



INSPIRES
RESILIENT TOURISM

Session 2: Circular business models and practices



Contents

The aim of this session is to explore the features of circular business models and practices in tourism. The aim is also to increase understanding how a company can start its circular transformation journey.

Keywords: circular business model, circular practices, circular transformation

Business model: how the company makes money?

- Business model is **the idea how your business will generate revenue and reach profitability**; a model how the business works.
- In order to carry out the transition to a circular economy, it is essential to innovate in business models, designing a circular business model.
- These business models support the transition to a more resource efficient and circular economy.
- These business models **change the pattern of product and material flows through the economy**. By doing so, they have the potential to reduce the environmental pressures that result from current systems of production and consumption.

Circular business models: integrating circular economy in the core of business

- **1. Product-as-a-Service**
 - Offer access to products or experiences instead of ownership.
 - **Bike/equipment rental services** instead of tourists bringing or buying new gear.
 - **Furnishing/accommodation items leased** rather than owned, promoting reuse.
- **2. Sharing Platforms**
 - Facilitate shared use of underutilised assets.
 - **Shared transportation** (e.g. ride-sharing or shuttle pooling).
 - **Collaborative accommodations** like homestays or co-living spaces.
 - Platforms for **tour guides to share equipment or spaces**.
- **3. Resource Recovery**
 - Reclaim waste or by-products for reuse.
 - **Food waste from restaurants/hotels** converted to compost or energy.
 - **Used cooking oil** collected and converted to biodiesel.
 - **Greywater systems** for irrigation or cleaning in accommodation facilities.
- **4. Product Life Extension**
 - Extend the lifespan of products through repair, refurbishment, or resale.
 - Repair and reuse of **furniture, linens, or appliances** in hotels.
 - **Second-hand gear** (e.g. hiking, diving, ski equipment) offered or sold.
 - Tour operators maintain and reuse gear rather than replacing frequently



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Credits: Nikola Tomevski



Restaurant

Share Save 

Restaurant Nolla

€ From 10 €

Nolla – a restaurant where great food goes hand in hand with sustainability. Nolla is one of the first zero waste restaurants in the world. The restaurant was born out of the idea to offer great food without compromising sustainability.

At Nolla guests are offered creative dishes guided by the best local and organic seasonal ingredients. Nolla's drink list is focused on quality wines from small producers as well as craft beers.

Nolla cuts all waste out of its processes: there is no bin in the restaurant, the leftovers are composted, and the soil is returned to the farmers.



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Circular practices: What and how to do?



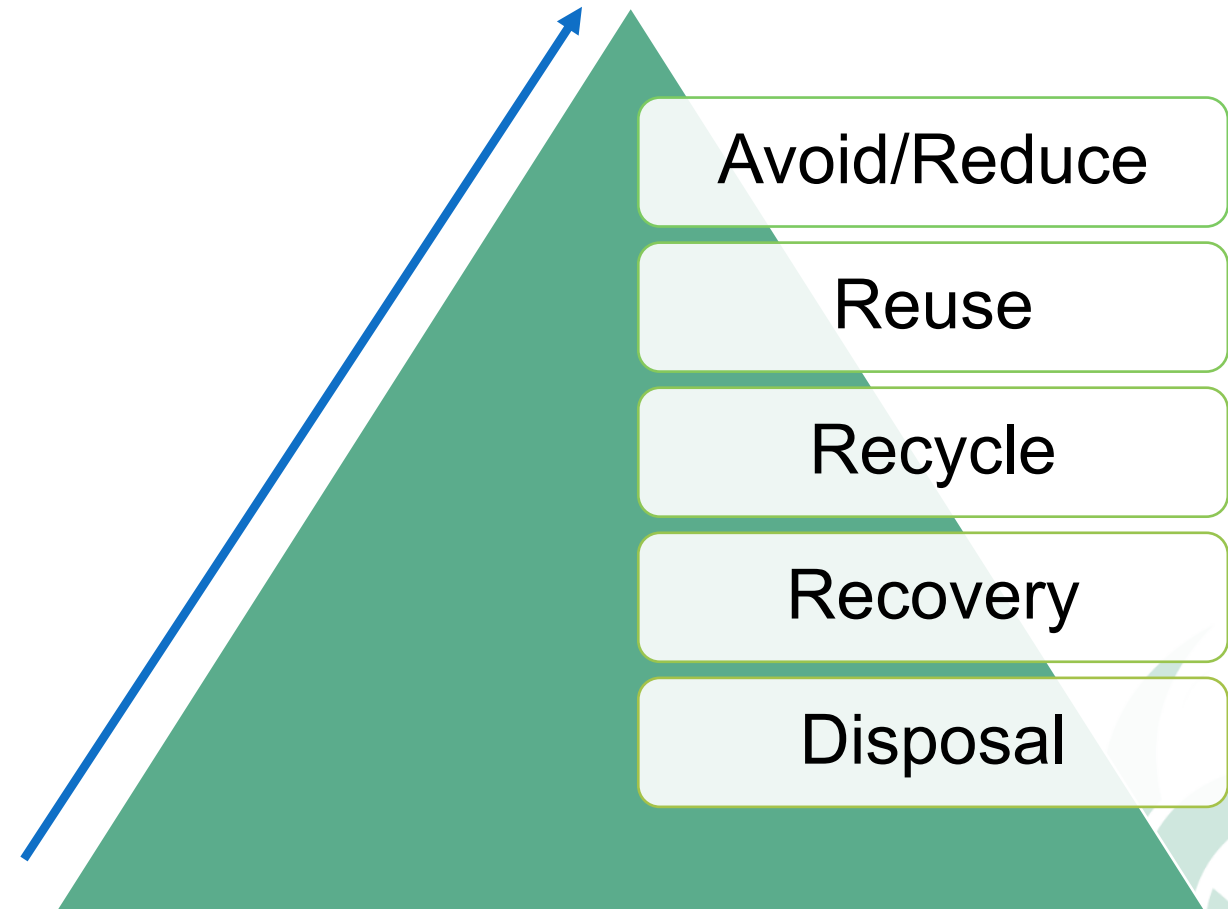
- A **circular practice** refers to **an action** or a **method** that aligns with the principles of the circular economy, where resources are used in a way that minimises waste, maximises reuse, and promotes sustainability.
- With these practices **resource use is optimized, and waste minimised** in a company.
- There are different tools to support a company in integrating circular practices in their operations.

