



UNIVERSIDADE CATÓLICA PORTUGUESA

# Exploring Consumer Engagement with Circular Fashion

Motivations, Barriers and Generational Impact  
in Germany

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# Abstract

The fashion industry is a major contributor to environmental pollution, with substantial consumption of water and the generation of significant greenhouse gas emissions. Annually, German consumers spend around €65.3 billion on apparel, thereby highlighting the significance of this market. In response to these environmental concerns, the concept of circular fashion has gained traction. Consumers play a key role in advancing the circular economy in the fashion industry, as their decisions to engage or not to engage in circular fashion strategies are crucial. Therefore, this study explores the motivations, barriers, and generational impacts on German consumers engagement with circular fashion. A qualitative research approach was adopted, involving 23 semi-structured interviews with individuals representing Generation X (1965 - 1980) and Generation Z (1995 - 2012). The findings of the study indicate that motivations and barriers vary significantly across different circular fashion strategies. The study identified financial considerations, comfort, and functionality as key motivators, while financial constraints, time limitations, and a lack of knowledge and visibility were the predominant barriers. It is noteworthy that generational differences have a substantial impact on consumer choices and behaviours in the context of circular fashion. Contrary to existing literature, this study shows that despite high levels of environmental awareness, Generation Z's sustainable intentions often do not translate into purchasing behaviour, highlighting a significant gap between environmental concern and consumer action.

Keywords: Circular Economy, Circular Fashion, Consumer Behaviour, Sustainable Fashion, Generational Influence

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# Resumo

A indústria da moda constitui um dos principais setores responsáveis pela poluição ambiental, apresentando níveis elevados de consumo de água e emissões significativas de gases com efeito de estufa. Anualmente, os consumidores alemães despendem aproximadamente 65,3 mil milhões de euros em vestuário, o que evidencia a relevância deste mercado. Face às crescentes preocupações ambientais, o conceito de moda circular tem vindo a adquirir proeminência, atribuindo aos consumidores um papel central na promoção da economia circular, uma vez que as suas decisões de adesão ou rejeição das estratégias circulares são determinantes para a sua eficácia. O presente estudo analisa as motivações, barreiras e o impacto geracional que influenciam o envolvimento dos consumidores alemães com a moda circular, com base em 23 entrevistas semiestruturadas a indivíduos da Geração X e da Geração Z. Os resultados mostram variações significativas nas motivações e barreiras consoante as estratégias adotadas. Entre os principais fatores motivadores destacam-se as considerações financeiras, o conforto e a funcionalidade dos produtos. Por outro lado, os principais barreiras identificadas incluem constrangimentos financeiros, limitações de tempo e, sobretudo, a falta de conhecimento e de visibilidade das alternativas circulares. Importa salientar que as diferenças geracionais exercem um impacto substancial nos comportamentos e nas decisões de consumo no âmbito da moda circular. Este estudo contradiz alguma da literatura existente ao revelar que, apesar dos elevados níveis de sensibilização ambiental, as intenções da Geração Z muitas vezes não se traduzem em comportamentos de compra, mostrando um fosso significativo entre a preocupação ambiental e a ação dos consumidores.

Palavras-chave: Economia Circular, Moda Circular, Comportamento do Consumidor, Moda Sustentável, Influência Geracional

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# Introduction

The fashion industry is responsible for eight to ten percent of global emissions and is the second largest consumer of water, making it one of the biggest polluters in our economy (Shrivastava et al., 2021). The increased attention to environmental and social issues has led to a growing interest in circularity, particularly in the fashion industry, from various stakeholders, including academics, consumers, industry and governments (Abdelmeguid et al., 2022). This has led to a wide range of research on different aspects of circularity in the fashion industry (Abdelmeguid et al., 2024). For instance, many case studies have been conducted, analysing different implementations of circular business practices in the fashion industry. For example, Brydges (2021) has studied 19 Swedish fashion companies at key stages of the supply chain. Other studies have examined different management strategies and behaviours along the supply chain of circular fashion companies (Abdelmeguid et al., 2024) and the challenges of implementing circular practices in the fashion industry. Consumers play a crucial role in the circular economy, either supporting or inhibiting circularity through their choices (Polyportis et al., 2022). This is why one of the main challenges for circular fashion businesses are consumer issues, such as their behaviour and attitudes towards circular fashion, including price sensitivity or unwillingness to change consumption patterns (Abdelmeguid et al., 2022). There have been studies on the general role of customers in circular business models and their success. For instance Mostaghel et al. (2023) identified critical factors that influence customers ethical purchasing intentions, focusing on the retail sector. However, there are also studies that focus specifically on the role of consumers in the context of circular fashion. Papamichael et al. (2024) explored the willingness to pay and disposal practices of individuals for fashion items in Cyprus, while other research has focused more on the internal stages or mindsets

of the consumers, including values, beliefs or norms and their impact on sustainable fashion behaviour (Yang et al., 2024). Moreover, Jimenez-Fernandez et al. (2023) explored the relationship between consumers awareness of circular fashion practices and their attitudes towards these principles. However, despite their contributions and to the best of the authors knowledge, there is still a gap in understanding the motivations and barriers of consumers in Germany to engage with circular fashion models and, according to Henninger et al. (2021), there is a lack of research analysing the motivations of actual circular fashion behaviour across different generational cohorts. This knowledge is not only crucial for sustainable fashion companies as it guides the development of effective communication strategies and campaigns (Jimenez-Fernandez et al., 2023) but also raises awareness and demonstrates the benefits of circular clothing to consumers (Polyportis et al., 2022). Therefore, the aim of this study is to address the identified research gap by investigating the motivations, barriers and generational differences between Generation X and Generation Z that influence engagement with circular fashion strategies in Germany. The study will address the following research question: "How do consumers in Germany interact with circular fashion strategies?" and the sub-questions: "What are the primary motivations and barriers for consumers in Germany when engaging with circular fashion business models?" and "Does generation influence consumer behaviour when engaging with circular fashion strategies?".

The structure of the thesis is as follows. Chapter one provides a literature review on the circular economy and, more specifically, circular fashion, the role of consumers in circular fashion models and an introduction to the topic of generational cohorts. The second chapter outlines the methodological framework, including the research questions and objectives, the research and data collection methods, the interview procedure and a description of the data

analysis. Chapter three presents and analyses the results of the interviews. A discussion of the findings in relation to the existing literature is presented in chapter four. Finally, the conclusions and limitations of the research and suggestions for further research are presented.

# Chapter 1

## Literature Review

In light of growing consumer awareness of sustainability issues and the advocacy of bodies such as the German Environment Ministry and the European Union for transformative change in the fashion industry, there is a clear imperative for a transition towards a circular economy (CE) (European Parliament, 2020; Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, n.d.; Mostaghel et al., 2023). Germany has been at the forefront of incorporating the CE into national legislation, as evidenced by the enactment of the “Closed Substance Cycle and Waste Management Act” (Geissdoerfer et al., 2017). Furthermore, the German initiative forms part of a broader push by the European Union which has been instrumental in advocating sustainable development. The Circular Economy Action Plan, proposed by the European Commission in March 2022, represents one approach through which the EU is attempting to address the challenges associated with finite resources and climate change. This action plan, along with various legislative measures, is consistent with the EU's 2050 climate neutrality target and aims to empower consumers to engage in green consumption and formulates a strategy for sustainable textiles (European Parliament, 2021).

The concept of circular fashion represents a transformative approach to the current linear lifecycle of fashion products. This model serves to extend the lifespan of garments through the implementation of innovative strategies, such as recycling, repair, resale, and rental systems (Dissanayake & Weerasinghe, 2022). However, transitioning to such a model involves complex challenges, and needs the cooperation of multiple stakeholders (Kirchherr et al., 2017; Lieder & Rashid, 2016).

