Capgemini's Retail Sustainability Solution "Circle"

Much of today's linear economic model of "take-make-waste" leads us to consume more natural resources, produce more clothes which we wear less and discard more frequently, and create more waste that ends up in landfills, impacting the globe.

While this current situation presents a poor image for retail, there are opportunities and new business models to generate more revenues while at the same time enabling good resource stewardship and support for a sustainable circular economy. A 2019 GlobalData market sizing revealed that resale has grown 21x faster than the retail apparel market over the past three years, and that secondhand is projected to grow to nearly 1.5x the size of fast fashion by 2028, to $44B for fast fashion and $64B for secondhand [1]. Another dynamic fueling this market change is the growing sustainability sentiment among millennials, that according to a 2019 GlobalData Survey, 74% of 18-29 year olds prefer to buy from sustainably conscious brands [2], and that buying one used item reduces its carbon footprint by 82% [3].

Aligned with global industry commitments to accelerate transition toward sustainable fashion and first showcased at NRF 2020, Capgemini introduces the automated "Circle" solution using Intel and HP Inc. technologies and Eon's digital identity platform. One of the industry's first implementations of the CircularID™ Standard, Circle bolsters the secondhand apparel market by first identifying an article's brand, condition and value. The AI/Computer Vision assisted turnkey solution increases the volume of used clothing collected and resold, helps cut waste, captures value, improves brand image, attracts and retains customers, and improves loyalty.

The sustainability journey

The CircularID™ Initiative establishes standards to incent the adoption of circular business practices to help ensure the long-term health of the retail industry's ecosystem and environment. The group includes fashion and retail industry leaders and partners from circular businesses, technology, policy, and academia. The common goal is to ensure retail systems exist to maximize each product's use, retain their highest value, and continuously reuse their composite materials. Capgemini's Circle solution supports the initiative and supports CircularID, the global standard and digital system for identification and management of products in the circular economy.

The Circle journey starts with a customer taking articles of used clothing to a participating store, where they are scanned and valued according to brand, authenticity, description, sizing, condition, and materials, then processed and readied for resale. They are then promoted online and in-store. Once sold, the customer automatically receives store credit or other benefits.

Circle Solution
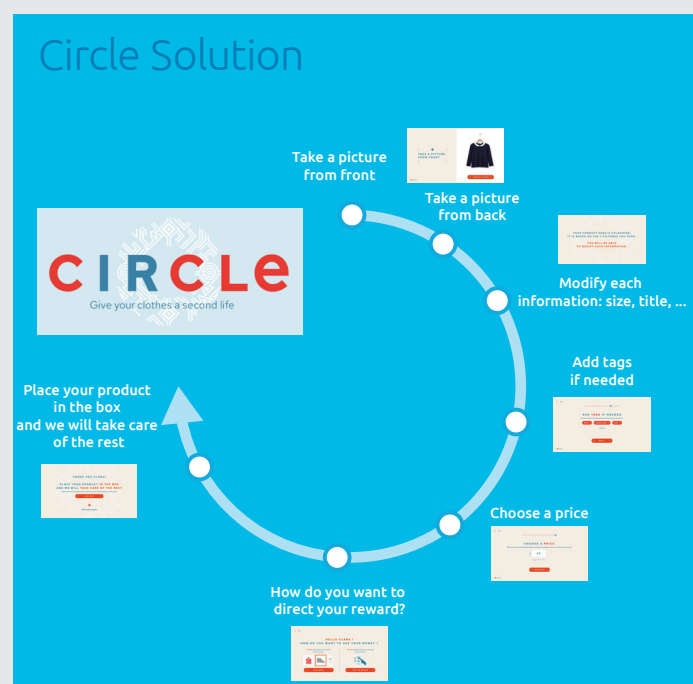
Circle Components

HP products

- Hosted on an HP MP9, the Circle web-application provides product information and helps customers during their retail journey.
- HP Engage Go updates product information and scans customer loyalty cards.

Cameras

- Logitech C920 or Intel RealSense

EON digital identity platform

- RFID Tags trigger product information retrieval.
- Sales are tracked from production to sale or resale.

Capgemini integration, industry experience and Microsoft Azure

- Circle uses Backoffice NetCore for APIs (Microsoft technology hosted on Azure) + Database (SQL Server hosted on Azure)
- Can be easily deployed into any IS.

AI

- Capgemini's AI, hosted on Microsoft Azure, determines shape, color and physical condition of apparel.

Solution benefits

- Participants receive monetary or loyalty benefits for clothing they may have instead discarded or donated.
- Participants save time by not having to conduct a yard sale or take time posting and tracking online, because the retailer takes care of everything – including accurate valuation, promotion, making the sales transaction, and putting money back in the selling customer's pocket.
- Price estimation is consistent and reliable as valuation is based on brand, item condition, and demand.

- For the retailer, it drives traffic in store and improves its image for supporting the circular economy

Circle creates a win-win for a. the customer who resells their clothing, b. the purchasing customer who receives a desired CircularID-certified item at a fair price, c. the retailer who establishes a sustainable service, and d. the world, which benefits from less waste and better use of its resources. With benefits to all, every retailer should be working to implement the Circle solution.

[1. 2019 thredUP Resale Report; GlobalData Market Sizing, 2019]
[2. 2019 thredUP Resale Report; GlobalData Survey January 2019].
[3. 2019 thredUP Resale Report; Green Story Environmental Study; the study followed international ISO 14040 LCA standard.]

Additional References:

https://en.wikipedia.org/wiki/Circular_economy
https://www.connect-fashion.com/circular-id

Interested and ready to explore Circle at your store?

Contact one of our experts and visit https://www.capgemini.com/service/the-smart-digital-store/.

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About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion. With our industry-specific expertise in retail – Capgemini helps you create a digital vision and a transformation road map to exploit technologies such as AI, machine learning, conversational commerce and computer vision. We know how to optimize retail operations across the value chain, and equip you to start projects today that enable and sustain you in the future.

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Link to all the solution mockups
(blue screens are for the big TV and "yellow" screens are for the HP Tablet):
https://fts.capgemini.com/private/19935694110550/Newcircle.zip

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