

Globalization as the basis of marketing communication of a multinational company influencing the development of the local circular economy

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Abstract.

Research background: Safe treatment of waste in a way that ensures that future generations of the population can live and raise their offspring in a healthy habitat is one of the challenges we need to address. It is globalization that is becoming the basis for the introduction of such business in our regions, in which companies convince of their good intentions with examples from abroad.

Purpose of the article: The work approaches the process of environmental change aimed at fulfilling the essence of the concept of the circular economy. The practical output of the paper is the evaluation of the marketing activities of ewia a. s., the aim of which is to build a facility for energy recovery of waste in the locality of Šaľa and Trnava. The paper presents the results of research focused on the views of the affected population on waste treatment and the construction of a facility for energy recovery of waste.

Methods: The work uses empirical methods of observation and experiment to collect and evaluate information. The logical method used in the presented article is comparison and scientific methods are supplemented by analysis and synthesis. A questionnaire is used for the obtained primary data and the obtained results are processed by mathematical-statistical methods and graphical display methods.

Findings & Value added: The contribution of the work is to find out the facts about behavioural processes in the minds of consumers in the processes of introducing the circular economy, based on globalization.

Keywords: *Circular economy; Environmentalism; Marketing*

JEL Classification: *M30; M31; M37*

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1 Introduction

Globalization is a very commonly used term today, and many authors solve the problems associated with globalization in their work from many perspectives. [1, 2 ,3 , 4]. Our work approaches the globalization as a tool for implementing the principles of the circular economy in a selected region.

The key priority of the circular economy in the process of globalization is more economical and effective exploitation of limited natural resources, increasing production effectivity and reducing consumption of resources as well as eliminating emissions. [5].

Globalization is a natural result of reduced time and efforts which are needed for communication of values within the society. Scientists from various fields are dealing with this issue not only from the economic and financial point of view [6], but also with respect to politics, culture and environment, etc. [7].

The society in the 21st century has to face various economic challenges, e.g. between supporters of far too expensive measures for environmental protection and rich multinational and profit-driven global corporations [8]. The waste that is produced worldwide is not an economic issue any more, but has severe environmental impacts and influences our environmental perception in general. [9]. We have already learnt that besides statutes, regulations and guidelines, the wide public was generally becoming more and more dissatisfied with the environment and the impact of waste on their lives. [10,11]. A growing number of individuals start to take responsibility for solving environmental risks in the global context [12] because the present forms of waste treatment harm and pollute the environment [13].

Newly created businesses feel a great deal of uncertainty [14] and therefore they may profit from the possibilities brought about by globalization when introducing new business models. Consumers' environmental awareness is becoming a key agent in buying behaviour besides social, psychological and cultural factors [15]. As a result, we may see the environment play a crucial role in marketing planning and the implementation processes.

Environmental knowledge and awareness are one of these factors in the purchase process [16] for those consumers who do not wish to pollute the environment but rather would like to solve this "smelly" problem in their neighbourhood. The presented study focuses on the globalization factors which may help settle the local issues in the context of circular economy.

2 Marketing communication based on global trends but achieving local objectives

The main topic of the empiric research in this paper is to evaluate the tactic marketing communication of the company ewia, a.s. which intends to build centres for circular economy (CCE) in the locality of Trnava and Šaľa.

In Slovakia, only 7 per cent of municipal waste was incinerated or used in waste-to-energy (WtE) processes in 2018. These figures were published at euractiv.sk by the Ministry of Environment. The incineration rate has even declined on a yearly basis as it accounted for 9.6 per cent back in 2017.

Recycling, which is superior to incineration in the waste hierarchy, has a larger share in Slovakia. In 2018, 36 per cent of municipal waste was recycled. Landfills, which are regarded as the worst form of waste treatment, accounted for over 55 per cent in 2018. For these reason, new energy recovery facilities (WtE plants) are being widely discussed in Slovakia in order to generate energy through effective combustion, which still remains the second worst form of waste management. Not all recycled waste can be used in the production. New energy recovery facilities should be built in the locality of Šaľa and Prešov whereas the incineration

plant in Košice should be extended and waste incineration should also replace coal in the region of Upper Nitra, as forecast by the Government Plan [17].

The company ewia was established in 2018. It is a public limited company with a 100 % shareholder - the Czechoslovak financial group Wood & Company. The company ewia was formed as a response to social demand for ecological waste management and transformation to the circular economy. Ewia operates across the whole country and the business activities of the group KOSIT are also part of its portfolio [18].

