

Linear Economy vs. Circular Economy

Why we need to talk about benefits and not renunciation

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gfu Insights
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Why we need to talk about benefits and not renunciation



gfu Insights and Trends | Berlin, July 05th 2023



**„Wouldn't it be wonderful if all devices
could be fixed as easily as a toaster?“**

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„ If it is profitable for us, we could repair a lot more!“ (Tom Kaden | engineer)



3.7%

of total carbon emissions relate to electrical devices and the internet



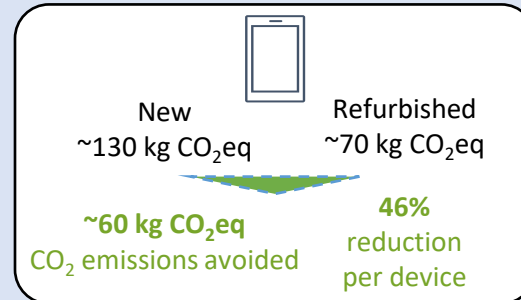
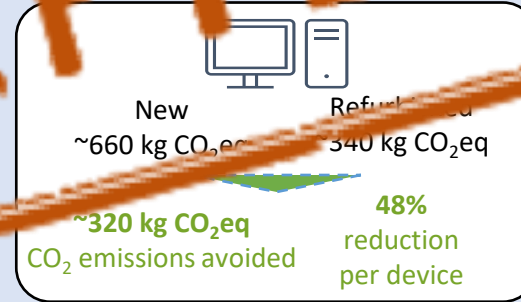
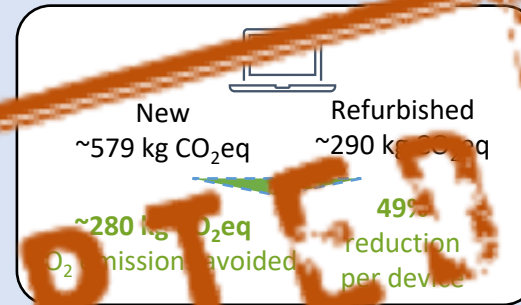
80%
of e-waste globally is not properly collected and recycled



75 Mt

Global e-waste production expected in 2030

Refurbishment of electronic devices contributes to 7 out of the 17 SDGs



6 CLEAN WATER AND SANITATION
Efficient use of water when reusing rather than manufacturing

8 DECENT WORK AND ECONOMIC GROWTH
Lower cost of production through productive utilization of inputs

SUSTAINABLE CITIES AND COMMUNITIES
Positive employment effects within circular economy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Reused materials lower threat around supply and finite resources

13 CLIMATE ACTION
Reduce CO₂ footprint through refurbishment, reuse, recycling

14 LIFE BELOW WATER
Protect marine bio-diversity from hazardous activities

15 LIFE ON LAND
Minimize deforestation, erosion, loss of biodiversity



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Selling a preloved electronic device at a fair price with maximum convenience



