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APPLICATION OF SOCIAL MARKETING IN CIRCULAR ECONOMY

Abstract. Traditional marketing seeks the benefits of corporations, while social marketing is intended for the well-being of society. Social marketing (SM) can be used as a tool for intervention to achieve circular economy objectives. Resource sustainability is the central pillar of the linear economy. To this end, an exploratory approach was adopted in this research to explore the two concepts: social marketing and circular economy, and the applications of social marketing in the circular economy. Findings show that public and private institutions should be encouraged to spend money on social issues. Social and environmental problems can be resolved by encouraging people to be sensitive to nature conservation.

Keywords: social marketing, circular economy, linear economy, marketing

INTRODUCTION

Social marketing is a concept used to design interventions to change or maintain human behaviors for the benefit of individuals and society as a whole. The idea of social marketing can be considered an important tool in influencing economic activities and changing public behavior. In 1985, Andreasen broadly defined social marketing as “the application of commercial marketing technologies for analysis, planning, execution, and evaluating programs aimed at influencing the voluntary behavior of target audiences in order to improve their personal well-being and the well-being of the society.” However, some scholars try to make a distinction between social marketing and commercial marketing to shed more light on the importance of social marketing.

While commercial marketing is seen as an effort to influence people’s behavior to benefit the market, the objective of social marketing, besides benefiting only the market, is to merit society as a whole. A more analytical definition of social marketing views it as an integrated model and practice to provide more solutions to social problems and promote social objectives. On the other hand, a circular economy is a conservative attitude to the economic system with the hindsight that resources are not finite. Therefore, the approach to consumption is aimed not to generate waste, while recycling of consumables and conservation of the environment is practiced. In the context of this article, social marketing can be considered a tool to achieve a circular economy as the goal of a circular economy can only be achieved if people’s attitudes toward production and consumption change. This article discusses social marketing, its objectives,

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application, and skepticism toward its implementation. The circular economy is also discussed in the same light, and the two concepts are considered in regard to how they complement each other. The article closes with recommendations on how the two concepts could be harnessed effectively to benefit humanity and the environment. This article attempts to showcase the role of social marketing as a tool in circular economy practices.

SOCIAL MARKETING

Given the above, social marketing can be seen in the light of marketing products or ideas beneficial for social change. Still, today it mainly focuses on influencing individual behavior to achieve desired behavioral change. In many cases, social marketing involves offering a product, but there are cases, such as an anti-smoking campaign, where the driving force is solely about behavior change. Since many health and social problems have behavioral causes and marketing influences people's behavior, social marketing offers a promising strategy for improving the health and well-being of society (UKEssays, 2018). The knowledge of social sciences in psychology, sociology, anthropology, communication theory, and political science blended with advertising, public relations, and marketing research form the bedrock of social marketing. The definition of social marketing can be summed up as planning, organizing, executing, and monitoring corporate and institutional marketing strategies and activities, as well as their integration, directly or indirectly aimed at solving social problems (Piskóti et al., 2012).

Thus, social marketing aims to sell products used in the social exchange, which today are centered mainly on influencing individual behavior to bring about an expected change. In most cases, social marketing involves the offer of a product. However, there are cases such as the campaign against tobacco whose impulse is purely to change behavior without offering a product. Given that many social problems and health problems have behavior or attitude causes and marketing influences human behavior, social marketing provides a promising strategy to promote better health and well-being of the society. According to Andreasen (1995), "social marketing is a process for developing a social change program." Below the list of social marketing campaign criteria is given:

- application of commercial marketing technology;
- the bottom line of all activities is influencing voluntary behavior;

- the campaign primarily benefits individuals/families or the larger society and not the marketing organization itself.

Social marketing is a fundamental concept for the good of companies, the environment, and society in general. It enables maximizing profits for organizations and creating a longtime relationship as the offerings of the organizations are goods that are seen as beneficial and of eternal value to the customers. Although academics and practitioners are particularly engaged in social marketing systems, the emerging social and macro-social marketing research exemplifies the adoption of systems theory within social marketing (Flaherty et al., 2020).

