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Abstract:**Start-ups as change-agents in circular fashion: Examining customer value propositions**

The textile industry is currently under strong pressure to change, as it is one of the most polluting industries globally and also suffers from a poor reputation in terms of social responsibility. One of the key problems in the textile industry is the significant amount of textile waste created as a by-product of fast fashion business models (Pal & Gander 2018). This paper focuses on circular start-up companies in the field of fashion. Circular fashion companies base their operations on the circular economy principles of either reducing the use of virgin resources, reusing resources, or recycling what cannot be reused (see also Henry et al. 2020). To attract customers, the startups need to build resonating customer value propositions (CVPs). A CVP is “a strategic tool facilitating communication of an organization’s ability to share resources and offer a superior value package to targeted customers” (Payne et al. 2017, p. 472). However, there is not yet enough insight on circular value propositions, specifically in the fashion industry context. Thus, our research asks: What kinds of customer value propositions do circular fashion start-ups construct? We use the multiple case study approach including qualitative interviews and secondary data from eight case study companies in circular fashion. The case companies offer a variety of circular business models (Henry et al. 2020) within fashion. The findings highlight four features of circular fashion start-up value propositions: *dynamic*, *adaptable*, *multidimensional*, *impactful*. Furthermore, we discuss the ways in which these features are communicated to customers and other stakeholders. The findings contribute to the literature on circular business models by emphasizing the importance of the value proposition in creating change. The study has also practical implications for building customer value propositions in circular fashion.

References:

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