

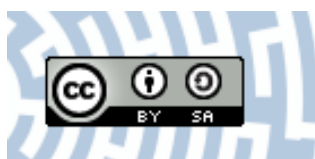


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Title: Upcycling as a manifestation of consumer and business behavior that expresses sustainable consumption and determines the functioning of the communal services sector

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Upcycling as a Manifestation of Consumer and Business Behavior that Expresses Sustainable Consumption and Determines the Functioning of the Communal Services Sector

Upcycling jako przejaw zachowań konsumenckich i biznesowych wyrażających zrównoważoną konsumpcję i determinujący funkcjonowanie sektora usług komunalnych

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Abstract

The article addresses the issue of upcycling as a new pattern of consumer behaviour, enabling the production of new goods from the previously used products, which prolongs their *life*. Such behaviour also leads to a reduction in the use of new products on a market basis and reduces the need to throw things out that have lost their former usefulness. Creativity is an important element of upcycling, which allows us to find new uses for things, which have previously been treated as useless rubbish or waste.

Increasingly, large corporations take the example from individual and undertake activities related to upcycling of their products or convert things which have so far been treated as waste into starting material for manufacturing products. The activities described earlier are strengthened by the media, which promote the ideas of upcycling as a modern form of business, art and a new pattern of sustainable consumption. The following paper attempts to address these perspectives and indicates the opportunities and threats that are brought about by this phenomenon for the functioning of the communal services sector.

Key words: upcycling, communal services, sustainable consumption, consumer behaviours, business

Streszczenie

Artykuł porusza zagadnienie upcylingu jako nowego wzorca zachowań konsumenckich, umożliwiających wytworzenie z zużytych wcześniej produktów nowych dóbr co przedłuża ich *życie*. Zachowania tego typu prowadzą również do ograniczenia korzystania z nowych produktów na zasadach rynkowych oraz zmniejszają konieczność wyrzucania rzeczy, które straciły swoją dotychczasową przydatność. Ważnym elementem upcylingu jest kreatywność, pozwalająca znaleźć nowe zastosowanie dla rzeczy, które wcześniej były traktowane jako beżużyteczny śmieć czy odpad.

Coraz częściej wielkie korporacje biorą przykład z osób indywidualnych i podejmują działania związane z upcylingiem swoich produktów lub przekształcają rzeczy dotychczas traktowane jako śmieci w materiał wyjściowy do wytwarzania produktów. Działania opisane wcześniej wzmacniane są przez media, które promują idee upcylingu jako współczesnej formy biznesu, sztuki oraz nowego wzorca zrównoważonej konsumpcji. Poniższe opracowanie próbuje odnieść się do tych perspektyw oraz wskazuje szanse i zagrożenia jakie te zjawisko niesie dla funkcjonowania sektora usług komunalnych.

Słowa kluczowe: upcycling, usługi komunalne, zrównoważona konsumpcja, zachowania konsumencie, biznes

Introduction

Upcycling as a current trend of consumer and business behaviour is a part of sustainable consumption.

It is the response of consumers to global environmental and social problems. It is also identified with consumer mobilization and a demonstration of the

