

Circular Commerce: Promoting Reuse and Resale Models Through E-Marketplaces

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Abstract:

This study explores the importance of circular commerce, with a primary focus on the reuse and resale model in the digital economy. Circular commerce emphasizes the reuse, resale, and recycling of products, as opposed to the traditional “use and dispose” approach. It supports sustainability by reducing the consumption of new products and encouraging the continued use of existing products until the end of their usability. The study examines the role of reuse and resale within the digital economy and investigates how consumers are aware of and behave toward this model. Primary data collected from 166 individuals, with a significant portion of respondents being students under the age of twenty. Findings reveal that consumer awareness of environmental issues remains low and the main element for adopting reuse and resale model is economic incentives. Consumers suggested improvements such as better-quality checks, buyer protection policies, and sustainability indicators on platforms. Common concerns such as trust, lack of quality assurance and lack of after-sale support are important reasons why many consumers hesitate to purchase refurbished products. The paper concludes that there is a clear need for improved infrastructure, greater consumer awareness on sustainability and the development of accessible, user-friendly tools to encourage large number of persons to adopt of circular commerce practices.

Keywords: Circular commerce, reuse, resale, e-marketplace etc.,

Introduction:

Circular commerce is all about reusing what we already have instead of always buying something new. It is not just a way to save money it is a path toward a more sustainable future. When we give products a second life, we help protect our planet, reduce waste, and make a real difference in how we consume. In today’s internet-driven world, circular commerce has become a core part of e-commerce platforms. From refurbished electronics to pre-loved fashion, buying and selling used items online is easier than ever and it is fast becoming a major business model. In a time when everything moves quickly, circular commerce makes us to pause, think, and choose differently. It encourages us to shift from convenience driven habits to conscious living, all while caring for our mother Earth.

Reuse and Resale Model:

The resale and reuse model are speeding through different industries in an age of fast-consumer evolution and global awareness. According to a “[GlobalData](#)” report, the worldwide resale market is growing a whopping 11 times faster than traditional retail and will reach €84 billion by 2030” Instead of throwing away their items, both businesses and consumers are now learning the basics of refurbishment, resale, and reuse toward sustainability in daily choices. One of the positive impacts of this model is the effort it makes to reduce carbon emissions. “For a second-hand product, the carbon footprint is a whopping 82% smaller”. For the making of new products, a huge amount of energy and raw materials is consumed, while conservation of these resources and limitation of these wastes is possible with regards to the reuse of existing items. It creates a consciousness about consumption, encouraging people to think of the lifecycle of what they buy. Major corporations are now beginning to incorporate this into their business practices.

Scope of the study:

This study focuses on how circular commerce plays a significant role in promoting sustainability. It highlights the necessity of reusability in an economy and explains why simply buying new products and discarding old ones is no longer a viable practice. The research explores the growing popularity of e-commerce as a platform for purchasing used and refurbished goods, and why consumers are increasingly opting for pre-owned items. It also examines how e-commerce platforms support this shift and evaluates the overall impact of circular commerce on the planet.

Review of the Literature:

Ayuso and et.al [2023], in this article, *The Circular Economy and Consumer Behaviour: Literature Review and Research Directions*, the main objective is to explore how circular commerce—particularly reuse and resale via e-marketplaces—has been studied, with a focus on sustainability, consumer behaviour, and decision-making. The goal is to understand what is already well covered in the literature, identify knowledge gaps, and suggest where future research could go. The authors adopt a structured literature review approach, sourcing peer-reviewed articles in English from Scopus using keywords like “circular economy” and “consumer behaviour.” They followed the PRISMA process to screen articles and used the TCCM framework to organise them by theory, context, characteristics, and method, while the ADO framework helped examine behavioural elements. A bibliometric analysis using VOS viewer was also conducted to map key themes and research clusters. The study finds growing academic interest in circular commerce but highlights the need for more integrated theories and platform-focused research. **Roshan and et.al [2024]**, in this article, *Circular Economy Startups and Digital Entrepreneurial Ecosystems* (Roshan et al., 2024), the authors explore how different components of the Digital Entrepreneurial Ecosystem (DEE) influence the formation of Circular Startups (CSUs) from a systems theory perspective. Instead of looking at individual factors in isolation, the study examines how combinations of DEE elements—such as digital access, protection, networking, and technology transfer—interact to either enable or hinder CSU growth. The main objective is to identify which elements are essential, which can be substituted,

and what configurations lead to successful startup formation. The researchers apply Fuzzy-Set Qualitative Comparative Analysis (fsQCA) to data from twenty-nine countries, using CSU formation rates from Tracxn (2021) and DEE indicators from GEDI and other sources. Data were calibrated into fuzzy sets to detect causal patterns. The analysis reveals six DEE configurations that support CSU growth and three that restrict it, with digital protection and access standing out as key enablers. **Ferreira and et.al [2023]**, in this article *Start-ups and Entrepreneurial Ecosystems in the Circular Economy: A Multi-Level Approach for Safe and Just Planetary Boundaries*, the authors aim to understand how start-ups and entrepreneurial ecosystems (EEs) support the transition to a Circular Economy (CE). They take a multi-level approach, examining macro-level factors (like policies and infrastructure), meso-level systems (such as supply chains and ecosystems), and micro-level innovations (like start-up business models). The goal is to build a framework that links CE efforts to broader planetary boundaries, such as biodiversity and water use, while addressing gaps in existing research. To do this, they conducted a Systematic Literature Review (SLR) based on Tranfield et al.'s (2003) guidelines, using Scopus and Web of Science. After screening over 1,100 articles, ninety were selected for analysis. Using bibliometric tools (RStudio Bibliophagy), they identified four main research clusters and used content analysis to explore how these themes connect across levels within the CE transition.