## 1.1. Historical Background of Circular Economy

The European Parliament, (2023) describes the circular economy (CE) as a shift from the traditional linear economic model, characterized by the take-make-consume-throw away pattern to a more sustainable model of production and consumption, that extends the life cycle of products and materials. Introduced in the late 1970s (Mostaghel & Chirumalla, 2021), the concept of CE has roots in ancient philosophy and refers to the natural cycles and feedback loops found in the real world (Ellen MacArthur Foundation, n.d.). The term circular economy was first proposed by the environmental economists Pearce and Turner in 1989 as a new economic model based on the thermodynamic principles of material balance (Ghisellini et al., 2016). This approach was defined as a means of describing the relationship between economics and the environment, with a particular focus on the significance of resource supply, waste assimilation and utilisation (Lieder & Rashid, 2016). However, the concept of CE has been challenged by the lack of a common understanding among both academics and practitioners (Kirchherr et al., 2017) and according to Yuan et al. (2008, p. 5), “there is no commonly accepted definition of CE so far”.

## 1.2. Defining Circular Economy

According to Geissdoerfer et al. (2017), the Ellen MacArthur Foundation has provided the most recognized definition of the circular economy (CE). This foundation works with a network of companies to accelerate the transition to a CE by transforming business practices. The Foundation defines CE as “an industrial system that is restorative or regenerative by intention and design. It replaces the end-of-life concept with restoration, shifts towards the use of renewable energy, eliminates the use of toxic chemicals, which impair reuse, and aims for the elimination of waste through the superior design of materials, products, systems, and, within this, business models” (Ellen MacArthur

Foundation, 2013, p. 7). Furthermore, Kirchherr et al. (2017) present a more comprehensive definition following an analysis of 114 definitions with the objective of clarifying the concept of CE. They define CE as “an economic system that replaces the end-of-life concept with reducing, alternatively reusing, recycling and recovering materials in production/distribution and consumption processes. It operates at the micro level (products, companies, consumers), meso level (eco-industrial parks) and macro level (city, region, nation and beyond), with the aim to accomplish sustainable development, thus simultaneously creating environmental quality, economic prosperity and social equity, to the benefit of current and future generations” (Kirchherr et al., 2017, p. 229). Additionally, other scholars have made significant contributions to the field of CE. Yuan et al. (2008) highlight that the “core of CE is the circular (closed) flow of materials and the use of raw materials and energy through multiple stages”, thereby emphasising the efficiency of material and energy use. Furthermore, Henaó-Hincapié et al. (2024) and Polyportis et al. (2022) highlight the transformation of traditional linear consumption models into a closed-production cycles through innovative approaches that reduce waste and create new value.

This thesis defines the circular economy (CE) in accordance with the conceptualisation of Kirchherr et al. (2017) who emphasise the system's impact across diverse societal levels. This definition is particularly pertinent as it illustrates that the realisation of sustainable development, necessitates the implementation of the CE concept at multiple levels. Furthermore, this approach highlights the importance of the micro level, particularly the role of consumers. According to (Polyportis et al., 2022) consumer behaviour is crucial as they can either support or hinder the circular economy through their choices.

### 1.3. Circular Economy in the Fashion Industry

The textile industry has a significant impact on the environment and climate. It is a major user of resources and land and ranks fifth in the EU in terms of greenhouse gas emissions (European Environment Agency, 2019). According to the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, (n.d.), consumers in Germany purchase around 60 items of clothing per year and in 2023 spend around 65.3 billion euros on clothing (Statista, 2024a). Only 1% of clothing, gets recycled into new clothes and most of it is being thrown away and ends up in incinerators or landfills (European Parliament, 2020). Nevertheless, there has been a notable increase in consumer awareness of the environmental impact of fashion (Jimenez-Fernandez et al., 2023). This is forcing the industry to move away from its traditional linear economic model, which has a negative impact on the environment to a regenerative “circular system”, based on closed-loops (Dissanayake & Weerasinghe, 2022; Hellström & Olsson, 2024; Henninger et al., 2021; Jimenez-Fernandez et al., 2023; Oliveira Silva & Morais, 2022) and “that promotes more eco-friendly product designs, sustainable manufacturing processes, and re-use culture, leading to reduced waste” (Shrivastava et al., 2021). In the context of the circular economy in the fashion industry, the term of circular fashion is often used (Jimenez-Fernandez et al., 2023). Most existing literature on circular fashion employs definitions of the circular economy concept. However, Dissanayake & Weerasinghe (2022) developed a definition of circular fashion after analysing various contributions, adapting the traditional definition of the circular economy to the specific context of the fashion industry. They describe circular fashion as a sustainable fashion system which strives for regeneration and sustainability by utilising renewable resources efficiently, reducing non-renewable inputs, minimising pollution and reducing waste. The objective is to promote extended

product lifespans and material reuse through the implementation of innovative fashion design strategies and the utilisation of effective reverse logistics.

### 1.3.1. Circular Fashion Strategies

To mitigate its environmental impact and convince consumers to choose higher quality, longer lasting and more sustainable options the fashion industry is adopting new strategies. Some of these new innovative business models include clothing rental or changes in the product design to extend life cycles and facilitate recycling (European Parliament, 2020). Businesses often misinterpret the principles of circular economy (CE), focusing primarily on waste reduction through material reuse. However, CE encompasses a broader range of activities, including all aspects of producing, distributing and consuming a product (Jimenez-Fernandez et al., 2023). Organisations that adopt circular fashion strategies prioritise the reduction, reuse, repair and recycling of resources throughout the product lifecycle. These strategies are designed with the objective of maintaining resources in use for as long as possible (Abdelmeguid et al., 2022), and align with the four implementation strategies of the circular economy: designing for longevity, leasing or service models, reuse in manufacture and material recovery (Henninger et al., 2021).

The authors Dissanayake & Weerasinghe (2022) propose that principles of the circular economy can be integrated throughout the entire lifecycle of fashion products. These principles can be categorised into four key strategies for circular fashion business models, (1) materials, (2) circular design, (3) product life extensions and (4) end-of-life circularity.

- (1) The first of these is to implement environmentally conscious materials from the outset. This can be achieved by selecting natural fibers such as

cotton in place of polyester which can assist to reduce water, energy consumption and chemical use (Dissanayake & Weerasinghe, 2022).

- (2) The design stage is of pivotal importance in the reduction of environmental impact in the fashion industry as it determines more than 80% of the environmental impact (Abdelmeguid et al., 2024). This is achieved by enabling products to be reused over multiple life cycles through the implementation of strategies such as design for longevity, disassembly and recycling. Longevity emphasises the creation of durable and versatile designs with the intention of extending product use. Design for disassembly is “a key element for transitioning to the CE” (Franco, 2019, p. 6) it facilitates reuse and recycling using simplified construction and the incorporation of recyclable materials. Furthermore, the reduction of material complexity and the adoption of zero-waste designs serves to minimise fabric waste and enhance the efficiency of recycling processes (Dissanayake & Weerasinghe, 2022; Franco, 2019).
- (3) The extension of the product life cycle through strategies such as repair, rental, leasing and swapping is becoming increasingly significant, yet the market share of such models remains limited (Hellström & Olsson, 2024). These strategies enhance the utilisation of clothing, thereby capturing material value while simultaneously reducing waste and pollution. They facilitate the development of novel business models and consumer relationships. Platforms such as sharing and swapping offer cost-effective and resource-saving solutions, although their success is contingent upon the availability of durable and high-quality garments (Dissanayake & Weerasinghe, 2022).
- (4) End-of-life circularity in fashion encompasses strategies such as reuse, resale, recycling and remanufacturing. These involve the repair and resale of second-hand clothes by markets and retailers, as well as the

reconstruction of durable garments into new items (Abdelmeguid et al., 2024; Dissanayake & Weerasinghe, 2022). The term recycling describes the process of materials being recovered to their material level in order to be made into new products (Abdelmeguid et al., 2024). However, the current recycling process tends to result in the downcycling of materials. Technological and sorting mechanism advancements are expected to facilitate the reuse of higher-value materials, thereby enhancing the industry's circular approach (Dissanayake & Weerasinghe, 2022).