The main objective of this paper is to assess the activities related to marketing communication of ewia, a.s. for the purpose of construction of the CCE facility in the locality of Šaľa. The company is actively engaged in marketing communication, which can be observed in the amount of information that have been available about the company on the Internet as well as in the print media. For instance, the article to have been published in the print edition of the magazine *Slovo Šalanov* (*A Word from the Šaľa inhabitants*) [19] can serve as an example of marketing communication informing the inhabitants of new waste management technologies, introducing new expert terms, clearly and statistically presenting the benefits of new waste management technologies at the time when the realisation of the investment is being discussed by competent authorities. The issue seems to be, however, that the whole article does not clearly specify whether it is a marketing activity or whether WtEs are not only mere incineration.

FÍNSKY CÍRKULÁRNÝ MODEL PRICHÁDZA DO ŠAĽE

AKO FUNGUJE CÍRKULÁRNA EKONOMIKA?

AKO VYZERÁ CESTA MATERIÁLOV A ENERGIE V KRUHU CÍRKULÁRNEJ EKONOMIKY?

	Šaľa	Slovensko
Ročná produkcia odpadu na obyvateľa	513,9 t	420,4 t
Ročná produkcia odpadu na obyvateľa sler odpadového hospodárstva	0,7%	55,3%
Ročná produkcia odpadu na obyvateľa sler zavazenej ŽVO	0	2

Fig 1. An article from the magazine *Slovo Šalanov*.

Source: The Finnish circular model is coming to Šaľa. In *Slovo Šalanov*, 2020, vol. 24, no. 4, p. 20.

In their promotional activities, the company ewia, a.s. often implies global examples, as they do in the title of the article. The company applies globally positive examples in other media as well, even on their own websites, such as the bookmarks named “WtE in the world.” [20], „WtE in the world? Astonishing landmarks.” [21], “The rarity from Copenhagen: The highest climbing wall on the world is on a WtE plant!” or “From an incinerator to a modern facility.”

The company ewia, a.s. spreads awareness and presents its opinions through a broad spectrum of printed and, mostly, online media, as we have already assumed. For this reason, we were curious to find out about the attitude of inhabitants towards the company ewia and its activities. We were trying to find these out through a questionnaire which was based upon a public opinion presented by the company ewia.

3 Methods

The survey was carried out from May 23, 2020 to May 25, 2020 by means of an online Google form which was made available through Facebook. The form was published in various Facebook groups that were considered relevant for this survey and these were:

- “Šaľa - Tvoje mesto” (*Šaľa - Your Town*)
- “Šalá - Tové mesto”
- “Mesto Šaľa” (*The Town of Šaľa*)
- “Trnovec na Facebooku” (*Trnovec on Facebook*)

There were 406 respondents in the survey, who came from the surveyed area. The sample was cleared of incorrect answers and of respondents who did not meet the residence criterion. The research results are processed by methods of graphical display. The main benefit of the paper, namely the finding of a possible dependence between the communications of the selected company and the respondents' relationship to the center of the circular economy, was obtained using the chi square test.

4 Results and discussion

Question 1

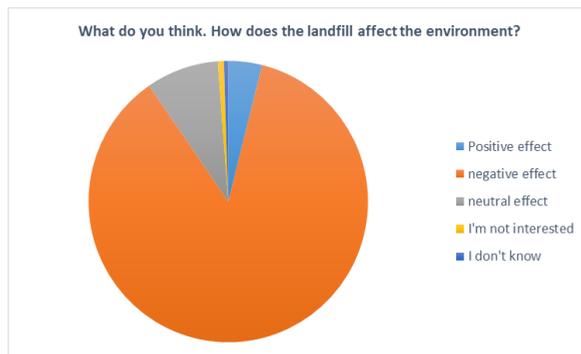


Fig. 2. Graphic visualisation of the results of the research. Source: own sources.

86.5% of respondents thought that a landfill negatively affected the environment, i.e. 30.2% more than in the similar survey by ewia, which is a significant deviation between the results of the two surveys.

