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COLLABORATIVE ENDEAVOR AND CIRCULAR BUSINESS MODEL INNOVATIONS - ENABLERS OF COMPETITIVE ADVANTAGES AND SUSTAINABILITY IN TYRE RECYCLING

Abstract:

The aim of this paper is to analyse the multidimensionality of collaborative circular business models and their role in enabling business model innovations in tyre recycling industry. In the last decade, the global socioeconomic processes have facilitated discussions about sustainable development and the circular economy. The Corona19 pandemic crises have highlighted the importance of depleting resources and closed resource loops advocated by the circular economy. Tyre recycling is an important aspect of the circular economy that has got a lot of attention within the European Green Deal strategy requiring for immediate actions towards sustainability. The proper tyre recycling is the essential environmental challenge on the macro level, and, also, the unused potential of new business opportunities on the micro-business level. At present less than half of the European countries are advanced and ensure 100% recycling of end-of-life tyres, while other, especially, Eastern European countries seriously lag behind. On the business level, some tyre recycling companies have pioneered with circular business model innovations and new technologies in order to produce innovative products with higher value and quality thus reaching extraordinary competitive advantages. The research discovers problematic issues related to the lack of collaborative endeavor being as an important element in embedding the circular business model innovations in tyre recycling companies in order to reach the competitive advantages. The research results reveal existing unused business opportunities related to the tyre upcycling circular business models, when producing products with a higher value and quality. The paper points at the crucial role of circular business model innovations in order to shift to the production of higher value-added products in the result of tyre recycling. This study identifies a future research agenda regarding tools that promote balanced environmental and economic benefits in the tyre recycling industry.

Keywords:

Circular economy, collaborative circular business models, business model innovation, tyre recycling

JEL Classification: M19, L26, L65