These frameworks underscore the capacity of CE to tackle the issue of resource scarcity and the environmental impact of corporate activity, with the potential to yield economic benefits. Additionally, circular fashion business models have the potential to enhance customer satisfaction, reduce material dependence and minimise waste by providing services that facilitate utilisation (Henninger et al., 2021). However, the implementation of the CE concept in an industry presents several significant challenges. The linear mindset of the industry and society (Lieder & Rashid, 2016), in particular requires the involvement of multiple stakeholders (Kirchherr et al., 2017; Mostaghel & Chirumalla, 2021). Especially “consumers are a vital part in the success” of circular fashion business models (Henninger et al., 2021, p. 5).

## 1.4. Consumer Behavior in Circular Fashion

The development of the circular economy (CE) is significantly shaped by the actions of three main stakeholder groups: companies, consumers and governments. In order for companies to enhance their involvement in the CE, it is crucial that they prioritise an understanding of the consumption patterns and behaviours of consumers (De Morais et al., 2021). As social awareness of the environmental impact of the fashion industry has increased significantly in recent years (Henninger et al., 2021; Shrivastava et al., 2021) it has become increasingly relevant to understand consumer segments and how they engage with circular business models. This is essential to align the value proposition in a way that encourages sustainable consumption (Bączyk et al., 2024). One approach to achieving this is to investigate the motivational drivers, barriers and factors that influence different generational cohorts.

### 1.4.1. Generational Cohorts

The concept of ascribing generations, also known as the generational cohort theory, posits that consumers are not defined by their chronological age, but rather by a collective set of shared experiences, attitudes, worldviews, and beliefs. This theoretical framework provides a basis for market segmentation, based on the theory that individuals who grew up during similar socio-political and economic periods tend to develop shared values, behaviours, and preferences (Gilal et al., 2025; Kotler et al., 2021; Timonen & Conlon, 2015).

Today, there are five generations living together: Baby Boomers, Generation X, Generation Y, Generation Z and Generation Alpha. However, due to the limited scope of this thesis, the author will focus on two generations. As of December 2023, Generation X represented the largest age group in the German population, accounting for 19.7 per cent of all inhabitants in Germany (Statista, 2024b). Additionally, Generation Z has surpassed Generation Y in terms of global

population size, making it the most significant market for products and services (Kotler et al., 2021).

Individuals born between the years 1965 and 1980 can be identified as belonging to the Generation X (Kotler et al., 2021). According to Chhetri et al. (2014) Generation X individuals tend to favour customised messages and products, and are characterised as highly sceptical consumers. The transition towards sustainable fashion is partly driven by the influence of Generation Z (Shrivastava et al., 2021). Generation Z is defined as individuals born between 1995 and 2012 (Ruzgys & Pickering, 2024). In Germany, this cohort represents 14,59% of the population (Statista, 2024b), making it one of the most promising consumer target groups. This generation is distinguished by a desire for a better future and strong social and environmental concerns. They have a greater awareness of the environmental impact of their purchases, which is reflected in their purchasing decisions (Amatulli et al., 2023; Ruzgys & Pickering, 2024). Further information on generational cohorts can be found in [Appendix A](#).

#### 1.4.2. Influencing Factors and Motivations in Circular Fashion Consumer Behavior

Despite an increase in consumers environmental awareness of the impact of the fashion industry and a positive attitude towards circular fashion, existing literature indicates that pro-environmental values and the environmental characteristics of fashion appear to be secondary factors influencing consumer behaviour (Schiaroli et al., 2024; Shrivastava et al., 2021). The existing literature on the role of altruistic concerns for the environment and sustainability as motivational drivers for engaging with circular fashion business models is generally divided and limited in scope. The available research findings either fail

to provide evidence to support this hypothesis or indicate that the evidence that does exist is outweighed by economic considerations (Henninger et al., 2021).

The extant literature indicates that the primary factors influencing consumer behaviour are price, comfort (for example, fit and feel), quality, trendiness and practicality (Bączyk et al., 2024; Schiaroli et al., 2024; Shrivastava et al., 2021). This has also been identified by Deloitte (2023). The 2023 edition of the Consumer Insights report indicates that in Germany, the sustainability attributes of products, including cost-effectiveness, convenience, and high quality, have a significant impact on consumer preferences. Additionally “social and emotional values have been considered secondary” (Shrivastava et al., 2021, p. 2).

Conversely, certain risk factors that have a detrimental impact on purchasing behaviour include aesthetic, sanitary, functional and financial risks (Thu Nguyen, 2024). Despite substantial environmental concerns among consumers, these often do not translate into actual consumption behaviour (Thu Nguyen, 2024). It is therefore crucial for businesses operating within circular fashion business models to gain insight into the ways in which consumers interact with such models and the motivations and decision-making processes that lead consumers to engage with circular fashion (Henninger et al., 2021).

# Chapter 2

## Methodology

This chapter describes the research methodology used in this study and the procedural steps taken to collect and analyse data.

### 2.1 Research Questions and Objectives

The research question addressed in this study is as follows: "How do consumers in Germany interact with circular fashion strategies?" The study will address the following subquestions: "What are the primary motivations and barriers for consumers in Germany when engaging with circular fashion business models?" and "Does generation influence consumer behaviour when engaging with circular fashion strategies?" The overarching objective of the study is to generate insights that can assist fashion companies, policymakers and sustainability advocates in developing strategies that are not only environmentally sustainable, but also appealing and accessible to consumers across generations. To achieve this understanding, the following specific objectives were defined:

- (1) To explore consumers knowledge of circular economy and circular fashion.
- (2) To explore consumers actual behaviour in terms of which circular fashion strategies they have interacted with.
- (3) Investigate the motivations and barriers of their behaviour.
- (4) Investigate the two different generations to see if generation has an impact on the behaviour, motivations or barriers of consumers engaging with circular fashion.

By understanding both the motivators and barriers, as well as generational differences, stakeholders can develop targeted initiatives that encourage wider

adoption and support of circular fashion, ultimately contributing to more sustainable consumption patterns in the fashion industry.

## 2.2 Research methodology

The methodology of this study includes a comprehensive literature review, supplemented by qualitative research techniques to ensure a holistic understanding of the issue. The thorough literature review in Chapter 2, which draws on both peer-reviewed and non-peer-reviewed articles, including reports from influential organisations such as the Ellen MacArthur Foundation, provides a solid theoretical foundation. This review sets the context for the research and ensures that the study is grounded in current understandings and strategies in the field. To capture the depth and complexity of consumer knowledge, behaviour and attitudes, qualitative research based on semi-structured interviews is used. These interviews are particularly advantageous for this study as they allow the exploration of consumer motivations and barriers that more structured methods cannot. According to Henninger et al. (2021), this method is particularly suited to for this topic as it can provide rich empirical accounts of consumer behaviours.

## 2.3 Data Collection Method

To gain in-depth insights into consumer behaviour, this study uses semi-structured interviews. These interviews were designed around pre-defined topics and open-ended questions that were aligned with the themes explored in the literature review. This approach facilitates a direct link to the research questions and objectives of the study. Semi-structured interviews were chosen based on findings from previous studies which suggest that when analysing consumers green behaviour, responses often reflect their values or attitudes rather than their actual actions. This discrepancy is particularly prevalent in

quantitative research, where the gap between stated values and actual behaviour can distort results (Sonck-Rautio et al., 2024). Therefore, a qualitative approach is more appropriate for this study, as it allows for the flexibility to ask follow-up questions (Kallio et al., 2016). This adaptability is crucial in uncovering the true motivations behind consumer behaviour and providing a more complete understanding.

