



## The transformative impact of the circular economy on marketing theory

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### ABSTRACT

The circular economy (CE) is growing, and an increasing number of businesses are becoming aware of it. Demand from customers and new regulations from policymakers motivated many practitioners to transform their business models into circular business models. However, academia has not followed the same pace. Considering that the circular economy encloses unique attributes, it is crucially required to re-frame traditional marketing strategy theories. This article rigorously investigates marketing theory and practice in the CE, identifies the challenges of marketing in the CE, and introduces a new definition of marketing and additional stimulus in the marketing mix. Further, the article provides theoretical and managerial implications.

### 1. Introduction

The sustainability debate is not new. Ever since the emergence of environmentally conscious consumers in the late 1960s, issues such as environmental protection, damage prevention, and reflection on the consequences of one generation's actions for future generations have been in the spotlight (Leonidou et al., 2010). Nonetheless, this eco-consciousness intensified over recent years and sustainability concerns from both customers and policymakers pressure changes in different industries. (e.g., Quoquab and Mohammad, 2020; Weber et al., 2021). For instance, a study with 1000 Swedish customers revealed that 95 % of them considered sustainability as an important factor when purchasing products and services (Insight Intelligence, 2019). Further, countries such as Sweden or the Netherlands plan to build a waste-free economy by 2040 (Circular Sweden, 2023) and 2050 (Hope, 2022) respectively. France already requires companies to recycle, reuse or donate their unsold products (Hope, 2022).

A circular business model is "one in which a focal company, together with partners, uses innovation to create, capture, and deliver value to improve resource efficiency by extending the lifespan of products and parts, thereby realizing environmental, social, and economic benefits" (Frishammar and Parida, 2019, p. 4). Circular business models (CBMs) differ substantially from traditional business models (Bocken et al.,

2016). Whereas traditional models focus on the extract-produce-use-dispose of the lifecycle, encapsulating the product "end-of-life" concept, CBMs follow the closing the life cycle principle (Kirchherr et al., 2017). In this regard, CBMs encourage material and product reduction, reuse, recycling, and recovery (Genovese et al., 2017). To do so, firms need to rethink their operations and find ways to eliminate waste, replace finite resources with renewable resources, and consider the extension of product lifecycles (MacArthur, 2013). H&M's campaign of textile recycling or Gina Tricot's RENT your party outfit initiative are some illustrative examples of such ways (Mostaghel and Chirumalla, 2021).

The shift toward a circular economy (CE) represents an "economic and value win-win approach" to dealing with resource scarcity and waste disposal (Homrich et al., 2018, p. 534). It also represents an academic understudied area. Marketing definitions and practices need to constantly evolve to keep abreast of market developments and meet the expectations of diverse stakeholders. However, there is still work to be done in incorporating CE and CBM in this regard. For instance, there are still no clear standards for the value proposition of a CBM (Stål and Corvellec, 2018). This may raise doubts concerning organizational sustainability reports (Berglund and Sandström, 2013; Lewandowska et al., 2017) and make it difficult to retrieve information on the circularity of firms' activities (Insight Intelligence, 2019). Moreover, while authors

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such as [Sanclemente-Téllez \(2017\)](#) and [Vadakkepatt et al. \(2021\)](#) provide an overview of the marketing-sustainability relationship concerns, there are still issues to be addressed. Notwithstanding the existing literature advances on understanding CE and CBM concepts, relevance, and challenges (e.g., [Kalmykova et al., 2018](#); [Kirchherr et al., 2018](#)), the existing perspectives on marketing in a circular economy are fragmented. This fragmentation is apparent in the multifarious approaches to marketing in the CE. For instance, some studies suggest the integration of all aspects of sustainability (i.e., environmental, economic, and social) in the marketing mix (e.g., [Vadakkepatt et al., 2021](#)). Others suggest measuring the impact of firms' circularity level on purchase intention ([Papadas et al., 2019](#)). For most research agendas and executive decisions, this ambiguity is harmless. However, CE is the new normal, and an organic marketing theory will enlighten marketers and assist them to build a CE-suitable competitive advantage and market position.

In such a context, the purpose of this study is threefold. The first aim is to identify the existing theoretical and empirical changes in marketing that address the transformation of economies into circular economies. The second aim is to ascertain the critical factors necessary for marketing theory in the circular economy. Lastly, this study proposes a new theoretical view of marketing that meets the requirements of the circular economy. Thus, our study seeks to answer the following research questions:

**RQ1.** What is the position of marketing in the circular economy in the academic literature?

**RQ2.** What are the current challenges facing marketing in the circular economy?

**RQ3.** How does marketing theory need to evolve to serve the circular economy?

The organization of this paper is as follows. After this introductory section, [Section 2](#) provides an overview of the research method. [Section 3](#) discusses the state-of-the-art of marketing in the circular economy and pinpoints the leading researchers in this area. In [Section 4](#), we propose a new theoretical view of marketing in the circular economy. Finally, [Section 5](#) provides the discussion, conclusions, theoretical and managerial implications, as well as limitations of the study, and delineation of avenues for future research.

