

Free Workshop | Oct 19, 2022

Stuff in Flux: Market Insight for Circular Innovation

GVCEN

Greater Vancouver
Circular Economy
Network Series



Vancity





Photo: Vince Lee

Welcome

We acknowledge we are on the unceded, traditional, and ancestral territories of the x^wməθkwəyəm (Musqueam), Skwxwú7mesh (Squamish), and Səlílwətaʔ/Selilwitulh (Tseil-Waututh) Nations.

Located on the Ambleside Park, Beach Groyne in West Vancouver, BC, the **Welcome Figure** was a gift from the Skwxwú7mesh Úxwumixw (Squamish) First Nation.

Artist: Sequiliem (Stan Joseph)

Head Carver: Chixsten (Wes Nahanee).

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**VANCOUVER
ECONOMIC
COMMISSION**

VEC's purpose is to build a prosperous, inclusive, zero-carbon and resilient local economy, competitively positioned in the global market. Our team works to strengthen Vancouver's economic future by providing programming, supporting local companies, monitoring the region's economic health, and conducting and publishing leading-edge industry research.

vancouvereconomic.com

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Share Reuse Repair
INITIATIVE

The **Share Reuse Repair Initiative (SRRI)** brings together government, business, and community innovators to build a culture and economy of sharing, reuse, and repair in the Greater Vancouver region in order to prevent waste, support lighter living and enable circular innovation.

www.sharereuserepair.org

Join us for the rest of the GVCEN series



Upcoming session dates:

- October 19
- November 16
- November 30
- January 18
- February 15

Follow Share Reuse Repair Initiative and the Vancouver Economic Commission for updates!

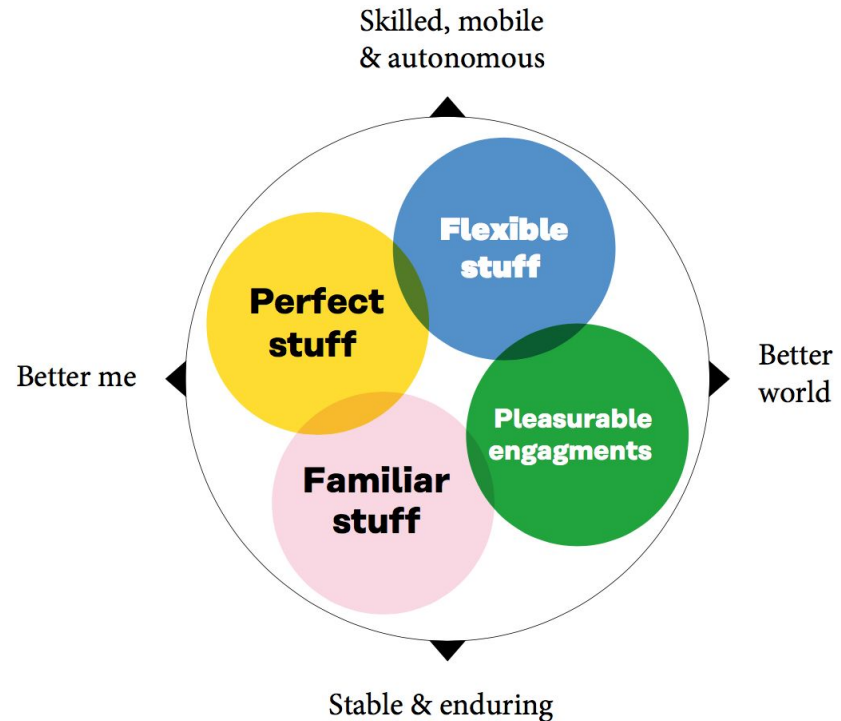
Stuff in Flux #2

IT BEGAN FIVE YEARS AGO WITH ONE SIMPLE QUESTION.
IS OUR RELATIONSHIP TO STUFF CHANGING?

Stuff in Flux Chapter 1

Four new market opportunities identified in 7 countries.

Canada NOT included
...and Canadian businesses NOT involved.



Stuff in Flux Chapter 2 (Canada) (Sep 2021 – June 2022)

Canadian Project Team



Rosemary Cooper

Project Director, SRRI & Part-Time Faculty, BCIT School of Business (Circular Economy)

20 years+ years in sustainability/green economy; circular economy pioneer since 2013



Lindsey Boyle

Founder, Circular Citizen

20+ years experience in brand management and market insights. Circular innovation since 2019.