Question 2

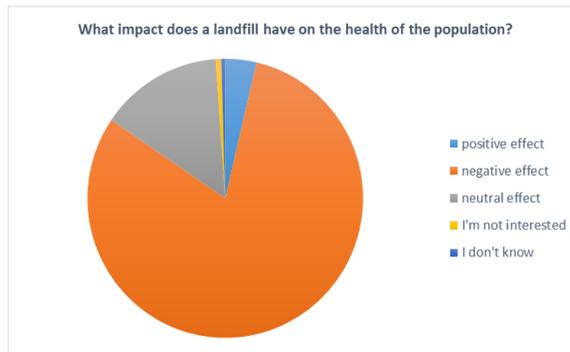


Fig. 3. Graphic visualisation of the results of the research. Source: own sources.

On the other hand, 84.5% of respondents assumed that a landfill had a negative impact on the health of the population, i.e. 31.6% more than in the similar survey by ewia, which can also be regarded as a significant deviation between the results of the two surveys.

Question 3

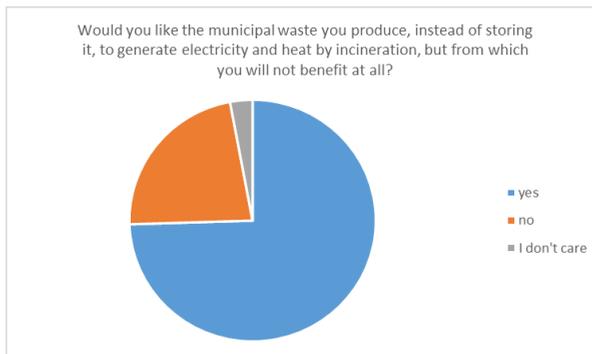


Fig. 4. Graphic visualisation of the results of the research. Source: own sources.

The question no. 3 was intentionally asked in the way to correspond with the original question in the ewia survey. However, the pilot research showed that the respondents inclined towards the construction of a WtE facility just because they expected their energy costs to drop proportionally. For this reason, the question was a bit modified in order to clarify the circumstances.

The results showed that the inhabitants of the Šal'a region were rather open-minded and with respect to environmental protection, they would rather prefer the second worst possibility of waste treatment than the worst one, which is a landfill site.

Question 3.1

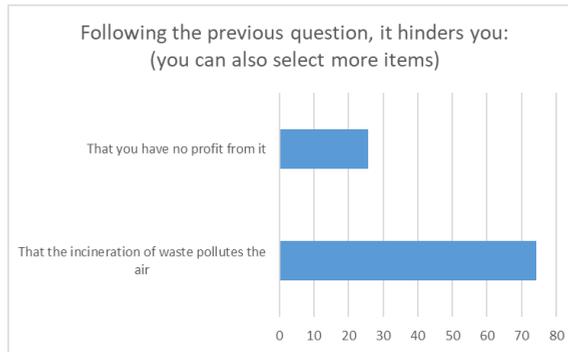


Fig. 5. Graphic visualisation of the results of the research. Source: own sources

The question 3.1 was used as a complementary question to no. 3 for the purpose of finding out the reasons for supporting a WtE facility. The results demonstrated that some respondents were against a facility just because of not seeing any real benefit, yet almost 80% of respondents who did not agree with this form of waste treatment did so due to possible environmental damage that might be caused by waste incineration.

Question 4

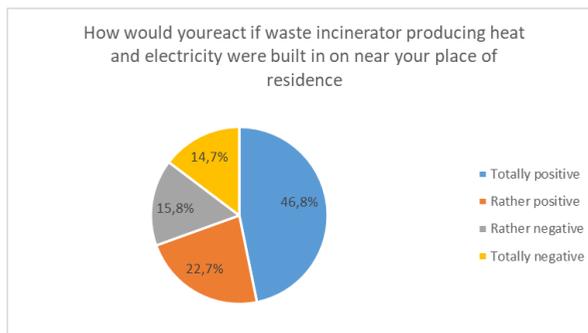


Fig. 6 Graphic visualisation of the results of the research. Source: own sources.

The last question which was based on the survey by ewia [22] only confirms the results the company ewia obtained in its own research. 69.5% of respondents would have react positively if a WtE facility was built in their neighbourhood. However, this value is 13.4% lower than the results in the company survey.