## 2. Methods

In this research, we employed two research methods. First, we conducted a systematic literature review to understand the current theorization of marketing in the circular economy. Then, we employed the theories-in-use (TIU) approach. TIU is especially valuable in constructing organic marketing theories, particularly with regard to emerging phenomena. Furthermore, this approach is recommended to extend perspectives and address ambiguities. Next, we present each method in detail.

### 2.1. Systematic literature review

A systematic literature review and bibliometric analyses assist in the identification of themes in the existing literature ([Chauhan et al., 2022](#); [Kunisch et al., 2018](#)).

#### 2.1.1. Search protocol

For the systematic literature review, we employed the prevailing search protocol, which is an “organized, transparent, and replicable process” ([Littell et al., 2008](#), p. 1). The steps used to retrieve articles are namely: 1) determination of keywords and databases; 2) search in the selected databases; 3) identification and removal of duplicates; 4) filter based on title and keywords; 5) reading of abstracts; and 6) reading of the entire article (cf. [Salvador et al., 2020](#)).

To determine the databases and keywords to include in the study, we established a panel of three experts. What regards databases, we selected four (Web of Science, Scopus, EBSCO, and Science Direct), based on their reliability in indexing highly ranked journals, to preclude the exclusion of influential and relevant articles in the final profile (cf. [Mostaghel and Chirumalla, 2021](#)). For the keywords, we chose “retail”, “marketing”, “sustainable”, “green”, and “circular”. We opted to focus on the retail industry due to its key role in the supply chain ([Lange and Velamuri, 2014](#)) and its contribution to economic labor and growth ([Tambo, 2014](#)). Over recent years, retail faced changes, namely emphasizing sustainability, an increasingly pertinent factor in customer purchases (e.g., [Confente et al., 2020](#)). The keyword search was conducted on March 4, 2022.

In order to include all possible combinations and variations of the keywords, we used Boolean operators (AND) and a wild card (\*). The specific queries used in each database are available in [Table 1](#). To secure the quality of the articles, we limited the results to English, academic peer-reviewed articles in business, management, and economics (cf. [Mostaghel and Chirumalla, 2021](#)). Given the extensive number of articles obtained by initial searches, no additional keywords were added to decrease the search bias (cf. [Mostaghel and Chirumalla, 2021](#)).

The search, including all the filtering options, resulted in 8 articles in EBSCO, 170 articles in SCOPUS, 947 articles in Science Direct, and 9 in Web of Science, for a total of 1134 articles. These articles were stored in EndNote 20 and Microsoft Excel spreadsheets.

Next, we removed all the duplicates in EndNote leaving 1114 articles. After these steps, we proceeded with the filter based on the titles and keywords, resulting in 712 articles. Then, we read the abstracts, reducing the number of articles to 313. Finally, reading the entire article resulted in a final profile of 26 articles. All articles without a clear focus on marketing in the circular economy as, for example, [Muposhi et al. \(2022\)](#), were removed at this stage.

**Table 1**  
Queries and steps used for the search in the databases.

Database	Query	Refined by
Web of science	(ALL = (“marketing strategy”)) AND ALL = (“circular economy” or sustainability or green) AND ALL = (Retail*)	Articles, English, Economics, Business, Management, Materials Science Multidisciplinary, and Engineering Industrial,
EBSCO	“marketing strategy” AND “retail*” AND (“circular economy” OR green OR sustainability)	Peer-reviewed Articles, English,
Science Direct	“marketing strategy” AND “retail*” AND (“circular economy” OR green OR sustainability)	Articles, English,
Scopus	“marketing strategy” AND (“retail” or retailer or retailing) AND (“circular economy” OR green OR sustainability)	Business Management and Accounting, Articles, English Language
Web of science	(ALL = (Marketing)) AND ALL = (circular*)	Articles, English, Green Sustainable Science Technology, Economics, Business, Management, Materials Science Multidisciplinary, and Engineering Industrial, Green, Economic, Business, and Management
EBSCO	All Fields: ((“marketing AND (“circular”*”))	Peer reviewed, and Academic Journals, English, Reading, Remove duplicates
Science Direct	All Fields: (Marketing and circular)	English, Research Articles, Business, Management and Accounting, Including only the journals in business administration
Scopus	All Fields: (Marketing and circular)	Business Management and Accounting, Articles, English Language

Note: Data was retrieved on February 1 and March 11, 2022.

