Marketing Approaches for a Circular Economy

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ABSTRACT

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The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended. In practice, it implies reducing waste to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible. These can be productively used again and again, thereby creating further value. The circular economy is based on the model of production-consumption-recycling/reuse. At the end of a product's life cycle, its materials are reused to create other goods. The circular model (or sustainable practices) can be adopted by companies in any sector. In a circular economy, marketing can be used as a tool to explore circularity opportunities among the target audiences, and to understand what circular opportunities exist, uncover those opportunities, and then collaborate with production specialists and R&D teams in creating the products to serve those needs. However, there are few studies that incorporate a marketing and communications perspective on the circular economy or which focus on the ways in which businesses providing circular products or services currently use communications to market their offerings and influence consumer behaviour. This paper represents an initial, exploratory study that highlights the recycling done in various Industrial sectors

Keywords: Circular Economy, Consumption, Waste, and Recycle

Importance of the Study.

Recycling is important in today's world if we want to leave this planet for our future generations. It is good for the environment since we are making new products from the old products which are of no use to us. Recycling begins at home. If you are not throwing away any of your old products and instead utilizing it for something new, then you are actually recycling. When you think of recycling, you should really think about the whole idea; reduce, reuse and recycle. We've been careless up to this point with the way we've treated the Earth, and it's time to change, not just the way we do things but the way we think. United States Environmental Protection Agency (EPA), defines recycling as, "Recycling is the process of collecting and processing materials that would otherwise be thrown away as trash and turning them into new products. Recycling can benefit your community and the environment." Recycling is good for the environment; in a sense, we are using old and waste products that are of no use and then converting them back to the same new products. Since we are saving resources and are sending less trash to the landfills, it helps in reducing air and water pollution. With each passing day, the population is increasing. With that, the quantity of waste so produced is also increasing manifolds. The more the waste production, the more is the amount of space required to dump these wastes. Now, it must be remembered that the space available on earth is very limited, and it is obviously up to us to use it judiciously. The ever-growing population needs space to live and also to grow what they eat by means of agriculture. If all this space were to be taken up by dumpsters and landfills, the survival of humankind on this planet would be really difficult. Recycling solves this problem because, with recycling, a lesser amount of wastes is dumped, and some valuable space is saved. In recent years, incinerators are being used extensively to reduce the amount of waste produced. Incinerators burn the wastes that it takes up lesser space when being disposed of. But what are these incinerators powered with? Also referred to as the thermal treatment of wastes, incinerators use up our precious, non-renewable fossil fuels to burn wastes into ashes. We are producing and losing precious energy just for the sake of a little less space used up by waste. Not only that, but we are also causing severe air pollution

as well.

Review of Literature

1. Final Report on Design of Recyclable Products
2. Waste paper for recycling: Overview and identification of potentially critical substances
3. Final Report on Design of Recyclable Products
4. Consumer acceptance of products made from recycled materials: A scoping review
5. Waste paper for recycling: Overview and identification of potentially critical substances Pivnenko, Kostyantyn; Eriksson, Eva; Astrup, Thomas Fruergaard

Objectives of the Study

This research paper is an attempt to understand how recycling is done in various industrial sectors. As also this paper highlights the types of marketing used for Reusable / Recycling the products.

Introduction to Circular Economy

The circular economy is a systems solution framework that tackles global challenges like climate change, biodiversity loss, waste, and pollution.

Currently, the concept of circular economy has been integrated through many national and organizational policies. For example, it was acknowledged as one of China's national development strategies throughout the country's 12th Five-Year Plan (2011-2015) and its Circular Economy Promotion Law of 2009. In 2015, the European Commission launched its own Action Plan for the Circular Economy programme, which sets out a policy framework with measures and targets on waste management. The concept of circular economy is also an integral part of the following United Nations' Sustainable Development Goals.

A circular economy is a regenerative or regenerative production system. It is also often possible to find other names for this approach, such as green economy, closedloop economy, and non-waste economy. This approach provides for replacing the concept of "end-of-life" repair, shifting the interest towards the use of renewable energy sources, completely eliminating the use of toxic chemicals that interfere with product reuse, and waste elimination through the improvement of design, materials, products and, as a result, the entire business model. A wasteful lifestyle, mainly in industrialized countries, has led to a decline in ecosystems, limited resources and an increasingly unstable climate. At the same time, population growth and the much-needed increase in per capita income in low-income countries put additional pressure on resources. Business circles often see the environmental policy development as a threat to competitiveness, but there is reason to consider resource efficiency as an opportunity. The current economy is built on the principle of "quick turnover". The faster the consumptions items are replaced, the better it is for manufacturers. As a result, the Earth's resources are managed very inefficiently. The transition to a circular economy through reuse will bring many benefits.