Problem Statement:

In today's fast-paced consumer economy, many products like clothing, electronics, and furniture are discarded after little use. This leads to excessive waste, pollution, and depletion of resources. The old model of "take, make, use, and throw" is no longer sustainable. This has created a shift toward circular commerce, which focuses on extending the lifespan of products through reuse, resale, recycling, and refurbishment. Among these strategies, reuse and resale are essential for reducing environmental damage and encouraging sustainable consumption. However, many people still do not adopt these practices. Consumers often lack awareness, are hesitant to buy second-hand items due to quality and trust issues and have trouble finding reliable resale platforms. E-marketplaces, such as online platforms and apps, can help drive circular commerce on a large scale. They provide convenience, broad reach, and digital tools that can effectively connect buyers and sellers. However, most current e-commerce platforms focus primarily on new products and offer little support for second-hand goods. Even dedicated resale platforms encounter issues like poor user experience, lack of product verification, and limited customer support. Additionally, consumers seldom receive education or incentives to make sustainable choices. The lack of proper verification, warranties, or eco-friendly benefits also discourages participation in reuse and resale markets. This situation creates a need for innovative, trustworthy, and user-friendly e-marketplace models that can support circular commerce. These platforms should address consumer concerns, improve visibility for reused items, provide environmental impact tracking, and offer rewards for sustainable actions.

Objectives of the Study:

1. To examine consumer awareness, perception, and participation in reuse and resale practices facilitated by e-commerce platforms.
2. To identify the key features and business strategies of digital marketplaces that effectively promote circular commerce.

Research Methodology

The study was conducted in Coimbatore city, chosen for its growing urban population, digital adoption, and diverse consumer base of students, professionals, homemakers, and entrepreneurs. The city's demographic variety and increasing awareness of sustainability made it a suitable area for examining attitudes toward circular commerce. The population for the study comprised consumers within Coimbatore, and a sample of 166 respondents was selected to provide meaningful insights. A non-probability convenience sampling method was adopted to reach respondents efficiently. Data were collected through a structured questionnaire that included questions on demographic details, purchase and resale behaviour, awareness of environmental benefits, preferred product categories, and key platform features. The collected responses were analysed using descriptive statistics such as frequencies and percentages, along with weighted ranking analysis to identify the most valued features and areas for improvement. This approach helped capture both economic drivers and sustainability considerations influencing consumer behaviour in Coimbatore.

Data Analysis & Interpretation:

Table 1 - Demographic Profile of Respondents

Category	Subcategory	Frequency	Percent
Age	Up to 20 yrs	123	74.1%
	21–30 yrs	10	6.0%
	31–40 yrs	11	6.6%
	41–50 yrs	16	9.7%
	51+ yrs	6	3.6%
Gender	Male	102	61.5%
	Female	64	38.5%
Occupation	Student	128	77.1%
	Working Professional	22	13.3%
	Entrepreneur	6	3.6%
	Homemaker	7	4.2%
	Other	3	1.8%
Total		166	100%

Source: Primary Data

Table 2 - Purchase of Second-hand Goods

Response	Frequency	Percent
Yes	60	36.1%
No	106	63.9%
Total	166	100%

Source: Primary Data

The survey data show that only 36% of respondents reported having purchased used products, while the majority, about 64%, stated that they had not. Very obviously, most of the people in this group would not have much interest in second-hand goods. A huge factor could be that many of these respondents may be students, and students usually do not get interested in used items. They may feel that new products are better in quality, or they might simply worry about what others would think about them if they used second-hand items. Some of them may also be unaware of the benefits associated with buying used products, like saving money or helping the environment. So, overall, buying second-hand items does not seem to be an extremely popular thing in this group.

Table 3-Frequency of Resale/Reuse

Response	Frequency	Percent
Very Frequently	6	3.6%
Occasionally	28	16.9%
Rarely	79	47.6%
Never	53	31.9%
Total	166	100%

Source: Primary Data

So, about 32% of respondents reported never to practice resale or reuse, while almost 48% affirmed that they do this only now and then. What stands out is there are but about 4% who actively engage in it. This indicates that resale or reuse is not an active habit for a large share of the respondents. Most people either do not care about it or do it very seldom. There could be various reasons for this: they may not see much value in it, it may seem inconvenient, or they might simply prefer buying new ones. Also, they are not fully aware of the benefits-gaining some extra money and saving from wastage. In general, the alternative of reusability or resale is not so important for this group.

