**Pilot interview**

V: How would you define circular economy and sustainable consumption in one sentence each?

A: Alright, I think circular economy means to keep materials at the highest possible value for a long time. And sustainable consumption is… I think it is more on an individual base. I think persons can act sustainable consumption way but it means to hm… difficult question… I think it means not to waste any resources.

V: When in the future a circular economy will be achieved- what are it’s charactersitics in your understanding?

A: I don’t think it is possible to reach a perfect state of circular economy but I think it would mean that maybe at least 80-90% of materials are used at least for a second time.

V: Imagine the transition to a circular economy had been completed - how would consumption change?

A: Hm… I think at the moment a lot of people think about consumption. I don’t think they have the time and motivation etc. and I think that would change. I don’t think it is just about normal people but also about companies that would think in another way about consumption.

Q: The second part of the interview is about the different aspects of business models, so I would like to hear from you how you think business models need to change in order to achieve a circular economy and sustainable consumption. The first element is the value proposition, this element refers to the products or services the firm offers to the specific target customers segments, and the value offered to the customer, society and the environment. How should companies shape the value propositions when implementing circular, circularity and sustainable consumption?

A: Uh, that is a long question. I think it would switch more from selling products to offering services. I think that is the main change. I think it is easier to keep products in a good state when you don’t really sell them but when you can lend or lease them. Sorry I forgot the other elements.

Q: So the first part was products and services, the second one is customer relationships and segments.

A: I think the relationship between companies and consumers will be intensified. I think they will get more feedback and they will need to get more feedback to make them more sustainable. And I think that is an important thing to change.

Q: Then there is one more aspect to the value proposition and that is value offered to the customer, society and the environment in the transition towards the circular economy?

A: I think it is the main motivator in the shift towards the circular economy. I think people become more and more aware that they have to take care of the environment and the society and I think that is the main motivator.

Q: How can companies actually get motivated by that?

A: I think that is a matter of competition. They have to behave in a more society-friendly way to be able to exist in the future because there are so many companies and all the global change so they’ll have to adapt.

Q: The next question is about value creation and delivery. Value creation and delivery includes several aspects; companies’ activities, the resources they utilise as well as the distribution channels, partners and suppliers, product features and technology features they chose. How do you think should companies develop these elements for a circular economy and sustainable consumption?

A: Hm, I think when companies want to change towards a circular economy they have to rethink everything they do because they really have to check where they buy their resources, who are their suppliers, who are their consumers, how do they reach them. So I really think they have to overthink everything and I think you need special circular economy experts to support them. I don’t think companies can do all this by themselves.

Q: Can you think of specific activities that need to change? Maybe think of specific examples?

A: I think at the moment companies often sell their products and they don’t care at all afterwards. I think that has to change and they’ll have to consider what consumers do when they don’t need it [the product] anymore and whether they can take it back. I think that is a first step.

Q: How about the resources?

A: I am not too much into that resource topic I have to admit. Consumers want to know where the resources come from, even at the moment that is already the case. And I think you have to intensify that. You’ll have to tell the consumers where you buy the materials and resources. And consumers want to be sure that you treat your people the right way even if it is produced in India or wherever.

Q: So, transparency about material and human resources. How do you think companies should develop their distribution channels in the transition towards the circular economy?

A: I think when you don’t really sell products but only lease them it has to change completely. Because if your order something online and you receive the parcel you won’t send it back. I think that is not really easy to do for consumers. I think the contact has to be more close and it has to be easier for consumers to get in contact with the company. I don’t know whether they will all have small shops in the city because that is expensive as well. I don’t know how it will change but it definitely has to change.

Q: Which partners and suppliers are needed for this transition and how would they assist in the transition towards the circular economy?

A: Of course I think that designers play an important role in that transition. Because of course you have to consider the ability of a product to really be part of the circular economy right from the start when you design the product. So, it is important to also include the circular economy topic into Bachelor and Master programs etc. Not only for designers but also for managers and all the different people.

Q: Which partners would a company that wants to transition towards a circular economy need to include?

A: Generally, all partners would need to be included. It doesn’t work if someone doesn’t want to take part in the circular economy. But I don’t know how. I am just thinking about one project that we have here at the moment. It is about a machine where you can rent tools. We are developing this machine for our students so that they can get their tools all the time so 24 hours per day. And what would help us, we are not a company but yeah, a company that would support us with all the logistics problems. Right, so we don’t know how to build such a machine because we are a university and we need a lot of consultants to help us. That is one example. And we also need a place where we can put that machine because we would want to put it in the city centre, not a city it’s a village. So we’d also need the support of someone from the village.

Q: The next element is the technology and the product features. How should company use these in the transition towards a circular economy.

A: I think it depends a lot on the material used … but well I am not too sure about that. I often heard that you can use the 3D printing technique but personally I don’t like 3D printing at all. I think it looks horrible most of the time. But I was wondering whether you could print for example print wood. I think that would help a lot. You could design products and enable consumers to 3D print spare parts etc. But I don’t know what technologies companies could really use to help the transition.

Q: So, using technology to enable the longevity of products by enabling consumers. The third part is about the value capture of business models. This aspect includes the aspects cost structure and revenue streams, the value that is captured for the environment and the society, and companies’ growth strategy. How should companies shape these elements?

A: Okay, I have to admit I have no idea about cost structure and revenue streams.

Q: Okay, imagine a company in the CE. How do the make money? When do they make money? Maybe also in comparison to the linear economy.

A: Now that is a better question. Well I think they get money in a more continuous way when they rent their things. Now at the moment they sell something and they get money once from the consumers and then it is over. And when consumers rent something for a longer time such as 6 months the company gets the money over a longer time. So that is maybe a change. And they also have to keep money back for repair, maintenance and all these things they wouldn’t do at the moment.

Q: How do you think should value be captured for the environment and the society in the shift towards the CE?

A: I think generally there will be, or I hope, there will be more jobs after the shift to the circular economy because you will need more people to repair and maintain the products, to maybe recycle and whatever. So, I hope there will be more jobs. I think companies would also enhance the awareness in society, they would be a positive role model for sustainable consumption. I think if a company says “we shift towards a circular economy” maybe also people who like to buy their products think about their way of consumption and maybe this would influence them.

Q: Then I have one more question in this area, about the growth strategy of companies. How would the growth strategy of companies need to change or develop in the circular economy?

A: At least in the beginning you won’t grow anymore because you have to invest a lot of money to shift towards the circular economy and you have to accept that fact. I don’t think you can grow in such a fast way most companies do at the moment. I think they will grow in a much slower part.

Q: Now I have the next part: How can circular business models lead to sustainable consumption?

A: I think circular business models enable the consumers to only have and use products when they need them. I think consumers become more flexible because they can rent a tool when they need it and they don’t have to own it. So, you don’t have tools in your cellar that you don’t really use.

Q: Going back to the previously discussed business model elements, which one or ones do you think could be used to stimulate consumers to consume more sustainably?

A: I think the most important aspect is the shift from product related to service related.

Q: What do you think will be the key differences in how business will be done in a circular economy from a consumer/ user perspective?

A: Well, that is again the same answer.

Q: Can you think of anything else that could be different or challenges for consumers?

A: I don’t know but maybe there are less products. Because I think for some products it is really difficult to be produced in a very sustainable way. Like coffee cups that you only use once. Maybe consumers don’t’ have the same range of choices anymore.