The elements of the "marketing mix" commonly referred to as the 4ps (product, price, place, and promotion) also apply to social marketing. Although this concept established in mainstream marketing was first applied to social marketing by Kotler and Zaltman in 1971, it was helpful to formulate the conceptual ideology of social marketing, which was relatively new at that time. To fulfill the requirement of social marketing, the value chain process can be divided into four categories (Kotler and Zaltman, 1971):

- **Product:** the conception of the product, the production process, the finished product, and its expectation to meet the demand of social marketing. Products should have an objective that the target population is encouraged to buy utility or socially necessary products like family planning, portable water, credit organizations, nutritional foods, organic farming, etc. Sustainable products that benefit society are the goal of social marketing. The product must have a place in society. The product can be tangible as physical things or nontangible as services and practices;
- **Price:** how the products are to be priced with the hindsight of affordability to meet the purpose of societal good and expected behavior change. Pricing in social marketing can also be considered either monetary or non-monetary. No monetary price is the psychological and social cost of changing habits, time, or effort. If the price is minimal, the change is most apparent;
- **Place:** this should answer the question of availability if it can be in the reach of the people how it can change their behavior or be of benefit to them. The place is where you can find the population needed, where social marketing will be more productive. It is the distribution point of the product, where the

changes are implemented or where the product will be delivered. The publicity will be successful if the location is easy to access;

- Promotion: the process of marketing and its contents. Social marketing is carried out to promote a product or habit. It is the form in which the information is proportioned. The tools and techniques used to make them effective are many, including ads, graphics, documentaries, together with public relations, media relations, entertainment, etc. Creativity is needed to promote a better way.

The public is the target of social marketing as well as other interested stakeholders. The relationship between different agencies similar to the community also helps in social marketing. Similarly, the change does not become effective until there are political changes and other changes at the administrative level. Another component is the funds needed to implement social marketing.

The characteristic principles of social marketing theory can be distinguished in the analysis and segmentation of separate groups of people who needed a product or the size of the items to be analyzed. The analysis concerns each stage of production. Themes are defined and grouped, which can help support the communication process. The first step of social marketing is to distinguish groups. Examples of social marketing theory can be observed in promoting tangible goods like oral contraceptives or a concept that is not tangible such as family planning in a specific target group needed for a social campaign. Other examples of social marketing include oral rehydration, jobs, anti-smoking health pills, diet food, use of helmets, maneuvering, compliance with transit regulations and drug use, cardiovascular disease, other transmitted diseases, sanitation, environmental pollution, corruption, etc. (Andreasen, 1995). In the United States, the National Higher Education Program and Stanford University use the 1980s efficient social market concept to address cardiovascular disease risks. Likewise, another example is the Victoria Cancer Council in Australia, which applied social marketing to launch a tobacco campaign in 1988 (Rangan, 1991).

Success in social marketing depends on accuracy in planning and strategic prudence. The solution to any problem requires identifying organizations interested, involved, and responsible for the tasks at hand and initiators and implementers or even executioners in social marketing processes. This is followed by the identification

of social priorities and actions. As a result of limited resources and to have successful solutions to social problems, criteria of the greatest impact must be defined, and based on them, stakeholders are selected and roles assigned. After that, stakeholders are chosen for a specific task, yielding more straightforward groups (based on status, political views, if the organization is against or for it, how active or passive it is, how close the relationship is).

Thus, stakeholders should understand their motivation, expectations, attitude to a specific problem, environment stakeholder behavior, and identification of their behavior with organizations. Consequently, social marketing is becoming an organization-specific activity. Therefore, shaping social marketing strategies and programs requires learning how the affected groups experience and handle social problems, how they are related to the problem, what values underpin their actions, what obstacles they face, who or what makes the obstacles, what are their values, what are the motives and what actions they are interested in to solve a particular issue.

Commercial marketing has always been a social marketing brand. However, creativity can sometimes be problematic, and the audience must interpret the message for themselves, and sometimes the message is not very convincing. In fact, the theory of social marketing as an adequate theory of mass communication does not exist.

There is also the issue or reservations against the nonprofit orientation of the marketing approach. The business will primarily exist to make a profit, and like in conventional businesses, the opportunities to make a profit will primarily drive marketing schemes. It is thus difficult to persuade entrepreneurs to embark on social marketing without government support. That is why most organizations involved in social marketing are civil and nonprofit organizations. It should be noted that social marketing activities affect many players, which requires an enormous number of different relationships.