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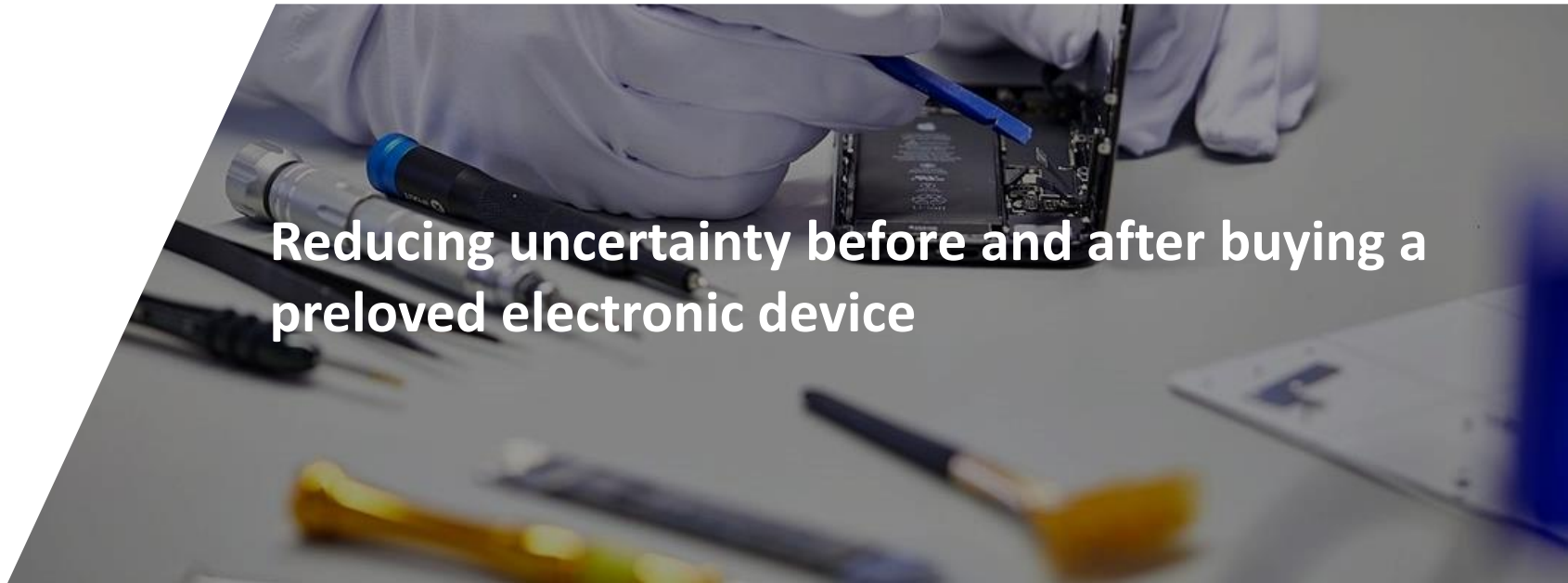
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gli esperti del ricondizionato

asgoodasnew
expert du reconditionné

asgoodasnew
expertos en reacondicionamiento




11 años

Reducing uncertainty before and after buying a preloved electronic device



Buying from the millions and selling to the millions: transforming pre-loved devices into “asgoodasnew” products with 30-month warranty

Testing & Grading

- 01**
Device unpacking

- 02**
Data clearance
Certified data wiping

CERTIFIED DATA ERASURE
- 03**
Battery check
Evaluation of need for battery replacement
- 04**
Testing