Acknowledging that the number of articles in the final portfolio was rather restricted (only 26), we decided to run the systematic literature review excluding the keyword “retail” to see if we missed any relevant, or influential articles.

This second literature review was conducted on March 11, 2022, using the keywords of “marketing” and “circular\*”, as recommended based on the panel of experts. The initial search, with English language, academic peer-reviewed articles, and the disciplines of business, management, and economics as filters, resulted in 1288 articles. Particularly, EBSCO provided 124 articles, SCOPUS 91, Web of Science 325, and Science Direct 707. Removing duplicates in EndNote led to 1129 articles. The examination of the titles and keywords reduced the number of articles to 325. After reading the abstracts, the list was reduced to 165 articles. Finally, reading the entire articles to focus on marketing in the circular economy and removing articles that ignored this clear focus (e.g., [Guy et al., 1994](#)) resulted in a final pool of 33 articles.

Combining the articles of both queries, 33 and 26, and removing duplicates, resulted in 52 articles. Thereafter these articles were discussed among the expert panel, and 17 articles were removed leading to a final portfolio of 35 articles. There are many studies on sustainability marketing, green marketing, and corporate social responsibility; however, very limited studies focused on the circular economy.

## 2.2. Theories-in-use (TIU) approach

TIU is especially suitable for “identifying and defining important constructs that reflect the practical world of marketing, including antecedents and consequences of marketing phenomena” ([Zeithaml et al., 2020](#), p. 35). The process starts with focal research constructs drawn from the systematic literature review. Following the recommendations of [Zeithaml et al. \(2020\)](#), the identified constructs are examined using case study research. To do this process, we performed the abstraction from raw data, that is say, we pooled several raw data elements into a higher-order category and assigned a label to it.

To be as parsimonious and accurate as possible, we used a multiple case study approach and performed interviews for each case (cf. [Averina et al., 2022](#)). The range of firms included in the case study varies in industry type, and level of circularity; still, all firms show concern for sustainability and have developed strategies to contribute to all pillars of sustainability (i.e., environmental, social, and economic). [Table 2](#) furnishes details of the gathered data. Specifically, two cases were business-to-business (B2B) and two were business-to-consumer (B2C). Additionally, we conducted two interviews with a bank representative and one interview with a European Parliament member, to capture the point of view of investors and policymakers. All interviews lasted between 30 and 60 min. Further, we gathered secondary data from websites, and sustainability reports (when available) for triangulation and a deeper understanding of each case.

## 3. Results

This section presents the results of the literature review. The aims were to identify the current situation of marketing and its challenges in the circular economy.

### 3.1. Position of marketing in the circular economy in the academic literature

The information from the 35 articles was saved in an SPSS file. It included the name(s) of the author(s), the year of publication, the title of the article, the title of the journal, and the number of citations received by each article from Google Scholar (retrieved on March 13, 2022). [Fig. 1](#) illustrates the number of citations per journal, based on the summation of the number of citations of the articles included in the portfolio. In terms of the articles, the top three journals, with 6, 5, and 2 articles, respectively, are Resources, Conservation, and Recycling;

**Table 2**

Characteristics of the firms involved in data gathering.

Company	Industry	Turnover/number of employees (2022)	Registered year	Gathered data <sup>a</sup>
Case 1	Manufacturing plastic and bioplastic goods (B2B)	51 million SEK 25 employees	2007	Interview with the CEO, on Zoom, and Sales Manager, on Zoom, in April and October 2022 respectively, 60 min each, website <sup>a</sup> , sustainability report (2021)
Case 2	Retailing -Baby and kid products (B2C)	15 million SEK 10 employees	2017	Interview with the CEO, on phone, 30 min, March 2023 website <sup>b</sup> .
Case 3	Service for the elderly (B2C)	36 million SEK (2021) 62 employees	1992	Interview with the CEO, face-to-face, 30 min, March 2023, website <sup>c</sup> .
Case 4	Highly innovative Labtech equipment (B2B)	9 million SEK 10 employees	2004	Interview with the CEO, face-to-face, 30 min, March 2023, Website <sup>c</sup> .

Three additional interviews were conducted with a European Parliament member and a bank representative.

<sup>a</sup> The websites were accessed latest on December 5, 2022.

<sup>b</sup> The websites were accessed latest on March 9, 2023.

<sup>c</sup> The websites were accessed latest on April 6, 2023.

Business Strategy and the Environment; and Journal of Business Research. However, when considering the number of citations, the Journal of Retailing and Consumer Services, Journal of Business Research, and Business Strategy and the Environment has the highest sum of citations, with 1237, 416, and 411, correspondingly.