Question 4.1

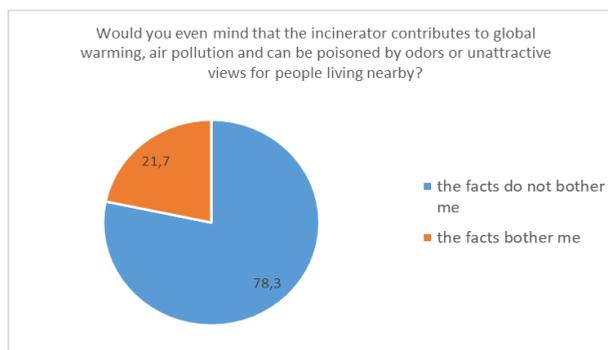


Fig. 7 : Graphic visualisation of the results of the research. Source: own sources

The question 4.1 was only a complementary, voluntary question to no. 4. We were interested in the respondents' attitude towards the statement that a WtE facility also brings some negative externalities that are usually mentioned marginally or not at all in the company advertising activities. Most respondents do not mind negative externalities a WtE facility might bring.

Question 4.2

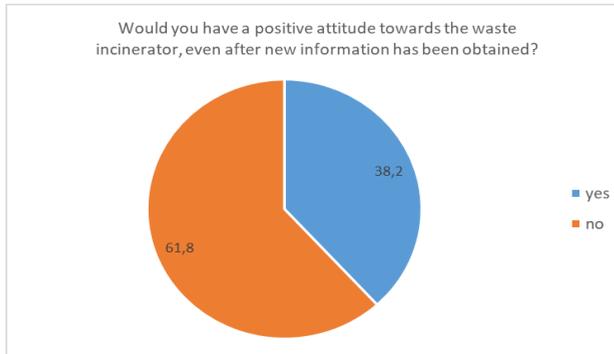


Fig. 8. Graphic visualisation of the results of the research. Source: own sources.

The respondents who answered they would mind negative externalities a WtE plant might cause were also asked whether they still had a positive attitude towards the construction of a WtE facility in their neighbourhood. By comparing the results of the previous questions, we could see that only 7.93 % of respondents would change their standpoint, which only confirms that the inhabitants of the Šal'a region are really convinced that a facility is a correct attitude towards waste management.

Question 5

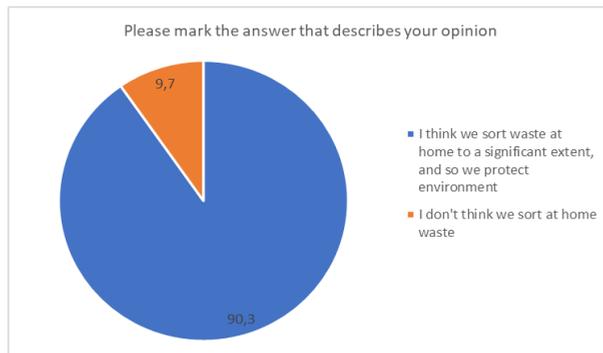


Fig. 9. Graphic visualisation of the results of the research. Source: own sources.

The question which aimed at verifying the respondents' attitude towards waste sorting at their homes was out of the comparison research of the company ewia and was only initiated by the research staff for the purpose of obtaining more detailed information. According to these results, we may say that over 90% of respondents are persuaded that waste is being sorted in their households.

Question 6

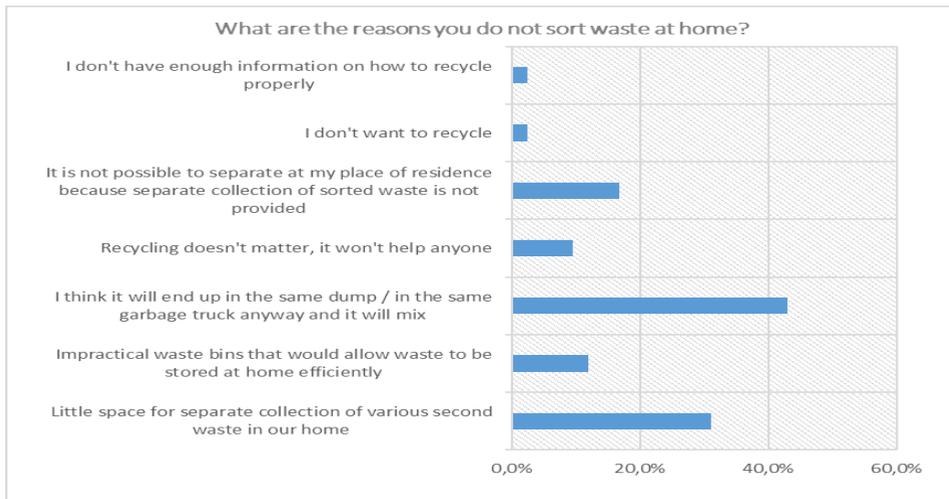


Fig. 10. Graphic visualisation of the results of the research. Source: own sources.

