

# **The influence of advertising on the circular economy and its sustainable and innovative parameters**

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## **Abstract**

*The present article aims to evaluate which are the influencing factors that may connect publicity with the circular economy model. Therefore, a bibliographical and netnographic research was carried out. After a large market research, we saw that this new model is growing around the world as the basis for the future of the industry. Mainly because it can combine the interests of industries, consumers and the environment. Helping in the development of new technology towards innovation and sustainability. As publicity is a fundamental tool in the business communication process, it is important for professionals to start adapting and understanding their role in this new emerging world.*

**Keywords:** Circular economy. Sustainability. Conscious consumption. Publicity.

## **1. Introduction**

The circular economy is the solution to several problems in the social, environmental and economic spheres. Reusing, optimizing and minimizing each resource and process in the production cycle. It is a model that is growing around the world, as the basis for the future of the industry.

When it comes to profit, we can say that most companies worth is abstract and placed into something more than just the product they sell. So, the circular economy can be used as a tool for increasing value perception and to innovate in the market. Because of that, it is crucial for the communication department to understand its influence and performance within this new scenario. Therefore, the article will present general points where those professionals should act on to make this all work.

Environmental problems are harmful for the economy and have direct effects in business, as it can cause an increase in the cost of raw materials, create physical damage, government measures and so on. So having a sustainable perspective can be very strategic in the current scenario to be ahead of time and prepared for

the future. Creating values and being perceived as innovative.

Therefore, this article aims to bring contributions to the academic environment of a concept little explored by the area of communication. Demonstrating the relevance of the topic for professionals who want to take this as an opportunity to stand out in the market and to be aligned with the future of the industry. Pointing out in which situations its performance is relevant for this new model of circular companies.

## **2. Circular Economy**

The world economic model that is followed by almost all companies from the beginning of the industrial revolution to the present day is the linear one, in which the production chain is based on the process of extraction, transformation, production, use and disposal (LEITÃO, 2015). This model only visualizes economic benefits by constantly encouraging the purchase of new products, without caring about the negative impacts in the environment and in the social sphere.

Therefore, industries began to invest in increasingly disposable products. For they were purposefully manufactured to have a short life cycle, in terms of the material used and their perceived relevance. As explained by Zygmunt Bauman (2008, p. 31, our translation): “[...] in consumer-goods markets, the need to replace “outdated” objects, less than fully satisfactory and/or no longer desired, are simply reflected in the design of the products and in the advertising campaigns that have the purpose to constant grow sales”. Encouraging consumption through the linear model is incompatible with the capacity of the existing natural resources. According to Leitão (2015, our translation), “We live on a finite planet, limited not only in material and energy resources, but also in space and capacity to assimilate the pollution generated.”. The life cycle of a product should not end in disposal, which most of the time occurs irregularly, so companies need to start to understand their responsibility within this process.

The circular economy model emerged as a sustainable alternative to the current linear economy, with the goal to develop products that from their conception to disposal will remain within the production cycle. Reusing, optimizing and minimizing each resource and process used. Given this, its application creates consequences within the market for both companies and consumers.

The circular economy is an industrial model that has the power to combine two aspects that are and will continue to be in evidence in the world, which is sustainability and technology. For a company to be able to make the transition from the linear model to the circular economy model, it will be necessary for it to rethink certain elements that already exist. For this reason, the application of the transition presents an implicit innovation factor. The main focus of this model is to create an intelligent design of products and processes that can meet the demand and at the same time be regenerable. Based on nature's own cycle that is regenerative and infinite.

Having in mind that sustainable projects tend to generate the interest of companies only when there is no other choice, the immediate implementation of a new business model can be the most effective solution against eventual problems. Prevention is the only alternative when it comes to environmental issues.

### **3. Consumer and advertising role in the circular economy**

One of the biggest issues to be solved in the application of the circular economy is consumers and their role through the transition. Because they must be involved throughout the process as a crucial element for closing the production cycle. Its responsibility extends from the creation of demand in the market till the moment of recovery of possible waste. Therefore, it is clear that without their participation the circular economy cannot be established effectively.

Companies must work in a holistic way integrating their values across all processes and departments. The main function of advertising is precisely the transmission of the message that the company wants to be perceived by the consumer. Therefore, everything that has been developed within the perspective of the circular economy goes through the advertising construction to be received by the public. Because of that we can establish a direct relationship between the concept of circular economy and advertising.

The way in which image construction is established for the general public can directly affect the creation of a new consumption culture. Advertising is the most effective tool for the dissemination of circular economy ideals to the world. According to Souza (2014, our translation):

The role of advertising and its relationship with mass society for the development of the world economy is undeniable. Advertising also dictates consumer behavior, habits, needs, desires and even socializing process; dictates prices, fashion, market development, affecting the economy in such a way that without advertising, sales would not be as successful and profitable as they are.