The literature shows that marketing strategy is a determinant of the success or failure of a firm ([Palmatier and Sridhar, 2020](#)) and that marketing assists firms to deal with specific market characteristics ([Papadas et al., 2019](#)). With markets embracing a circular economy, it became clear marketing's important role in the CE ([Gandolfo and Lupi, 2021](#)). The emergence of the Green Marketing Orientation concept is an example of how marketing is mirroring the changing social and business landscapes ([Papadas et al., 2019](#)).

Given the circular economy ecosystem, for a firm to succeed in it there should be a well-functioning community, society, and environment. Thus, many firms took an active role in contributing to all these aspects in various ways. According to the information presented on our case study firms' websites, Case 1 recently installed charging posts for their guests and employees along with their circular offerings; Case 2 has a donation program with a local organization; and both Cases 3 and 4 show respect for the planet and human rights.

### 3.2. The challenges of marketing in the circular economy

According to the American Marketing Association, marketing is “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” ([AMA, 2017](#)). Although this is a widely diffused definition, and frequently reviewed and reapproved/modified, it neglects a crucial element in present-day lives, which is environmental sustainability. Considering the diffusion of CE and the recognition of sustainability as a critical topic nowadays, the first

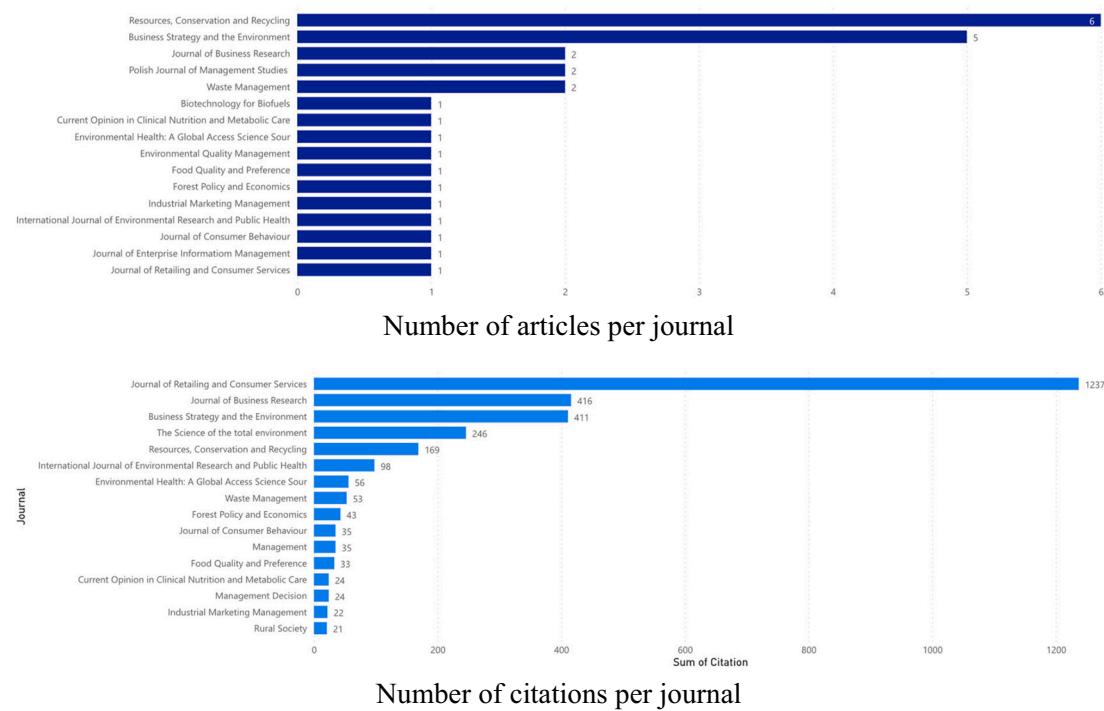


Fig. 1. Number of publications and number of citations per journal.

challenge of marketing in the CE is the marketing definition (Rafi, 2022).

Another issue that needs to be addressed is the fact that current theories tend to concentrate on the period between the beginning of the customer journey and the purchase. Hence, marketing theories have paid scant attention to stages such as product maintenance and disposal or product recycling (Parsons and Maclaran, 2009). To encompass the entire product life cycle, from the design and development phase to its disposal or recycling, firms need to rethink their operations or materials used and engage in greater collaboration, both internally and externally (Weetman, 2016).

Another defying issue for marketing in the CE is customer awareness and adoption. Transition into the CE introduced new sorts of products such as waste-based products, remanufactured products (Pisitsankkha-karn and Vassanadumrongdee, 2020) or edible insects (Van Huis, 2020), which sometimes are not customer appealing. To deal with this, firms should emphasize environmental, and social benefits and inform their customers. Our findings are clear about this: firms must raise customer awareness of their innovative sustainable offerings and their circular business models. The sales manager from Case 1 stated:

There are two major groups of sustainability-conscious customers: (1) those who are open to receiving information, and (2) those who are extremists and position themselves against specific product types or materials. The latter group is not really open to learning the new solutions in the circular business model.