Table 4-Effectiveness of Strategies in Promoting Circular Commerce

Factor	Not Effective	Slightly Effective	Neutral	Effective	Highly Effective	Total Score	Weighted Score	Rank
Discount	9	10	144	208	260	631	42.07	1
Buy Back	7	14	150	228	225	624	41.60	2
Certified Refurbishment	10	10	150	212	240	622	41.47	3
Carbon Footprint	13	22	150	208	200	593	39.53	4

Source: Primary Data

The analysis shows that discounts are the most important factor for respondents, receiving the highest weighted score of 42.07. This clearly indicates that price benefits matter the most to customers when making a purchase decision. The next two key factors are Buy Back (41.60) and Certified Refurbishment (41.47), which means people also value the assurance of quality and the possibility of exchanging products later. On the other hand, Carbon Footprint received a lower score of 39.53, which shows that while people do care about environmental impact, it is not their top priority. Overall, the results suggest that customers strongly prefer financial benefits like discounts and buybacks over eco-friendly features. This does not mean sustainability is ignored, but it is less influential compared to price-related advantages.

Table 5- Ranking of Statements Based on Agreement

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	Rank
I trust platforms that verify quality in second-hand items	26	44	47	50	3
Buying pre-owned goods helps reduce environmental waste	59	45	37	26	1
I consider sustainability when making online purchases	50	49	40	28	2
Resale platforms are convenient and user-friendly	32	29	43	63	4

Source: Primary Data

Based on the survey response: the overwhelming majority strongly agree that purchasing second-hand products decreases environmental waste; therefore, this was their most important description. This was an excellent indicator of the awareness of the environmental impact of disposable products and awareness of the positive impact of second-hand products on the environment. The survey respondents also agreed sustainability is a consideration when shopping online suggesting the consumers that they shop online and in-store, consider the environmental impact when making purchasing decisions. After these, convenience and trust became an important consideration. Many indicated that reselling platforms are convenient and easy to use, although fewer respondents strongly agree they trust the resale platforms to deliver quality products or product quality. This gap in trust shows that while sustainability and convenience are valuable to the buyer, they are not readily stating resale companies provide reliability and quality assurance. Environmental issues and sustainability are very important to the customer, however resale companies need to build trust through quality checks and credibility, for buyers to feel comfortable purchasing pre-owned goods.

6. Platform Usage

7. Preferred Categories of Second-Hand Products



8. Frequency of Key Features on Resale Platforms

9. Frequency of Improvement Features on Resale Platforms



Practical Implications and Recommendations:

The result of this examines provide a number of actionable opportunities for enhancing the uptake of circular trade thru e-marketplaces. First platforms want to enforce mechanisms that beautify fine warranty, which include verification of sellers, product circumstance grading and licensed refurbishes. This may additionally cope with client's maximum urgent problem-agree with, thereby dealing with reluctance to shop for second hand. Secondly, including customer safety and alternatives to go back merchandise will similarly support purchaser agree with, driving greater users to engage in reuse and resale markets. E-marketplaces can also undertake sustainable signs and eco-labels, which could also help together with other policies, still, those attributes are not yet prioritized by means of customers; however, they could sooner, or later assist improve environmental recognition. With cognizance campaigns for circular commerce, these indicators could shift client choice making from completely rate to a number of the opposite advantages like cost savings and environmental commitments (Ayuso et al., 2023). similarly, such as praise loyalties based on incentives for sustainable purchases/dealing with a bit of luck about sustainability, will engage and foster lengthy-time period

sustainable behaviours. any other exercise is to use digital technologies including AI and blockchain. AI may be used to create recommendation engines to push sustainable opportunities for purchasers, even as blockchain may be used to provide transparency of the product records that could decorate patron believe. Logistics partners may want to help in setting up opposite logistics, delivery systems that support environment.

Conclusion:

This study shows that while economic incentives are the biggest motivator for consumers to engage in reuse and resale behaviours, there is growing but limited recognition of the certified refurbishment were the most influential factors of a purchase decision whereas features that are eco-conscious, including carbon footprint indicators, were regarded as less important. It indicates the dual challenge of building the trust gap through improved quality checking and buyer protection, and climate consciousness in stronger sustainability acknowledgment of the consumers. The implications of circular commerce have practical implications through extending the life cycle of products, waste reduction, and resource conservation to support sustainable development, the model requires the cooperation of platforms, policies, and consumers acting collaboratively. Platforms need to rethink their approach so that affordability is weighed with accountability, and equality features alongside educational features on environmental impact are part oof the user experience. Policies can assist by establishing frameworks foe resale certificate standards, subsidies for eco-friendly consumption, and promoting the revitalization of digital marketplace innovation. For consumers, engaging with circular commerce represents not only a cost-savings opportunity butt a shift in personal lifestyle. Younger generations are already demonstrating openness to second hand consumption, including purchase and sales opportunities.

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