Global Lead



Oskar Korkman & Sharon Greene

Co-Founders, Alice Labs

Global strategic management consultants; Stuff in Flux Chapter 1 leads

Advisors & Partners



Paul Shorthouse

Managing Director, Circular Economy Leadership Canada; Senior Director, Green & Circular Economy, Delphi Group

Sponsored by Canadian Tire

WHEN IT BEGAN IN 2016 IT WAS A VOYAGE WITH THREE UNIQUE CHARACTERISTICS

1. Understanding new realities through the lens of the Leading Edge

2. C-Suite opportunity to confront the new reality head on

3. Identification and Quantification of New Market Opportunities



The Leading Edge – a window to the mid-term future

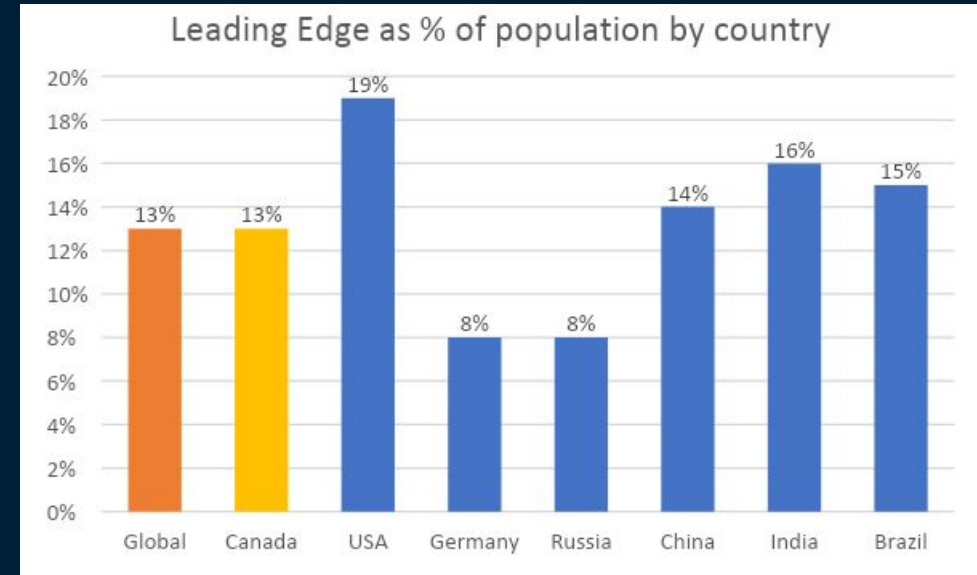
Leading Edge method for identifying opportunities

The Leading Edge are recognised in their circles as authorities in **“knowledge about newness”**.

They are creative but not radical, they push for change from within the system.

We study the Leading Edge not to target them as customers, but **to identify future market directions**.

These directions are subsequently measured and **validated or invalidated as broader emergent opportunities**.



A project in 4 phases

1. Scoping

2. Qualitative
insights &
ideation

3.
Quantification
opportunities
to drive change

4. From
insights to
application

HACKFEST'S TO STIMULATE AND RELEASE CREATIVE ENERGY AND KNOWLEDGE



IDENTIFIED AND QUANTIFIED OPPORTUNITIES.

The qualitative phase of the process leads to the identification of **new market opportunities** or Opportunity Territories.

Their **development potential can be estimated** through the Leading Edge Segmentation.

And they can be measured and **compared across geographies**.

ADOPTION OF
BEHAVIOURS
RELATED TO
Living Light



Key behavior driver:
Being mobile and flexible increases self confidence

Mass potential
High

Mass potential in Finland
Slower adoption

Turning the consumer opportunity into a business opportunity

- What are the types of value propositions that are successful?
- What are the barriers?
- What are the drivers of change?
- What is the business model lying behind?