## 2.4 Design Methodology

In designing the methodology for this study, the target sample was first carefully defined. The focus was on two key generational cohorts: Generation Z (aged 13 to 30) and Generation X (aged 45 to 60) ensuring a balanced gender mix within the sample. The study was conducted in southern Germany to take advantage of the convenience and accessibility of the researcher. In addition, professional backgrounds were varied to maintain a heterogeneous sample. The subsequent interview questions were developed partially based on the literature review discussed in section 1.3.1 which cites Dissanayake & Weerasinghe, (2022) on various circular fashion strategies applicable throughout the life cycle of fashion products. To avoid overwhelming participants and to manage interview time effectively, the focus was narrowed down to three key strategies: materials, product life extension and end-of-life circularity. Specifically, the interviews covered six circular fashion strategies: recycled materials, natural fibers, second-hand fashion, rental and leasing services, clothes swaps and repair services. Furthermore, the remaining open-ended inquiries were formulated based on a comprehensive review of the extant literature, to ensure comprehensive coverage of all relevant issues, while maintaining neutrality and engagement. Prior to finalising the interview guide, three pilot interviews were conducted to test the clarity of the questions, comfort level and natural flow of the interview process. Based on the feedback, minor adjustments were made. In addition, the interviews

were conducted in German, the native language of all participants, to ensure fluency and comfort, thereby maximising engagement. The interview guide is included in the [Appendix B](#).

## 2.5 Interview Procedure

Interviewees were selected through a convenience sample and contacted separately via WhatsApp or telephone. The interviews were then conducted on a face-to-face basis, mainly via video conferencing using WhatsApp, Microsoft Teams or Apple FaceTime, or in person. In some cases, telephone interviews were also conducted. The total number of consumers interviewed was 23, of whom 10 were interviewed face-to-face, 9 via video calling platforms such as Microsoft Teams, Apple Facetime, WhatsApp Videocall and 4 via telephone, with an average duration of 35 minutes per interview. Prior to recording the interviews, participants were fully informed about the use of the information collected and appropriate consent was obtained. By using numbers according to the timeline in which they were conducted instead of personal information, anonymity was maintained. However, in one case, the answers were manually noted.

## 2.6 Data Analysis Methodology

After each interview, the audio recordings were initially transcribed using Microsoft Word. Due to its superior transcription quality and fewer errors, the task was later transferred to OpenAI's machine learning model Whisper. Despite the advanced technology, the transcripts required further processing to manually correct speech errors and remove stop words such as "hmm" and repeated words. Once the transcripts were refined, a low-automation approach to data analysis was adopted, involving qualitative hand coding (Campion & Campion, 2025). Preliminary codes, derived deductively from the literature review and the

research questions and objectives, were formulated and entered into NVivo. As the coding process progressed, the list of codes evolved and additional codes were added inductively (Sonck-Rautio et al., 2024). Simultaneously, Excel spreadsheets were created to collect demographic information and data on participants knowledge and actual interactions with circular fashion strategies. The purpose of this step was to facilitate the use of quantitative assessment and to enable the visualisation of textual data through diagrams. Throughout the analysis process, notable statements from the interviews were highlighted and relevant quotes were later translated into English to be included in the analysis.

# Chapter 3

## Analysis of Consumer Behaviour in Circular Fashion

The main objective of this study is to explore consumer engagement with circular fashion strategies, focusing on the motivations, barriers and generational influences. The following chapter presents the results and analysis of the data collected.

### 3.1 Description of the sample

The sample for this thesis was selected by the author using a convenience sampling. All interviewees reside in the southern region of Germany, specifically within the districts of Bavaria and primarily from Baden-Württemberg. The study focuses on consumers from Generations Z and X, resulting in an age range of interviewees from 18, the youngest, to 59, the oldest, with an average age of 39. The demographic composition of the sample encompasses 48% from Generation X (aged 45 to 60) and 52% from Generation Z (aged 13 to 30), while the gender distribution includes 65% female and 35% male participants. The interviewees academic and professional backgrounds were found to vary significantly, ranging from students to managers. Most of the participants are employed in business and finance, followed by education and social services. In addition, participants are employed in a variety of sectors, including health and psychological services, environmental and public services, retail, and landscaping and gardening. Two of the interviewees are still in school. A total of 43% of the participants have a professional background, 43% are currently enrolled or have obtained a bachelor's or master's degree, and one person has obtained a doctorate.

The data collected has been summarised in a table, which can be found in the Appendix C.

### 3.2 Understanding and Importance of Sustainability in Fashion

In the beginning of the interviews, consumers were asked to describe what sustainability in fashion meant to them and how it influenced their purchasing decisions. Most interviewees defined sustainable fashion as the antithesis of fast fashion, with one noting, “Fast fashion is practically the opposite of sustainability. I am aware of that” (I.1). In particular cheap fashion brands known for unsustainable practices, were often criticised and deliberately avoided. One participant noted, “of course you know a few brands, I can't think of the name right now, Shein I think, which are already pretty much under criticism and it's precisely with companies like that that you're somehow more aware of it and then you avoid them” (I.16). Interviewees commonly associated sustainability in fashion with several aspects, including employee working conditions, the country of production, giving unused clothes to friends and family, the quality and quantity of purchased clothing, as well as practices like buying second-hand and repairing items. One interviewee stated, “You buy only as much as you can wear and when you no longer need it, you sell it” (I.3).

Regarding the significance of sustainability in their purchasing decisions, the responses were varied: 8 out of 23 participants considered it to be important, 9 regarded it as being moderately important, noting it as a factor they sometimes consider or see as a beneficial addition, and 6 found it to be unimportant. This diversity of opinion highlights the varying levels of commitment to sustainability among consumers. Moreover, while sustainability is generally considered to be of importance to consumers, many admitted that it does not always prevail in their final purchasing decisions. For instance, one consumer articulated a desire

to prioritize sustainable practices: “I have to be honest, it is important to me, but I would like to put more emphasis on it” (I.20). Conversely, others acknowledged the occasional choice of non-sustainable options, despite experiencing a sense of guilt: “I realise that it's not good, but I do it anyway” (I.1). Another participant noted that other factors, such as cost, convenience, or immediate need, often supersede their personal values: “I try to pay attention to it, but of course sometimes I have things where I think to myself, so never mind. I want this now and I want it cheap” (I.4).

### 3.3 Knowledge about Circular Economy and Circular Fashion

In contrast to the concept of sustainability in fashion, which was a concept with which all interviewees were familiar, only approximately half of the interviewees had prior knowledge of the term circular economy, and the majority were unfamiliar with the concept of circular fashion. Some interviewees encountered the term circular economy in their workplace or during their education, often associating it with practices like reusing or recycling resources. One interviewee described it as follows: “You do the same at the recycling centre; you bring back your plastic items, your bottles, and return them to the cycle so that they can be made into a new product. That's what I understand by the term circular economy” (I.19). Despite the majority of interviewees being unaware of the term circular fashion, most could infer its meaning, suggesting it involved extending the lifespan of clothing. For instance, one interviewee articulated their understanding of the term, stating: “It means simply making sure that you extend the life of the clothes, maybe just trying not to throw things away so quickly, but maybe just taking them to the tailor and having them repaired” (I.7). A pervasive sentiment among all participants was an aversion to the disposal of clothes. The participants expressed discomfort with the idea, citing reasons

ranging from the waste of resources to the value they still see in their apparel. One interviewee articulated their hesitation, stating, “Sometimes you still have an inner obstacle because I think to myself that it's actually stupid to throw clothes away” (I.16). Another participant further elaborated on this sentiment, expressing a sense of guilt associated with the act of discarding items of clothing, particularly given the financial investment made in these items: “Other than that, I feel bad and somehow I think I paid money for it too” (I.17). Furthermore, the quality of the materials often led to the decision to donate rather than dispose of clothing: “Everything I have is too good to throw away because they are good materials” (I.2) or another said “If it's not torn and still in reasonably good condition, then of course I always throw it in an old clothes donation container” (I.10).