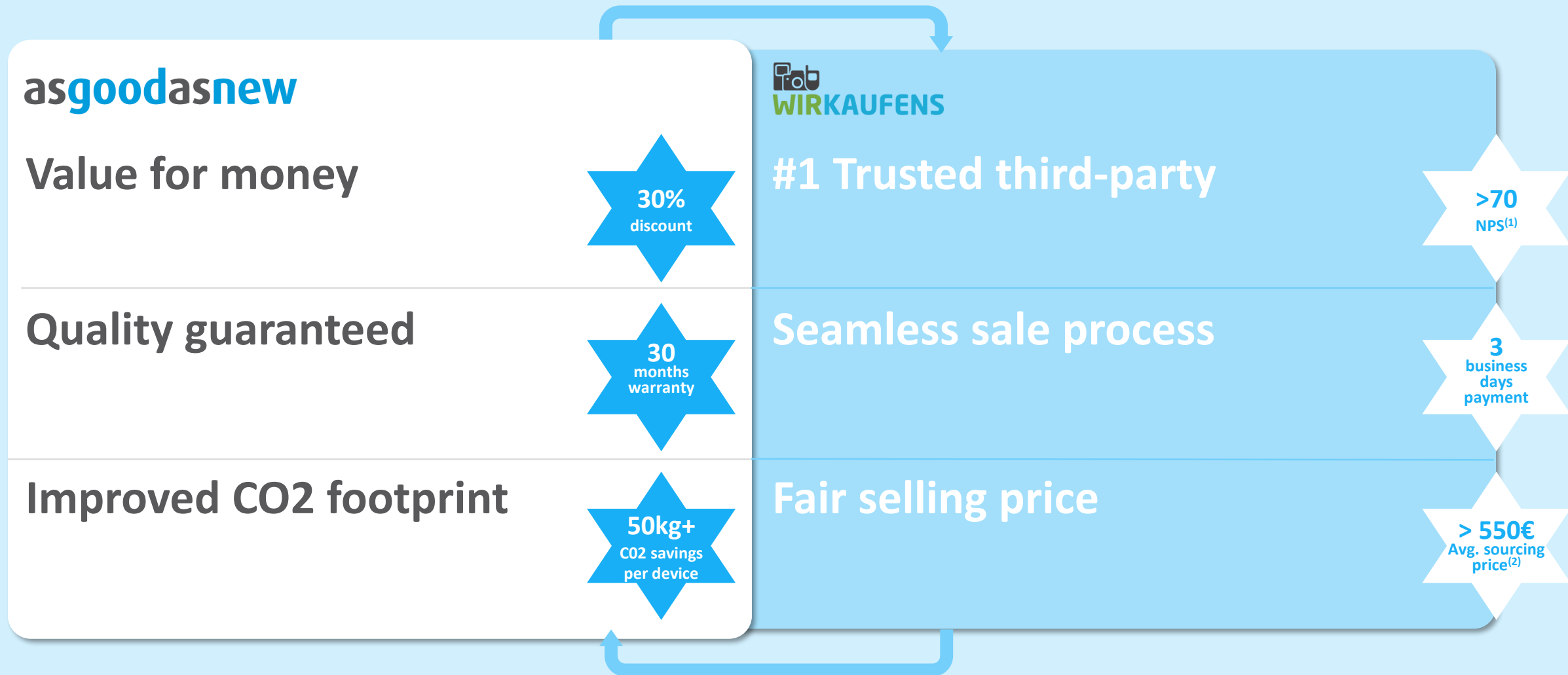


Refurbishment

- A+**
„As new“
Screen and case are in flawless condition
<<<<
- A**
Very good
Minimal signs of wear
- B**
Good
Visible wear marks on screen and case



