

# 'Aha! That's Creative': How to Design Upcycled Products with Greater Appeal



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### *Problem of practice:*

*Upcycled products, i.e., products created from components made by converting old or used product parts, are a good way to promote sustainable consumption. However, such products are often perceived as inferior, and consumers may doubt their quality and functionality. How can product designers and manufacturers create more appealing upcycled products, and how can marketers efficiently market them? [Recent research](#) by Caprioli and team suggests a novel mechanism to bring about a positive 'Aha!' moment for upcycled products which can increase their appeal<sup>1</sup>*

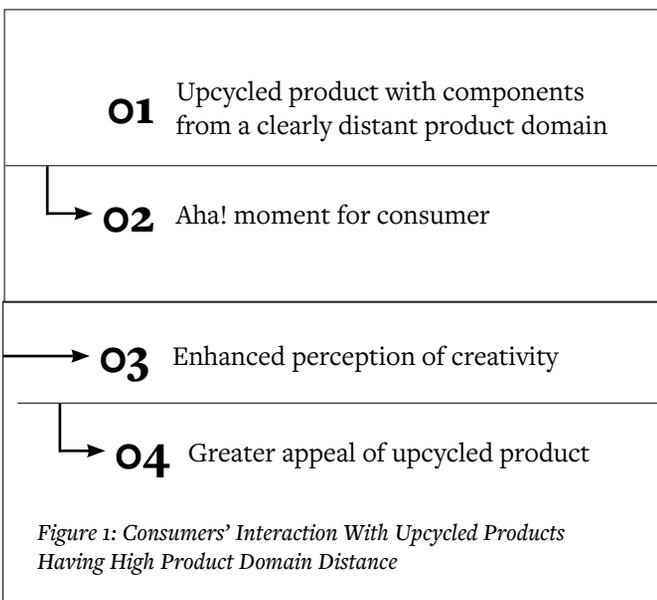
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<sup>1</sup>Herhausen, D., Grewal, L., Cummings, K.H., Roggeveen, A.L., Villarroel Ordenes, F. and Grewal, D., 2023. Complaint De-Escalation Strategies on Social Media. *Journal of Marketing*, 87(2), pp.210-231.

## Upcycling - Perception Paradox

Most global citizens agree on one thing – [recycling](#) and upcycling are good.<sup>2</sup> The global market for recycling waste, estimated as \$63 billion in 2023, is expected to grow to \$88 billion by 2030.<sup>3</sup> There are many instances of companies upcycling old product parts and using them towards designing something new. American clothing retailer [Patagonia](#) uses pieces and fabric from old jeans to design overnight bags.<sup>4</sup> Dell produces [laptop sleeve](#) made with waste plastic.<sup>5</sup> [Southwest Airlines](#) uses scraps and material from their leather airplane seats to create accessories such as wallets and bags.<sup>6</sup> A challenge, however that upcycled products face is that despite being perceived as good, they may also be perceived as inferior and of lower quality by end users. The question for managers and product designers is – how to resolve this paradox, and create a stronger pull for upcycled products?

Recent research by Caprioli and team suggests a novel mechanism for resolving the paradox – by enhancing the pull of such products, using the concept of ‘product domain distance’. This distance is the degree of similarity in the features and functionalities of two products. For instance, the product domain distance between a table and a bookshelf is lower than one between a table and a bike, since the features and functionalities of the end products in the former example are more alike than in the latter. When companies use product components from a distant domain while upcycling, and make it evident, then consumers have an ‘aha!’ moment. This ‘aha!’ increases consumers’ perception of creativity of the product, thereby enhancing the product’s attractiveness in their mind. Figure 1 depicts this consumer process of interacting with the versatile-upcycled product.



## The Right Upcycling Strategy

If we apply this concept to the examples of Patagonia (from jeans to bags) and Southwest Airlines (from airplane seats to accessories), we realize that the product domains are distant, as they have dissimilar product features and functions. These companies then, are already applying this insight to good effect. But to maximize the value from this effect, consider the following factors.

The first step is to look into your **brand’s commitment to sustainable and ethical practices**. All the activities that a brand undertakes – everything from production processes to product packaging to ensuring efficient and non-wasteful consumption of resources – have to be aligned with the same vision. For instance, a cosmetics manufacturer may use bioplastics for product packaging, thinking that bioplastics would be considered eco-friendly because they contain plant materials. However, conscious consumers are likely to know that most [bioplastics behave much like traditional plastics](#), and hence are not good for the environment.<sup>7</sup> The cosmetics manufacturer in this example would be better off embedding sustainable and innovative solutions across its operations in an authentic manner.

The strategy is also more relevant for **product categories** and industries where consumers value creativity and novelty. This is typically true for products where aesthetics and the ‘fun factor’ dominate utility and necessity. Examples of such ‘hedonic’ products include personal accessories, footwear, clothing, and home décor. A brand that is successfully utilizing this strategy is [Cocokind](#), a beauty brand based in the US.<sup>8</sup> Cocokind manufactures its scrubbing clay using coffee grounds, which would have been otherwise discarded. Its sourcing leads to customer perceptions of authenticity, sustainability, as well as the creativity associated with a high product domain distance. Conversely, upcycled products are not a good fit for product categories such as personal care and hygiene, where industry norms, and legal requirements lead to a customer preference for all-new product components.

