Interreg
Danube Region

Co-funded by
the European Union

WE.Circular

D.2.2.3 Report of market potential of the business models

Slovakia

12/2025

Versioning and Contribution History

Version	Date	Author/Editor/Contributor	Description/Comments
1	19.12.2025	Zuzana Špuntová	
2	31.12.2025	Zuzana Špuntová	
3	10.2.2026	Zuzana Špuntová	Final edit

Contents

1 Introduction

The current **Report of market potential of the business models** report has been developed by the national Lab within the WE.Circular project. It provides an aggregated overview of the market potential assessments for all circular business models co-created by the Lab and awarded through the Innovation Contest. Each individual business model is assessed separately in a dedicated report, following a shared structure. This document summarizes the key findings, trends, and readiness level across the business models evaluated, with the aim of identifying common opportunities and gaps in preparation for the testing phase.

2 Methodology applied

Each company selected as a finalist during the Innovation Contest has a dedicated Market Potential Report. These individual reports follow a common structure covering:

- Target market and segmentation
- Market trends and demand
- Market size estimation
- Competitive landscape
- Business model differentiation
- Distribution channels and scaling potential Barriers and risks
- Early recommendations

The individual assessments are based on desk research, co-creation results, expert interviews, and early market assumptions.

3 Overview of the business models

3.1 Company A

Area of circular economy
Shared economy and life-cycle extension

Description
Company A operates an innovative business model centered on the shared economy, specifically targeting the event and wedding industry to eliminate the standard "buy-to-discard" cycle. The company maintains a high-quality inventory composed primarily of recyclable and durable materials such as glass, textiles, wood, and metal.

A core activity involves the continuous maintenance and renovation of worn decorations to keep them in the loop for as long as possible. Products nearing the end of their professional rental life are sold to domestic users at a fraction of the cost rather than being disposed of.

The business utilizes a purely digital platform with detailed catalogs, allowing it to bypass the need for a physical showroom, which significantly reduces energy consumption and overhead costs.

To mitigate the environmental impact of the floral industry, Company A prioritizes partnerships with local flower growers, reducing the carbon footprint associated with international transport and pesticides. The company is currently developing a specialized "infinite" wreath system using deposit-based schemes to incentivize customers to return items for reuse.

3.2 Company B

Area of circular economy
The company represents a niche leader in biophilic event design, focusing on 100% natural materials that align with radical zero-waste principles.

Description
Unlike traditional floristry or decoration services, Company B designs components that can be repeatedly reconfigured into different arrangements with minimal physical adjustments. This allows for a growing inventory that does not generate waste.

Interreg Danube Region
Co-funded by the European Union
WE.Circular

The model strictly avoids single-use plastics and non-recyclable synthetics, which are unfortunately standard in the event sector. They provide custom-made ecological decorations for diverse scenarios, including weddings, large-scale events, and commercial showroom styling.

By "greening" event projects, the company demonstrates that ecological constraints can drive revenue growth and inventory expansion simultaneously. Current strategic goals include mapping the exact origin and lifespan of every resource to provide B2B clients with verifiable sustainability data.

3.3 Company C

Area of circular economy
Slow fashion and textile waste prevention

Description
Company C operates as a hybrid social enterprise, integrating commercial retail with community-led waste prevention. The business is built on three core segments: environmental education, the sale of curated second-hand textiles, and the creation of original upcycled designer clothing.

A unique, identifiable product line that serves as a signature element of their circular brand, differentiating them from standard second-hand retailers. Through its "Fashion Clinic" concept, Company C offers professional tailoring, repairs, and custom upcycling, directly supporting the "Right to Repair" by enabling customers to extend the life of their existing wardrobes.

The company hosts "Slow Fashion Weekends" and workshops focused on traditional crafts like crochet and embroidery, empowering the community with the skills needed for self-sufficient garment maintenance. Company C is positioned to become a municipal partner for textile waste management, utilizing expert data from organizations like INCIEN to influence local waste policy and public awareness.

Interreg Danube Region
Co-funded by the European Union
WE.Circular

4 Key market trends and insights

4.1 Company A - Key market trends and insights

The business aligns with the global shift toward Product-as-a-Service, where the market values the utility of high-quality decorations over the burden of physical ownership. The transition toward a shared economy in the event sector reduces the total volume of raw materials required by keeping high-quality items (glass, wood, textiles) in constant rotation. There is a significant trend toward *digital lifecycle tracking*, where the company uses a digital platform instead of a physical showroom to minimize energy and operational footprints.

Sector specific demand signals

The wedding and event industry is seeing a surge in demand for conscious celebrations, where organizers actively seek zero-waste alternatives to traditional single-use decor. There is a localized demand for floral sustainability, specifically favoring arrangements sourced from local growers to avoid the high carbon and pesticide footprint of imported flowers.

Shared Customer Behavior or Awareness Gaps

Customers aged 18–40 prioritize shared values and zero-waste knowledge, while the 35–70 age group requires more structured education to transition from traditional "buy-to-keep" habits to rental loyalty.

A gap exists in customer trust regarding the quality of rented items; however, visual tools like a graphically processed product lifecycle can effectively bridge this by demonstrating professional maintenance and high-level design. Experts have identified that financial motivation, such as deposit-refund schemes for wreaths, is the most effective way to ensure customer engagement in the circular loop.

Enabling or Limiting Regulatory/Institutional Factors

The European right to repair framework supports the company's focus on the renovation and maintenance of its inventory. However, the lack of standardized certification for "sustainable event services" in Slovakia makes it difficult for Company A to distinguish itself solely through eco-labeling.