A new perspective about sustainable development is what will really bring significant results for the circular economy. The dissemination of the theme has the power to attract new consumers, strengthen those who already consume and also satisfy investors (WBCSD, 2018, our translation). It is through advertising campaigns focused on the correct target audience that this message will be well received and valued. Like what happens with Millennials who are more concerned about the environment and highly value sustainability (WEETMAN, 2019, our translation). Thus, professionals in this department can use the tools already known such as the analysis of the consumer profile, purchase motivation and receptivity to trends, and with that, inserting apology for the new ideals of the circular economy and sustainability throughout the whole process. As explained by Santos and Horn (2017 apud ASSUNÇÃO, 2019, p. 7, our translation):

Environmental education must be aligned with information that can develop awareness for acts towards its protection. In this sense, it is necessary to develop responsible behaviors in the social, economic and environmental spheres, through changes in attitudes and understanding of the relationship that one must have with environmental issues. These transformations involve not only formal educational processes, but in the most varied ways that can develop awareness of environmental citizenship.

Therefore, communication has a great responsibility towards society and the environment. Companies will continue to seek profit and consumers will continue to need products, but the environment does not have enough resources to keep up with the current rate of extraction and waste. So, it is crucial that the current

advertising model passes through a change into a vision focused on sustainability. According to Souza (2014, our translation):

To promote sustainable development and social responsibility, it is urgent to change business values, showing that the company becomes more profitable as the brand is associated with social causes. Partnerships and initiatives between companies, government and advertisers, for the satisfaction of the collectivity (social) and professional (individual), which is the expected behavior. Creating social values and a solidarity network, in accordance with the constitutional order.

The world's leading London-based provider of business intelligence and strategic market analysis Euromonitor released a 2021 report with the "top ten global consumer trends". The report shows a consumer increasingly concerned about the future and demanding a social role of industries and authorities. The changes that have taken place were intensified by the pandemic. The world began to reflect more on the consequences of their actions. Social responsibility is one of the main demands of consumers in regard to companies. They do not want to feel that the industry only cares about profit, but that they care about building a more equal and sustainable world.

According to Google Trends, in its 2020 report on the most searched topics of the year, the following themes were found: "how to stop climate change", "how to change the world" and "how to support small businesses". We can see that the consumer is engaged in social and environmental causes, so it is mandatory for companies to make the most of this change to implement a more sustainable vision.

Independent movements such as the Global Climate Strike, which started in September 2019, are strong indicators of the environmental awareness that the younger generation is already pressuring authorities and companies around the world. Activism stemming from technology and social media is on the rise. The influence generated by the behavior of those young people can indicate good opportunities for companies to transform their communication into valuable content.

According to what has been presented, the direction in which the world's population mentality has been directed is clear. Those indicators acknowledge the decision towards the transition as being the best and most strategic one specially in the present moment. It is a trend that took place and will continue to grow as time goes by, whether due to a spontaneous demand from consumers or as an obligation on the part of governments. Therefore, those who are more capable and efficient in this sense will be able to guarantee their place in the market both as professionals and as companies.

This is the ethical path to follow, those who are responsible for the imminent disaster should be already awakened and implementing solutions. Reproducing what is known is always the easiest way, but not necessarily the correct one. It is impossible to have a precise vision of the future, but when we look at the world with a wider view it becomes easy to recognize mistakes and thus create solutions. To work in a company with a sustainable and innovative vision will certainly bring positive results, both individually and collectively. Advertising is a crucial part of a business and carries with it the values it wants to convey, so it is essential that changes also occur within this area.

#### 4. The application of advertising in the circular economy

Those responsible for the company's communication must work together to help identify their role throughout the transition from the linear to the circular economy model, using creativity and innovation. Which are extremely important elements during this process. In the table below we present some of the various forms of application of advertising in contribution to the development of the circular economy:

Table 1. Contributions of advertising in the circular economy

Investment in research	It is through investment in research that companies will understand and find the best way to communicate and convey the message. Joining sustainability without necessarily affecting the branding previously built.
Feedback	Campaigns should be developed and updated according to the analysis of feedback given by consumers.
Tangible and intangible values	It is through communication that consumers will be able to understand the implicit and explicit values of the products they consume. Because of that, they will come to value and respect the life cycle of these products much more. Giving preference to ethical companies, which consequently has the power to create competitive advantage in the market share.
Waste collection	Creation of advertising strategies that attract and encourage consumers to return waste from old products. So they can be collected and destined for recycling or remanufacturing.
Reliability	Campaigns need to demonstrate reliability and safety in regards to products that are made from recycled materials. As this is something relatively new compared to the linear model of disposal, this may require an effort to change the mindset of consumers.
Mindset change	The implementation of the circular economy can bring decisive changes in the consumer's perception of ownership. Because of that, they would no longer accept programmed obsolescence and would start to demand products to have more quality, greater durability and sustainability.
Conscious consumption	Following the trend curve, it is necessary to invest in advertising campaigns that help educate and not just stimulate consumption. With the democratization of education through the digital world, the consumer is increasingly demanding and looking for companies that play socio-environmental roles.
Influence	Advertising has the power to influence not only consumers to buy a simple product, but also to generate impact and transformation in a country's culture. It is through this force that sustainability ideals will