Finally, the degree of **trust** that consumers place in the brand plays a major role in the success of upcycling. To build trust, an integrated and comprehensive marketing plan will ensure that details of the product upcycling are communicated to consumers, using promotions, packaging, digital marketing, and word-of-mouth. Such communications, when done in an authentic and genuine manner, enable consumers to view the upcycled product as credible and value its creativity. An example of a misfire in communication occurred with Nike, the athletic footwear and apparel company. In 2023, a consumer class-action [lawsuit](#) alleged that Nike’s ‘sustainable’ line of clothing was

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The organization also needs to build a culture that is more focused on design thinking, creative innovations, and cross-functional ideas to ensure generating new and unique ways to carry forward this insight. The brand must ensure its own vision, mission, and values are truly aligned and committed to social responsibility initiatives. The corporate culture should ideally be open and encouraging towards embracing innovation and eco-friendly solutions

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predominantly made from 'virgin synthetic materials'; that any upcycled components were marginal in quantity, and were anything but sustainable.<sup>9</sup> This cautionary tale alerts companies to the fact that consumers are increasingly vigilant for potential green-washing, and the brand needs to 'walk-the-talk'.

## Implement the Strategy

To ensure that you deploy the right upcycling strategy, a critical prerequisite is **research and development** to find suitable product components from distant domains that could elicit the 'aha!' moment, and yet not compromise on functionality and quality. Upcycled products generally cost more to manufacture as there are fewer [economies of scale](#).<sup>10</sup> Transportation of the raw materials could be from multiple locations, and materials sourced may differ in quantity and level of processing required each time. This requires investing money, time, and effort into creative designing, testing, prototyping, and manufacturing processes.

If this cost is passed on to the consumers in the form of higher prices, it would have to be coupled with strong messaging for easier acceptance by consumers. Hence, the business has to take care to nudge the consumers towards a greater appreciation of the value of upcycled products, and also address any potential scepticism. These steps are critical in strengthening consumers' willingness to pay for such products. Hence the upcycled product's quality, functionality, and aesthetics would have to be up to the mark.

The lower economies of scale implies that businesses that solely focus on upcycling products may find it **challenging to scale up production** due to factors like the lack of regular availability of previously used components. To surmount this challenge, one approach could be to partner with large organizations to source their routinely discarded waste, which may be a component of the upcycled product manufacturer. This solution is easier if upcycling is taken on by a business unit of a larger organization, which is

likely to have better access to the discarded raw material from a sister business unit.

The brand also has to consider **efficient logistics management**. Some steps that can help are building long-term relationships with channel partners, collaborating with players involved in the recycling industry, and undertaking initiatives for the collection of discarded components to ensure effective material sourcing and a steady supply of discarded components.

The organization also needs to build a culture that is more focused on **design thinking**, creative innovations, and cross-functional ideas to ensure generating new and unique ways to carry forward this insight. The brand must ensure its own vision, mission, and values are truly aligned and committed to social responsibility initiatives. The **corporate culture** should ideally be open and encouraging towards embracing innovation and eco-friendly solutions. The British company Elvis & Kresse Organization (E&KO) is an example of building a [culture](#) focussed on upcycling as it avoids use of 'virgin materials' to create their products.<sup>11</sup>

**Marketing** also plays a vital role in creating widespread awareness about a brand's upcycled product offerings. Marketing is important for sensitizing consumers toward adopting a more sustainable approach to help generate greater demand. In 2014, [Puma](#), a well-known, trusted brand, was forced to shut down its biodegradable range, InCycle, due to poor demand.<sup>12</sup> In hindsight, perhaps more targeted awareness campaigns and showcasing the benefits of using their environmentally friendly products via positive word of mouth could have helped prevent the debacle. Further, manufacturers can also provide quality certificates and extended warranties, thus assuring consumers of the upcycled product's functionality, safety, and performance. There are a few brands that have successfully been using this strategy over the years. [Ikea](#) upcycles plastic waste into textiles and designs unique products such as cushion covers, bags, and tablecloths. Such products attract consumers not only due to their aesthetics but also due to the perceived creativity, as they can unlock the 'Aha!' moment for consumers.<sup>13</sup>

A caveat to this key insight is that the **cultural factor** would also play a role in how creative and appealing upcycled products are perceived. In some cultures, and societies, consumers prefer products built from scratch and stick to conventional manufacturing processes rather than using upcycled product components. The cultural factor is not only present in specific product categories, but also in **different consumer segments**. Different segments can have different attitudes and beliefs regarding sustainability and upcycling practices, which would impact their perception. Upcycling is likely to find more success with consumers who are better aware of their environmental practices and/or those who look for innovative, novel, and unique products.



## Trash to Treasure

In developing countries such as India, handicrafts have embedded upcycling and sustainability-oriented practices dating back several centuries. Consider the practice of weaving a ‘chindi dari’, passed down several generations of artisans and craftsmen in South Asia.<sup>14</sup> The chindi dari, a type of rug or mat, is created by using fabric scraps and pieces from used clothes or other textile products and weaving them into unique designs. ‘Chindi’ literally means a small piece or scrap.<sup>15</sup> There is also ‘Kantha’ (meaning ‘patched cloth’), a perfect example of using components from a more distant product domain – which has its roots in the Bengal region of South Asia.<sup>16</sup> The practice originated from artisans placing layers of worn out and used sarees (traditional women’s garments) and holding them together through the ‘Kantha’ embroidery process. The process upcycled the old sarees into new products such as prayer book covers, bedsheets, and quilts.

In recent years, Indian brand [Scrapshala](#) has been regularly undertaking such upcycling initiatives. For example, the brand designed a [sunglass case](#) crafted from old tyre tubes.<sup>17</sup> Such successful examples of designing upcycled products are encouraging, and this insight holds promise for several industries, such as furniture, décor, footwear, clothing, and accessories, among others. The new insight – of using components from a distant product domain while upcycling – can, if applied right, pave the way for greater sustainability without sacrificing profit for a number of brands.

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