Similarly, the CEO of Case 2 enlightened that their innovative sustainable offerings are unknown to the majority of customers. Thus, firms cannot only rely on broadcasting information via websites, they need to include other communication tools in order to increase awareness of their investments and activities concerning respect for the planet and individuals. Some of the examples include collaboration with local schools and higher education entities, in terms of guest lecturing or conference/roundtable participation; being present at local fairs, and meeting their clients' customers (i.e., the end-user) to personally portray the information. Social media can also be helpful as a communication tool. Its adoption by a growing group of customers, including the younger generations (Datareportal, 2023), makes social media an

important means to raise awareness and inspire customers toward circular offerings.

Extant literature emphasizes the customers' crucial role in the success of circular business models (e.g., Mostaghel and Chirumalla, 2021). There are indications that the success of marketing programs could be dramatically enhanced by educating the carefully selected target market (Galati et al., 2022; McCarthy et al., 2019; Rundle-Thiele et al., 2008). Efforts such as "household wasteful behavior", which relates to consumer behavior at the disposal stage of products, are key in addressing this challenge (Principato et al., 2021).

#### 4. The circular economy has changed the core of marketing theory

##### 4.1. Antecedents of transforming into the circular economy

Firms transform their traditional business models into circular business models for several reasons. Institutional Theory (North, 1990) emphasizes that human interactions are forced by formal forces (e.g., laws and regulations) and informal forces (e.g., social norms and conventions). Different countries are investing in both tracks. On the one hand, governments are setting rules and regulations in favor of a circular economy, such as environmental regulations in the USA (Pamulaya, 2022). On the other hand, actions are infusing the concept in all educational levels from kindergarten to university levels. Increasing awareness among citizens at all levels builds social norms to some extent. Thus, (1) regulations and (2) social norms are two major antecedents of the CE transition. The third driver is (3) anticipated performance, not only for the focal firm, but also for the stakeholders, environment, and society. Next, each antecedent is further explained.

###### 4.1.1. Regulations

National governments' and the European Commission's regulations impose the transformation into a circular economy. The first circular economy action plan was introduced in 2015 to stimulate the transition of the European Union (EU) into the CE and there is a global level in this action plan (European Commission, 2023). The interviewed member of

the European Parliament expressed:

International trade is important for the countries in the EU. Through different rules and regulations, organizations within the EU and those trade with the EU have to take steps toward the transformation into a circular economy.

Even investors require firms to transform their business models into circular ones. The interviewed bank representative explained that:

We strive to pave the way to a circular economy by setting measurable goals for the firms and following their achievements in this regard. This is highly important for our clients who trust our judgment in investing in the right organizations. Several dialogues with executives and policymakers secure the knowledge transformation.

#### 4.1.2. Social norms

Social norms are a significant driver of the circular economy. Cases 1 and 2 declared that they transformed their BM into a CBM for the reason that their organizations truly believe in sustainability. The organization's values in these cases are aligned with sustainability goals. This is reinforced by the results of a global study of 1374 respondents on circular economy investment motives, where more than 25 % of respondents expressed that they invest in CBM because it is the right thing to do (Statista, 2019).

#### 4.1.3. Anticipated performance

Smith (2022a) estimated the worldwide revenue generated from CE in 2026 will be a total of roughly 713 billion USD, which is more than the double amount in 2022 with approximately 339 billion USD. Many organizations opt for CBM to improve their firm performance, branding, and sustainability impact. In this regard, the sales manager from Case 1 explained that:

There should always be an economic motivation for any transition in business. CBM is a win-win solution for the seller and buyer in the long term.

#### 4.1.4. Consumer pressure

The majority of customers worldwide took some sort of circular action in 2021 such as a) buying new products with recycled properties; b) buying secondhand products; c) buying fewer products; d) performing a circular action to extend product life; e) performing a circular action to manage end-of-life; or f) renting instead of owning (Smith, 2022b). Among the 2900 respondents of this study, only 7 % had no idea about the circular economy theme (Smith, 2022b). Thus, knowledgeable consumers are key in the CE transition. These are the consumers that tend to choose the offerings from firms that strive to transform into a CE. To this concern, the CEO of Case 2 asserted:

Due to requests for sustainable products from our customers, we had to search for new suppliers who could deliver products with recycled properties.

### 4.2. Marketing strategy in the circular economy

Considering the acknowledged relevance of circularity in the current business and research settings, along with the concern to constantly review marketing definitions and practices to keep pace with market changes, it seems appropriate to review the definition accordingly. Given the abovementioned considerations, the identified critical factors, and the theoretical and empirical changes faced by marketing in the CE, we put forward a more holistic view of marketing in the circular economy. Thus, we propose the following definition of marketing:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large with respect for the environment and individuals throughout the life cycle of the offering.