	be successfully implemented and can achieve change at the highest levels such as in government and in the industry. This support is essential for the future of the planet and the economy.
Opportunity	The transition to the circular economy model can be used by advertising as a market opportunity, creating a way for companies to stand out and boosting its performance in the media. A large part of the current public already seeks to consume from ethical companies. Even willing to pay more for this type of product. In addition, many consumers are leaning towards sustainability. Which demonstrates a great market opportunity to be explored.
Digital activism	The influence of social networks and the speed in which content is disseminated through the main digital platforms is noticeable. Digital media can be used to strengthen sustainable concepts, such as the circular economy, for example. The consumer has become an activist on social networks and this brings visibility to the most diverse topics. Creating feelings of dissatisfaction against the system and empathy for social and environmental causes.
Exposure of the production cycle	Journalistic movements have been exposing the cruel reality of many production cycles, such as involvement with slave labor, animal cruelty, waste, agreements with authoritarian governments, sexual harassment and others. Because of this, many companies that were once loved have been criticized. Maintaining transparency and ethics is crucial not only for the good of the planet and the community, but also for the business itself.

Advertising works directly with the most subjective and complex subject, which is the human mind. Although, it is possible to carry out this process in a strategic and efficient way. According to Kotler (2017), the consumer has passed through a great change of mentality with the arrival of the digital era and from that point their purchase process has become different. As you can see in the table below there is five different stages:

Table 2. Consumer purchase process in the digital age

1° step Need Recognition	2° step Information Search	3° step Evaluation of Alternatives	4° step Purchase Decision	5° step Postpurchase Behavior
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Source: adapted from Kotler (2017, our translation).

For Kotler (2017), marketing professionals, including business communicators, should develop their work based on three concepts: horizontality, inclusion and social. Horizontality assumes that today's world is globalized and easily accessible, which makes companies, regardless of their size and power, able to reach



the consumer at any level. Inclusion comes from the massive influence of social networks that take the consumer from passivity and make them able to influence each other, which ends up taking away the company's control over its own communication. Finally, the social aspect that creates distrust of the big media and starts to create more value in the opinion of their own social circle (friends, family, fans and followers).

Captivating the consumer through advertising messages is a challenging task, as it involves a deep understanding of the behavior and profile of the target audience, meeting certain requirements such as enchantment, identity, representation, self-expression and belonging (DANTAS, 2019). Each of these characteristics needs to be present from the moment a company decides to go circular.

The solutions for the development of sustainable advertising, as we can see, go far beyond simply reproducing the predictable. A company that wants to be sustainable or even call itself circular needs to make the mental effort to develop its own solutions that fit its reality and the values it wants to convey. The answers lie in perceiving what is already available in a creative and innovative way. Therefore, it is possible to work marketing and communication to its fullest extent in a responsible manner as long as there is purpose and team commitment around it. Challenges will come, but they can be overcome.

## **5. Conclusion**

Advertising has always played a very important social role, both in consumption and in people's mentality, due to its power of influence. As presented throughout this article, it is possible to perceive that companies can no longer be concerned only with profit or act without thinking about their surroundings. The consumer is increasingly aware and activist, and for that it is necessary to act in accordance with these needs.

The circular economy is a great solution to several problems in the social and economic sphere, as it is not exclusively concerned with the environment, but in adapting the business model in accordance with sustainability values. Finding a balance between the pursuit of profit, with social and environmental issues. The implementation of the circular economy can help to integrate the foundations of the future, uniting the development of technology and science with sustainability. Professionals and investors who are already aware in this regard are profiting more than those who do not. The value of a company and product can rise significantly when they are perceived as innovative. Rethinking what already exists is one of the smartest ways to apply innovation. This thought is valid for all areas and for all types of professionals.

Advertising works directly with creativity and the public's interest, in the circular economy its role is crucial to close the cycle. Companies need to work holistically and integrate their communication with what they believe in. So that the consumer clearly understands all the steps involved and starts to value the products and their life cycles.

Adaptability is one of the main characteristics of this new model of circular company. As it can be easily applied in the most diverse types of companies in the most diverse ways. Being highly customizable. Depending on how the adaptation is carried out, it can even create a sector in the market that did not exist, due to its innovation potential.

This article sought to demonstrate the relevance and influence of advertising in the application of the circular economy, stating that it is up to all of us who are inevitably part of the consumption system,

regardless of the area of activity, to rethink everything that is previously “established”, always seeking to innovate and solve the problems that surround us. Professionals who bet on this way of thinking will have more opportunities in the market and will be able to stand out among this highly competitive market.

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