The economic effect of introducing the concept of a circular economy is expressed in reducing the consumption of raw materials and energy resources, and as a result – in reducing demand for them and price volatility in resource markets; as well as an increase in the number of jobs due to the formation of new sectors of the circular economy (Van Buren et al., 2016). The acceleration of urbanization leads to an incentive for the state to promote the development of a circular economy. The advantages for enterprises are expressed in the strengthening of relationships with partners along the entire value chain, increasing innovation and customer loyalty, the emergence of additional competitive advantages and new sources of profit (Firnkorn & Muller, 2012; Shafiee & Stec, 2014), and for consumers – in the consumption of environmentally friendly products and, in some cases, a decrease in their cost.

Popular Types of Marketing for Reusble Products

1. Green Marketing (or environmental marketing) is the promotion of environmentally friendly products, services, and initiatives. More specifically, green marketing refers a broad range of environmentally friendly practices and strategies. Some green marketing examples include: Creating eco-friendly products. Green marketing is the marketing of products that are presumed to be environmentally safe. It incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. Green marketing is becoming more popular as more people become concerned with environmental issues. Indeed, in 2020, more than three quarters of consumers (77%) cited a brand's sustainability and environmental responsibility as very important or moderately important in their

choice of brands.

While green marketing can be more expensive than traditional marketing messages and practices, but it can also be profitable due to increasing demand. For example, products made locally in North America tend to be more expensive than those made overseas using cheap labor, but local sourcing and supply chain means they have a much smaller carbon footprint than goods flown in from overseas. For some consumers and business owners, the environmental benefit outweighs the price difference.

Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment.

2. Sustainable Marketing :

Sustainability can be defined as the ability for us to meet the needs of everyone today without compromising the security and opportunities for future generations. While environmental sustainability is the first thing that comes to mind for most when this term comes up, it also has a great deal to do with social equity (meeting the needs of everyone). In the business world, companies have been rapidly adopting the sustainability mindset and as a result, have begun to evaluate themselves according to the triple bottom line. This measurement of performance includes three areas: people, profit, and planet. So, while businesses must be profitable in order to survive, for them to be sustainable they need to equally consider the other two priorities of people (all stakeholders in and outside the company) and the planet. Adopting a sustainability focus can bring enormous positives for companies – this is true in the short-term, and even-more-so in the long-term. A first major benefit is in terms of attracting customers. Forbes reports that millennials are becoming the most important consumer group, with buying power of $2.45 trillion. Millennials care where they spend their money. In fact, roughly 70% will pay more for brands that support a cause they care about. Other benefits for sustainable businesses, reported by Harvard Business Review are greater risk management, more innovation and better financial performance, including larger profits, more cost savings and improved efficiencies and logistics. So clearly, including sustainability as a main principle in your organization can poise it for success today and in the long-run. In any business, there are three functions that are central to success. These are operations, finance, and marketing. Sustainable marketing is absolutely key to the success of any company as it encompasses every activity to do with generating revenues. However, consumers tend to have unfavourable attitudes toward marketing practices. This is largely the result of traditional marketing using the tactic of pressuring consumers and influencing their perspective in order to make them think they need a company's product. This manipulative style of marketing leads to unsustainable relationships with customers as they often realize that the product they were convinced to buy didn't really make their life better. Sustainable marketing works because it promotes the core values that your business and your stakeholders actually value – environmental wellness, human health, resource security, fair trade, social equity, etc. As a result, it makes your company's advertising stand-out in a market that is still dominated by the traditional "put-down" style of advertising. By engaging in sustainable marketing, your business will earn the trust of consumers and in turn, their loyalty. And in today's market, loyalty is the biggest competitive advantage of them all.