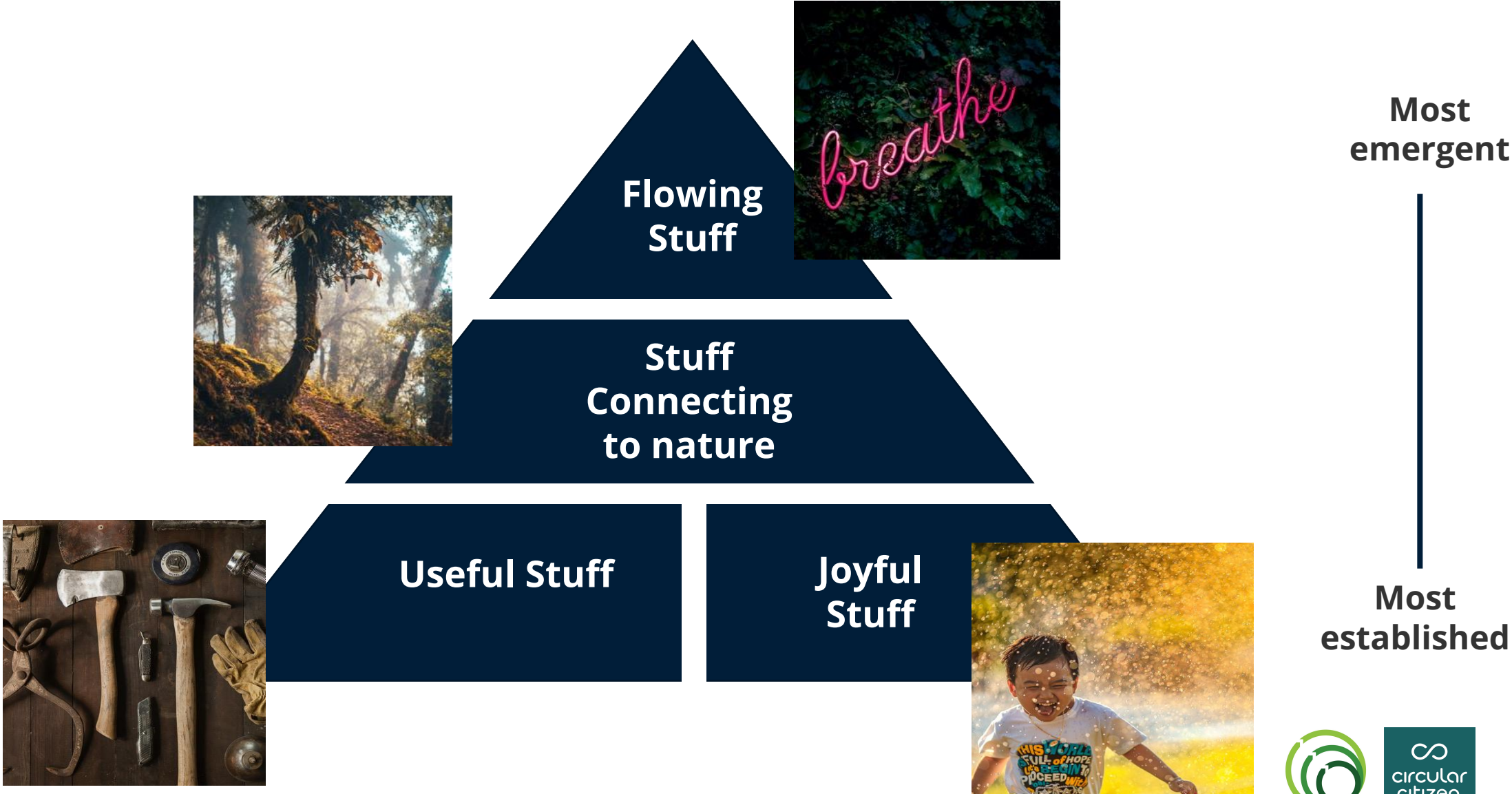


Global Evolutions in relationship to stuff (2016-2021)

- An **increased engagement in sustainability** and aspiration to curb consumption.
- An awakening to an **understanding of circular flows** and scarce resources.
- The **beginning of a separation between the idea of purposeful versus excessive consumption.**
- A **drop in excitement related to shopping** and buying
- An active **search for brands that align with one's values and doing positive things** in society or for the planet.



