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Speaker 1

Up to now, people thought that repairs were expensive, repairs were complicated, how can a company offer a repair service at such a low price, that covers all the products in their homes?

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Speaker 1

Hello, On the Way! My name's Michael Roge, I'm 39 years old, I have three children, and I'm director of ecological transition at Boulanger.

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Speaker 1

I come from an engineering background in IT electronics, and after finishing my studies I worked in supporting companies in their digital transformations, at various French and American companies.

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Speaker 1

I was supporting major groups in constructing their digital transformations. And after fifteen years in that job, I decided I wanted to change paths, and work on the issues of ecological transformation, coming from strong personal convictions and commitments that I'd made personally and with my family, about the challenges of ecological transformation.

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Speaker 1

And also I'm certain that these issues are becoming, and will become, over the next few years, fundamental and structural transformational issues for companies. I don't think that I made a very sudden shift: it was about becoming aware. That happened bit by bit, and the more I moved forward, the more I made transformational commitments in my personal life.

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Speaker 1

First of all it was managing my waste, then it was my way of eating, my form of transport, our ways of consuming things. The more I progressed, the more I was convinced to go further, I had to make a commitment. I'm getting more strongly committed in the corporate world as well, and I really think that creating change in companies is going to be the core driver of consumer change for most people on earth.

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Speaker 1

I came to Boulanger a year and a half ago, to set up a new team called L'Équipe Planète, whose job is to build and manage Boulanger's ecological transformation plan. And when I arrived, these environmental issues were already being partially addressed at the company, under an existing global CSR commitment, with a team that was dealing with societal and environmental issues and the company's goals.

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Speaker 1

My new role was really about separating the two, so as to properly deal with both of them separately. In fact my job was to build a team focused on environmental transformation issues. And so that's the team I'm now running, building and managing Boulanger's ecological transformation plan, which has three main prongs. The first is the decarbonising of our operations. The second is transforming our product ranges, so as to make them more eco-responsible and more sustainable. And the third is developing circular models, accelerating two entities that already existed at Boulanger, and which I took over when I arrived: Boulanger Second Life, which buys and refurbishes second-life products, and Boulanger Location, which, since 2009, has established a rental model for our range of electronics and household appliances.

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Speaker 1

The real tipping-point for Boulanger becoming aware and wanting to accelerate our progress on environmental issues, was mainly due to the company's first carbon emissions assessment in 2019, and the company wanted to carry out the carbon assessment on what's called Scope one, two, and three. Most companies only assess Scope one and Scope two. Scopes one and two are the emissions directly made by a company, through its operations. And so for us, that's the energy we use to heat and air-condition our stores, the electricity we use to power our products, and also the fuel we use for delivering our products. But we really wanted to also assess ourselves on Scope three, and so that means examining our greenhouse gas emissions across the entirety of our value chain, and so to also look upstream and downstream from our activity.

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Speaker 1

When you look upstream and downstream, you have to look at how your products are made, how they're used, so when we assessed it. We found that 90% of our carbon footprint came from our products, 50% from the manufacture of our products, which need huge amounts of resources and energy to extract raw materials, and then transform them in order to manufacture products.

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Speaker 1

And also 40% was came from the actual use of the products we sell. Because most of the products we sell consume energy, so that's electricity and gas, and so they indirectly emit greenhouse gases. When they're used by our customers, of course. But that does fall within our Scope three, and so indirectly within our own carbon footprint.

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Speaker 1

In terms of making our product offering more eco-responsible and sustainable, there are two main issues. The first is our own-brand products that we manufacture. So we have a direct responsibility for manufacturing, where there are real issues, and a responsibility for taking concrete action in terms of eco-designing our products. So that means thinking about the entire life cycle analysis of our products, and about how we can improve them.

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Speaker 1

By using recycled materials, using fewer materials to make our products, and making products that consume less energy. For example. We took one of our own flagship devices, called multiplug, that has a small raclette grill, and we managed to reduce its use of raw materials by 20%, and its energy consumption by 20%. So that's what we did in terms of eco-design.

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Speaker 1

And the second issue is what we call eco-selection, because most of the products we sell in our stores are made by major brands. So we can't do anything directly about the manufacture of their products, of course, but we can do something about the way we select these products. We're market actors, and we encourage brands to supply us with products that are the most ecologically responsible, and that are designed to be repairable. Products that use as little energy as possible, so as to be able to offer our customers products that are as eco-responsible as possible. And to support our customers in making informed choices about their products, we've posted environmental information about our products on our website and in our stores. There are three indicators that customers can view.

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Speaker 1

There's our repairability index, which has been in place since the beginning of 2021 on four product families, and is going to be extended at the end of November to cover new product families. This allows you to properly assess the repairability of products. Are they easy to dismantle? Are there any instructions for dismantling them? Can you get the spare parts?

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Speaker 1

And also, how much does all that cost? Is the price too high compared to the price of buying a new product? The second thing is the energy label, that is the energy consumption of a product being evaluated. And it's the manufacturers who evaluate products with a label, ranging from G to A. An A means products that consumes the least energy, with a European label that's now familiar to French people.