Industrial Sectors Where Recycling is Done

1. Packaging Sector: It is very important to know what your customers do with the packaging. Do they recycle or reuse it? Or do they simply throw it away? Sustainability in packaging is a prime necessity these days. Not only does it reduce wastes, but it also encourages and enables consumers to recycle. You can recycle most of the packaging materials, but some. Packaging plays a key role in our modern way of life. Without it, most products would expire or get damaged before arriving in a store. However, it's frequently pointed out as one of the main villains in our planet's battle for environmental sustainability because it turns into waste after its use. That's why companies from across industries are searching for ways to close the loop and minimize the negative environmental impact of packaging while still benefitting from its positive properties. This search relies on people with a range of skills – but packaging designers are the key players when it comes to

tackling the challenges of sustainable packaging. From making packaging easier to recycle after use through to integrating more recycled material in new packaging: These experts create packaging that protects the products we love while also offering a better contribution to the planet. The biggest problem with packaging is that it usually becomes waste as soon as a consumer finishes using a product. That's why experts in smart packaging also focus on creating designs that are optimized for recycling. By making their existing packaging easier to recycle – and also using more and more recycled material in new packaging – companies can help keep materials in the value chain for longer. This idea is at the heart of the circular economy model: A way of thinking that seeks to gather materials after they have been used and process them so they can be reused or recycled over and over again. This eliminates waste and reduces the environmental impact of packaging – as long as strong recycling and waste management systems are in place.

2. Building & Construction Industry: Scarcity of resources and the need to reduce the environmental impacts of winning and processing construction materials and products is placing a greater emphasis on resource efficiency within the construction industry. It is estimated that the UK construction industry consumes some 400Mt of materials annually and generates some 120Mt of (construction, demolition and excavation) waste, of which 5Mt ends up in landfill. Therefore, there is significant scope for improving resource efficiency within the industry, particularly at the end-of-life of buildings. Importantly, the majority of the construction and demolition arisings are heavy bulk wastes such as concrete, masonry and asphalt which are generally crushed and down cycled into lower grade applications such as general fill. Although landfill is avoided,

Down cycling is low-grade recycling and low down on the UK waste hierarchy. More has to be done to encourage reuse and higher grade recycling of these problem materials. Steel is used because it binds well to concrete, has a similar thermal expansion coefficient and is strong and relatively cost-effective. Reinforced concrete is also used to provide deep foundations and basements and is currently the world's primary building material.One major benefit of reusing steel from buildings and structures is that beams, columns, and other structural pieces can be used without having to be re-melted or processed. Scrap pieces of steel, on the other hand, can be melted down and made into something new

3. Textile Industry: Textile recycling is the process of recovering fiber, yarn, or fabric and reprocessing the material into new, useful products. Textile waste is split into pre-consumer and post-consumer waste and is sorted into five different categories derived from a pyramid model. Rags are collected and sent to the wiping and flocking industry. Other materials will be sent for fibre reclamation and stuffing. Fibres from the old fabrics are reclaimed and are used for making new garments. Threads from the fabric is pulled out and used for re-weaving new garments or blankets. Textiles have a significant impact on the environment during their lifecycle. Large amount of water, energy, pesticides and fertilizers have made the global textile industry one of the most polluting and waste producing industries in the world. Recycling textile has become the newest addition to the materials that are recycled and redirected from the landfill. Recycling and reusing textiles, fibres and waste materials is an effective method to build sustainability in the apparel industry. A report by U.S. Environmental Protection Agency states that textiles are an important source of greenhouse gas emissions. In order to reduce the greenhouse gas emissions, efforts are made to increase textile recycling. In the current scenario, recycling clothing would have an effect equivalent to removing one million cars off the road every year. In U.K. people consume 2 million tons of clothing from which, 0.5 million tons are recycled. However, 1 million ton is still disposed off. While in Europe, one can find a textile waste of around 14million tons out of which, a quarter of 5 million tons are recycled. Therefore, it has become imperative to develop innovative methods to recycle textiles and produce beneficial items out of recycled post-consumer materials.

4. Automotive Industry : Vehicle recycling refers to the process of disassembling automobiles to recover and recycle spare parts, fuel and scrap metals. This involves processes such as dismantling, crushing, shredding and material recovery through which magnetic pieces, sheet metals, seats, wheels and other components are retrieved. Separation technologies, such as laser, infrared, eddy current and flotation methods, are used to isolate the non-ferrous metals from other materials, which are then sent for re-smelting. In addition to this, the reusable components are cleaned, tested and refurbished for resale, while the fluids are drained over an impervious surface and

stored for later use.