Waste hierarchy as a tool

Avoid waste from occurring at the first place to have a higher impact, not focus on reducing it when already occurred!

The hierarchy **guides a company in their decisions related to waste avoidance and management.**

- What is the most preferred impact your company wants to have?



R –strategies as a tool

- **The R -strategy** is a useful tool for understanding the **different stages of resource use and waste management** in a circular economy.
- They refer to a hierarchy of actions used to manage materials and products in a more sustainable, circular way. **It supports companies in adopting their most relevant circular goals and the circular practices to achieve them.**
- The three main R's are the following:
 - **Reduce:** Cut off the amount of waste and create it less!
 - **Reuse:** Find new ways to use things and give them a second life that would have been thrown out.
 - **Recycle:** Turn something old and useless into new and useful and avoid using virgin materials.

Refuse

Replace

Repurpose/
Repair

Redesign

Reduce

Recycle

Relocate

Reuse

Restore/
regenerate



Circular transformation journey

1. A company **identifies its current environmental challenges and opportunities**. Reflect also **what kind of impact** your company wants to have to the environment.
2. A **suitable area for improvement/themes the company wants to concentrate are chosen**. What does circularity mean for your business—reducing waste, reusing materials, buying recycled content, or leasing instead of owning?
3. **Clear goals** are set and **KPIs** chosen related to each area for improvement/theme. The current **baseline is measured and measurable targets** (e.g., waste reduction in kilos) are set.
4. **Relevant circular practices/actions** to achieve the goal are selected and implemented.
5. **Monitor, report and improve.**

Do not forget to communicate!



- In the tourism industry, the production and consumption of services cannot be separated, because the customers themselves are involved in the service process.
- This is the reason why **customers are in a significant position as promoters of the circular economy**, and they can influence the transition of the industry towards a circular economy with their choices.
- It is essential to increase customers awareness of the circular economy by informing them about their company's circular economy activities.

How to increase customer awareness of circular economy?

- **Show your journey:** Share what you're doing now and what you plan to improve.
- **Use storytelling:** Tell the “life story” of reused or upcycled items, explain how products are part of a circular system
- **Create engaging signage or displays** (e.g., yesterday the food waste per guest was 100 grams – can we make it less today?)
- **Promote your circular efforts:** Post about your circular initiatives on social media and your website, write blog post or make short videos on how you apply circular principles
- **Gamify behavior and reward guests** of their circular behavior (e.g., children get an ice cream in a holiday resort if they do not leave any plate waste)
- **Share facts** about the benefits of circular tourism.

Summary

- A tourism company can adopt a circular business model (e.g., a zero-waste restaurant) or contribute to circular economy by integrating circular practices in their operations.
 - The core idea is to optimise resource use, prevent and minimise waste in a company.
- A company can start their circular transformation journey by selecting their main areas of improvement and select relevant circular practices to incorporate in their daily operations.
- It is also important to communicate with staff, customers and other stakeholders about the efforts to increase the environmental impact.

Activities

Reflect: Design Your Circular Practices



The objective is to identify and outline a realistic circular economy initiative that fits the company's current business model, operations, or supply chain.



Select a suitable area for improvement in your company.



Choose 1–2 Circular Strategies (R-strategies).



Explain how your company could apply them.

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