

Circular Economy and Business Transformation in European Furniture Industry

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Abstract

The circular economy (CE) plays a pivotal role in sustainability. The furniture industry in Europe is challenged as it is shifting towards CE principles. To better understand CE integration and business transformation, this study explores the drivers and barriers in this field. Research is motivated by the need to promote sustainable practices. This research aims to identify strategies used by furniture companies. The study reviews the literature using Scopes and Google Scholar for finding CE value sources and secondary data from Crunchbase. By using STATA software, we conducted a quantitative desk analysis, which analyzes 1081 companies. Based on identified value sources, the findings classify business models into seven archetypes, providing a framework for the adoption of the CE. By focusing on major 4 archetypes, this study reveals patterns among SMEs in the furniture sector that point to a deficiency in the thorough integration of the CE. It also shows how some businesses only concentrate on recycling and solar energy, ignoring other CE strategies. The strength of the framework is confirmed by illustrative cases for each archetype that were taken from the original secondary data. This research gives businesses practical tools for sustainable transformation while also providing deeper insights into the industry's CE dynamics. This study not only emphasizes how important it is for businesses to transform to CE, but it also offers a practical framework for navigating this shift. Ultimately, this study aims to inspire and guide industry stakeholders toward a more circular and sustainable future.

Keywords: Circular Business Models, sustainable framework, Sustainability Practices