**Interview – Navigating the Remanufacturing Trilemma:
Balancing Customer, Manufacturer, and Lawmaker Interests**

## Interviewee background

Date: 29.01.2025

Time: 10:00-11:00

Business Area: Sustainability Consulting

Occupation: Remanufacturing Sales Expert

Professional Experience: 35 Years

Disclaimer: The interview was conducted in German and has been translated

## (State) subsidies and incentives

Customer awareness and understanding are there. But nobody really wants to pay for it. If the legislator creates a framework, it will help the customer (B2B+B2C). Companies advertise with sustainability. Every purchase is a burden - customers spend money because they must. A scrappage scheme is nice, but the compulsion behind a purchase is a nuisance. Especially subsidies are welcomed on the producer's site but are not for free.

## Branding and (Intellectual) property

Regarding the Aftermarket (area of remanufactured automotive products), branding tends to be less relevant for the customer – its price-driven. In competition with other companies, however, sustainability is important. Legislation protects manufacturers' IP. Legislators explicitly protect companies in their jurisdiction and their markets.

## Circular/Sustainable business models

Customer attaches less importance to CE-BM but has a good feeling when buying. However, price is ultimately the primary driver. Cheap goods are still in demand. Legislators are driving sustainable business models. Companies would like to be deregulated in many areas. However, availability of parts is a key feature and that helps to gain an edge in the market. Legislators are also drivers of sustainable business models.

## Compliance with Regulations

A small proportion of customers request information on compliance. However, regulations must be complied with by manufacturers, or they lose market access. Many regulations also have added value for companies. It can be associated with conflict but does not have to be. Manufacturers and customers are also protected by corresponding regulatory laws. Lobbying serves as a guideline from the manufacturer to legislation.

## Data Handling

Data protection and security are in demand among customers. Manufacturers also have a great interest in this. Legislation provides a framework for data handling.

## Information transparency

Companies try to communicate internal efforts to the outside world. Unique selling point for advertising and competition. Legislators provide the framework and incentives. OEMs have taken up the topic and can market it much better thanks to economies of scale. Everyone advertises green measures. ESG is publicly accessible and covers the entire product chain. Every manufacturer must act here, otherwise they will lose their position in the market.

## Process Design

In Europe companies are forced to comply with sustainability regulations. So, everyone must follow sustainable process designs. Reporting to the customer is also mandatory. The law sets the framework but is only indirectly affected by laws and regulations. Legislators have a duty of responsibility and plan from a different perspective than companies do. The international obligation to sustainability lies with the legislator and he is committed.

## Product Characteristics

Customer has a strong interest in related topics and also asks about them. Sustainable product characteristics are marketable as product quality. Legislators are less involved. The topic is worth pursuing, but business models should match (e.g leasing, renting). Eternal durability is a conflict between customer wishes and manufacturer intentions. But in the end no product works eternally.

## Product Design

The customer has advantages from sustainable design but so does the manufacturer. For example, dismantling capability is also an added value for the manufacturer. Customers don’t have a direct advantage, but product design is not directly affecting them.

## Product Labeling

Important topic for remanufacturers to gain product life cycle information. Customers are less interested. However, the manufacturers must release internal information.

## Strategic Co-operation

Cooperation can be a double-edged sword. The customer probably gains no benefit, but many Manufacturers must look for co-operations. Joint ventures are currently from growing importance and a lot is happening in this field. However, antitrust law can be a problem but if a whole sector is in danger legislators are less opposed.