Four Strategic Opportunities with Mass Market Potential



Opportunity 1: Useful stuff



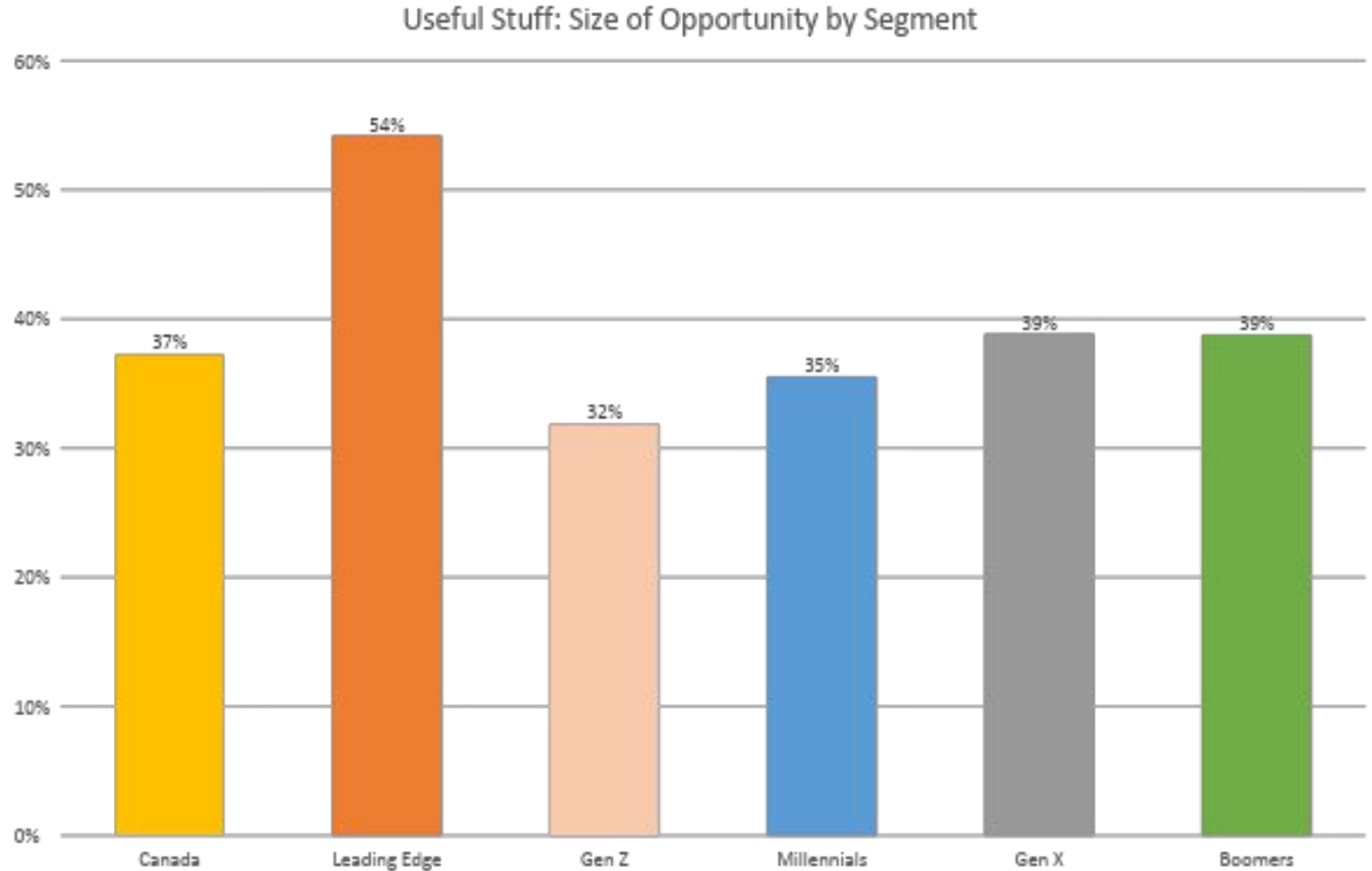
Useful Stuff: Value from Use, Not Possession

- **Judging usage over time:** assessing whether things are going to be valuable over time, and perhaps declining and delaying purchase when not convinced.
- **Finding things not in use burdensome:** we also see a consumer tensions around “getting rid” of things that are not in use.
- **Searching for convenience in ownership:** Leading edge consumers reflect first on whether a product is “easy” to own or if its ownership will create a burden in the future.



Useful Stuff – The Largest Canadian Opportunity

- With 37% of the population and 54% of the Leading edge Segment (7% of population)..
- Most resonance among the older segments (Gen X and the Boomers). Appeal for the younger generation is modestly lagging.
- Current opportunity 37% but could evolve to 63%



the % of the population within the “segment” (e.g. Leading Edge, Millennials) that resonate very highly with the opportunity.





Design questions for this territory focus on how to enhance **value in use over time and create timeless aesthetics.**

How can we help people judge long-term use?

How can we help people try things out, without committing?

How can we build-in repairability so it becomes a choice criteria?

How can we reassure people that long-term use will be convenient & supported?



The Always Pan uses a language of “use” in its communication – versatile & durable.



Canada Goose's iconic and award-winning Cold Room show-offs the functional and protective features of its products where they are needed most.



Arc'Teryx's launched ReBIRD™ in 2021 as the home for all their circularity initiatives.

ReCARE™ supports customer use of their gear over time through care and repair service and tips.

ReGEAR™ provides a trade in and resale hub to get used gear back in action.



