

Enhancing and Inhibiting Factors for Changes in Circular Business Models: Case Study

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Abstract

This study is part of the general ongoing discussion on the antecedents of circular business models (CBMs) by highlighting enhancing and inhibiting factors. Its aim is to explore the main factors responsible for undertaking or stopping changes in circular business models in a large manufacturing enterprise operating in the textile recycling sector. The study uses a case study design of “mixed methods” in order to obtain a coherent and comprehensive answer to research questions. Identified factors for changes in circular models of second-hand clothing reuse and textile recycling into innovative textile composites used in industry. The set of main drivers for the development of CBMs include: relevant regulations at the European level; advances in digital technology and process automation; process and product innovations (i.e. innovative textile composites made of recycled textiles, developed alternative methods of using textile waste); as well as consumers’ social and ecological awareness. On the other hand, the set of main barriers for the development of CBMs include: supply chain complexity and supply chain collaboration in connection with a large scale of business in crisis situations; a large-scale business in crisis situations; a large scope and range of geographic diversification of outlets; as well as low willingness to take high risk in conditions of high uncertainty. Future studies should include more enterprises to further analyse this phenomenon.

Keywords: circular business model, recycling, reuse, textile recycling sector