The rapid industrialization and urbanization across the globe are among the key factors driving the growth of the market. Additionally, widespread adoption of metal scrap, especially steel, for the manufacturing of more affordable, lightweight and fuel-efficient vehicles, is acting as another growth-inducing factor. Furthermore, increasing consumer awareness regarding the environmental benefits of using recycled materials and minimizing the dependency on natural resources is also providing a boost to the market growth. Automotive recyclers are utilizing sophisticated tools and methods to recycle used vehicles to extract polymers, fluids and natural materials that cause minimal damage to the environment. They are also using various innovative products, such as optical sensors, to identify small pieces of metal in the scrap. Other factors, including the increasing utilization of recycled batteries in the manufacturing of consumer electronics and the implementation of government regulations to minimize environmental hazards associated with the disposal of batteries, rubber, oils and other materials, are expected to drive the market in the upcoming years.

IMARC Group's latest report provides a deep insight into the global vehicle recycling market covering all its essential aspects. This ranges from macro overview of the market to micro details of the industry performance, recent trends, key market drivers and challenges, SWOT analysis, Porter's five forces analysis, value chain analysis, etc. This report is a must-read for industry players, investors, researchers, consultants, business strategists, and all those who have any kind of stake or are planning to foray into the vehicle recycling industry in any manner.

As an industry, auto recycling is integral in preserving energy by limiting fossil fuel use and preserving natural resources. It's possible to recycle up to 75 percent of a vehicle by reusing parts for cars still on the road or melting down materials for cars yet to be manufactured.

5. Agricultural Industry: The role of the agricultural sector in human development and economic development cannot be overemphasized. Awareness for increased agricultural production is on the increase, arising from the need to feed the ever-increasing human population. Interestingly, almost all agricultural activities generate wastes, which are generated in large quantities in many countries. However, these wastes may constitute a serious threat to human health through environmental pollution and handling them may result in huge economic loss. Unfortunately, in many developing countries where large quantities of these wastes are generated, they are not properly managed because little is known about their potential risks and benefits if properly managed. There are studies that address some of the challenges of agricultural solid wastes as well as suggestions on how they can be properly managed. In this chapter, we intend to explore the major sources of agricultural solid wastes, their potential risks, and how they can be properly managed. recycling organic wastes in agriculture conserves finite phosphate resources and the embodied energy from industrial nitrogen fixation, thus supporting the goal of sustainable food production. Organic wastes, such as waste wood and paper sludge, also provide alternative types of livestock bedding. Agro-industrial wastes are used for manufacturing of biofuels, enzymes, vitamins, antioxidants, animal feed, antibiotics, and other chemicals through solid state fermentation (SSF). A variety of microorganisms are used for the production of these valuable products through SSF processes.

Cases / Examples From Published Sources ;

1. Henkel: HENKEL operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2021, Henkel reported sales of 20 billion euros and an operating profit of 2.7 billion euros (adjusted for one-time gains/charges and restructuring charges). Henkel employs more than 52,000 people worldwide – a passionate and highly diverse team, united by a strong company culture, a common purpose and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX.

Henkel India
Henkel in India operates in two business areas: Adhesive Technologies and Beauty Care, both in the business-to-business realm. It has two legal entities in the country: namely, Henkel Adhesives Technologies India Private Limited (a wholly owned subsidiary of Henkel) and Henkel Anand India Private Limited (a joint venture company of Henkel and Anand Group). Headquartered in Navi Mumbai, currently, Henkel in India has a footprint comprising five manufacturing sites, two innovation/product development centers, a flexible packaging academy and five Schwarzkopf Professional academies. It employs approximately 1,000 employees across these sites.

Henkel is the name behind many well-known brands such as Loctite, Bonderite, Technomelt, Teroson, Aquence and Schwarzkopf. The company offers a multitude of applications and services to satisfy the needs of different customers.

2. Attero - Touted as India's largest electronic asset management company, Noida-based Attero promotes the reuse and recycling of electronics sustainably through its recycling plants. Attero recovers reusable resources and precious metals by processing e-waste with clean technology to minimize carbon footprint. Attero also list of global pending patent applications. Backed by World Bank (IFC), DFJ, IUVP and Granite Hill, Attero was among 9 innovators from across the globe that made it to the NASA conference on waste management in 2018. Aterro is also the only e-waste management firm in India which has taken environmental clearance from Ministry of Environment & Forests (MoEF).