Opportunity 2: Joyful Stuff



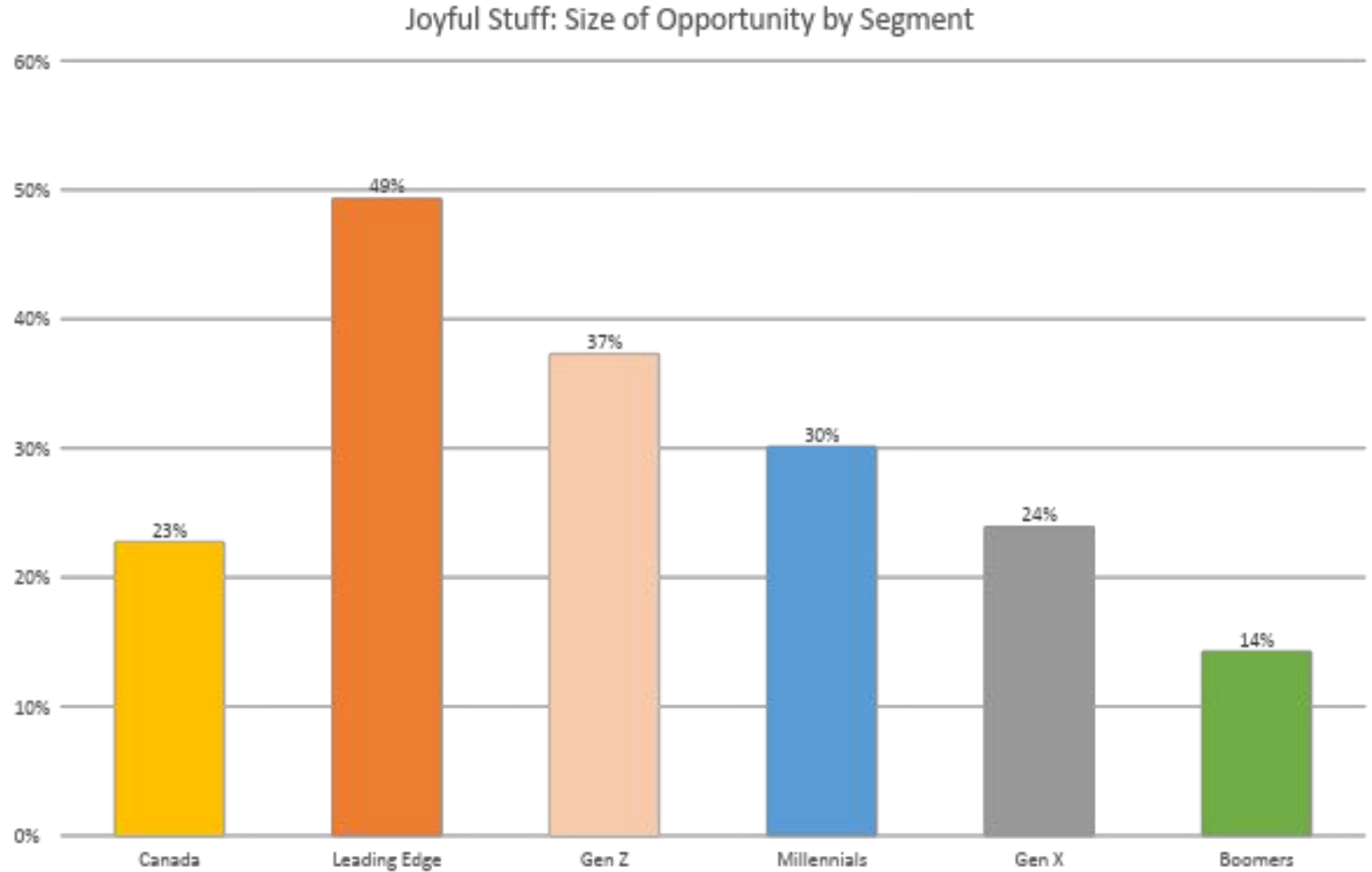
Joyful Stuff: Finding Joy from Goods that Elevate, without Guilt

- **Elevating mood:** The most joyful things are things that enable one to do more, get into a certain “mood”, but it’s not about distraction or fragmented attention.
- **Hacks for improving everyday life:** For the LE, Simple things can be small incremental improvements to the quality of life.
- **Multi-sensorial experience:** The Leading Edge often describe good product experience as a holistic and even sensual experience.




Joyful Stuff in numbers

- An opportunity of **23% of the population and 49% of the Leading edge Segment** (6.5% of population)
- Highest traction among the younger segments so can provide an important bridge for renewal (of brand and customer base).
- **Current opportunity 23% but could evolve to 43%**



the % of the population within the “segment” (e.g. Leading Edge, Millennials) that resonate very highly with the opportunity.





For this territory we need to ask how goods facilitate and **make everyday activity more joyful**, but in a way that does not create guilt.

How can we see digital objects as a substitute for change and fun?

How can we make products that elevate an activity, instead of being a distraction?



Elate is industry-leading for their vegan, cruelty-free, natural makeup line.

Their capsule-based system has kept 700,000 plastic containers out of landfills to date.