Circular offering: People don't buy products they (still) buy benefits

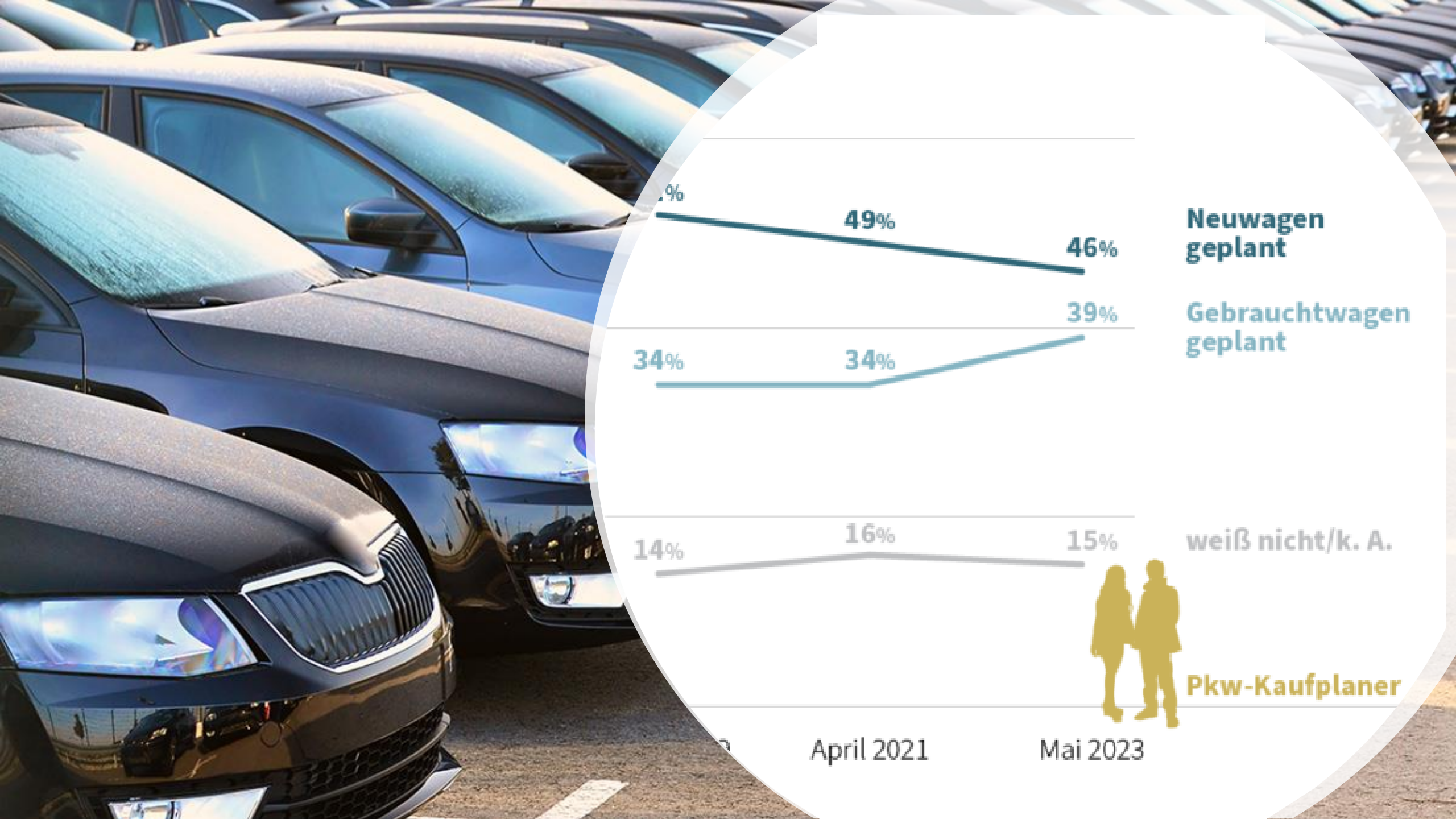


Source: Company information

Note: (1) Average NPS for Wirkaufens FY2022, (2) FY2022



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49%

49%

46%

**Neuwagen
geplant**

39%

**Gebrauchtwagen
geplant**

34%

34%

14%

16%

15%

weiß nicht/k. A.



Pkw-Kaufplaner

April 2021

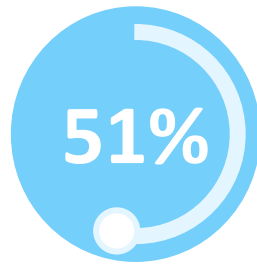
Mai 2023

Every fifth consumer already bought a refurbished device whilst consumer preferences and regulatory developments are evolving towards a "refurbished Zeitgeist"

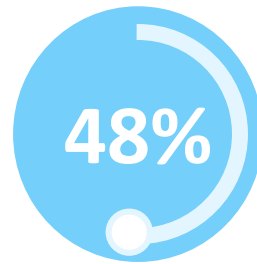
Motivation to buy refurbished or second-hand products



