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Policy Instruments to Upscale Electronic Products Repair Business Models

A Financial Approach

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**Track 2.3: Business model experimentation for circular economy:
close, slow, narrow, regenerate**

Short paper

Abstract

Traditional sustainability paradigms such as green growth, bioeconomy, efficiency, or the belief in purely technological solutions, are increasingly seen as inadequate to address pressing environmental concerns. Instead, voices advocate stronger sustainability paradigms, such as sufficiency and circular economy-based models.

In this respect, repair business models constitute a key sufficiency-based business model (BM), which begin to be experimented and have the potential to slow down material flows in the economy. While repair BM and the challenges faced by actors who desire to implement and upscale them have been discussed, management control and financial approaches of repair BM remain largely neglected by academia. In particular, society still lacks understanding of the cost structure and the financial challenges repair BM face. This oversight is significant, as these aspects bear crucial implications for the desirability of repair services to customers, who weigh the option of repairing against purchasing a new product. In a similar vein, previous literature concerning repair policies fails to provide answers about the level of financial support that is likely to make customers change their consumption patterns towards preferring repair.

In this context, this study will propose an in-depth analysis of the financial challenges related to electronic products repair business models and related policy instruments. Based on these

insights, a methodology to assess the level of support that financial policy instruments should provide to effectively favor an upscale of repair business models will be begin to be investigated.

Key words

Sufficiency, Strong Circular Economy, Circular Business Models, sufficiency-based Circular Business Models, cost structure, financial performance

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