“We are for intentional beauty that minimizes waste and maximizes your JOY”



Digital substitutes can be a guilt-free substitute for change and fun. RTFKT (acquired by Nike) collaborated with teenage artist FEWOCiOUS to design a line of “digital sneakers” that brought in \$3.1 million in 7 minutes.

Option to redeem for a real pair of shoes a month later.



NOT YOUR AVERAGE GLOW STICK



Nyoka Labs created the LÜMI: glow sticks designed for sustainability and safety.

The LUMI works via the physical phenomena inherent to photoluminescent nano-crystals. Non-toxic, biodegradable.

Glowes for 8-12 hours. Recharge with any light source for JOY at parties over and over.



Opportunity 3: Stuff connecting to nature



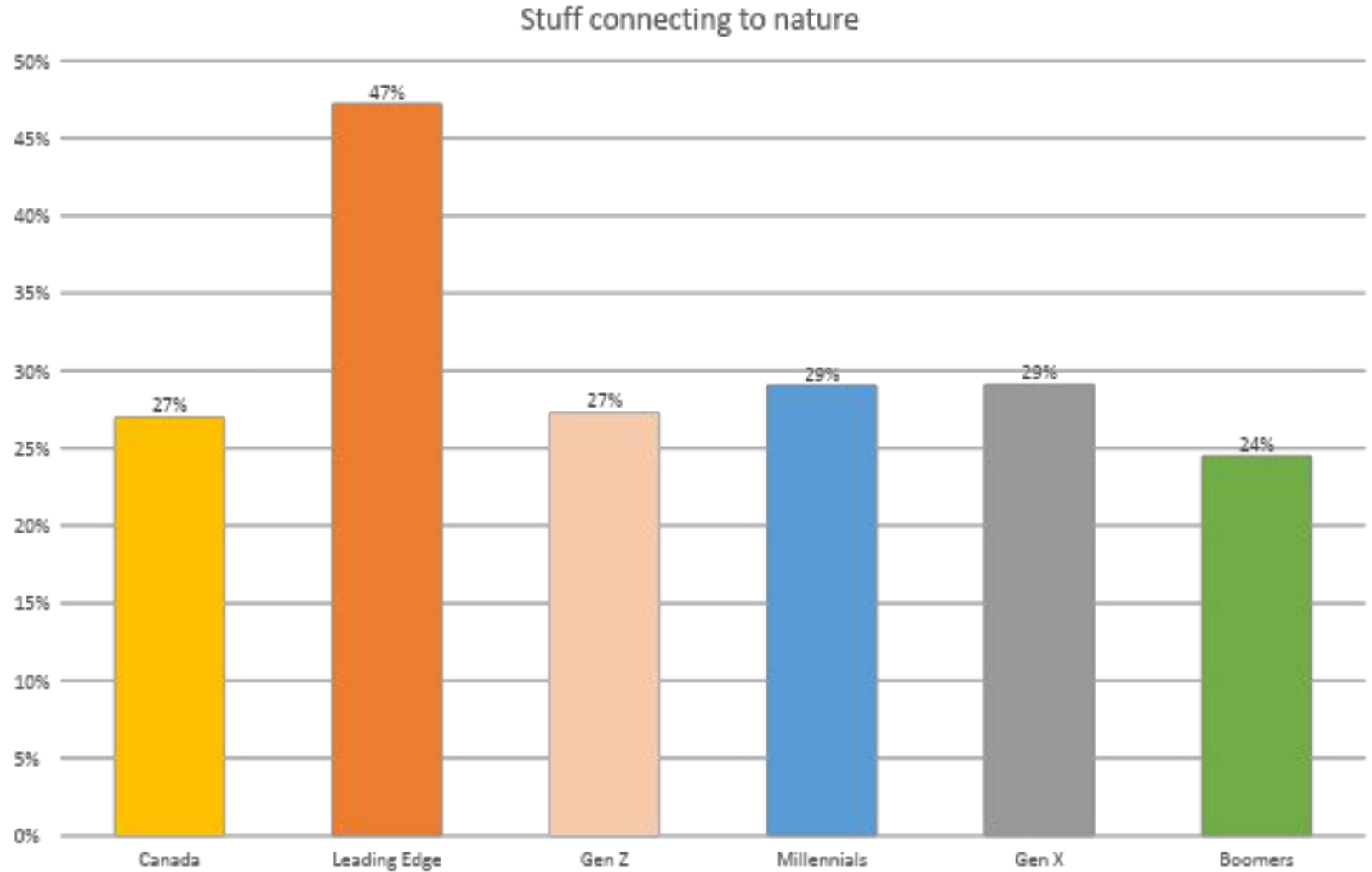
Stuff Connecting to Nature

- **Experiencing nature as an alternative to consuming:** People feel closer to nature; enjoy nature as an invigorating experience, better than consumption.
- **Connection to nature through materials:** Bringing the outside in and close to the body, people aspire to surround themselves with nature and natural materials to create more harmonious and calming environments.
- **Connecting to people through the way things are made:** Selecting things that are handcrafted, made by small brands or those with purpose or made locally are all ways of maintaining connections in society and creating contribution and balance.