To save money



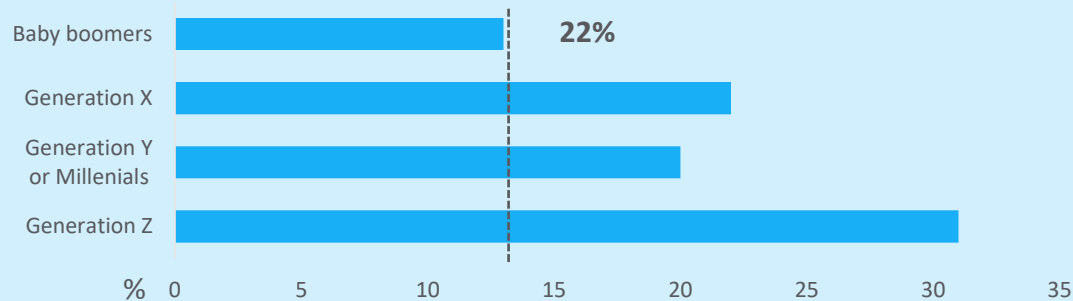
To buy branded products



Environmental reasons

Increasing regulatory pressure on traditional consumer electronics market

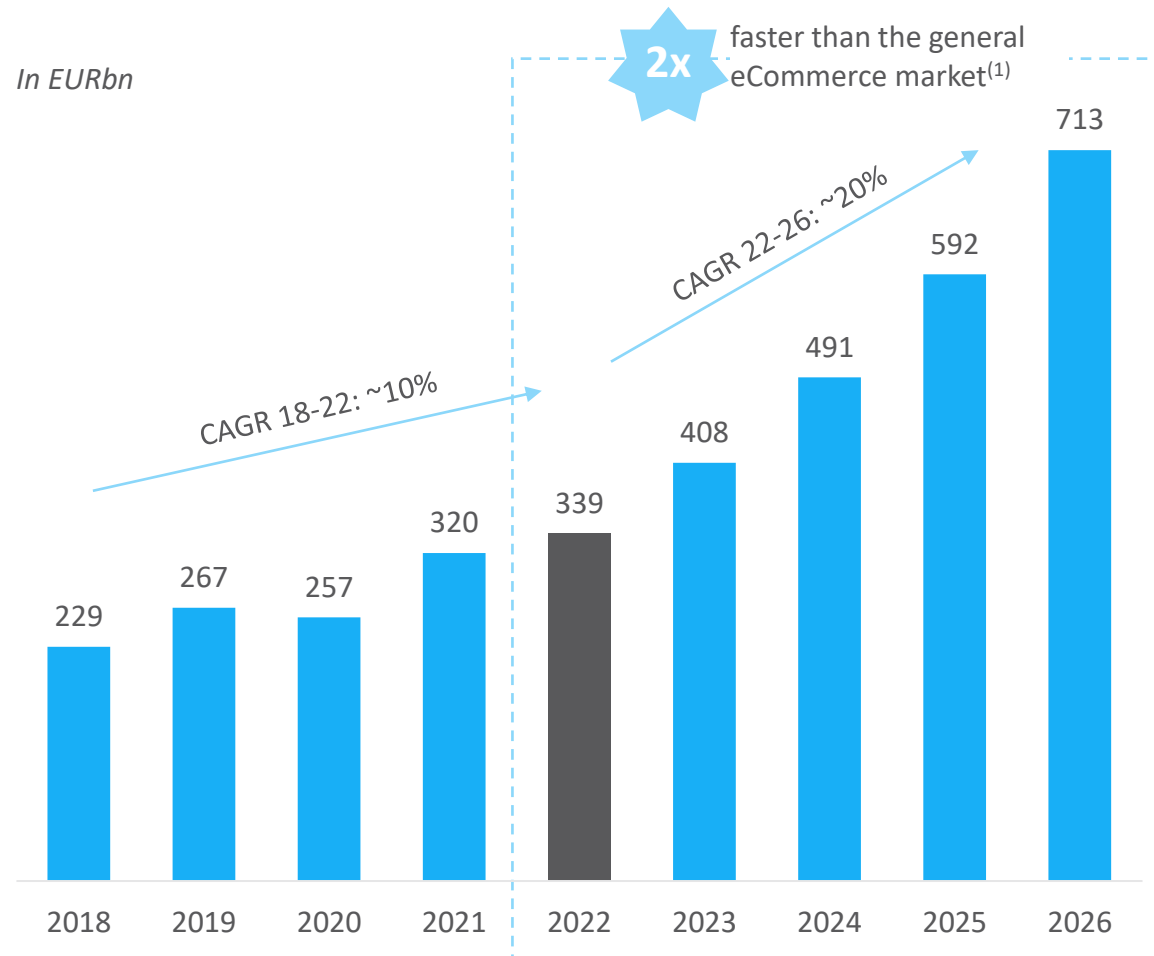
On average, one out of five customers have purchased refurbished devices ...



