

CIRCULAR BUSINESS MODELS

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Reimagining Fashion: Circular Business Models for a Thriving Industry



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Photo: University of Fashion – Miss Owl

Introduction: What is Sustainability in Fashion?

Sustainability means meeting our needs without compromising future generations. In fashion, it involves:

- Reducing environmental impact (water, energy, waste, emissions)
- Ensuring ethical labour practices and fair wages
- Creating durable, high-quality products

We need to look at the entire lifecycle:

- Design
- Raw material sourcing
- Manufacturing
- Distribution
- Use
- End-of-life

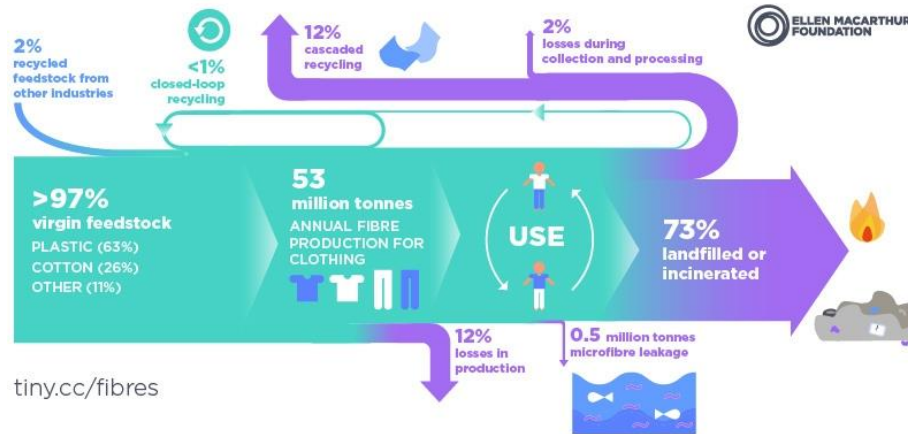


Photo: Sympatex

Why is Sustainability Important for Fashion?

- Fashion is one of the most polluting industries globally
- Consumes massive resources and creates significant waste
- Has major social impacts on workers and communities
- Consumers are demanding more sustainable options
- **Regulations are tightening around environmental and labour practices**
- It's an opportunity for innovation and competitive advantage

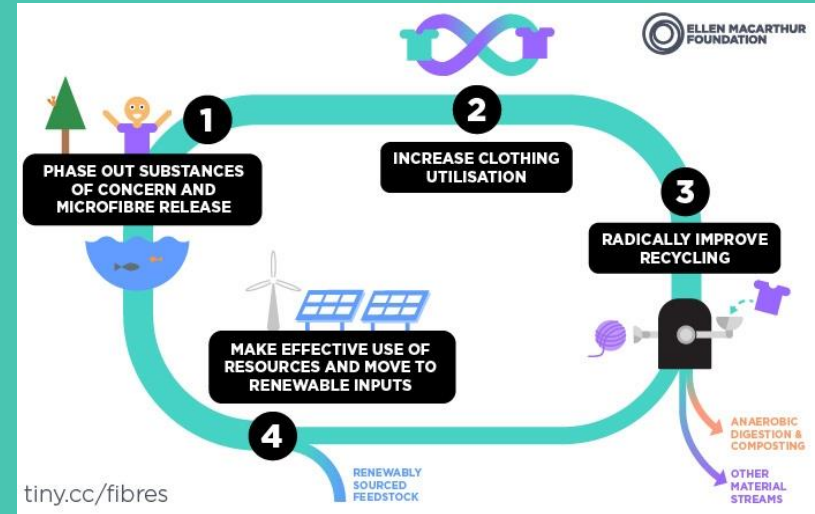
Threats in Current Fashion Practices



tiny.cc/fibres

Traditional linear model: Take > Make > Waste

Circular model: Reduce > Reuse > Recycle



tiny.cc/fibres

Opportunities for Future Fashion Practices

Circular Business Models

Circular Fashion: A Path Forward

- **Design for Durability:** Create garments with extended lifespans using high-quality materials.
- **Recycling and Upcycling:** Reclaim textiles to produce new fabrics and designs, minimizing waste.
- **Product-as-a-Service Models: Shift from ownership to access, such as rental or subscription-based services.**
- **Closed-Loop Systems:** Implement systems where materials are recycled back into production, ensuring minimal waste.
- **Repair and Maintenance Services:** Encourage customers to extend product use through easy repairs.



Photo: Dalle

Collaborative Consumption: Sharing is Caring

- Peer to Peer sharing platforms: focuses on access over ownership
- Maximizes use of existing resources: co-creation and customisation
- Creates community and social connections: peer to peer digital marketplace for pre-loved fashion

EXAMPLES:

- Rental and subscription services (e.g. Rent the Runway and Vinted)
- Resale and second-hand platforms (e.g. ThredUp)
- Repair and refurbishment programs (e.g. Patagonia's Worn Wear)
- Recycling and upcycling initiatives (e.g. Eileen Fisher's Renew)



Photo: Thriftypineapple

- Patagonia encourages customers to repair their gear, resell used items, and recycle products that can no longer be used.
- The company offers repair guides in partnership with iFixit to help customers learn how to fix their own clothes.
- Transparency in supply chain: Patagonia's interactive platform is the Footprint Chronicles.
- This tool allows customers to trace the origins of Patagonia products, showing information about textile mills, factories, and even farms involved in production. The company discloses both positive and negative aspects of their operations, demonstrating their commitment to honesty and accountability.