Some scholars argue that social marketing only deals with regulatory issues and efforts to protect consumers. Thus they do not see it to influence target consumers. There is also confusion as to whether social marketing was to public and nonprofit markers. Still, it is evident that private sectors also engage in social marketing. For instance, the insurance industry encourages seat belt usage, or breweries encourage “responsible drinking.” Yet, such social change is considered a secondary purpose from a private point of view. Still, it is indeed the primary purpose of social marketing (Bajracharya, 2018).

CIRCULAR ECONOMY

The circular economy is an offshoot of the linear economy in which consumption follows a linear track of making, consuming, and disposing of a product. The circular economy presents an alternative to the linear track; it fashions a way to have a circular track. What is produced is not disposed of after consumption but reintegrated into the economy after first exploitation. A good illustration of the circular economy is the way clothes can be used in this system. When the user considers it undersized due to biological growth or tired of it, the article of clothing can be recycled and passed on to another person directly by the user or a centralized system. In the same vein, older siblings pass used clothes to younger siblings, which also applies to used textbooks. The circular economy keeps companies' products in use; it keeps the economy, nature, and social capital in continuous transition.

CE has emerged as an economic paradigm to place a cap on existing environmental deterioration while simultaneously producing inclusive growth and social gain (Korhonen et al., 2018). The environmental governance discourse expands to include discussions regarding the position of companies in global cooperation. The ascent of the circular economy is a key sustainability paradigm (Mah, 2021). Governmental and organizational commitment is an essential requirement to transition to the circular economy system, as legislation provided by the government regulates the economy in a particular country in collaboration with firms' adoption of recent innovative solutions and technologies. This integration represents an important step to the CE (Garrido-Prada et al., 2021).

The massive explosion of the world economy can also expand with finite resources; it is evident that the concept of the linear economy is no longer sustainable. The global population is expected to rise to 9 billion in 2050, but the future projection of the earth's resources is negative. Green areas are shrinking, the climate is no longer predictable, and the exploitation of natural resources puts natural consumables like agriculture, animals, and aquatic creatures at risk. As a result, many corporations have updated their industrial exploits to comply with the circular economy: Kalundborg symbiosis invented the world's first working industrial symbiosis. The system allows a product or the residual of a product to be used by another company. The process can be summed up as industrial symbiosis, which integrates nature's ecosystem logic with the economic system logic (Drljača, 2015).

The circular economy considers natural resources to be finite, and such an approach means that the natural resources are not consumed but rather regenerated or given room to recover. The circular economy gravitates toward using what is already in use. The circular economy is not only believed to be beneficial to ecology or society but also of utmost importance to the economy (Hirschman, 1991).

The Kalundborg symbiosis relationship has existed for about 40 years in Denmark and encouraged dozens of enterprises to form a symbiotic working relationship, thereby helping be more productive. Its example can also encourage public and private enterprises to partner with each other to buy and sell residual products and gain mutual economic benefits. The benefits of industrial symbiosis can be summed up as follows: reduction in the cost of production, fewer resources producing substantial growth, competition among enterprises, and establishment of more resilient enterprises. In addition, some studies suggest that a circular economy was developed to check the wasteful existing system where consumption is not controlled.

Garrido-Prada et al. (2021) found that the small and medium-sized enterprises adopt a circular economy whenever the PEERD stocks increase. VIGGA is another company that employed the concept of a circular economy. The business principle was based on creating a new way of consumption of high-quality materials by sharing. This way, high-quality children's clothes can be produced at attractive prices so that several children can share the same piece of clothing. Customers pay monthly subscriptions for children's clothing which entitles them to 20 pieces of child-size clothes. The items are replaced when the child's size changes. After quality inspection, the returned clothes are professionally washed, repackaged, and delivered to another family, keeping the circular economy dynamic. This concept encourages producing the highest fabric quality possible, making it possible to get more children in the circular process and higher profits to all the enterprises involved in the value chain.

According to the Club of Rome, the full adoption of a circular economy by 2030 would create more than 75,000 jobs in Finland, 100,000 in Sweden, 200,000 in the Netherlands, 400,000 in Spain, and 500,000 in France. Nowadays, numerous positions in the waste management and recycling industry in the European Union are frequently low-wage and pose risks to worker safety due to exposure to hazardous substances (Timlick et al.,

2020). In addition, simple renovation solutions could decrease the current buildings' energy consumption by 20%–30%. It is also predicted that if circular economy opportunities are applied, China's use of non-renewable resources like fossil fuels could drop by 49% in 2030 and 71% in 2040 (Clark et al., 2020).