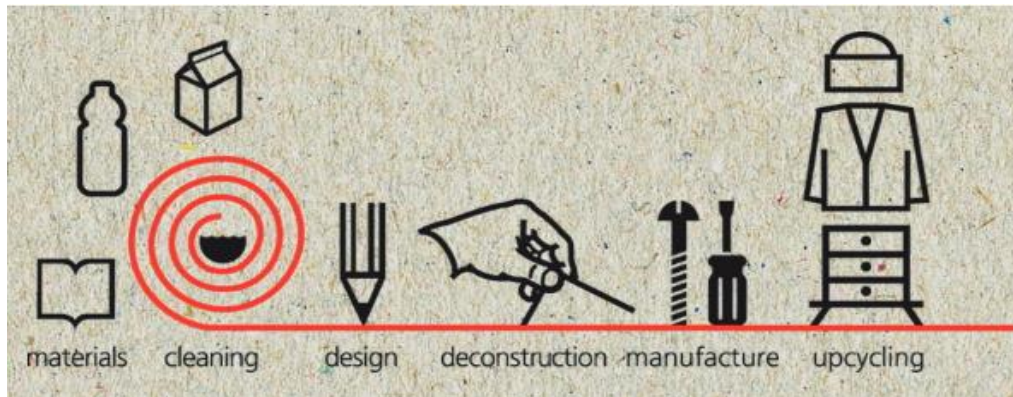


Figure 1. Upcycling process, www.blog.inselly.com

active force, which is owned by the consumers over the dishonest manufacturers, who exploit their employees. This type of activities are considered a manifestation of consumerism. Consumer orientation towards ecology, justice and intergenerational responsibility is explored in many area of science – sociology, economics, law, psychology, philosophy, to name a few. Research conducted in these disciplines supports the thesis that satisfying the basic needs of people related with the physical and economic security enabled and contributed to turning people to post-material values (Inglehart, 1977).

Sustainable consumption is usually referred to as buying goods that contribute to greater balance between the three components: economy, ecology and people. Felicjan Bylok (Bylok, 2013), defining sustainable consumption, refers to three elements: social, environmental and economic, included in the definition of sustainable development. Such consumption of its essence is based on the principles of: economic rationality (economic optimization in the choice of goods); environmental rationality (selection of such goods, which are least harmful to the environment); social rationality (selection of goods, which solve social problems or at least do not contribute to their deepening). This author claims (Bylok, 2013) that sustainable consumption should also be a resignation of goods, which harm the environment and people. Upcycling takes into account the aforementioned assumptions of sustainable consumption. It is a new pattern of consumer behaviour, which enables us the creation of new goods from the previously used products, which prolongs their *life*. Such behaviour limits the need to use new products and their acquisition on the commercial principles. They reduce the amount of waste disposed, which reduces the demand for communal services.

Currently, upcycling is also a phenomenon increasingly used by the companies, which create new products from the things previously treated as waste, or enrich the goods offered so far to the consumers. So it can be said that this is also a new model of running a business or an important element of the strategy of companies. Creativity is an important element of upcycling, which allows to find new uses for things,

which were previously treated as useless trash or waste.

Upcycling – the essence of the phenomenon

Upcycling is a process of creative recycling, which involves giving higher value to seemingly used items and materials, turning them into aesthetically pleasing, usable and fully valued products (Fankiewicz, 2016, p. 26-27). During its implementation, the waste is transformed into goods of a certain value and quality, which get the so-called *second life* (Braungart, 2002). Its undoubted advantage is that it does not require the consumption of a lot of energy, as it takes place in the manufacturing activity and it eliminates the need to produce products from newly extracted raw materials (Szaky, 2014). The potential of this type of activities is demonstrated by the fact that in the USA the market of good manufactured based on upcycling increased in 2011 by 400% compared to 2010 (Hartman, 2014, p. 42-50). The products that are created based on upcycling are: clothes, furniture, soap, fertilizers and works of art, and even buildings made of materials recovered from the rubble from the demolitions of earlier objects. (Anderson, Hemmings, 2009, p. 1-2). It can be said that upcycling covers quite a wide range of industries and gives unlimited possibilities, in principle, for creating useful goods (see figure 1).

It is an element of fashion and consumer trend. It owes its roots to the so-called trash art. Trashion is one of its manifestations – that is the conversion of *old, broken, unnecessary, unfashionable things (both clothes and other »garbage«) into completely new objects – fashionable, unique, inventive, that do not fit ant prevailing trend, and therefore timeless* (About..., 2016). The clothes, jewellery and small trinkets are based on this type of activities (Bramston, 2013, p. 123-133). The creators of this kind of products operate through online services, which promote and sell upcycling products. In addition, this type of business activity is supported by an educational activity, which demonstrates how to use upcycling for creating new objects at home (Emgin, 2012, p. 63-71).