Stuff Connecting to Nature: Second Largest Canadian Opportunity

- An opportunity of 27% of the population and 47% of the Leading edge Segment (6% of population) this is the **second largest opportunity for Canada**.
- **Less varied across age groups** as nature and societal engagement seems to be unifiers for Canadians
- **Current opportunity 27% but could evolve to 45%**



the % of the population within the "segment" (e.g. Leading Edge, Millennials) that resonate very highly with the opportunity.



For this opportunity we need to ask **how nature, the natural, people and “systems” can become a source of innovation** for new types of offerings?

How can we find new inspiration from nature?

How can we find new natural solutions that perform better than synthetic or “artificial”?

How can we include regeneration of nature?

How can we bring together multiple players to create new solutions?



Nutshell Coolers make a sustainable and collapsible cooler made from coconuts.

Performs better than most traditional coolers.

They also connect people with the farmers and materials at the heart of their products.



ecologist uses responsibly sourced, natural materials, wool & organic cotton, to create clothing that is built to last.

To support nature, the brand does not use fabrics made out of microplastics.

Microplastic particles wash off synthetic clothes, and contribute up to 35% of the plastic in our oceans.





Nature Positive Food

Nature's Path Organic is committed to going even further than organic to preserve and promote biodiversity.

Regenerative organic farming focuses on restoring soil to its healthiest state, helping store carbon in the soil.

Launched the world's first Regenerative Organic Certified Oatmeal in 2020.



Opportunity 4: Flowing Stuff

Breathe

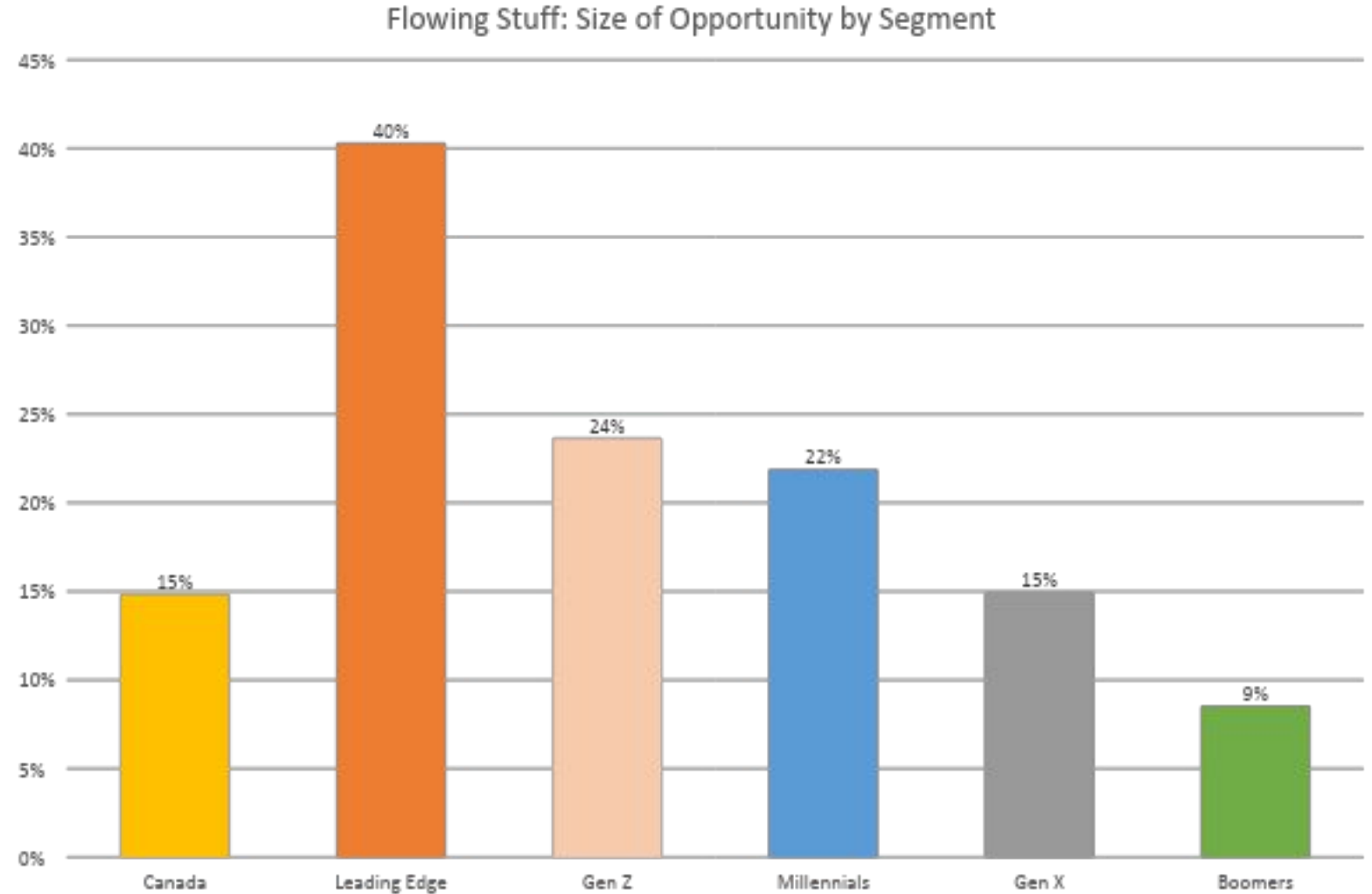
Flowing Stuff: Goods as Part of a System with Flow

