
The Marketing of Recyclables

Successful recycling programs are structuring their collection efforts around their marketing strategies. These programs invest time and money up front to understand the character and the needs of the market. This special section focuses on the marketing of recyclables and contains three articles written by experts on municipal recycling programs. The first examines the importance of researching markets prior to developing a program. A profile of a cooperative marketing effort in New Hampshire describes the role of a regional association in capturing certain economies of scale that are essential for a recycling program to achieve and sustain its competitiveness. The final article sets out guidelines for establishing an effective curbside recycling program that will enable a community to meet the standards of quality required by the market.

To Market, to Market: The Business of Recycling

Caroline Mixon

Imagine that one day, just when the voters are cheering loudest in support of your community's recycling program, just when you've wooed them with your environmental sensitivity and outstanding participation rate, you begin to literally bury your success in a landfill. Residents, many of whom have worked long and hard to participate in the program, will resent the apparent disregard for their efforts and may not be willing to give you a second chance. It is not necessary to describe to anyone familiar with local government what it means to deal with such public uproar, especially when you're responsible for the problem.

Having to landfill recyclable materials is the inevitable outcome of not properly researching markets prior to developing and implementing a recycling program. The lion's share of the marketing responsibility falls on the local government regardless of the private sector's role in the program. Marketing is one of those things that truly fits the adage "If

you want it done right, do it yourself." Too much misinformation exists for municipalities to make assumptions about market conditions.

Each recyclable commodity has its own set of market conditions that affects the stability, reliability, prosperity, and desirability of recycling that material. Each also attracts a host of interest groups, trade organizations, lobbyists, environmentalists, industry officials, and snake oil salesmen trying to influence decisions about whether a municipality will pick up the materials and where it will market them. Everyone will claim to be an expert.

It is up to you to investigate and verify their information, because it is your city that will suffer through the negative publicity of program errors or failures. This article discusses what to look for in a market and outlines some important first steps in examining market conditions.

Stability

Recyclables are commodities, and it is therefore natural to think of them in terms of their market value. There is, however, a more significant consideration—stability. This includes stability not only in price but also in the willingness of a buyer to accept materials

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Final Selection

Completing the level of research described here will direct you to a market that should provide continuity and stability, but another level of analysis is needed before a final decision can be made. This additional research involves asking your one or two buyers of choice the following questions:

- What is the capacity of the end user's recycling plant?
- In light of that capacity, is the community a substantial supplier, a small supplier, or somewhere in the middle?
- Who are the other suppliers in this category, and how have they been treated (preferentially, indifferently) when the market is down?
- Is recycling a small part of the company's business, or is it its primary business?
- What is the company's recycling track record?
- Is the recycling effort a token gesture in response to legislative pressure, or is it an operation that existed prior to recycling legislation?

- What is the end-use product?
- What percentage of the company's total profit is derived from this product?
- Is it a high value added product or a low end product?
- What outlets exist for the recycled product?
- Is recycling a new venture for this company?
- Is the product competitively priced, or will it rely on government subsidy?
- What is the recycler's position in the industry in terms of clout and recognition?

Research

Obtaining market information and developing and maintaining relationships within the recycling industry are key functions of a recycling coordinator. A recycling coordinator is needed whether the community is fully involved in recycling or the program is contracted out. Recycling and solid waste periodicals provide market information, but they are merely a starting point. A recycling coordinator must not forget to consider the source of this in-

formation, analyze it, and verify statistics, prices, and other market data. There are also trade groups that offer assistance and provide lists of potential markets.

In order to better understand the buyers' needs, the recycling coordinator should make direct contact with the buyers. It is worthwhile to tour the recyclers' facilities (this also helps keep honest those who do not actually have physical recycling plants, but have simply "announced" intentions to recycle). A plant visit will educate your staff and help build your relationship with the buyer. The most successful recycling programs in place today have spent the time and money necessary to understand the standards of quality required by the market and how quality re-

lates to the buyer's operations. Making a site visit is the key to understanding quality. In addition to plant visits, the coordinator should explore recycling programs in other communities to learn from their experience.

Planning and implementing a recycling program will be controversial, costly, and time-consuming. Ultimately, however, it will be rewarding. Devoting time and attention to marketing from the start will allow for much smoother operation and a longer lasting program. It is important to remember that recycling does not take place until the material you have collected is remade into a new product. Building a strong and reliable market is the key to a successful recycling program. **PM**