The increasing consumer interest in upcycling results from their implementation of the 5 R principles in their market behaviours, i.e. reduce, reuse, redistribute, repair and recycle (Wilczak, 2016, p. 87-99). The *eco* consumer trend is the factor reinforcing the phenomenon of upcycling. It has been developing for many years as a consequence of the megatrend of *sustainable development*, covering all areas of life. The *eco* trend has been additionally strengthened by the recent recession and there is no sign of its weakening. According to it, everything should be *eco*. This trend means limiting consumption according to the 3R motto: reduce, reuse, recycle (reduce – consumption, environmental use, waste; reuse things again – recycle, repair, lend, exchange, give back; use recycling – segregate waste, collect secondary materials, use reusable packaging, resign from *disposables*, etc.). In Poland, this trend has been around for a long time. It is further strengthened through the penetration of global trends into fashion, design and lifestyles, as well as adapting the Polish legislation to the EU standards on environmental protection, carbon dioxide emissions, usage of disposable packaging, waste disposal, etc. (Trends File Report, 2012).

The pursuit of being retrospective is the second important consumer trend positively influencing the interest in upcycling. The trend of *retro-modernity* involves the enjoyment of everything that is old at the aesthetic level maintaining modernity at the functional and technological level. This trend is manifested in the references to retro in fashion, cuisine, automotive industry, as well as the popularity of handicrafts and genuinely old things. The objects – and brands – are sought, which are authentic, unique, and so valuable; brands with a tradition of good design, history, class. This trend is due to the fatigue of the mass retail offer, the desire to stand out and to be different, turning towards tradition, nostalgia, the search for roots, authenticity, safety of the lost childhood or carefree youth. Manufacturers are returning to different times – the pre-war times, the Hippies era, recently to the 90s (Raport ‘Teczka Trendów’, 2012). Upcycling gives the abilities to create products that retain the traditional looks and provide users with the functionality they desire.

Upcycling as a model for conducting business

The changing attitude of consumers to environmental issues, and especially the interest in their ecological marketing and consumption result in changes in the activities of business companies, which try to reduce their harmful impact on the environment and try to promote such activities, thus creating their positive image (Bryła, 2015, p. 79-88). Consumers themselves are also becoming more responsible in their consumer behaviour. They take into account the impact of consumption on the state of the natural environment in them. They also require the companies

to use environmental marketing, taking into account the impact of the manufactured products on the natural environment and the promotion of consumer behaviour that has a positive effect on the state of the environment. At the marketing level, companies are striving to educate consumers, create ecologically friendly products (Skowron, Szymoniuk, 2014, p. 39-46). Upcycling can be used for this purpose as a tool for creating product innovations. From a marketing point of view, it can be used by companies to create a positive image and be an important element of the business strategy.

Actions based on upcycling are used more frequently by corporations in their activities. They use waste generated in them to design and create new, useful products for the needs related to image, promotion, education and utility (Frankiewicz, 2015). This type of activities are referred to as brand upcycling. Their first step is to analyze the possibilities of using upcycling. It analyses the waste generated in the company in terms of brand upcycling. Then, the analysis of needs is performed in terms of products from upcycling in all crucial areas of the marketing and business activity, i.e. CSR, HR, PROMOTION, MARKETING, PR, etc. The creation of a report with the possible directions for using upcycling in the business activity is the effect of this type of analyses.

The second step of brand upcycling is the creation of ideas for generating upcycling products. Its first step is to test the selected waste materials with their manufacturers and trash designers. The sketches of potential products are created this way. Another element of the discussed stage is the selection of the right idea for creative processing of the previously defined group of waste taking into account the use of this idea as a CSR or marketing strategy element, or for the purposes of educational activities. The end result of these activities is the package of ready ideas for the management of the selected waste fractions. The last step in the brand upcycling is the preparation of production of products using upcycling. Their prototypes are done as its part. Then, the valuation of the selected products and methods of their production is carried out taking into account the recycled materials for this purpose. Then, the production of the previously selected products is initiated. The implementation of the product concept into production is the effect of this upcycling stage (Frankiewicz, 2015).

For example, the H&M company as part of the Garment Collecting action encourages consumers to participate in the garment collection, which will then be reused or recycled. The rules are simple – anyone can bring clothes to the H&M store, which are no longer used. In return, they will receive a discount coupon, which can be used during the next purchase. The H&M Garment Recycling action is the first clothing recycling project on a global scale. It applies to all countries, where the H&M brand is present. The project is long-term, and one of its main

goals is to develop technology of fibre recovery from the already produced clothes, so that the need to grow natural fibres (such as cotton or wool) as well as the production of synthetic fibres can be significantly reduced.