### 3.4 Knowledge and Actual Behaviour of Circular Fashion Strategies

Although only two interviewees were initially familiar with the term circular fashion at the outset of the study, the rest of the interviewees understanding of the concept became evident once it was defined. When asked about their knowledge of the six specific circular fashion strategies, the majority recognised each strategy. However, clothes swapping was notably less familiar. A particular observation was the association of circular fashion strategies with the outdoor apparel industry<sup>1</sup>. Multiple interviewees cited exposure to these strategies through outdoor apparel brands. For instance, one participant stated: “I can't remember which brand it was, [...], but again it was outdoor, because I don't usually do research on clothes, I only do research on clothes for outdoor sports. Some brand had advertised clothes that were made from offcuts” (I.18). Another

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<sup>1</sup> This industry includes clothing designed for outdoor activities, often made from durable and weatherproof fabrics.

interviewee further elaborated on this sentiment, stating: “I have the feeling that the outdoor apparel industry is also a pioneer in this area” (I.6). Concerning their actual behaviour and engagement with these strategies, second-hand fashion emerged as the most familiar, with only four interviewees having never purchased second-hand fashion items. The preferred platforms for such purchases included Vinted and eBay, followed by vintage stores and flea markets. Furthermore, a significant proportion of the participants expressed a preference for environmentally conscious materials such as organic cotton, wool, or linen. In contrast, less than half of the interviewees had purchased clothing made from recycled materials. In terms of strategies aimed at extending the product lifecycle, such as repairing, clothes swapping, and renting, interaction was minimal. While many consumers had previously repaired their own garments or taken them to a tailor, only a small number had used a brand's own repair service. The behaviour exhibited by the interviewees has been summarised in Figure 1.

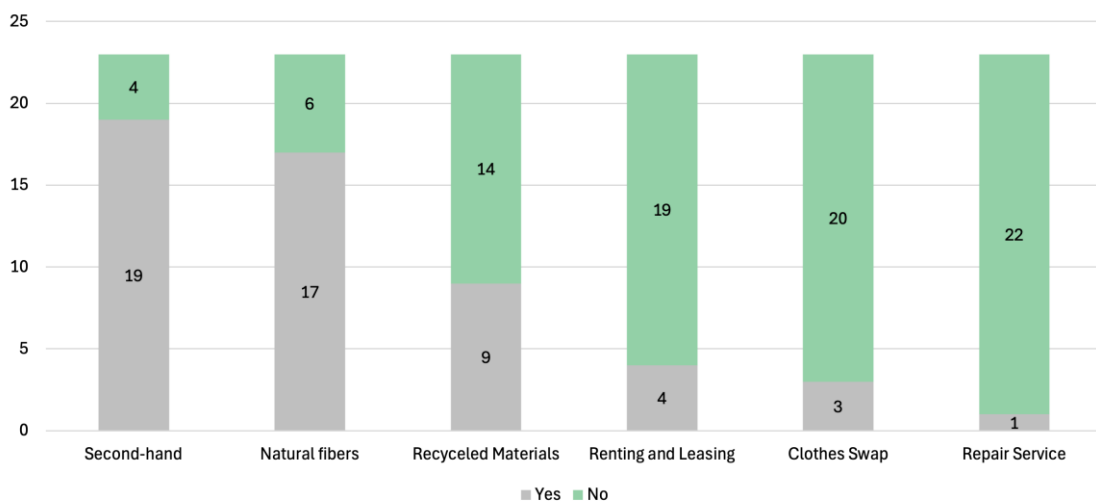


Figure 1 - Engagement of consumers with circular fashion strategies

## 3.5 Motivations and Barriers of Consumers engaging with Circular Fashion Strategies

### 3.5.1 Motivations

The motivations for consumers purchasing circular fashion vary significantly across different strategies. In the context of second-hand clothing, the main motivation of the respondents was financial, with many consumers acknowledging the more affordable prices. As one interviewee noted, “[...] because it is pleasantly priced. So, it's usually cheaper” (I.15), while another stated, “If I decide in favour of second hand, I will say because it is cheaper” (I.1). Beyond cost, second-hand fashion appeals to those seeking unique or no longer produced items. As one participant noted, “For example, if I'm looking for [...] a product that's already sold out, I usually look on Vinted” (I.3), and another commented, “You can find all the treasures there, all the things that not everyone has” (I.20).

Conversely, consumers drawn to natural fibers cite functionality and comfort as their primary motivations. One participant articulated the merits of wool, stating: “They are simply breathable or, for example, if you are wearing a wool sweater and you get too warm, wool lets out the excess heat and regulates itself” (I.14), while another preferred merino wool for its ability to resist and manage odors from sweat: “[...] because you don't have to wash your clothes that often. Merino wool doesn't stink after a while, it always smells the same” (I.19). Health concerns are also a salient factor, with one interviewee stating, “I choose organic cotton because it's simply something that doesn't irritate the skin, but something that helps it” (I.9).

An additional motivation highlighted was the importance of quality and durability. Some consumers opt for second-hand or rental fashion to access higher-quality items at lower prices. As one participant articulated, “[...] fashion

items of higher quality, that I could not otherwise afford" (I.17). Despite the limited utilisation of brand repair services, a significant proportion of consumers express a readiness to incur higher costs for durable goods and services, including cost-free repair services and lifetime guarantees. This sentiment was articulated by one consumer: "I'm willing to spend more money, but it's not just the repair service, it's the idea that it will last longer" (I.18).

While environmental sustainability is important, it is often a secondary motivator. Only a few of the interviewees explicitly stated that it directly influences their purchasing decisions, while a significant proportion regarded it as a favourable addition. One interviewee articulated their sentiment thus: "[...] and then I thought it was cool that it was also produced sustainably" (I.11), while another interviewee concurred, stating: "[...] I searched for it and found it and then I thought to myself, well, you've just done something good" (I.15). In the context of recycled clothing, consumers who have purchased clothing made from recycled materials often did so because they were attracted by the innovative concept of the brand or because they wanted to support smaller businesses. As one participant articulate: "[...] and thought it was super cool that it was recycled or that some recycled materials had been used and thought it was a great thing" (I.5) or another one stated: "I bought a hat made from sea plastic because I liked the concept" (I.18).

Less significantly, social influence also plays a role in driving circular fashion choices. Some consumers are inspired by friends and family to explore second-hand options, as one noted, "[...] and I think that inspired me a bit, and we went there with friends. Well, and my brother" (I.20). Furthermore, the social acceptability of sustainable practices has been found to enhance the appeal of circular fashion choices, as illustrated by the following statement: "[...] but it is also simply socially better received" (I.4).

Given the wide range of motivations, which vary across the different circular fashion strategies, Table 1 provides a comprehensive categorization.