Building on this definition, we propose extending the existing marketing mix theory. In 1960, McCarthy (1960) proposed the original 4Ps:

*products, price, place, and promotion.* Later, Booms and Bitner (1982) added *participants, physical evidence, and the process of service assembly.* To reflect the circular economy, we propose the addition of *planet, person, and profit*, transforming the current marketing mix to 10Ps (See Fig. 2).

#### 4.2.1. Planet

Planet refers to all activities that the firm has embarked on to save the environment on planet Earth. This is achievable through external activities, offerings, and internal activities.

- (1) External activities are firms' environmentally-friendly activities outside. These include improvements in supply chain management to decrease CO<sub>2</sub> emissions. To assist these supply chain CE-enabling activities, firms can invest in leading technologies such as Advanced Analytics, 3D Printing, the Internet of Things, Machine Learning, Artificial Intelligence, and Blockchain (Palcek, 2022). An example of external activity is the adoption of reverse logistics in Cases 1 and 2. This is a form of supply chain management that accesses end-of-life products and reincorporates them into the manufacturer's logistics strategy.
- (2) Offerings activities enclose firms' activities and decisions that allow them to align product/service features with the CE. This should be considered from the product/service design stage. As an example, Case 1 chooses renewable materials such as vegetable fats and oils to include in its manufacture of bioplastics. Case 2 also employs recyclable materials and opts to use, almost exclusively, FSC (Forest Stewardship Council)-certified wood, GOTS (the Global Organic Textile Standard)-certified organic cotton, and certifications with clearly defined criteria and highly respected worldwide. Further, Case 2 has also banned the usage of harmful or dangerous chemicals in the entire production chain.
- (3) Internal activities refer to the firms' inside initiatives to align with CE. As an example of such initiatives, the CEO of Case 1 identified the installation of solar panels and charging stations for electrical vehicles. These activities allow the firm to decrease the environmental impact on the planet.

#### 4.2.2. Person

Person refers to all activities that the firm has undertaken to secure social sustainability. This factor entails diversity, safety, and empowerment of all stakeholders.

- (1) Diversity involves including people from different social and ethnic backgrounds genders, or sexual orientations. This should apply to all individuals related to the business in some way, such as employees or board members. For years, inequality and discrimination were seen as an opportunity for market segmentation. However, due to the identification of its pernicious impacts, marketing research, education, and practice altered their approach regarding it (Park et al., 2023). Diversity-embracing activities are practiced in Cases 2, 3, and 4.
- (2) Safety refers to securing the work environment of all involved individuals. This can be done in multiple ways. For example, Case 1 pursues a better work environment for the employees of their clients by choosing specific materials to reduce noise in the workplace and injury to their staff. Case 2 clearly chooses fair business partners, to secure the safety and security of employees in the second tier of suppliers.
- (3) Empowerment is giving power to individuals. The awareness of empowerment's importance nowadays led to the emergence of a literature stream on diversity, equality, and inclusion (DEI) as bases of individuals' empowerment, regardless of their backgrounds and origins (e.g., Ferraro et al., 2023). In our case analysis, we found that Case 2 has children's welfare at the heart of its business.