Coca Cola is also an example of a company, which used the marketing potential of upcycling in the *2nd Lives* campaign developed by the Ogilvy & Mather agency. Sixteen special overlays for PET bottles were produced as part of the campaign carried out in Vietnam, which gave a new life to the used beverage bottles. During the campaign, the company distributed 40 000 free overlays, adding them to the purchased Coca Cola bottles. The overlays changed the ordinary PET bottles into lamps, toothbrushes, pencil sharpeners or soap dispensers.

Upcycling also offers great opportunities for combining product solutions with social actions. For example, the Adidas company partnered with the *Parley For The Oceans* environmental organisation, to jointly develop the idea of creating shoes made almost of plastic waste, nets illegally placed by poachers and fishing nets left in the sea (Frankiewicz, 2016, p. 26-27).

Upcycling and the development of communal services industry

The municipality, performing tasks in the sphere of municipal services, can implement them through budgetary institutions, equity companies with their share, use the public-private partnership, as well as contract municipal services with private entities (Bałdyga, 2004, p. 57-76).

The payer is an important element while analysing the communal services. These are the municipality and the residents. The first group includes services related to the maintenance of greenery, removal of impurities and cleaning of public places or communal cemeteries. Often, in the case of the aforementioned services, the municipality selects the entity providing them, according to the rules, which is advantageous for it, as long as it negotiates parameters previously of the services provided by the external entities.

There is a great diversity of legal regulations, natural monopolies, quite an extensive transmission infrastructure and considerable investment needs in the second group of communal services, which implementation is paid by the inhabitants. Nevertheless, depending on the industry, the way of performing these services is varied. The sectors of communal services that belong to the second group are, among others: public transport, waste management and water and sanitation services (Szymanowicz, 2000, p. 27-28).

The more and more widespread popularization of upcycling can be an opportunity, as well as a restriction, for companies that deal with communal services in the area of collection and recycling of

waste. Dealing with the recovery of new waste fractions is a potential chance for this type of companies, which can be used for creating products produced based on upcycling. Potentially, this could lead to the creation of a new market, their activities and services related to the recovery of such raw materials could be a new source of profit for companies dealing with such communal services.

The further opportunity that is created by upcycling for the companies that offer communal services in the field of waste collection and disposal is the diversification of their activities by creating upcycling products based on the cooperation with eco-designers and their sale through online services or by developing cooperation with traditional trade networks. This type of strategy of operation of companies providing communal services would require changes of their existing business models from the ones based on the service activity into business models that combine the service, production and trade activities. Moreover, activities of this type would stimulate the use of the marketing approach, greater than before, to running own business.

Potentially, upcycling can also be a barrier to the development of companies that traditionally approach the provision of communal services in the field of waste collection and disposal. This is due to the fact that it contributes to reducing the amount of waste disposed by the companies and households, which is a starting product for companies that process it further within its activity related to the provision of communal services. This phenomenon may cause *shrinking* of the existing supply markets for this type of companies, and thus a decrease of their profits, along with the need to search for new areas of activity or it will cause acquisitions and of entities that deal with the waste collection and their segregation, leading to the consolidation of these markets.

Conclusion

This paper has undertaken the subject of upcycling as a new pattern of consumer behaviour and conducting business. This trend fits into sustainable consumption leading to rational and economical management of natural resources. This phenomenon also has a social context, because it translates into the scope and type of goods purchased by consumers. The social dimension of upcycling also concerns the design of products created as its manifestation. Creativity is very important in this case, which gives an unlimited field of new goods from things, which were previously treated as waste or trash.

Currently, upcycling is also becoming an element of the business strategy, which increasingly utilizes the possibilities of this type of activities in its marketing activity, as well as for shaping a positive image. The philosophy of upcycling also contributes to the emergence of new businesses. This phenomenon also creates the potential opportunities and threats for the functioning of companies that provide com-

munal services. Certainly, its widespread use will necessitate the change of current business models by some of them. They will have to go from the previous service activity towards the business combining the service, production and trade activities.

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