

Circular economy in Spanish Fashion brands: “Percentil” and “Ecoalf” cases

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Abstract

A global study by BBMG and GlobeScan (2013) finds that the new consumers are redefining the idea of abundance, seeking more experiences in ways that use fewer resources and produce less waste. Through the use of technology, the new generations are leading the way from an ownership economy to a circular economy, driven by sharing, recycle and collaboration. They don't necessarily want more material possessions but rather, more meaningful experiences that help them live better.

By other hand, the architects McDonough and Braungart (2002) set up the concept of “circular economy”. These authors describe Circular Economy as an economic system that is an innovation engine that puts the 're-' back into resources. It allows for continuous benefit to be provided to all generations by the reuse of things, material, energy or water.

Kant Hvass, (2014) claim for more academic research which would provide more insights into fashion companies' business model innovation.

We study this phenomenon using the research case study as the methodological approach, because this method research strategy is focus on understanding the dynamics present within single settings. Specifically, we explore two Spanish fashion companies that work in the circular economy in a practical way: Ecoalf and Percetin.

Ecoalf is a company which creates clothing and accessories from fishing nets, plastic bottles and even coffee grinds. It is a pioneer business into the high end fashion market with their “trashion” concept. Managing local supply chains within the 11 countries they operate in, each recycled material is processed and turned into new products in the region it originated.

Percentil is an e-commerce that gives a second life to all the clothes that the customers don't want anymore, paying sellers for them and allowing customers to purchase high quality clothing at 70-80% of their original price. All the items Percentil receive that don't pass out quality standards to be resold, are donated to NGOs on behalf of the sellers.

Analyzing these cases, we can know why and how these companies work in the Circular model.

Findings will contribute to better understanding about link between the Circular Economy and the fashion industry. Is feasible a new circular fashion business model profitable or is it a passing trend?

Keywords

Circular economy, fashion industry, innovative fashion business model, case study