Erhvervsudvikling NordDanmark. (n.d.). Om NBE. *Netværk for Bæredygtig Erhvervsudvikling NordDanmark*. Retrieved from: https://nben.dk/om-nbe [10 April 2018]

Nielsen, C., & Roslender, R. (2014). Frameworks for understanding and describing business models. In Nielsen, C., & Lund, M. (Eds.). *The Basics of Business Models*, pp. 2-17. Copenhagen: BookBoon.com/Ventus Publishing Aps.

Nowell, L. S., Norris, J. M., White, D. E. & Moules N. J. (2017). Thematic analysis: Striving to meet the trustworthiness criteria. *International Journal of Qualitative Methods, 16*. pp. 1-13

Omdan.Earth. (n.d.). Profil. *Omdan Advisory+Action*. Retrieved from: https://www.omdan.earth/profil/ [11 April 2018]

Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: A handbook for visionaries, game changers and challengers*. New Jersey, USA: John Wiley and Sons. Retrieved from: https://books.google.dk/books?hl=da&lr=&id=UzuTAwAAQBAJ&oi=fnd&pg=PA7&dq=business+model+canvas+osterwalder+&ots=yXCUBcDa_x&sig=iPNWvtggBgT3FbNxJyg0HtbzSyE&redir_esc=y#v=onepage&q=business%20model%20canvas%20osterwalder&f=false [12 February 2018]

Pokorná, J., Pilař, L., Balcarová, T., & Sergeeva, I. (2015). Value proposition canvas: Identification of pains, gains and customer jobs at farmers' markets. *Agris on-line Papers in Economics and Informatics, VII(4)*. pp. 123-130

Pomponi, F. & Moncaster A. (2017). Circular economy for the built environment: A research framework. *Journal of Cleaner Production 143*, 710-718. doi:10.1016/j.jclepro.2016.12.055

Project Just (2015, 22 January). In *Facebook* [Group Page]. Retrieved from: https://www.facebook.com/projectjust/ [29 March, 2018]

Ramaswamy, V., & Ozcan, K. (2014). *The co-creation paradigm*. California, USA: Stanford University Press

Robson, C., & McCartan, K. (2016). *Real world research* (4th ed). London, UK: John Wiley and Sons Ltd.

Rowlands, T., Waddell, N., & McKenna, B. (2016). Are we there yet? A technique to determine theoretical saturation. *Journal of Computer Information Systems, 56(1)*, 40-47. https://doi.org/10.1080/08874417.2015.11645799

Schiønning, H. (2017, 3 December). Aage Vestergaard Larsen i Mariager starter nyt projekt. *Fjordavisen*. Retrieved from: http://www.fjordavisen.nu/?Id=28717 [15 December 2018]

Sheppard, M. (2006). *Social work and social exclusion: The idea of practice*. Aldershot, England: Ashgate

Stahl, W. R. (2016). The circular economy. *Nature 531(7595)*, 435-438. doi:10.1038/531435a

Staniskis, J. K. & Katiliute, E. (2017). Systems approach to resource efficient and cleaner production solutions: Method and implementation. In Matsumoto, M., Masui, K., Fukushige, S. & Kondoh, S. (Eds.) *Sustainability through innovation in product life cycle design*. (pp. 385-398). Springer

Strategy – Marketing & Technology Solutions. (2017, 10 March). Why is branding important? *Strategy – Marketing & Technology Solutions*. Retrieved from: https://strategynewmedia.com/why-is-branding-important/ [21 May 2018]

Sung, K. (2015). *A review on upcycling: Current body of literature, knowledge gaps and a way forward*. Paper presented at The ICECESS 2015: 17th International Conference on Environmental, Cultural, Economic and Social Sustainability, Venice, Italy, 13-14 April 2015. Retrieved from: http://irep.ntu.ac.uk/id/eprint/12706/ [14 February 2018]

The University of Auckland. (n.d.). About thematic analysis. *The University of Auckland*. Retrieved from: https://www.psych.auckland.ac.nz/en/about/our-research/research-groups/thematic-analysis/about-thematic-analysis.html [9 May 2018]

Verstraete, T., & Jouison-Laffitte, E. (2011). *A business model for entrepreneurship*. United Kingdom: Edward Elgar Publishing Limited

Videbæk, K., & Klitholm, C. (2018, 11 January). Nordjylland får Danmarks første 'plastakademi'. *DR Nordjylland*. Retrieved from: https://www.dr.dk/nyheder /regionale/nordjylland/nordjylland-faar-danmarks-foerste-plastakademi [8 April 2018]

Video 1 [Video file]. Retrieved from: http://avl.dk/film/ [23 March 2018]

Video 2 [Video file]. Retrieved from: http://avl.dk/film/ [23 March 2018]

Wahyuni, D. (2012). The research design maze: Understanding paradigms, cases, methods and methodologies. *Journal of Applied Management Accounting Research, 10(1)*, 69-80. SSRN: https://ssrn.com/abstract=2103082

Waller, V., Farquharson, K., & Dempsey, D. (2016). *Qualitative social research: Contemporary methods for the digital age*. London, UK: SAGE Publications Ltd.

Walliman, N. (2006). *Social research methods*. London, UK: SAGE Publications Ltd.

Wegener, C. (2016). Upcycling. In Glăveanu, V. P., Tanggaard, L., & Wegener, C. (Eds.). *Creativity — A new vocabulary* (pp. 181-188). London, UK: Palgrave Macmillan

Wilson, M. (2016). When creative consumers go green: Understanding consumer upcycling. J*ournal of Product & Brand Management, 25(4)*, 394-399. doi:10.1108/JPBM-09-2015-0972

Yin, R. K. (2009). *Case study research, design & methods* (4th ed.). Thousand Oaks, CA: SAGE Inc.

Yong, G. & Doberstein, B. (2008). Developing the circular economy in China: Challenges and opportunities for achieving 'leapfrog development'. *International Journal of Sustainable Development & World Ecology, 15(3)*. 231-239. doi: 10.3843/SusDev.15.3:6

Zengwei, Y., Jun, B. & Yuichi, M. (2006). The circular economy: A new development strategy in China. *Journal of Industrial Ecology, 10(1-2)*, 4-8. doi: 10.1162/108819806775545321

9. Tables and Figures