Circular Fashion Strategies	Motivations	Quotes
Clothes Swap	<b>Cost:</b> Minimizing expenditure	“Clothes for free. Yes, the cost point again” (I.4).
	<b>Experience:</b> Enjoyment through unique experiences	“Then we swapped clothes and that was funny. It was a nice evening event though” (I.18).
Natural Fibers	<b>Functionality and Comfort:</b> Comfort and practical use	“With the Merino parts, it’s also about functionality and warmth “(I.16).  “It feels comfortable to wear and I have the feeling that it is soft and pleasant to my skin “(I.13).
	<b>Sustainability:</b> Reducing environmental impact	“I just think if it's organic cotton [...] it's definitely more environmentally friendly than any synthetic stuff “(I.7).  “You put them on and it all ends up in the water cycle when you wash, that's terrible” (I.2).
	<b>Health:</b> Clothing that supports well-being	“Because of my skin conditions, I had to find out which clothes had fewer harmful substances or were made from fewer synthetic materials” (I.23).
	<b>Quality:</b> Durability and superior performance	“The cotton is simply better in terms of quality, it’s just great” (I.2).
	<b>Social Influence:</b> Peer and cultural approval	“Because I was somehow raised to believe that cotton is good and that I should make sure that my clothes are cotton” (I.5).
	Recycled Materials	<b>Sustainability:</b> Reducing environmental impact
Rental and Leasing	<b>Cost:</b> Achieving a better price per utilisation ratio	“[...] I would find it interesting to rent something instead of buying a suit for a

		few hundred euros and not wearing it again" (I.22).
Repair Services	<b>Quality:</b> Durability and superior performance	"But I also assume that they will last longer anyway" (I.18).
Second-hand	<b>Cost:</b> Seeking affordability	"If I decide in favor of second hand, I will say because it's cheaper" (I.1).
	<b>Uniqueness/Style of fashion item:</b> Finding distinctive and rare fashion items	"You can find some really cool clothes there, maybe a bit of retro stuff that you can't find in a normal shop anymore (I.6)".
	<b>Quality:</b> Durability and superior performance	"You can buy clothes that are more expensive in normal sales and then perhaps somehow have a better quality" (I.3).
	<b>Sustainability:</b> Reducing environmental impact	"I buy it precisely because of sustainability" (I.15).
	<b>Experience:</b> Enjoyment through searching for unique pieces	"Because it's actually a nice activity to search for clothes together" (I.4).

*Table 1 - Motivations of consumer engagement*

As demonstrated in Table 1 a wide range of motivations has been identified that drive consumer interest in various circular fashion strategies. However, it is also important to recognize the significant barriers that inhibit these same consumers from fully embracing these practices. Despite the evident inclinations towards cost savings, comfort and functionality, unique experiences or sustainability benefits, many consumers encounter obstacles that prevent them from choosing circular fashion. A summary of these barriers is presented in Table 2 and will be examined in the next section.

### 3.5.2 Barriers

A significant barrier cited by numerous interviewees is the time commitment required, particularly in the context of second-hand fashion "somehow I don't have the time or the priority" (I.16). The process of selling clothes on platforms such as Vinted necessitates a considerable time investment, including the photographing of items, the taking of measurements, and the communication

with potential buyers. As one interviewee articulated, “The other thing that stops you is the time factor, until you've filled in all the forms and put things in and written to the interested parties. Sometimes I don't have time for that” (I.8). Moreover, finding desirable second-hand items can also be time-consuming, as another noted: “Sometimes you have to search for a long time” (I.20).

The cost of circular fashion, especially for items made from recycled or natural fibers, presents another significant hurdle. Despite the motivation provided by lower prices in second-hand markets, the higher costs associated with products that are made from more sustainable materials, act as a barrier for many consumers. One participant articulated this challenge by stating: “Of course, it's also a cost factor. With that kind of products, you realize that they are also more expensive and can perhaps cost up to twice as much as usual” (I.17) or another talked about its experience saying: “they were just incredibly expensive. So, it would have been a purchase decision if the jacket hadn't cost 700 euros instead of 200 euros” (I.18). This finding aligns with the view of many of the interviewees that they are simply used to the cheap prices of fast fashion brands, which makes them price-sensitive, even though they know that it makes sense for the clothes to be more expensive, it's still something that prevents them from putting an emphasis on it: “Why should I spend €100 on a pair of trousers or jeans when I can buy them for €20?” (I.11). Another interviewee articulated this sentiment: “because you're used to these fast fashion prices” (I.4).

Consumer engagement with circular fashion is further complicated by availability and accessibility. While some consumers feel that the availability is generally good that if you wanted to prioritize it, you could: “If you want it, you can get it. So, I don't think accessibility is a problem” (I.21) others feel that these options are limited, especially outside of large urban centers: “[...] because

there aren't that many options in the village, so you're more likely to order online" (I.4) or another explains: "the accessibility is not given for me" (I.18).

Concerns about scams and hygiene also discourage engagement with second-hand fashion. Fear of being scammed on platforms such as Vinted: "they are people you don't know and they want to scam you" (I.22) and doubts about the cleanliness and hygiene of second-hand items: "so with second hand, I don't know if it's disgusting or I don't know what happened to the garment"(I.5) were not the most frequently mentioned but still significant barriers.

Finally, a general lack of awareness and media presence of circular fashion strategies hinders wider adoption. Many consumers have not considered the circularity of their fashion choices: "I've never thought about it before" (I.13) or another who states: "Not at all. You hardly hear anything about it, I think" (I.17) and feel that the topic lacks visibility and promotion by companies: "I have the feeling that it's not really an issue yet. Not a big issue, I don't think. At least the companies don't advertise it much" (I.19). For a better overview of the most important barriers for each strategy, they are listed in Table 2.

<b>Circular Fashion Strategies</b>	<b>Barriers</b>	<b>Quotes</b>
Clothes Swap	<b>Availability:</b> Too little opportunities for engagement	"No, I haven't heard anything about it in Stuttgart either" (I.22).
Natural Fibers	<b>Time:</b> Research time	„If you also want to find out how something was produced or something like that, then it's also very time-consuming and you usually give up before you've really started" (I.23).
	<b>Costs:</b> Higher prices and lack of affordability	"But of course it's also the price, especially for new products" (I.16).
Recycled Materials	<b>Costs:</b> Higher prices and lack of affordability	"But it's a question of money if you can afford it?" (I.19).

	<b>Trust:</b> Distrust in big organizations, fear of greenwashing	"[...] because they always advertise it as recycled plastic, but somehow only 10% or so of it is recycled in the end" (I.2).
Rental and Leasing	<b>Knowledge:</b> Missing knowledge and presence	"I have not heard about it, but I like it" (I.10).  "I'm a bit hesitant about it and that's because I imagine it's super complicated" (I.9).
	<b>Availability:</b> Too little opportunities for engagement	"Renting is not so easy, so if it is in the big cities, you might have one or two shops, but very rarely" (I.17).
Repair Services	<b>Availability:</b> Too little opportunities for engagement	"I have heard of this, but only from relatively high-quality brands" (I.7).
Second-hand	<b>Time:</b> Time spent finding and selling clothes	"[...] you sometimes have to search for a long time at second-hand" (I.20).  "It's rather stressful replying to people about every little thing, packing the parcel, taking it to the post office and so on. It's more work" (I.17).
	<b>Hygiene:</b> Hygiene concerns	"I don't know if it's disgusting or if I have no idea what happened to the garment" (I.5).
	<b>Availability:</b> Too little opportunities for engagement	"I would simply wish that there were perhaps more second-hand shops that also offer high-quality fashion" (I.7).
	<b>Fear of Frauds:</b> Fear of being scammed by sellers	"[...] whether it really is as it is shown in the pictures, so I don't really know whether I can rely on it like that" (I.20).

Table 2 - Barriers of consumer engagement

### 3.6 Impact of Generation

Consumer behavior in circular fashion shows notable generational differences, particularly in their attitudes to materials and the longevity of clothing. Generation X shows a strong preference for natural fibers and high-quality garments, a trait that is less strong in Generation Z. While only just over

half of Generation Z emphasize the importance of natural fibers, almost all Generation X respondents highlighted this as crucial. One Gen X consumer reflected: "I'm not that old, but it's just that all these polyester fibers have been around for 20 years. Yes, and that means we still have the experience of how great 100% cotton is" (I.2). Another added: "My mother always told me that you don't have to have a lot of clothes in your wardrobe, just 2 or 3, but they should be very good, high-quality things. My clothes always had to be cotton" (I.13).

Generation X interviewees also reported that they were taught to take good care of their clothes, to use them for as long as possible and to repair them when necessary. "My parents never understood why we should buy new clothes. They always said, 'It's still so good'" (I.19) and "that's how I grew up, that you don't throw things straight away, you just repair them" (I.7). These practices highlight a distinct Gen X mindset, shaped by previous generations, that emphasizes a deep appreciation for the quality and longevity of clothing. This generational attitude favors natural fibers known for their durability and supports the practice of repairing rather than discarding.