PATAGONIA



Photo: Patagonia

Repair, resale, and recycling programs



GANNI's Rental Service

GANNI launched its rental platform, GANNI Repeat, in 2019.

- Initially available in Denmark, later expanded to the UK and US
- Offers both past and present GANNI styles for rental
- Rental periods range from 1 to 3 weeks
- Uses RePack reusable packaging for deliveries
- Professionally cleans returned items using Nordic Swan label standards
- Partnered with other rental platforms like HURR, Rotaro, and POOL to expand reach

Ralph Lauren introduced “The Lauren Look” in March 2021.

- Subscription-based model starting at \$125 per month
- Focuses on the Lauren Ralph Lauren brand
- Members can curate their virtual closets from recent Lauren collections
- Shipments include 4 pieces at a time
- Offers option to purchase rented items at discounted member prices
- Donates clothes that reach their rental limit to the non-profit “Delivering Good”



Ralph Lauren Rental Service

Common Implementation Strategies

- Digital platforms: Both companies use dedicated websites for their rental services.
- Flexible rental periods: Customers can rent items for varying durations.
- Cleaning and maintenance: Both ensure professional cleaning of returned items.
- Partnerships: GANNI has partnered with existing rental platforms to expand its reach, while Ralph Lauren has collaborated with Urban Outfitters' Nuuly rental service.
- Sustainability focus: Both companies emphasize the environmental benefits of renting, such as reducing waste and extending product lifecycles.
- Data collection: The rental services allow both brands to gather valuable customer feedback and market insights.
- Brand elevation: By offering rental options, both companies aim to reach new, younger customers while maintaining brand prestige.

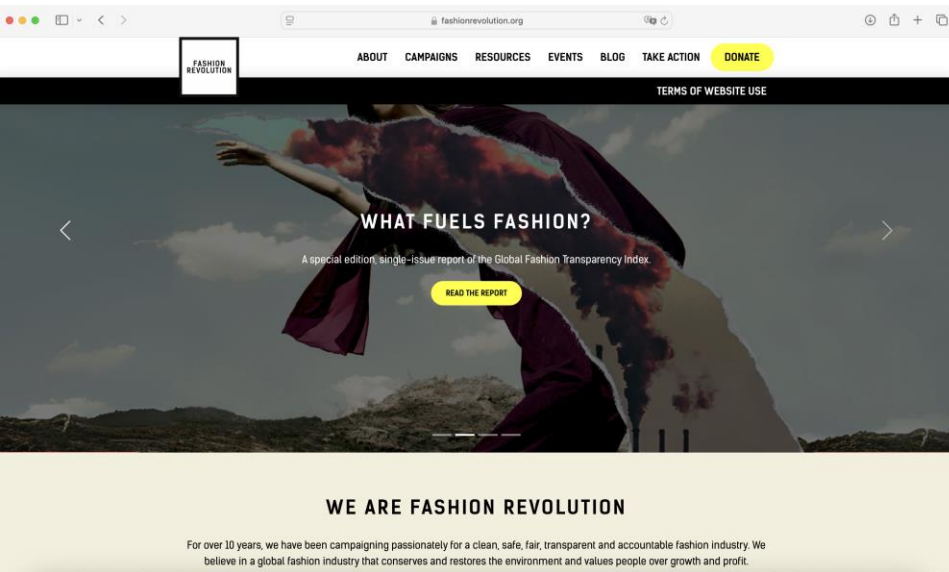
These rental services represent a shift in the fashion industry towards more circular business models, allowing customers to access designer clothing without the need for ownership while potentially reducing overall consumption and waste.



Photo: Kris Atomic

Why Now?

The Urgency for
Change



Timing is EVERYTHING!

- Accelerating **Climate Change**: The fashion industry significantly contributes to greenhouse gas emissions, exacerbating climate change.
- **Resource Depletion**: Current practices deplete non-renewable resources, such as water and fossil fuels, at an alarming rate.
- **Consumer Demand**: Today's consumers prioritize ethical and sustainable practices, making it a competitive necessity for brands.
- **Legislation and Policy Shifts**: Governments worldwide are introducing stricter regulations to curb environmental damage and promote sustainability.
- **Global Awareness: Movements like "Fridays for Future" and "Fashion Revolution" and other rising media attention, highlight the importance of immediate action.**

The Ellen MacArthur Foundation has launched a new initiative called “The Fashion ReModel” to promote circular business models in the fashion industry.

Aims to make circular **business models** the **norm in fashion**

Focuses on ways to **make money without making new clothes**

Participants include **major brands** like Arc'teryx, ARKET, COS, H&M Group, Primark, Reformation, WEEKDAY, and Zalando

Goals include **decoupling revenue** from new garment production and advancing towards a **circular economy** for fashion

Estimated that circular business models could grow to 23% of the global fashion market by 2030, representing a \$700 billion opportunity!

The initiative seeks to transform how business is done in the fashion industry with support from policymakers, aiming to create a more sustainable and circular future for fashion.

Announced on 21 May 2024 at the Global Fashion Summit in Copenhagen.



Photo: Kris Atomic

A CALL TO CHANGE!
Let's build a sustainable future
in fashion, together.

**Fashion can be
beautiful,
innovative, AND
sustainable. Let's
reimagine the future
of our industry
together!**

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