- **Not pulling more into the system:** Not having to carry the burden of bringing more things into circulation. Optimizing the resource already in circulation.
- **Temporary ownership/ stewardship:** of things while you are using them can be a more positive way of approaching effective use of resources.
- **Interest in on-demand:** On demand production and customization are seen as ways to ensure that that dead stock is minimized.



Flowing Stuff – Least Developed Yet Key to Brand Renewal

- 15% of the population and 40% LE (5% of population) shouldn't be ignored.
- Sustainability is “front and center” with higher traction Gen Z and Gen Y segments; reflects their tendency to redefine consumption, change old habits and adopt new ones.
- From a brand renewal and purpose perspective this territory is essential.
- Current opportunity 15% but could evolve to 30%



the % of the population within the “segment” (e.g. Leading Edge, Millennials) that resonate very highly with the opportunity.



For this territory we need to ask how goods can be **seen as a flow and how this can be done on an industrial scale in new ways.**

Can variations of ownership models increase use of materials?

How can supply be further optimized?

How can “community models” be industrialized?

tradle.



A circular baby clothing subscription service.

Tradle curates bundles of organic clothing from Canadian brands that children wear until they outgrow them. Parents then simply exchange them for the next size.

Tradle reduces the time and mental effort to figure out what to do with outgrown clothes - and reduces clutter and storage space needs.





Ikea Canada's Circular hubs provide a space to purchase items that are pre-loved, have minor damage or discontinued.

Ikea family members can sell-back furniture in good, unmodified condition in return for an in-store credit.



Telus acquired Mobile Klinik in 2020, a Canadian smartphone and tablet repair store chain with over 80 locations across the country. Mobile Klinik provides mainstream access to certified mobile phone repair through and the purchase of certified pre-owned phones - either online or in-store at 121 store locations.



There is a circular story in each opportunity

Useful Stuff

Longevity &
Repairability

End of life solution

Responsibility
(lifetime warranty)

Joyful Stuff

Not generate a
feeling of guilt

Digital substitutes

Experiment to solve
problems/bring
solutions

Stuff Connecting to Nature

Mimic nature

Materials &
processes that
regenerate nature

Transparency about
impact on nature &
people

Flowing Stuff

Circular models -
sharing, reuse, repair

Previously owned or
owned after

Upcycled goods
(made from waste)



Upcoming Offerings

- **Free workshop for Vancity members coming soon.** Reach out if interested to apply to the SIF territories to your business
 - Email: alicesrri@gmail.com
- Reach out if you want **customised help to apply SIF2 territories** for your company.
 - Email: lindsey@circularcitizens.com
- **Other application you see** - part of an incubator program, present at a conference.
 - Email: alicesrri@gmail.com



Up Next

Breakout Rooms

Sessions will conclude at 10:15am and we will debrief

Breakout Q's

- What have you observed in the market, your own business, or through other innovation market research that **supports** the four innovation territories?
- What **barriers** do you see to using the innovation territories to inform your innovation agenda?



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Final Thoughts

Debrief Session

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 - Email: lindsey@circularcitizens.com
- **Other application you see** - part of an incubator program, present at a conference.
 - Email: alicesrri@gmail.com

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Thank you!

Feel free to reach out with questions or thoughts.

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