The circular economy concept can also be employed in other business areas like transportation, recycling, brewing, agriculture, construction, etc. The circular economy can be described under micro-, meso-, and macro-level economic categories:

- micro-level: within the management of firm governance, company policies to optimize materials for clean production and to reduce waste;
- meso-level: this describes collaborations between companies to use materials from each other as a by-product in the production process. The Chinese government promotes this type of cooperation. The result is a reduction in wastage either at the primary level of raw materials or at a later stage of finished products;
- macro-level: there is a conscious effort to sensitize the general public to sustainable developments, so the interest of the society and stakeholders are integrated to achieve the objective of the circular economy.

The above points are implemented practically with the steps enumerated below:

- production of high-quality and durable products that can be passed on from one person to another. Marketing efforts also target customers that can afford such products as first users;
- deliberate efforts to recycle or refurbish products;
- encouraging consumers to trade back their purchases in the market after use or as parts;
- repairs or refilling of products that still have functional parts.

OVERLAP OF SOCIAL MARKETING AND CIRCULAR ECONOMY

Both social marketing and circular economy are on the positive side of society in terms of human interaction and nature in terms of conserving natural resources. Thus, the overlap of social marketing and the circular economy can be observed in the interdependence of social and environmental issues. Therefore, social marketing can be seen as bringing solutions to ecological issues.

The concept of green marketing, which dates back to the mid-1970s, is a practical demonstration of this interdependency. The American Marketing Association (AMA) held a workshop with an explicit title of Ecological Marketing; in 1975 further popularized the ideology. Murphy et al. (2010) define green marketing as “[a]ll activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with a minimal detrimental impact on the natural environment.”

The idea of using social marketing in practice dates back to the implementation of family planning programs in the United States in the 1960s. Thus, social marketing consciously or covertly can be used to achieve some of the objectives of the circular economy. If parents have the freedom to determine when to have a child and what number they want, they can plan for all the consumables that the children will use, including clothes, food, books, and electronics. Younger siblings can use some items belonging to their older siblings. In a family where children are well spaced, older siblings can act as models to younger ones passing family values down the line in the spirit of social marketing.

There have been cases where marketing programs concerning drug and tobacco campaigns have been successfully implemented, improving public health in the United States, and addressing safety concerns among young workers by introducing a multidimensional social marketing concept. This gives a practical demonstration of how social marketing can be applied to achieve a circular economy.

CONCLUSIONS

The climate, vegetation, and the environment, in general, show glaring pieces of evidence of climate change and the need to aggressively pursue measures that will conserve natural resources to preserve human lives and to ensure a conducive ecosystem. The best time to adopt a circular economy is now. However, a circular economy cannot be achieved without changes in human behaviors. Social marketing is a great instrument to bring about the desired changes in human behaviors.

Public and private institutions should be encouraged to spend money on social issues. Social and environmental problems can best be resolved if people are encouraged to be sensitive to nature conservation. Thus an aggressive pursuit of social marketing can lead to

increasing environmental consciousness among people. To achieve circular economy goals, the concept must be universally accepted and implemented for meaningful changes to occur. To this end, social marketing must be pursued relentlessly by the public and private sectors. The government must be ready to give incentives to private companies to vigorously join the drive of social marketing in the pursuit of the circular economy.

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ZASTOSOWANIE MARKETINGU SPOŁECZNEGO W GOSPODARCE CYRKULARNEJ

Abstrakt. Tradycyjny marketing dąży do osiągnięcia korzyści przez korporacje, natomiast marketing społeczny (SM) ma na celu dobro społeczeństwa. Może być wykorzystywany jako narzędzie interwencji w celu osiągnięcia celów gospodarki cyrkularnej. Zrównoważony rozwój zasobów jest głównym filarem gospodarki liniowej. W niniejszym badaniu zastosowano podejście eksploracyjne, aby zbadać dwie koncepcje: marketingu społecznego i gospodarki cyrkularnej oraz wykorzystania marketingu społecznego w gospodarce cyrkularnej. Wyniki pokazują, że instytucje publiczne i prywatne powinny być zachęcane do wydawania pieniędzy na cele społeczne.

Słowa kluczowe: marketing społeczny, gospodarka cyrkularna, gospodarka liniowa, marketing