In contrast, when it came to second-hand fashion, all Generation Z respondents said they had bought second-hand items before. However, a third of Generation X respondents had never bought second-hand fashion, with many of those who had, stated that it was mainly for their children's clothes in their early years. "If you take, for example, the issue of small children who quickly outgrow their clothes, I think it makes a lot of sense to utilize these opportunities anyway" (I.10). This generation also noted a detachment from following fashion trends, which could be a factor of age and maturity rather than generation: "Yes, maybe it comes with age, maybe with the realization that you just say, well, you don't really need that much" (I.11) and "But I always look at what suits me and don't follow the trends" (I.13).

Lastly Generation X respondents commented on the relatively recent phenomenon of fast fashion, a concept they were unfamiliar with when they were younger: “I don't think fast fashion existed back then either” (I.18), which contrasts with today's shopping habits: “But now people just say I'm going to go to Primark and buy a ten pack of socks [...]. So, people have already developed a different attitude” (I.11). This is an indication that they tend to have a more reserved approach, prioritizing long-term use and quality over short-term, low-cost purchases.

### 3.7 Chapter Summary

At the beginning of the interviews, the consumers were invited to provide their personal interpretation of the concept of sustainability in fashion. Most consumers viewed sustainable fashion as the opposite of fast fashion and associated it mainly with the working conditions of the manufacturers, the country of origin and practices such as purchasing second-hand items, opting for natural fibers, and extending the lifespan of garments through repairs. The influence of sustainability on consumer purchasing decisions was perceived differently, with some respondents considering it a crucial factor, others as a secondary benefit, and a few as unimportant. While all interviewees expressed familiarity with sustainability, only approximately half demonstrated knowledge of the circular economy, and an even smaller proportion were acquainted with the term “circular fashion”. Of the selected circular fashion strategies, second-hand fashion has attained the most significant recognition and adoption, particularly among Generation Z, who are more accustomed to purchasing from platforms such as Vinted and eBay. Engagement with other circular strategies, such as renting or using repair services, was less prevalent. The motivations for engaging with circular fashion vary according to the specific strategy, but generally include cost effectiveness, uniqueness of the fashion item,

comfort and functionality, and environmental considerations. The predominant barriers encompassed time constraints, particularly concerning second-hand platforms, elevated costs associated with natural fiber garments, deficient knowledge and restricted availability. Generational differences were identified, particularly in attitudes towards materials and clothing longevity. The Generation X cohort demonstrated a stronger inclination towards natural fibers and a greater propensity for clothing care and repair, influenced by their parents and grandparents, as well as the non-fast fashion environment during their formative years. This chapter underscores the complexity of consumer engagement with circular fashion, influenced by a mix of personal motivations, barriers and generational differences.

# Chapter 4

## Discussion of the Findings

With regard to consumer knowledge of sustainability issues and the environmental impact of the fashion industry, participants demonstrated a general awareness and knowledge, which is consistent with extant literature showing an increase in social awareness in recent years (Henninger et al., 2021; Shrivastava et al., 2021). However, while many of the participants associated sustainable fashion with circular fashion strategies such as second-hand fashion or repairing services, they were lacking knowledge about the concepts of circular economy and especially about circular fashion. This deficit in understanding was further highlighted when respondents were asked to identify the six specific circular fashion strategies (recycled materials, natural fibers, second-hand fashion, rental and leasing services, clothes swaps and repair services). Most consumers identified all of these strategies, which suggests a clear discrepancy between industry discourse and consumer reception.

In the context of an investigation into consumer engagement with circular fashion strategies, a disparity in participant responses was observed. Strategies such as second-hand fashion and clothes made from natural fibers exhibited notable popularity and engagement from consumers. Conversely, strategies related to the product life cycle appeared to receive less engagement, often due to a lack of presence and knowledge among consumers. However, the provision of cost-free repair services or rental options appeared to generate genuine interest among the participants, confirming the findings of previous studies, indicating that the current market share of these strategies is yet small but their significance is gradually increasing (Hellström & Olsson, 2024).

Furthermore, while a significant number of participants asserted the significance of sustainability and its influence on their purchasing decisions when buying fashion items, their environmental and sustainability concerns often did not translate into action. This finding is in line with previous research that found a discrepancy between consumers environmental concerns and their actual consumption behaviour (Thu Nguyen, 2024). This gap was also reflected in the motivations identified in the interviews. While the motivations for engagement with circular fashion strategies were found to vary, the most frequently cited motivational drivers were related to financial considerations, comfort and the unique style of fashion items. These motivations are consistent with the findings of prior studies, which suggest that price, comfort, quality, trendiness and practicality are the primary factors influencing consumer behaviour (Bączyk et al., 2024; Schiaroli et al., 2024; Shrivastava et al., 2021). However other motivations such as health, quality or the influence of social environments, were also identified, though these appeared to be of lesser significance. Regarding sustainability, it was found that only a minority of the interviewed consumers reported that environmental concerns significantly influenced their purchasing decisions, with the majority considering it a beneficial but secondary motivation. This perspective is consistent with findings of research conducted by Schiaroli et al. (2024) and Shrivastava et al. (2021) which also identified these factors as secondary motivational drivers.

Moreover, Henninger et al. (2021) identified that environmental and sustainability motivations are often outweighed by economic considerations. This was also evident among the barriers identified in this study. The financial factor was not only a motivational driver, but also a significant barrier, particularly when it came to natural fibers and recycled materials. While consumers expressed a preference for natural fibers over synthetic materials such as polyester, this preference was often outweighed by higher costs and

affordability concerns. Financial constraints represent only one of the barriers identified in this study. Indeed, the research uncovered other significant barriers, including hygiene concerns (Thu Nguyen, 2024). Time investment was another significant barrier, with participants citing the considerable effort required to research, find and engage with circular fashion alternatives particularly participating in clothes swaps or using second-hand platforms. A general lack of attention to the issue, coupled with a lack of knowledge, was also a significant barrier, sometimes leading to hesitation to engage with circular fashion business models such as rental platforms. This hesitancy is often reinforced by the limited presence and availability of these strategies.

The present study also investigated whether generation has an impact on consumer behaviour towards circular fashion. The study revealed that there are discernible differences in behaviour between the two generations. Contrary to the extant literature, which suggests that Generation Z has a higher awareness than other generations in terms of the environmental impacts of their purchasing decisions and that this is reflected in their purchasing decisions (Amatulli et al., 2023; Ruzgys & Pickering, 2024) this study found no proof of this claim. While a significant proportion of Generation Z participants said that environmental concerns were important to them, they also admitted that this was rarely reflected in their purchasing decisions. In contrast, the majority of Generation X demonstrated a distinct preference for the quality and longevity of clothing, as well as practices such as repairing rather than discarding. Reflecting the environment in which they grew up, it was notable that many participants in Generation X attributed their buying patterns and valuing of clothing and materials to their parents and grandparents. This environment, in which they grew up, also excluded concepts such as fast fashion, which they only became familiar with in adulthood. While the majority of Generation X demonstrated a

preference for engaging with circular fashion strategies that prioritised materials or repair, they did not engage extensively with strategies such as second-hand clothing. Generation Z, on the other hand, has adopted this circular fashion strategy most widely, mainly due to the financial aspect and the unique style of the clothes. The study also revealed findings that raise questions about whether age, rather than generation, influences consumer behaviour towards circular fashion, as a significant proportion of Generation X participants indicated that their behaviour had changed over time, due to several factors, including raising children, establishing their own style and a reduced sense of urgency to follow every trend.