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Speaker 1

And the third element, that we're featuring more and more, is the country of manufacture of products, namely that of certain families of products; it's still difficult to find products that are manufactured in France, or close to France. And we put a lot of emphasis on that because we think, and our customers also think, that it's something that's going to be increasingly important in choosing their products.

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Speaker 1

It's important to support our customers in choosing these products properly, which can sometimes be more expensive than other products that are less repairable and use more energy. We're doing a lot of educational work to explain that certain products are going to last longer. They're going to consume less energy over their entire life cycle, and so when you buy those products they're definitely going to be a bit more expensive, but spread over their entire lifespan, that additional cost is absorbed by the fact that they last longer and use less energy.

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Speaker 1

We also offer customers the possibility of paying for these products in instalments via credit, and we also offer alternative models, which we'll talk about later on, notably rental models, which allow customers to rent products rather than buy them, and so to potentially not have to pay the upfront price of purchasing them, and so they spread out the cost via a monthly payment over its life cycle.

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Speaker 1

Boulanger was established 67 years ago, by two brothers, the Boulanger brothers, hence the name Boulanger. One of them was a shopkeeper, and the other one was an engineer. And when they established Boulanger, initially Boulanger was a company selling and repairing radios, so that's really part of Boulanger's DNA.

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Speaker 1

The concept of after-sales service was established right from the start of the company, and all that DNA is still here at Boulanger today. And currently we have a rather large number of repair technicians. We have over 500 repair technicians, who do repairs at service centres, as well as at our customers' homes. And in the last few years repairs have become less popular with consumers, as it's been easier and cheaper to buy a new product than to repair one.

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Speaker 1

But lately we're seeing that things are changing. There's been a real raising of awareness in consumers that it's not all that expensive to repair products, and that it's a pity to throw away products that could be repaired, and to just buy another one instead. And so it allows us to really showcase this whole idea. Repair services have been part of our company's DNA ever since it started out, and so we're offering our customers the right services for supporting them in this transition, and extending the life of their products.

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Speaker 1

And so to do this, we've launched several services. First of all, an initial service for helping customers look after their products properly. This is what the eco-transition agency says in terms of figures. For example, a well maintained washing machine can last two years longer than a washing machine that hasn't been well looked after. And we're actually seeing that

about one out of every two products that comes to our repair centres is there because of to a lack of maintenance.

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Speaker 1

So we also have that responsibility for supporting our customers in looking after their products properly. And so we've posted tutorials on our website to help our customers maintain them properly, and show them the right things to do at the right times to look after their things. For example, with washing machines, every three months you need to run a wash cycle at 90 degrees with white vinegar, to remove dirt and to make sure there's no limescale.

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Speaker 1

After maintenance, there's also. Well, we've already mentioned it. Repairs, and for those we've launched a service for supporting our customers. First of all there's the diagnosis of their breakdown, so we can get an idea of what needs to be done. And sometimes people say it's a breakdown, but actually it's a lack of maintenance. And if the product is really broken, how do we help customers to find the right spare parts?

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Speaker 1

And so with the tutorials, they can also repair their products themselves if they want to. They can also be helped via video-call, with a technician who helps them to do their repairs, and if the customer doesn't want to do the repair themselves, then we can provide them with the right services to get the repairs done by technicians who can come to their home.

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Speaker 1

And very recently we also launched an unlimited repair service for our customers' products, called Boulanger Infinity, and with a monthly subscription customers can subscribe to unlimited repairs, as long as spare parts are still available, from one to three ranges of products in their household; Boulanger Infinity was launched to support customers in the repairs of their devices.

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Speaker 1

There are three different offerings, with a first level at €9.90, which gives customers an unlimited repair subscription for one product range, €14.90 for two ranges, and €19.90 for three product ranges. And these product ranges are: household appliances, multimedia, and home image. And with this subscription, customers are covered for unlimited repairs of their products. As long as we can get the spare parts for their products, and when we can't then we can provide them with a replacement, for example a refurbished product, with products bought at Boulanger, but also products that aren't bought from Boulanger, which they might already have in their homes.

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Speaker 1

We're already seeing that our customers are open to these services. This service is very new, it's only been available for fifteen days. We're just getting their initial feedback now. And in fact we're seeing that there's a real enthusiasm for it, and customers are even surprised that we're able to provide this kind of service. Up to now, people thought that repairs were expensive, repairs were complicated.

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Speaker 1

How can a company offer a repair service at such a low price, which covers all the products in their home? And that's where it gets really interesting for us, and being distributors it also involves educational work, it's about popularising repairs and maintenance, and demonstrating that these things aren't all that complicated, and are really quite accessible to the general public.

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Speaker 1

We've also launched a buy-back service at our stores, so if our customers don't want their products anymore, or they've had a change of lifestyle, we can buy back their still-functional products. So we can refurbish them and resell them as second-life products. So, right now, we've launched the service on a national level for four families of products: smartphones, tablets, laptops, and consoles.

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Speaker 1

And we're also testing out providing this buyback scheme for other families of products on sale at Boulanger, notably large household appliances. After maintenance comes repair, which helps our customers extend the lifespans of their products. The buyback scheme allows customers to resell their products back to us when they no longer need them.

