

A PRELIMINARY INVESTIGATION OF THE QUADRANTS OF RECYCLING MODEL

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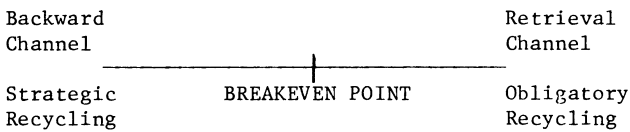
Abstract

Dealing with recycling in strategic terms is not always adequate since circumstances exist where recycling is not discretionary and must occur. To accommodate such situations, a continuum ranging from the familiar 'backward channel' concept (which is strategic in nature) to its obligatory opposite, the 'retrieval channel' will be established. By intersecting this construct with a second continuum portraying macromarketing and micromarketing as polar opposites, a four-fold typology of recycling can be conceptualized. The implications to marketing will be discussed.

Introducing the Quadrants of Recycling

The backward channel of distribution exists when firms recycle for strategic reasons (Zikmund and Stanton 1971). Being strategic, it is part of the total marketing mix: a variable chosen at will, but not essential. Based upon choice, the concept of the backward channel does not deal with recycling when it is inevitable and unavoidable.

All recycling can be viewed as falling somewhere on a continuum with strategic recycling and obligatory recycling being polar opposites such as:



The breakeven point indicates where the cost of recycling is perceived to equal the costs of not recycling.

This continuum, furthermore, can be intersected with a continuum having macromarketing and micromarketing as polar opposites, partitioning recycling into four quadrants:

	Micromarketing		
Backward Channel	Micro Backward Strategy	Micro Retrieval Obligation	Retrieval Channel
Strategic Recycling	Macro Backward Strategy	Macro Retrieval Obligation	Obligatory Recycling
	Macromarketing		

The Quadrants of Recycling model is able to dramatize the relationships between the various categories of recycling (which are somewhat abstracted here).

A Concrete Example

What some people and organizations define as strategic/optional may be defined as a necessity by others. In several states¹ certain groups have lobbied for legislation requiring bottle and can recycling. Environmentalists embracing a macromarketing perspective believe laws requiring recycling are essential to prevent longterm damage from pollution. The tourist industry, on the other hand, feels a clean environment enhances their livelihood which is a micromarketing concern.

The bottling industry and convenience-minded citizens approach recycling from a strategic/backward channel perspective. Many consumers insist that dealing with old bottles should be a strategic-macro choice because it provides society with a wider range of options. The bottling industry, desiring a maximum of decision authority, opposes bottle laws on micromarketing grounds. Thus, each of the four groups mentioned above can be plotted on a different quadrant of the quadrants of recycling as follows:

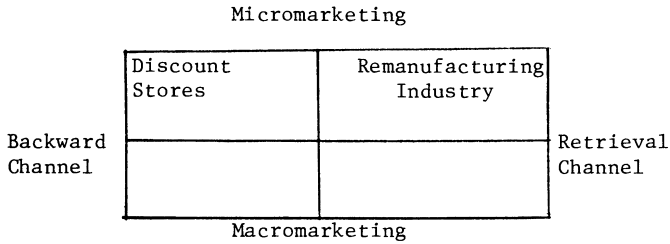
	Micromarketing		
Backward Channel	Micro Backward Strategy Bottling Industry	Micro Retrieval Obligation Tourist Boosters	Retrieval Channel
Strategic Recycling	Macro Backward Strategy Convenience minded public	Macro Retrieval Obligation Strict Environmentalists	Obligatory Recycling
	Macromarketing		

The Unrecognized Retrieval Channel

An example of the usefulness of the Quadrants of Recycling model is where obligatory (essential) recycling exists but is unrecognized. The remanufacturing industry is a case in point. Remanufacturing is a desirable activity because it provides consumers with a high dollar value while typically using less energy and labor and causing less pollution than new-manufacture.

1. The following discussions are based upon my personal knowledge of the bottle law in Michigan and the proposed law in Ohio.

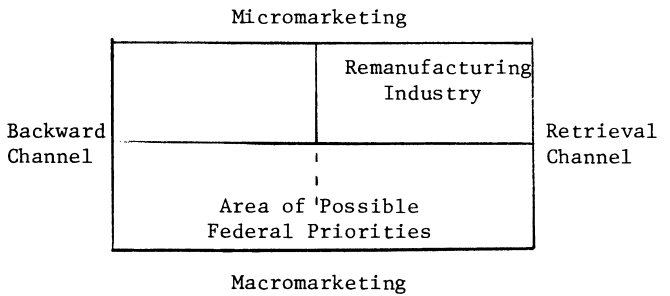
Remanufacturers, such as auto parts rebuilders, however, cannot function unless they can acquire old items to process: an example of a Micro Retrieval Obligation. Unfortunately, some retailers such as discount stores refuse to help remanufacturers to retrieve old parts via exchange. Since they make the strategic decision to cut prices by reducing handling activities, these retailers are unwilling to help remanufacturers secure their most basic raw material: disabled items. Plotted we find:



It is not surprising to find that discount stores have been shunned by the remanufacturing industry. The retrieval channel is essential to remanufacturers and potentially vital to discount stores as they choose to expand into automotive replacement.²

As a result of the recurrent energy crisis, furthermore, the Federal Government requires manufacturers to produce fuel efficient automobiles. The auto-makers have accomplished this goal by lightening cars. Unfortunately, lightening cars has made many parts either difficult or impossible to remanufacture (Schwartz 1981). Thus, the solution to the fuel crisis has been to potentially cripple remanufacturing: one of the most fuel efficient of all industries. This begs the question: Is high MPG the answer to the energy crisis if the marginal savings caused by component lightening cancels out the energy saved by remanufacturing?

Federal policies treat remanufacturing as a Micro Strategy, but if the energy saved by remanufacturing proves vital, creating durable components (even at the tradeoff of higher MPG) might constitute a Macro Retrieval Obligation as shown below:



2. I have had professional involvement in the auto parts remanufacturing industry. This discussion stems from that experience.

Discussion and Conclusion

Recycling is becoming more attractive for many reasons (Schary 1976). The Quadrants of Recycling model presents a convenient and easily expressed means of dealing with conflicts between the Micromarketing and Macromarketing concepts of recycling. In an era when Macromarketing is becoming more and more relevant, drawing connecting lines between it and Micromarketing is increasingly essential. This model provides one way of conceptualizing this problem.

Bibliography

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