Circular Economy in the Textile Industry

Pietro De Giovanni

https://orcid.org/0000-0002-1247-4807

Luiss University, Italy & Luiss-X.ITE Research Center, Italy

EXECUTIVE SUMMARY

This chapter elaborates on the application of circular economy systems in the textile industry, which is historically influenced by seasonality effects that induce a search for circular solutions independent of environmental constraints and regulations. This chapter shows that circular economy systems can create business opportunities as well as important cannibalization effects when consumers are confronted with new and used textile goods. Hence, it highlights how the use of digital technologies can help to support the mitigation of such issues..

INTRODUCTION

This business case focuses on analysing Patagonia Inc., an American textile firm that changed the world of fashion in the last decades. This firm has built a clothing empire through its love for the environment and a passion for crafting quality goods that enhance humanity's relationship with it. Patagonia's biggest legacy may not just be its clothing, but its entire brand philosophy. Indeed, buying Patagonia's clothes means to embrace a sustainable and innovative lifestyle. Environmental and social sustainability, technological innovation and comfort are the main features of this brand, which has been piloting the

textile sector into this new ethical paradigm (De Giovanni, 2019). Moreover, Patagonia is involved in various partnerships with research centres to address sustainable farming matters, thanks to a fully dedicated division called Patagonia Provision. This is a clear example of the all-around commitment of the brand to the health of our planet.

The aim of the present work is to analyse Patagonia's Worn Wear initiative, which puts in practice the firm's beliefs in environmental and social sustainability, offering a true example of a functioning circular business model. The project was launched in 2013 and has become integral part of Patagonia's success on the market, highlighting in counter-intuitive way the quality and durability of the brand's garments and attracting new talents and conscious consumers every year (De Giovanni, 2020). Indeed, Patagonia's philosophy is strongly based on community engagement and, together with valuable partnerships, the brand was able to build a real success story.

The business case retraces the firm's journey to success, addressing the birth of Worn Wear and how it affects the business values, strategy, and economic performance. The first section is dedicated to the circular economy network, followed by the analysis of the drivers, values and stakeholders. Then, the chapter addresses how circular economy affects Patagonia's corporate strategy, giving insights about the Worn Wear initiative and other projects in which the brand is involved. Furthermore, the present work acknowledges the connection between circular economy and performance, together with a pragmatic analysis of two similar brands on the market: The North Face and Save the Duck. Eventually, the last sections include the circular economy developments, business transformations and possible implications for smart cities. To have a general idea of the company's strategy, the SWOT analysis proposed by Shastri (2021) is displayed in Figure 1.

CIRCULAR ECONOMY NETWORK

From the motto *"If It's Broken, Fix It"*, Patagonia mother brand gave born to Worn Wear. Worn Wear defines itself as "a community of climbers attracted by the most aesthetic line and motivated to protect the places where they climb".

Patagonia Worn Wear works as proper *hub* where several actors are involved aiming at extending the life of products. Multiple players are essential for the functionality of the platform; indeed, in our case study are extra steps to the buying and selling process. Repair, Reuse and Recycling are the three milestones around which the platform is built. If a product is totally worn out,

26 more pages are available in the full version of this
document, which may be purchased using the "Add to Cart"
button on the publisher's webpage: www.igi-
global.com/chapter/circular-economy-in-the-textile-
industry/312041

Related Content

Privacy-Preserving Data Mining
Stanley R.M. Oliveira (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1582-1588).*
www.irma-international.org/chapter/privacy-preserving-data-mining/11030

Cost-Sensitive Learning
Victor S. Shengand Charles X. Ling (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 339-345).*
www.irma-international.org/chapter/cost-sensitive-learning/10842

Video Data Mining
JungHwan Oh (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 2042-2047).*
www.irma-international.org/chapter/video-data-mining/11100

Financial Time Series Data Mining
Indranil Bose (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 883-889).*
www.irma-international.org/chapter/financial-time-series-data-mining/10924

Automatic Genre-Specific Text Classification
Xiaoyan Yu, Manas Tungare, Weiguo Fan, Manuel Pérez-Quiñones, Edward A. Fox, William Cameronand Lillian Cassel (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 120-127).*
www.irma-international.org/chapter/automatic-genre-specific-text-classification/10808