Those respondents who answered they did not sort waste were also asked to specify the reasons for this behaviour. The results show that, among other reasons, such as a lack of storage space for various types of garbage bins in respondents' houses - which may be caused by the fact that Šaľa is a town agglomeration - the primary reason is insufficient motivation and missing information.

Question 7

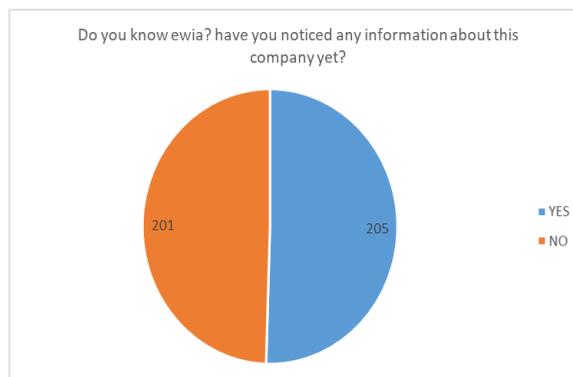


Fig. 1. Graphic visualisation of the results of the research. Source: own sources.

4.1 Evaluating the dependence between the questions 7 and 4

We were also trying to find out whether there was a dependence between the effect of marketing activities of the company ewia, a.s. and a positive or a negative relationship of respondents towards the WfE's facility (the questions 7 and 4).

After having set the hypotheses H0 and H1, which rejected or approved the dependence between the company marketing activity and perception of respondents' relationship, a χ^2 test was applied.

Hypothesis H0: on the significance level of 95%, there is no statistically significant dependence between marketing activities of ewia and the respondents' relationship towards the said company.

Hypothesis H1: on the significance level of 95%, there is a statistically significant dependence between marketing activities of ewia and the respondents' relationship towards the said company.

After having compared a testing criterium (0.82) and a critical value (3.84), H0 was accepted because the testing criterium is lower than the critical value. Therefore, we may assume with a 95% probability that there is a statistically provable dependence between the respondents' confrontation with marketing activities of ewia and their direct attitude towards the construction of a WtE plant.

5 Conclusion

The paper presents marketing activities of the selected company when achieving local objectives. It defines the perspectives of environmental thinking, processes of environmental changes aiming at fulfilling the principles of circular economy as well as the effects that might occur within these processes.

Practical output of the paper can be defined as evaluation of marketing activities of the company ewia, a.s. the main objective of which is to build a facility for energy recovery of waste in the locality of Šaľa and Trnava. The paper compares the results of our research into the company ewia and the company's own research in the similar field.

The results of the research show a great deal of environmental awareness of inhabitants in the Šaľa region, as they perceive the building of the above facility in their environment as a positive step, but not to such an extent as presented by the company ewia itself.

It is obvious that the company ewia is taking steps to properly inform inhabitants of the regions concerned yet the way they are doing so may generate certain doubts. One of the inhabitants heard himself say that the main reason why the respondents did not recycle waste was a lack of information about the point of this activity. A material-technical basis for recycling should be created to enhance awareness, mainly in agglomerations. The research shows that marketing activities of the company, which often follow global examples and copy information campaigns about similar facilities abroad, have not had such an effect that would convince inhabitants of the Šaľa region to change their attitudes and support the construction of a facility.

The fact that inhabitants were informed about the necessity to promote more effective waste treatment as well as to take a positive attitude towards the construction of a facility in their neighbourhood without having been influenced by marketing communication and profit-driven goals of the company requires further research into what motivates people to take this attitude.

The assumption drawn from our research is that we are not able to find the equality in the results presented by companies intentionally, purposefully or upon request through marketing communication tools and real opinions of the persons concerned, which might be a dangerous precedent serving as a warning sign within the context of general perception of this issue. When people find out that the information is false or misleading, they tend to ignore the presented facts. In the worst-case scenario, they can become persuaded about intentional manipulation and may even fight against the real basis of the problem if the same relates to some externality without any direct positive impact on the local environment.

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