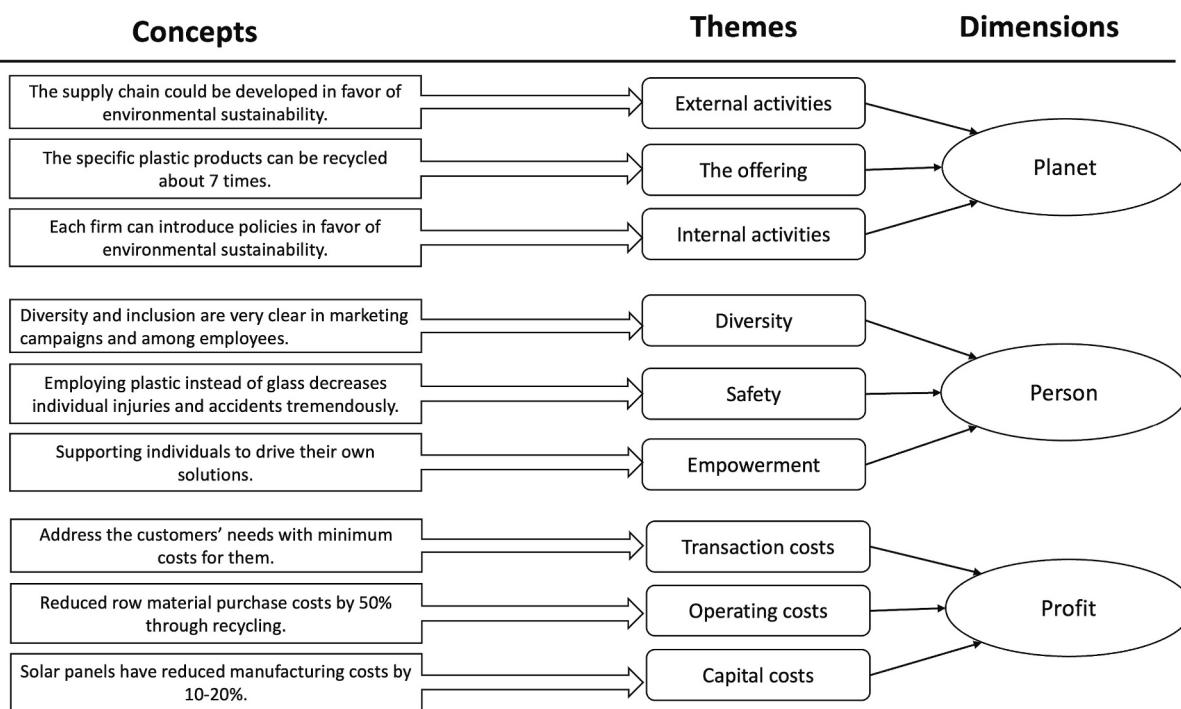


Fig. 2. Identified themes and dimensions.

#### 4.2.3. Profit

Profit refers to all stakeholders' economic gains, obtained from transaction, operating, and capital costs reduction.

- (1) Transaction costs refer to expenses associated with conducting economic transactions. These costs decrease with the establishment of long-term relationships. One of CBM's strategies is slowing the resource loops (Bocken et al., 2016). This means focusing on eliminating waste, maintaining products/materials in the value chain for a longer period, and recovering end-of-life products to further use (Bocken et al., 2016). It is achievable by producing high-quality products, as done by Rolex and Mielé; maintaining the same production line, to repair products and extend their lifetime, as decided by Vitsoe or even discouraging customers to buy a product if they already have one, as does Patagonia.

- (2) Operating costs are ongoing expenses related to the day-to-day business operations. In this sense, Case 1 stated that its

operating costs decreased by installing solar panels. This shows that producing clean energy not only lowers the business operations' impact on climate but also lowers operating costs. One additional example was the impact of Case 1 resource loops strategy, with recycling allowing a reduction of about 10 % of production costs.

- (3) Capital costs are expenditures that relate to the acquisition or improvement of assets such as licenses, facilities, or equipment. These types of costs can be reduced by CBM. For instance, Case 1 strives to deliver the most efficient and economical solutions to its customers. The firm invests in long-term relationships rather than focusing short time profits, by renting recyclable products instead of selling them. This way clients lower their capital costs, as renting represents operating costs.

#### 4.3. Consequences of aligning with the circular economy

The transformation of a business into a circular business model

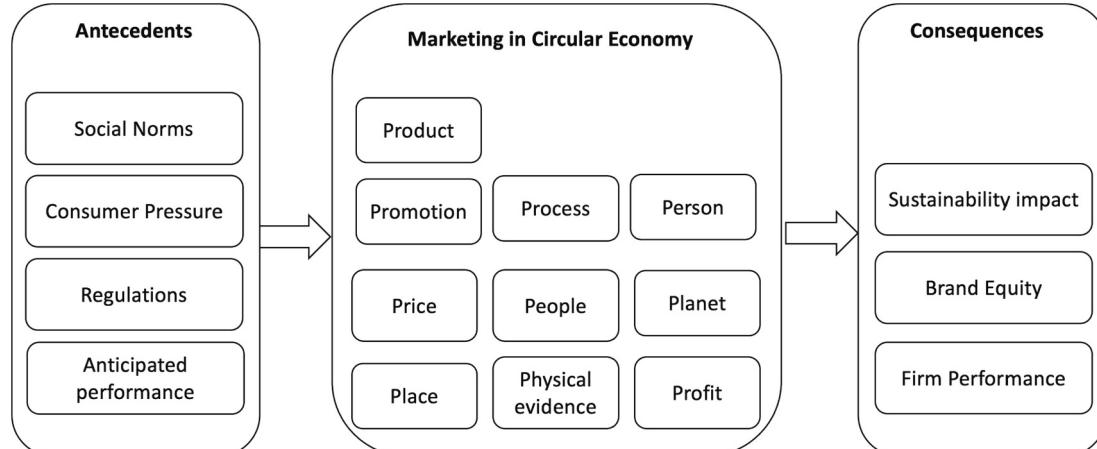


Fig. 3. Antecedents and consequences of transforming into circular business models with marketing in the circular economy.

represents multiple consequences, not only in sustainability impact, but also in brand equity, and firm performance (see Fig. 3).