# Conclusion

Many studies have explored how companies are implementing circular fashion strategies, focusing on supply chain dynamics and the broader challenges of adopting a circular economy in the fashion industry. However, understanding consumer attitudes and behaviours towards circular fashion remains critical to successful implementation. This study, therefore, sought to examine consumer behaviour in relation to circular fashion strategies, investigating the motivations and barriers faced by consumers and the question of whether generation influences these behaviours. A comprehensive literature review was conducted, complemented by in-depth interviews with 23 participants from Germany, representing Generation Z and Generation X. The study revealed that motivations to engage with circular fashion strategies vary considerably. The study identified key drivers, including price and affordability, comfort and functionality and trendiness and style of fashion items. Sustainability concerns, while present, were secondary motivational factors.

The study identified significant barriers, including financial constraints, time investments, and a general lack of knowledge and awareness. These barriers suggest a need for the industry to enhance its educational and marketing strategies to better inform the public. Regarding generational influences, the study revealed clear differences between Generation X and Generation Z in their preferences for specific strategies. Furthermore, findings suggested that age-related changes in behaviour might be as influential as generational differences, with many Generation X respondents indicating shifts in their fashion consumption driven by life stages. This research provides critical insights into consumer behaviour in the context of circular fashion in Germany, a field that has received limited research to date. The findings are of value to sustainable fashion brands or those seeking to transition their strategies towards more

sustainable practices. The study emphasises the necessity of formulating targeted communication strategies and campaigns to enhance the appeal and accessibility of circular fashion options to a more extensive audience. In addition, this study establishes a foundation for future academic research in the domain of sustainable fashion and identifies areas where further research is needed.

There are several limitations to the present study. Firstly, the methodology used was qualitative, with a relatively small sample size, limiting the diversity of consumer perspectives captured and preventing the findings from being generalisable to a wider population. In addition, the study was conducted exclusively in southern Germany, which limits the transfer of findings to other regions or different socioeconomic and cultural contexts. Moreover, the results may be subject to biases arising from the semi-structured interview format, which relies heavily on self-reporting. Participants may give answers that are socially acceptable rather than their true beliefs. Therefore, future research could address these limitations by incorporating quantitative analysis to systematically measure motivations, barriers and generational effects across a larger population. A cross-cultural study could also shed light on the influence of cultural and economic factors on consumer behaviour. Long-term studies would further refine the understanding by tracking changes in consumer behaviour over time in response to socio-economic shifts, policy changes or life stages of the consumers. In addition, exploring the role of gender in consumer behaviour towards circular fashion could provide deeper insights into the demographic influences on sustainability practices.

## **Declaration of generative AI and AI-assisted technologies in the writing process**

During the preparation of my written thesis, master's degree in marketing, ChatGPT was used for the following tasks: Literature review assistance (e.g., searching for scientific papers or quickly retrieving information from papers), Writing and editing (e.g., helping to improve language, giving feedback on the clarity of the text). In addition, Whisper from OpenAI was used to transcribe interviews from audio files to text, and DeepL Write was used to improve writing and find synonyms. After using these tools/services, I reviewed and edited the content as necessary, and I take full responsibility for the content of the work presented.

I also declare that I am aware of and respect the Artificial Intelligence Rules of Conduct of Católica Porto Business School.

### **Prompts used for large language models:**

- Can you suggest some of the latest articles on circular fashion?
- Can you summarise this article for me quickly and tell me if it contains information about how consumers behave in the context of circular fashion?
- Can you please give me some feedback on this paragraph in terms of clarity and flow?
- What synonym could I use for...?
- Can you check if this paragraph follows a red line?
- Did I cite this correctly in APA 6 or what should I pay attention to?

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# Appendices

## **Appendix A – Generational Cohorts**

Companies often encounter difficulties in attempting to cater to the diverse needs of different generations simultaneously (Kotler et al., 2021). For instance, they must decide whether to prioritize targeting Gen X and Baby Boomers, who possess considerable financial resources and a willingness to pay, or to focus on Gen Y and Gen Z, who contribute a significant brand equity through their perceived hipness and digital expertise. Consequently, companies must strive to achieve a balance between two objectives: maximizing value creation in the present and initiating the process of brand positioning for the future.

### Generation X

Those individuals born between the years 1965 and 1980 can be identified as belonging to the Generation X (Kotler et al., 2021). Having experienced the turbulence of the 1970s and the uncertainty of the 1980s during their formative years, they entered the workforce in a more favourable economic situation. They demonstrate a strong affinity with the concept of "friends and family" (Kotler et al., 2021).

### Generation Z

Generation Z is defined as individuals born between 1995 and 2012 (Ruzgys & Pickering, 2024). In Germany, this cohort represents 14,59% of the population (Statista, 2024b), making it one of the most promising consumer target groups. This generation is distinguished by a desire for a better future and strong social and environmental concerns. They have a greater awareness of the environmental impact of their purchases, which is reflected in their purchasing

decisions (Amatulli et al., 2023; Ruzgys & Pickering, 2024). Generation Z displays a heightened financial awareness in comparison to Generation Y, coupled with a more assertive stance towards driving change through their daily choices. Therefore, this cohort of consumers tends to favour brands that demonstrate a robust commitment to addressing social and environmental issues (Kotler et al., 2021).

## Appendix B – Interview Guide

### Introduction:

- Explaining the topic and the objective/purpose of the interview
- Confidential assurance and permission for audio recording

### Demographics:

1. Can you tell me your name, age, gender and your educational and professional background?

### Knowledge and Attitude:

2. How familiar are you with the concept of sustainability in fashion?
3. How important is sustainability in fashion to you?
4. How familiar are you with the concept of circularity, what do you understand by the term circular fashion?
5. How important is it to you that your fashion items are circular?

### Knowledge, Actual Behaviour and Motivations of Consumer Engagement:

6. Here are some examples of Circular Fashion Experiences. Please tell me if you've heard of them and if you've already tried them.
  - 6.1. Have you ever bought any fashion items made from recycled materials?
  - 6.2. Have you ever bought a piece of clothing that was made from natural fibers only?
  - 6.3. Have you ever bought second-hand fashion, maybe on Vinted, a Flea Market or eBay?
  - 6.4. Have you ever rented or leased clothes before?
  - 6.5. Have you ever participated in a clothes swap?
  - 6.6. Have you ever used a repair service for your fashion item before?
7. Have you had another fashion experience with something else that I didn't mention that you'd also consider circular?

8. What do you do with your clothes when you don't use them anymore?

Follow up question:

8.1 Why did you decided to do this with your clothes instead of just throwing them away?

9. Can you think of a specific example where you have chosen a circular fashion item over a conventional or fast fashion alternative? What were the main factors that influenced your decision?

Follow up questions:

9.1. How would you describe the influence of your social environment on your decisions regarding circular fashion?

Barriers:

10. Could you share any hesitations or challenges you've encountered when considering engaging with circular fashion experiences? If you have had a negative experience with circular fashion in the past, can you tell me more about that experience?

Follow up question:

10.1. How would you describe the accessibility and availability of circular fashion compared to conventional fashion?

Improvements and Suggestions:

11. What kinds of changes or improvements would make you more likely to engage with circular fashion?

12. Is there anything else you'd like to discuss that we haven't touched on, especially in terms of circular fashion?

## Appendix C – Demographic Characteristics

<b>Demographic Characteristics of Participants N=23</b>		
<b>Age</b>	<b>N</b>	<b>%</b>
18-24	7	30%
25-30	5	22%
45-52	2	9%
53-60	9	39%
<b>Generation</b>		
Z	12	52%
X	11	48%
<b>Gender</b>		
Female	15	65%
Male	8	35%
<b>Highest Education</b>		
High School Diploma	2	9%
Apprenticeship*	10	43%
Bachelor's Degree	6	26%
Master's Degree	4	17%
Doctorate	1	4%
<b>Professional Background</b>		
Business and Finance	10	43%
Education and Social Services	5	22%
Environmental and Public Services	2	9%
Health and Psychological Services	2	9%
Landscaping and Gardening	1	4%
Retail	1	4%
Student	2	9%

\*Training programme in which an individual learns a profession through practical experience, combined with classroom study.