Europe

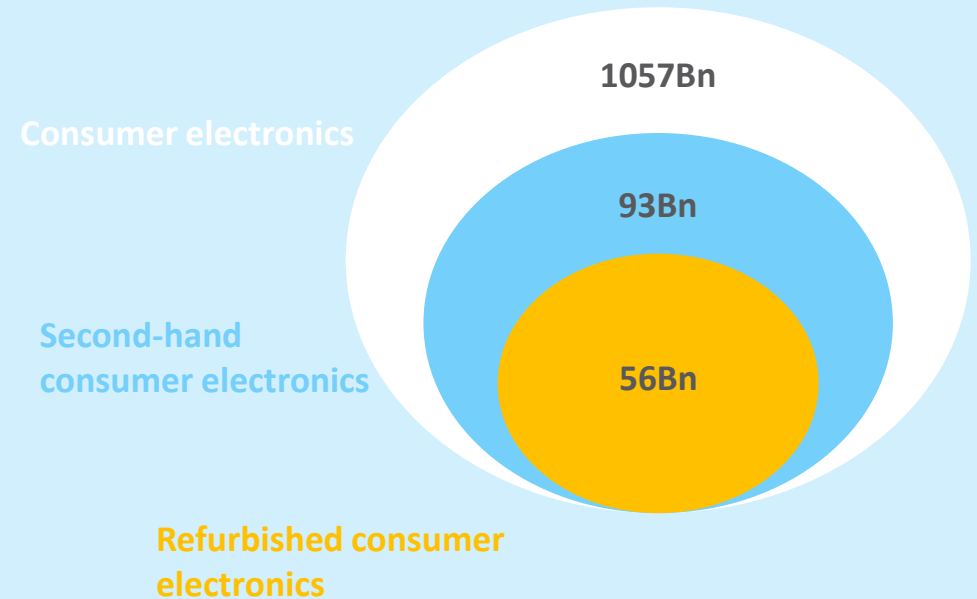
- Front-runner in the circular IT market
- Increasing regulations around carbon neutrality and safety regulations pushing companies to adopt circular IT solutions
- Majority of e-waste regulated by the WEEE directive⁽¹⁾

The circular economy : Doubling down on traditional eCommerce growth rates



Note: (1) The global eCommerce market is projected to grow at ~9% annually (CAGR 22-26)
Source: Statista

Market
Size
2022 in EUR







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Planned obsolescence

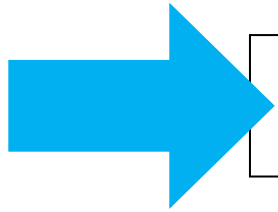
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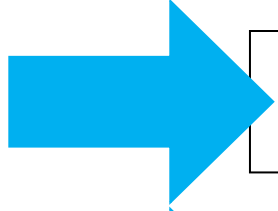
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Picture source: Ifixit, Galaxy S22-Teardown

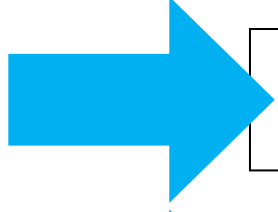
KEY TAKE AWAYS



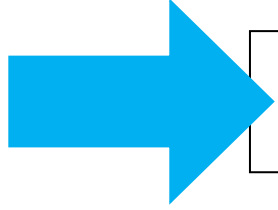
„Refurber Zeitgeist“ is here to stay | Nevertheless people are and will ever be into benefits: price, quality, availability, service



The market for preloved and refurbished devices will be as big oder bigger than the market for new devices | growth rates surpassing ecom by far



Smart regulation is happening now and will continue to evolve | right to repair, battery, ESG



The attractiveness and potential of the market makes it highly likely that OEMs, retailers and telcos will enter the refurbished market.

