

PROMOTING SUSTAINABLE CONSUMPTION: FILLING THE GAP BETWEEN RETAILERS AND END CONSUMERS' PERCEPTION OF CIRCULAR PRODUCTS

Perotti, Francesco Antonio^{1,2}; Bresciani, Stefano¹; Ballerini, Jacopo^{1,3}

¹Department of Management, University of Turin, Turin, Italy

²Department of Management, University of Agder, Kristiansand, Norway

³Department of Marketing, Vrije Universiteit, Amsterdam, Netherlands

ABSTRACT

POSITIONING, GAP AND PURPOSE

In response to the rising demand for circularity by supranational and not-for-profit organisations (Circle Economy, 2021; European Commission, 2020), as well as society's renewed interest in sustainable products and services (Hartmann and Siegrist, 2017; Tunn et al., 2019), researchers' and practitioners' effort in unpacking new business models based on circular purposes is increasing exponentially (Bai et al., 2022; Lieder and Rashid, 2016; Morea et al., 2021). However, while most studies revolve around how companies are translating their practices and processes to embrace the circular economy (CE), little is known about downstream stakeholders' attitudes toward circular products and services (Hazen et al., 2017; Mostaghel and Chirumalla, 2021). Previous studies have shown how sustainable consumption supports and strengthens circular businesses in addressing environmental and social challenges (Tunn et al., 2019). From this point of view, companies can leverage ethical purchase behaviours and foster sustainability by dealing with the perception of downstream stakeholders regarding circular products and services (Mostaghel and Chirumalla, 2021; Ranta et al., 2020). Yet, due to their different perceptions and technical awareness, end consumers and B2B customers revealed peculiar approaches to circular outcomes (Casidy and Yan, 2022; Hartmann and Siegrist, 2017; Ranta et al., 2020). This issue has not been properly addressed so far, although it can address company policies aimed at promoting sustainable consumption (Mostaghel and Chirumalla, 2021). Therefore, through the lens of the social cognitive theory (Bandura, 2001), the main purpose of this research is to emphasize the contrasting end consumers and retailers' attitude toward circular products and services, to outline two more suitable inter-relational approaches which optimize stakeholders' perception of circular products and, as a result, sustainable consumption.

RESEARCH DESIGN AND METHODOLOGY

The study follows a quantitative methodology through a survey approach to collect data about customers' (both B2B and B2C) perceptions towards CE processed products. It implies a multigroup analysis through PLS-SEM, which is considered an efficient way to statistically test differences in perceptions across different stakeholders (Chi et al., 2022). The dataset will be composed of two subsets of interviewees. The first one, representing the B2B stakeholders, will involve buyers and category managers working for distributors and retailers of the selected product categories, while the second subset will be formed by final consumers. As for the analysed verticals, we decided to consider cosmetics and food & beverage, which are considered sectors profoundly linked to CE issues and practices (Lieder and Rashid, 2016; Morea et al., 2021).

EXPECTED FINDINGS

Once the responses (about 400 end consumer responses and B2B customers) have been collected and the multigroup analysis conducted, we would be able to outline a detailed picture of their perception regarding circular products or services. Supported by previous studies, we assume a different level of technical awareness of product processing between end consumers and buyers (Hartmann and Siegrist, 2017), so that the degree of information asymmetry could lead to discrepancies in product perception. Hence, the trust dynamics between B2B and B2C customers also follow different logic (Casidy and Yan, 2022). According to Sirieix et al. (2013) and Aprile and Punzo (2022), consumers tend to manifest more sceptic behaviour toward "climate-friendly" claims concerning other kinds of product labelling. On the contrary, thanks to the direct commitment of managers from the supply side, buyers and category managers often welcome vendors' green supply chain practices (Hoejmose et al., 2012). Therefore, we can reasonably expect B2B stakeholders could express a higher degree of positive perception with respect to end consumers.

IMPLICATIONS FOR ACADEMIC AND PRACTITIONERS

Building on our findings, it is our intention to further the sustainable consumption knowledge by highlighting the conflicting stakeholder's perception of products resulting from CE practices (Bandura, 2001; Tunn et al., 2019; Hartmann and Siegrist, 2017). Our theoretical contribution will delve into this comparison to advance two tailor-made communicational perspectives with respect to downstream stakeholders. As managerial implication, we outline some best practices and guidelines to increase the added value associated to circular products by leveraging sustainable consumption. Finally, while

offering some insights for businesses, we expect to promote ethical purchase behaviours supporting the circular transition.

Keywords: Sustainable Consumption, Circular Economy, B2B Customer Perception, End consumers Perception

REFERENCES

- Bai, C., Orzes, G., and Sarkis, J. (2022), "Exploring the impact of Industry 4.0 technologies on social sustainability through a circular economy approach", *Industrial Marketing Management*, Vol. 101, pp. 176-190.
- Bandura, A. (2001), "Social cognitive theory: An agentic perspective", *Annual review of psychology*, Vol. 52 No. 1, pp. 1-26.
- Casidy, R. and Yan, L. (2022), "The effects of supplier B2B sustainability positioning on buyer performance: The role of trust", *Industrial Marketing Management*, Vol. 102, pp. 311-323.
- Chi, M., Chong, H.-Y. and Xu, Y. (2022), "The effects of shared vision on value co-creation in megaprojects: A multigroup analysis between clients and main contractors", *International Journal of Project Management*, Vol. 40 No. 3, pp. 218-234.
- Circle Economy (2020), "The Circularity Gap Report 2021".
- European Commission (2020), "Circular Economy Action Plan: For a cleaner and more competitive Europe".
- Hartmann, C., and Siegrist, M. (2017), "Consumer perception and behaviour regarding sustainable protein consumption: A systematic review". *Trends in Food Science & Technology*, Vol. 61, pp. 11-25.
- Hazen, B. T., Mollenkopf, D. A., and Wang, Y. (2017), "Remanufacturing for the circular economy: An examination of consumer switching behavior", *Business Strategy and the Environment*, Vol. 26 No. 4, pp. 451-464.
- Lieder, M. and Rashid, A. (2016), "Towards circular economy implementation: a comprehensive review in context of manufacturing industry", *Journal of Cleaner Production*, Vol. 115, pp. 36-51.
- Morea, D., Fortunati, S. and Martiniello, L. (2021), "Circular economy and corporate social responsibility: Towards an integrated strategic approach in the multinational cosmetics industry", *Journal of Cleaner Production*, Vol. 315, 128232.
- Mostaghel, R. and Chirumalla, K. (2021), "Role of customers in circular business models", *Journal of Business Research*, Vol. 127, pp. 35-44.
- Ranta, V., Keränen, J., and Aarikka-Stenroos, L. (2020), "How B2B suppliers articulate customer value propositions in the circular economy: Four innovation-driven value creation logics", *Industrial Marketing Management*, Vol. 87, pp. 291-305.
- Tunn, V. S. C., Bocken, N. M. P., van den Hende, E. A., and Schoormans, J. P. L. (2019), "Business models for sustainable consumption in the circular economy: An expert study", *Journal of cleaner production*, Vol. 212, pp. 324-333.