#### 4.3.1. Sustainability impact

Sustainability outcomes relate to fulfilling current generations' needs without compromising the future. To do this, it is key to balance economic growth, environmental care, and social well-being (e.g., Vadakkepatt et al., 2021). Circular business models strive to close the resource loops, slowing resource loops or narrowing resource flow (Bocken et al., 2016); thus, with a focus on the planet as one of the elements in the marketing mix, they will contribute to environmental sustainability. Further, the "person" reflects social sustainability, and "profit" relates to the win-win economic aspects of all stakeholders. Consequently, all activities have some kind of impact on sustainability.

#### 4.3.2. Brand equity

Brand equity refers to the value premium that customers are willing to pay for a specific brand. Brands with higher brand equity have greater positive differential responses in the marketplace (Aaker, 2009). The implementation of marketing in a CE improves customers' perception of the brand's quality and desirability. Along these lines, the positioning of Cases 1 and 2 as green and sustainable producers differentiated them in the market by addressing the customers' needs with recyclable products.

#### 4.3.3. Firm performance

Finally, firm performance is a measure of how well the firm is performing, which can be measured, for example, in terms of profit, growth, market value, return, economic value added, or customer satisfaction (Carroll, 2004). The CE-aligned marketing mix contributes to firm performance (Zucchella and Previtali, 2019) by reducing energy consumption (e.g., Case 1), decreasing production costs (e.g., Case 1), and increasing market share (e.g., Case 2).

## 5. Discussion, theoretical and managerial implications

The present study used bibliometric analysis to identify the leading authors and the most impactful studies in the area of marketing in the circular economy. The acknowledgment of current practices and theories served as a foundation for a new theoretical perspective. This new perspective extends the existing marketing perspective, by incorporating the CE. The theoretical contributions are as follows.

First, the results of this study identified the current circular economy-adapted marketing practices and theories. This provided an overall view of the background of marketing in this context. Although Winterich (2019) proposed a framework for conceptualizing and assessing sustainability and there were advances in sustainable marketing (e.g., Vadakkepatt et al., 2021), limited research focused on marketing in the circular economy.

Second, the literature review revealed some shortcomings in the existing theories. In particular, current marketing work does not cover all customer journey steps. In fact, the post-purchase step has largely been disregarded by current marketing theories. Further, while the marketing and management literatures introduced orientations or approaches to address social and business landscape changes (e.g., Oghazi and Mostaghel, 2018; Papadas et al., 2019; Vadakkepatt et al., 2021), the integration of strategic, tactical, and internal marketing levels still falls short in using them to position firms in the market.

Third, the present research proposes a new marketing definition, one that considers the circular economy requirements. Particularly, this study suggests the inclusion of "person", "planet", and "profit", along with the other elements of the marketing mix ("people", "process", "physical evidence", "price", "promotion", "place", and "product"). From the cases analyzed, it is clear that firms are positioning themselves based on these three new Ps; however, marketing theory has not evolved at the same pace. Additionally, the study identifies social norms, regulations, consumer pressure, and anticipated performance as antecedents

and sustainability impact, brand equity, and firm performance as consequences of marketing in the CE.

In what concerns managerial implications, the study brings new light to managers. First, it summarizes the requirements of the circular economy in terms of marketing, which helps practitioners and executives to understand them and adapt their strategies accordingly. Second, the study highlights the challenges of marketing in the circular economy and alerts managers to develop new collaborations or adapt current ones with diverse actors in the ecosystem. Finally, it calls attention to the need of aligning internal activities and marketing aims, in that the entire business model should align with the marketing goals in the circular economy. Moreover, a key component in successful marketing in the circular economy is a competent and dedicated staff, along with motivated managers and leaders.

The study is not exempt from limitations. In fact, the limitations of this study are similar to the ones of others conducting a literature review (e.g., Mostaghel et al., 2022) and TIU case study approaches. First, a possible limitation lies in the keywords employed in the search for articles. Even though we ran two separate searchers in four business administration databases to cover the most relevant and influential studies, we may have excluded relevant articles that did not employ the exact keywords we used. Second, due to the nature of our research, we could not fully examine the identified constructs. Future research can move forward by using empirical data to test these constructs. This study is a first step toward a better understanding of marketing in the CE. The ongoing debate and embracement of CE in several areas of the business setting evidence its increasing importance, and theoretical and empirical research are sorely needed.

## Declaration of competing interest

I, the corresponding author of this manuscript, certify that the contributors' and conflicts of interest statements included in this paper are correct and have been approved by all co-authors.

## Data availability

The data that has been used is confidential.

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