Interreg Danube Region
Co-funded by the European Union
WE.Circular

4.2 Company B - Key market trends and insights

The model thrives on *regenerative sourcing*, using 100% natural materials that can be returned to the biosphere without environmental harm. The *infinite inventory* approach represents a breakthrough in material efficiency, where the same natural inputs are reconfigured for multiple clients without losing value or generating waste.

Sector-Specific Demand Signals

There is a booming demand for biophilic offices and showroom design, as corporations seek to improve employee wellness by incorporating authentic natural elements into professional spaces. In the luxury wedding segment, there is a demand for radical authenticity, where the absence of plastics and non-recyclable synthetics is seen as a premium status symbol.

Shared Customer Behavior or Awareness Gaps

The market is divided into "Visionaries" who value the creative process of natural transformation and "Convenience Seekers" who demand quick, high-quality results that require no logistical effort on their part. Professional B2B clients often lack the data to justify sustainable spending; providing a clear supplier and/or resources map allows them to include these decorations in their CSR reports.

Enabling or Limiting Regulatory/Institutional Factors:

Strict bio-waste management regulations in the EU incentivize the use of natural decorations that can be composted at the end of their lifecycle. The highly seasonal nature of natural material availability can limit scalability unless robust partnerships with local sustainable suppliers are established.

4.3. Company C -Key market trends and insights

Company C is at the forefront of the *closed-loop fashion movement,* which aims to decouple clothing consumption from resource depletion through upcycling and second-hand retail. The model promotes e*xtending product lifespans via professional repair services,* aligning with the EU's priority to reduce textile waste.

Sector-Specific Demand Signals

There is a rising trend in artisanal value where consumers seek products in which clothing tells a story of revival and creativity. The demand for Company C's products indicates a market for curated, low-effort sustainable shopping experiences for consumers who want to participate in slow fashion without deep diving into thrift stores.

Interreg Danube Region
Co-funded by the European Union
WE.Circular

Shared Customer Behavior or Awareness Gaps

A major barrier is the lack of public awareness regarding the real environmental impact of textile waste in Slovakia; thus, the business must act as both a retailer and an educator. There is also a significant "skill gap" among younger consumers regarding garment maintenance. It is highly commendable that Company C addresses this through workshops on crochet, embroidery, and basic repair.

Enabling or Limiting Regulatory/Institutional Factors

Mandatory separate collection of textiles (effective 2025) provides a massive legislative tailwind for Company C to partner with municipalities for raw material sourcing.

Access to EU funding, such as the New European Bauhaus, provides opportunities for the company to scale its community-focused, creative sustainable model.

The lack of clear national guidelines on Extended Producer Responsibility (EPR) for upcycled products creates some legal uncertainty regarding the secondary market.

5 Readiness for testing strategic recommendations

5.1 Assessment of Readiness for Testing

The readiness levels across the companies vary based on their existing infrastructure and the complexity of their proposed circular interventions.

5.1.1 Company A - High readiness

This company demonstrates the highest readiness for operational testing due to its established digital-only platform and detailed coverage of the product lifecycle. We highly value that Company A has already identified specific financial mechanisms, such as deposit-return schemes for circular wreaths, which are ready for immediate market validation.

5.1.2 Company B - High readiness

Company B is prepared to enter the B2B pilot phase, specifically targeting the "Convenience Seeker" segment within the showroom and professional event sector. The "infinite inventory" concept is conceptually mature and requires only the formalization of its sourcing transparency map to begin testing.

5.1.3 Company C - Moderate readiness

While the Company's "Box" and "Fashion Clinic" concepts are highly innovative, their full implementation depends on external coordination with municipal authorities to secure stable textile waste streams and community spaces. As Slovakia's mandatory separate textile collection begins in 2025, proactive collaboration with the city and local waste collection companies is essential to transition from random donations to a reliable, pre-sorted supply chain. Furthermore, securing institutional support for stable physical locations, as in the case of the "KOLO" reuse model in Bratislava, is key to reducing fixed operating costs, access to wider recycling networks, and strengthening the educational impact of the brand within the regional circular ecosystem.

5.2 Common barriers

Several internal and external obstacles must be mitigated to ensure the success of the upcoming pilots.

First, a significant gap remains in consumer awareness regarding the long-term environmental and economic benefits of "Access over Ownership" in the case of Company A and "Repair over Replacement" in the case of Company C.

For Company A and B, the logistical challenges of returning fragile or seasonal natural materials require robust, specialized packaging and tracking systems that are not yet fully optimized.

Company C faces a lack of accessible, localized data on textile waste impacts, which is necessary to support their educational pillar and convince municipal partners of the model's systemic value.

5.3 Cross-cutting needs

To unlock the full potential of these business models, several shared requirements have been identified across the Slovak national Lab.

There is a universal need to transition from manual inventory tracking to automated, integrated digital management systems to improve scalability and resource efficiency.

Companies must enhance their ability to communicate the artisanal value and narrative value of their products to bridge the gap between sustainable intent and actual consumer behavior.

The successful scaling of these models relies on the timely implementation of Extended Producer Responsibility (EPR) for textiles and the standardization of circular certifications for event services.

5.4 Strategic guidance from co-creation scenarios

The scenarios developed during the co-creation process serve as the direct roadmap for pilot testing.

5.4.1 Company A

The pilot will focus on validating the deposit scheme hypothesis, specifically measuring if financial incentives effectively increase the return rate of seasonal decorative items.

5.4.2 Company B

Testing will prioritize the B2B Sourcing Transparency Map, evaluating whether radical transparency in the supply chain (e.g., using partners like cernuska.sk) serves as a primary decision-making factor for corporate clients.

5.4.3 Company C

The focus will be on the Municipal Integration Scenario, testing the viability of utilizing city-provided spaces for community workshops and the "Fashion Clinic" to stabilize operational costs. We commend Company C for its commitment to heritage preservation through these community-focused activities.