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PRESS RELEASE

L'OBSERVATOIRE CETELEM DE LA CONSOMMATION 2022

A survey conducted in 17 European countries on a sample of 15,800 people

Circular economy: the rise of the consumer entrepreneur

- **The mood among Europeans has become more optimistic (+0.7 points), a turnaround that is all the more significant if we consider their perception of their personal circumstances, to which they assign a score of 6.2/10. In France, the figure is slightly higher at 6.3/10.**
- **Spending intentions are back to pre-pandemic levels, with 41% of Europeans (+7 points) stating that they would like to spend more over the next 12 months, chiefly on travel and leisure (57%).**
- **Only 14% of French respondents consider that their purchasing power has increased, although this is still 4 points higher than prior to the crisis.**
- **80% of Europeans have a positive image of the circular economy (82% of French respondents). It is seen as having a positive impact on the environment (85%) and is praised for its capacity to innovate (82%) and create jobs (75%). Only 35% of Europeans consider the circular economy to be a fad, although the proportion is higher in France (52%).**
- **More than 6 out of 10 Europeans (65%) recycle regularly, 46% endeavour to reduce their waste and 43% try to ensure that products are reused (by selling, donating or repurposing them).**
- **55% of French consumers buy second-hand products to save money.**
- **6 out of 10 Europeans (62%) declare that they have sold second-hand goods in the last year, a figure that rises to almost 8 out of 10 (77%) among the under-35s.**
- **Average monthly earnings from the sale of second-hand products stand at €77 in Europe and €67 in France.**
- **Europeans state that they are as likely to buy second-hand goods from a retailer or a shop (41%) as they are from a peer-to-peer buy/sell platform (39%).**

Part 1 - Observatoire Cetelem Barometer: hope returns, but inflation is a concern

The European Observatoire Cetelem Barometer signals **renewed optimism among Europeans**. Respondents give the situation in their country an average score of 5.4 out of 10, a 15-year high, although marked disparities appear between the Northern and Southern countries. France (5.5/10), Spain (5/10) and the United Kingdom (5.9/10) post the strongest rises (+1.1 points). The score they assign to their personal circumstances has bounced back even more impressively. Indeed, the European average stands at 6.2/10, the highest it has been since the barometer was created more than 20 years ago. In France, the figure is a fraction higher at 6.3/10 (+0.4 points).

The health crisis had led to a notable decline in people's desire to spend and a greater willingness to save. In 2022, spending intentions are back to pre-pandemic levels, with 41% (+7 points) of those surveyed stating that they would like to increase their spending over the next 12 months.

Europeans plan to spend more on travel and leisure (57%), the segment that has seen the highest increase in purchase intentions (+10 points). Other marked increases confirm the desire expressed by Europeans last year to prioritise their home, their comfort and the organisation of their living space, highlighting the pandemic's impact in prompting people to refocus on themselves and on their family: carrying out home improvements and renovations (+3 points), buying furniture (+3 points) and purchasing household appliances (+2 points).

Conversely, intentions to save have remained stable over the last year, although in many cases they are now significantly greater than prior to the health crisis (+15 points in France between the 2019 and 2022 Barometers). 54% of Europeans (44% in France) are keen to save more. A degree of anxiety and the need to prepare for potential future misfortunes are therefore ever-present in people's minds.

In terms of purchasing power, while 34% of Europeans consider that theirs fell in 2021, 45% believe that it has remained stable over the last year. In all countries, there is a growing feeling that purchasing power has increased. This is particularly true in Sweden and Spain (+7 points), but also in Belgium and Italy (+6 points). France is the country where purchasing power has risen the least (+1 point), with just 14% of French respondents believing that theirs has grown, although this is 4 points higher than prior to the crisis.

When linked to the question of purchasing power, the feeling that prices are on the up gains significant ground: 87% of Europeans (+17 points) believe that prices increased significantly in 2021.

Part 2 - The circular economy: a concept that is gradually gaining recognition, founded on practices that are developing constantly

While around 7 out of 10 Europeans (64%) are aware of the concept of the circular economy, only a quarter (25%) understand exactly what it means. People generally have a very positive image of the circular economy: 80% of Europeans have a favourable view of the concept, a figure that reaches 82% in France. It is seen as having a positive impact on the environment (85%) and is praised for its capacity to innovate (82%) and create jobs (75%). **Only 35% of Europeans consider the circular economy to be a fad, although the figure is much higher in France (52%).**

Europeans state that they apply the three Rs of the circular economy: *reduce, reuse, recycle.* **Waste sorting and recycling in general are the practices in which Europeans are most likely to engage**: more than 6 out of 10 respondents (65%) do so regularly. **Waste reduction is also commonly practised** (46%). The third R, **the re-use of products, either through their sale, donation or repurposing**, is regularly performed by 43% of Europeans.

36% of Europeans believe that the circular economy is well developed in their country, highlighting a positive and beneficial shift. Consumers in Northern and Southern Europe have differing perceptions of its penetration in their country**.** 1 in 2 Britons (51%) and slightly fewer Norwegians (45%) bear witness to its development, while very few make this observation in the South. France finds itself somewhere in between (39%).

Consumer entrepreneurs: taking charge of their consumption

6 out of 10 Europeans (59%) state that they buy the same amount of goods, but reduce their waste by selling them on, donating them or keeping them for longer instead of throwing them away. The figure in France in 56%. This attitude no doubt reflects a desire to avoid overconsumption or deconsumption, by instead adopting an approach that combines the quest for personal satisfaction with collective responsibility.

