



# Behavioural study "Consumers' Engagement in a Circular Economy" *preliminary results*

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# Introduction and study objectives

***Study launched in mid 2017 – now being finalised***

***Consortium: LE Europe, ConPolicy, Trinomics, Ipsos, VVA Europe***

***The objective of the study was to provide insights on **consumer attitudes and behaviour regarding the durability and reparability of products** in order to inform possible future policy initiatives on circular economy.***

- Objective #1: To identify the barriers and trade-offs that consumers face when deciding whether to purchase a more or a less durable good, whether to have a good repaired or to discard it and buy a new one
- Objective #2: To establish the relative importance of economic, social or psychological factors which determine consumers' degree of engagement in CE practices, in particular purchasing durable products and seeking repair instead of disposing of products
- Objective #3: To suggest policy tools to facilitate and motivate consumers to engage in CE practices related to durability and reparability

***And a whole range of research questions...***

# Study overview

## Task 1: Preparatory phase

### Activities:

#### Literature review

Gather and analyse relevant information from secondary sources, from across Member States

#### Focus groups

Collect qualitative evidence from consumers on attitudes, expectations and awareness

#### Online desk research

Collect information on business models, market practices, services, market data, etc.

#### Stakeholder interviews

Gather additional relevant evidence via stakeholder interviews

### Outputs:

#### Market information

Business models, advertising strategies, services, discriminatory practices, market data, etc.

#### Address RQs

Answer research questions as far as possible, and identify information gaps

#### Define hypotheses

Define hypotheses to be tested and confirmed or refuted in Task 2

### Quantitative and qualitative analysis:

- Statistical testing of treatment effects
- Testing and modelling of links between variables
- Estimation of willingness to pay
- Qualitative assessment with input from experts
- Assessment of possible EU level policy options

## Task 3: Analysis of results – Integration of Tasks 1 and 2

## Task 2: Experiment & survey

### Activities:

#### Experiment

Collect behavioural data, test hypotheses, test information design frames and other treatments

#### Survey

Collect data needed to answer research questions

### Outputs:

#### Tests of hypotheses from Task 1

#### Treatment effects

Impacts of the tested treatment on behaviour

#### Data to address RQs

Filling gaps from Task 1

### Preparation of Final Report:

- Analytical conclusions and policy recommendations
- Answers to the research questions that are fully explained and justified

# Scope of work

During the inception phase of the project, it was decided to cover the following:

**Product selection:** a mix of functional and fashionable goods

➤ **Vacuum cleaners, dishwashers, TVs, Smartphones, clothes** (coats, jeans)

**Country selection:** geographic balance and balance of CE engagement

	Literature review	Online Desk Research	Stakeholder consultation	Consumer focus group	Survey, Experiment
AT	EN + DE	x	x		S
BE	EN + FR + NL				
BG	EN				
HR	EN				
CY	EN				
CZ	EN + CZ	x	x	x	S + E
DK	EN				
EE	EN				
FI	EN				
FR	EN + FR	x	x		S
DE	EN + DE	x	x	x	S + E
EL	EN				
HU	EN + HU	x	x		S
IE	EN	x	x	x	S + E
IT	EN				
LV	EN				S
LT	EN				
LU	EN + FR				
MT	EN				
NL	EN + NL	x	x		S
PL	EN				
PT	EN				S
RO	EN + RO	x	x		S + E
SK	EN				
SI	EN				
ES	EN + ES	x	x		S + E
SE	EN	x	x	x	S + E
UK	EN				
<b>Total:</b>	<b>28</b>	<b>10</b>	<b>10</b>	<b>4</b>	<b>S=12 E=6</b>

## **Generally, consumers were willing to consider the durability and reparability of products when purchasing new products**

The survey found that **most EU consumers claimed to be frequently engaging with the circular economy** and made circular decisions.

However, consumers can be cautious in adopting more sustainable behaviours as **price** and **available information** on durability and reparability play an important role when purchasing new products. Yet, information was often difficult to find, or understand.

**Concerns about the environmental impact** of the linear economy and their **pursuit to save money** were main drivers of CE decisions.

**Older respondents** indicated more frequently to keep things for a long time and recycle their unwanted possessions.

# Consumers' current engagement with repairing, renting or leasing was relatively low for various reasons

A relatively small share of respondents to the survey mentioned they were willing to **engage with novel CE practices** such as leasing products instead of buying them.

Both the survey and the experiment findings show that **buying second-hand is more likely for certain products** (smart phones and clothes).

The main reason for not repairing is the **price of repair**, **consumers' preference** for a **new product** and the influence of **fashion and technological** advancements for some products.

But overall **consumers satisfied about repair services** for all the five different product categories.

The experiment also found that **convenience and ease of accessibility of repair** are important drivers of repair decisions.

There is a clear **trade-off** between the **total costs** of repairing versus replacing with a new product that favours the latter more quickly.

# Socio-demographic differences in CE engagement

## *Attitudes towards trends and fashion*

- Durability and reparability less important for fashion products but very important for larger, more expensive items, esp. white goods.
- Those least interested in trends and fashion were more likely to purchase second hand

## *Geographical and cultural differences (only from the 12 survey countries)*

	Search for durability information	Repairing	Second hand purchases	Importance of CE information
<b>Above average</b>	RO	RO	RO, IE, HU	RO, HU,
<b>Below average</b>	DE, NL	NL	PT	NL, DE, AT, FR

## *Age*

- Older participants more frequently searched for CE information, more often attached high importance to such information and found CE information often difficult to find.
- Older participants were less likely to purchase second hand products

## *Financial situation*

- Individuals with financial difficulties were more likely to purchase second hand

## *Attitudes towards the CE*

- Generally there was an astonishing level of consistency between stated attitudes towards the CE and actual behaviour in the survey and experiment.

# Durability and reparability information and its potential role in consumers' decision-making

***Consumers paid strong attention to durability and reparability information at the point of purchase. (IMPORTANT FINDING)***

***When CE information was provided in the experiment, respondents were:***

*Almost 3x more likely to choose highest durability products*

*More than 2x more likely to choose highest reparability products*

*Lowest durability/reparability products became, respectively, widely unpopular*

***Durability information*** was effective when presented via several ways: e.g. via "expected lifetimes", or "(extended) manufacturer's warranties" or via icon(handshake icon & years, months) in the EU Energy Label or EU Ecolabel (icon slightly less, however the icon was not known).

***Reparability information*** also effective but slightly less than durability information – disclaimer: reparability information was (only) presented as an icon (spanner & screwdriver icon with A-G rating) in an EU label.

The information also led to **significant willingness-to-pay** for CE characteristics.

**Information 'nudges'** reinforced the effectiveness of CE information.





**Study is being finalised and expected to be published  
sept/oct 2018!**

**Thank you for your attention!**

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