3. Banyan Nation Hyderabad-based Banyan Nation, an incubatee of T-Hub, India's largest startup incubator, is a vertically integrated plastics recycling company that helps brands/companies to use recycled plastics instead of virgin plastics in mainstream product and packaging.

Banyan Nation collects discarded HDPE and PP (High-Density PolyEthylene and Polypropylene) - type consumer plastics from the street corners, water bodies and landfills. Once collected, the plastics are recycled at Banyan's state of the art recycling plant. Banyan's proprietary plastics cleaning technology removes product and packaging contaminants such as labels, adhesive, inks, etc. from post-consumer plastics. Besides, the waste-management company leverages mobile technology to map, integrate and train thousands of informal recyclers. Backed by Centre for Innovation Incubation and Entrepreneurship (CIIE) and Artha Capital, Banyan Nation was among chosen one shortlisted for Awards at The World Economic Forum (WEF), in year 2018. It also won Intel DST Challenge 2.0 2017.

4. Lucro - Mumbai-based Lucro Plastecycle is a Mumbai-based recycling company that converts the dirtiest plastic waste into recycled granules which ultimately are remade into recycled products at a cost less than virgin plastics to produce high quality, innovative and recycled-content products such as shrink wrap and films. The company claims to handle the entire waste value chain right from collection to recycling and manufacturing of final recycled products. Funded by Singapore-based Circulate Capital, Lucro has recently became first company in India to be successfully certified Ocean Bound Plastic (OBP) recycling, which means that it can now offer clients globally looking for OBP certified recycled films made from flexible plastic.

5. Phool.co - Kanpur-based Phool (Fomerly HelpUsGreen) is one of most interesting startups in India that are into waste management's segments. It converts flowers and offerings collected from religious places into bio-degradable alternative to Thermacol and incense sticks. With help of rural women self-help groups, Phool and its team collect floral waste from the temples and mosques in Uttar Pradesh and thereafter handcrafted by rural women self-help groups into patented organic fertilizer and incense sticks via what the company named as "Flowercycling". The company had also received the United Nations Young Leaders Award at the United Nations General Assembly in New York, in year 2018. Backed by Tata Trusts' Social Alpha and IIT Kanpur, the company raised US$1.4 Million in a funding round led by IAN Fund and San Francisco-based Draper Richards Kaplan Foundation, in August 2020.The company claims to have prevented 7600 Kgs waste flowers and 97 Kgs toxic chemicals from getting into the the Ganges river daily.

6. Saahas Zero Waste - Founded by a journalist, Wilma Rodrigues, Saahas Zero Waste is socio-environmental enterprise with 17 years of experience in waste management and resource recovery. The company specializes in designing and executing customized solutions for the goal of zero waste to landfills, especially for bulk waste generators such as

technology parks, residential complexes, educational institutions, hotels and others. Backed by Artha India Ventures and Indian Angel Network, Saahas Zero Waste claims to have diverted 10,000 MT of plastic waste from dumpsites and other open spaces under the extended producer responsibility program, in the year 2019. In 2018, Saahas Zero Waste was awarded the Swachh Best Practice Award by Prime Minister Narendra Modi as recognition of the work done in the space.To add to the circular economy, the company also offers products made from waste such as roofing sheets, clipboards, stationary, upcycled textile products, apparel and more.

Summary

Sustainability improves the quality of our lives, protects our ecosystem and preserves natural resources for future generations. In the corporate world, sustainability is associated with an organization's holistic approach, taking into account everything, from manufacturing to logistics to customer service.

Environmental sustainability is important because of how much energy, food and human-made resources we use every day. Rapid population growth has resulted in increased farming and manufacturing, leading to more greenhouse gas emissions, unsustainable energy use, and deforestation.

Sustainability improves the quality of our lives, protects our ecosystem and preserves natural resources for future generations. In the corporate world, sustainability is associated with an organization's holistic approach, taking into account everything, from manufacturing to logistics to customer service. Going green and sustainable is not only beneficial for the company; it also maximizes the benefits from an environmental focus in the long-term. Regardless of who we are, where we live, and what we do, we all have a moral obligation to each other, our future generations, and other species to sustain the planet. Our present choices and actions have huge long-term impacts on future generations. Practicing sustainability ensures that we make ethical choices that bring a safe and livable future to everyone. If we deplete the resources of the Earth, future generations will be depleted. For example, if we over fish our oceans, we risk not only depleting the supply of fish, but also depleting the supply of every organism in the food chain related to that fish.

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