If earning more money is the "yin" of the circular economy, then spending less is clearly the "yang", something that 75% of Europeans (and 75% of French consumers) are now doing. It is worth noting that **83% of over-50s plan to spend less,** compared with just **65% of under-35s.**

As to the reasons that prompt consumers to **buy second-hand products, 52% do so to save money (55% in France).** The next most frequently cited reasons are preserving resources and the environment (36%) and increasing or diversifying one's consumption (29%).

What happens to the money "saved"? **52% state that they use it to bolster their savings**, while the remainder spend it on other products (48%). More specifically, those who spend the money either **buy day-to-day items they actually need (29%) or products that serve to maintain or improve their lifestyle (71%).**

Selling products is becoming common practice: **6 out of 10 Europeans (62%) declare that they have sold second-hand goods in the last year**, a figure that rises to **8 out of 10 (77%) among the under-35s.**

Average monthly earnings from the sale of second-hand products stand at €77 in Europe, an income boost that is far from negligible. But there are wide disparities. **The generational divide is considerable: 18-34 year olds earn an average of €103, while the figure is €86 for 35-49 year olds and €42 for 50-75 year olds**. What's more, 6 out of 10 Europeans aged over 50 give products away rather than selling them. **The geographical disparities are also significant**: while the Hungarians, Czechs and Slovaks earn less than €40 in additional income, the figure is almost tripled in Germany and, most notably, the UK, where sellers earn an average of €115. In France, the average is €67.

Respondents put forward two main reasons for selling second-hand products: **"freeing up space at home" and "earning extra income" (39% apiece)**, with over-50s placing a greater emphasis on the former (46%).

Who will shape the future of the circular economy?

Up until recently, economies, and more specifically the commercial transactions carried out between stakeholders, defined the roles assigned to the various parties with some degree of clarity. **This survey highlights a redefinition of these roles, with the emergence of consumer sellers who have become entrepreneurial when it comes to their consumption.** In this context, brands and retailers have a number of cards to play to help them appeal to consumers, the most important being the guarantees they can offer in terms of durability and repairability, as well as their potential for innovation.

In the eyes of Europeans, "traditional" vendors continue to play a significant role, although it is not necessarily a dominant one. **57% believe that the circular economy revolves primarily around**

products offered by brands and retailers. Under-30s are more inclined to highlight the role played by private individuals, notably through the use of online platforms (48% vs. 43% on average).
In the circular economy, competitive forces are just as powerful as those at play in the linear economy. This is particularly true when it comes to making a purchase. Indeed, Europeans state that they **are as likely to buy second-hand goods from a retailer or a store as they are from a peer-to-peer platform** (41% and 39%).

Consumer perceptions of the degree of engagement of brands vary somewhat: **82% believe that the fact that brands buy back used products to give them a new lease of life is a sign of their commitment to the environment**. 78% believe that this is a way for them to stand out in their market. **However, 77% feel that it is an opportunity for them to generate even more profit.** 86% see it as **an innovative approach that allows brands to recycle, reuse and design products.**

While 3 in 4 Europeans remain keen on ownership, **70% are prepared to pay more if repairability and durability indices are displayed on products. 4 out of 10 (41%) have previously bought a reconditioned product.**

The circular economy holds great promise and paves the way for a potential structural transformation of consumption. Its prominence and practices are expanding continuously. Many of the markets with which it is associated are growing at a blistering pace. The stakeholders involved in running the circular economy all have an active role to play in its development. **While a significant proportion (38%) of Europeans believe that new players specialising in second-hand goods are best placed to lead the way in this area, an almost identical proportion (34%) believe that traditional brands and retailers can also help shape this future.**

"With the development of the circular economy, consumers are displaying increasing entrepreneurship when it comes to their consumption and are thus becoming more complex figures. While not always fully understood, the circular economy is generally viewed in a positive light and looks to be following a promising trajectory that should spell success. In an uncertain economic and public health context, but also one of renewed optimism, European consumers state that they put into practice the three Rs of the circular economy: reduce, reuse and recycle, although the pursuit of savings or additional income often takes precedence over environmental concerns. This transformation will alter the habits of brands and retailers, especially given the clear generational divide that has formed, with younger people taking on the role of consumer sellers with greater ease than their elders," concludes **Flavien Neuvy, Head of L'Observatoire Cetelem**.

Download the full survey

Watch a replay of the conference

Methodology:

Quantitative consumer interviews were conducted by Harris Interactive on **5-19 November 2021 in 17 countries:** Austria, Belgium, Bulgaria, the Czech Republic, Denmark, France, Germany, Hungary, Italy, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom. In total, **15,800 individuals** were interviewed online (CAWI method). These individuals aged 18 to 75 were drawn from national samples representative of each country. The quota method was employed to ensure that the sample was representative (gender, age, region of residence, socioprofessional category/income). 3,000 interviews were conducted in France and 800 in each of the other countries.

About L'Observatoire Cetelem @obs_cetelem

Founded in 1985 and headed by Flavien Neuvy, L'Observatoire Cetelem is an economic research and intelligence unit of BNP Paribas Personal Finance.
Its mission is to observe, analyse and interpret shifts in consumption patterns in France and abroad. To fulfil this ambition, L'Observatoire Cetelem has set up a range of tools that rely on diverse and complementary content, including:

- The Observatoires: Two highly respected annual surveys conducted internationally: a worldwide survey on the automotive market (17 countries) and a European survey on consumer trends (17 countries).
- The zOOms, which focus on lifestyles and explore major themes (sustainable tourism, remote working, the role of animals in society, etc.) in three stages, by gathering the opinion of French citizens via three-wave surveys.
- L'Œil, a spotlight on new developments in the retail sphere and on the latest micro-initiatives heralding the key innovations and shifts that could shape tomorrow's consumer trends.

For more information and to access all our surveys, visit the Observatoire Cetelem website

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