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Speaker 1

And of course we provide a recycling service, which allows customers to recycle their electronic household goods at the end of their lifespans. And in the best possible conditions. This is something we've been doing for four or five years now, and is a movement called the "Big Collecte", that encourages people in France to bring us all their products from our ranges at the end of their lifespans, either when we're delivering a new product to them, or when they come to visit one of our stores, and this allows those products to be recycled in the best possible conditions, and their materials to be recovered for making future new products.

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Speaker 1

So the products that we take on buyback from our customers then go into a refurbishing circuit, notably with our partner Recommerce, for all multimedia products. And these products are then resold at our stores and on our website. With the same services as for new products. And we're seeing that this is a real expectation from our customers.

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Speaker 1

So there's no difference between the services we provide for new products and those we provide for refurbished products.

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Speaker 1

Right now we're still at the beginning of this story, with this volume of business and this volume of eco-selected products, eco-designed products, and support services for extending the lifespans of products still being limited, compared to our overall business. Now there's a real grassroots movement, there's a real acceleration going on, and a real increase in awareness among customers.

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Speaker 1

And we have our own role to play in this, and we're in the process of seeing what we can do to help our customers better choose their products and services when they visit our website or our stores. And along those lines, we've renovated one of our flagship stores, the Englos store, located next to Lille, which is one of our largest stores north of Paris.

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Speaker 1

It features a truly innovative customer journey, that helps our customers consume more eco-responsibly thanks to a movement called "Action Planète", which allows customers in the store to find out about the different things they can do in terms of the eco-responsible consumption of our products. And so, for example, customers will be able to purchase products in bulk at some locations, an eco-selection of products at others, refurbished products from eight product families, repair services with a repair workshop which has been set up in the store, along with our buy-back service which allows customers to resell their products when they don't need them anymore. So the idea is to really test things out. We call it a flagship, and it's really about being able to see it in this exactly that light, because in fact we're pioneers the field, we're trying to invent models that never existed before, so it's about looking at everything we've implemented, and seeing what works. And what doesn't work. Do our customers feel truly supported, and do they really understand the full extent of what we've put on offer: we need to showcase it, and then duplicate what does work out to the rest of our stores, and continue to test out what is and what isn't working, until we find exactly the right model and the right support for customers in all of their eco-responsible actions.

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Speaker 1

Currently, we estimate that these eco-sustainable products and services account for about 5% of our business. But we really want to speed things up in order so as to align ourselves with the Paris agreements, which Boulanger is also committed to. This is the goal of having reduced our carbon footprint by 50% by 2030, and of contributing to carbon neutrality by

2050, and so we really want to speed all this up, so that by 2030, the proportion of eco-sustainable products and services account for 50% of our business.

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Speaker 1

And in particular with a strong focus on only selling products with A, B or C energy efficiency labels, as well as repairability ratings above eight. I'm sure that this isn't just true for Boulanger, but for all distributors, that there's a transformation that is going to happen over the next few years, which will make distributors pivot their business models.

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Speaker 1

So obviously we'll be continuing on with our role as a distributor and seller of first-life products, while making sure that those products are more eco-responsible and more durable, made from recycled materials, that they consume less energy, are more repairable, and are manufactured locally. And that at the same time. There's a whole new activity to be accelerated, meaning our entire service approach in terms of repairs, buy-backs, and recycling that we're currently developing, and which, in my opinion, are also going to become fundamental issues for all actors in distribution, and really transform this business as a whole.

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Speaker 1

And we realise that we also have a real role to play in changing the function of all our employees. So, for example, our in-store salespeople, whose current role is helping our customers choose the right products. They're also going to have a role that will evolve, with the task of informing customers not only about their choice of products, but also about the entire lifespan of those products.

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Speaker 1

Boulanger Location is a subsidiary of Boulanger, which was set up in 2009 in order to create a new distribution model. And there's a real push to speed up this initiative, so as to offer this rental model to as many people as possible, either directly via the Boulanger.com website, with a "Rent me" button below the "Buy" button, as well as in-store, in order to offer customers this alternative model of renting, as opposed to buying.

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Speaker 1

And there are two models which are going to work alongside one another, and that I think are both highly relevant: firstly, short-term rental for certain products which customers only need temporarily, for example a raclette grill, a crepe maker, or speakers for a party. You'll be able to rent them out for a weekend or for a day. And there's also a long-term rental model, which meets people's temporary and evolving needs for certain products, for example a student who rents a room for nine months or for a year; it's much easier and simpler for them to rent out a product, and then we take it back at the end of their rental period, and we either rent it out again, or to refurbish it for a second life. Rather than them



buying a product, and then not knowing what to do with it when they stop renting their apartment. Rental is a model that isn't very popular among a large number of our customers yet.

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Speaker 1

But we're realising that when we showcase it, accompanied by all the explanations of the advantages of renting things rather than buying them, then yes, customers are ready to switch to these models, and change their ways of consuming. Obviously, this can never be done for all of the objects in households. But I'm certain that the customers of the future will have different consumption models, depending on the products they're consuming.

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Speaker 1

I don't see things in black or white terms.