

Title:

Sustainable consumption of newspaper: Actualizing human-nature harmony through  
producer-consumer strategic sustainable resonance

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### **Abstract**

Global warming is the most pressing environment crisis human faces, posing life-threatening risk to us. Lacking business or environmental studies could compromise natural resources and management. I explored a successful case study from free daily newspaper business that yields a triple-win situation to entrepreneurs, readers and the nature in Hong Kong, China. An innovative and inspiring golden-green lesson that contributes significantly to the human-nature harmonious growth is based on the realization of the concept of Producer-consumer strategic sustainable resonance. The study adopted a case study approach and collected the first-hand research evident by the participative observation research method coupled with the secondary data from books, newspapers, magazines and online resources for establishing the base for statistical analysis. This paper argues that the top-down state interventionism has to echo to the bottom-up civic pragmatism for resolving global environmental crises in the long run. A new concept of producer-consumer strategic sustainable resonance posits entrepreneurs as the most crucial agents for initiating and realizing human-nature harmony in my case study about recirculation of free daily, a kind of human behaviors that rolls corporate social responsibility and sustainable consumption into a fabulous one, strategically resonates to the slogan printed on newspaper and installation of recirculation boxes for facilitating the newspaper recirculation every day. As a result, the recirculation of newspaper, amazingly, brings about not only a cost-saving and revenue-exploring business to entrepreneurs, a welcoming product satisfaction to readers, but also a reducing resource stress on trees for producing newsprint. The results could inform future business management and environmental policies on integrating economic-viable and environmentally-sustainable business development in new or existing corporations.

# **Sustainable consumption of newspaper: Actualizing human-nature harmony through producer-consumer strategic sustainable resonance**

*“Business leaders bridge the gap between economy and environment, which are often experienced as being in opposition to one another”*

Yvo de Boer,

Executive Secretary of the United Nations Framework Convention on Climate Change<sup>1</sup>

## ***Introduction***

Entrepreneurs speeding toward golden profits on the global causeway seldom slow down to examine first-hand its seemingly dull green underside about the nature. The current global warming our humanity faces, the most pressing environmental crisis awaiting for us to eradicate, opens an eclectic space leading to a golden-green highway to make what an apparently unrealistic kind of human-nature co-growth milieu comes true. In recent decades, global-local discourses about “Climatic Change” and “Environmental Sustainability” are suggesting us (both producers and consumers in economic senses) an alarming signal to call for our unwavering commitment, determination and active participation to combat against an ever rising temperature in our planet when making economic development and human progress. If our target is for both environmental sustainability and economic prosperity, entrepreneurs are the best agents in locales dedicating for human-nature harmony catalysts in the world not to compromise the latter at the expense of the former or vice versa.

As the December Copenhagen conference on climate change closed, the global attention has its focus after a tug-of-war kind of international negotiations concluded by 100-odd world leaders. However, they are not, ultimately, what will determine whether the planet boils or not. The renewal of a dated Kyoto Protocol signed in 1992 on decarbonizing the world are helpful only in so far as they only target to countries to reduce their own emissions in a top-down manner through institutional supervisory and policy regulatory framework. A bottom-up civic pragmatism approach can synergize the top-down institutional interventionism on environmental management for attaining a common goal of cooling down an already boiling planet. This bottom-up approach requires the concerted effort and active participation by every member of our planet who is taking a dual economic role as a producer and a consumer in our daily life to strategically resonate with each other for realizing

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<sup>1</sup> This is a direct quotation extracted from an online news report of the 15th United Nations Climate Change Conference (COP15) taking place at Bella Center in Copenhagen from the 7th to the 18th of December, 2009” (Tingkær, 2009).

human-nature harmony at present and for future generations. These two approaches are like two clapping hands, it is impossible to clap with a single hand. My essay is about instilling a golden-green message to ourselves if we are to promote permanent human-nature harmony for managing environment risks.

This short essay contends that we could learn an innovative, insightful and inspiring lesson from tabloid free newspaper industry in Hong Kong that producers primarily led and driven by entrepreneurs are acting as agents for the creation of a triple-win milieu for business, society and ecosystem – maximizing profit, satisfying consumers' want and conserving natural resources.

***Business, Society and Environment: Turning risks into opportunities together***

A business motto summarized that “whenever risks emerge, what follow are the opportunities to make changes!” What’s the most important is how we turn risks into opportunities. Our humanity for present generation and future generations is facing an unprecedented and life-threatening environmental risk – the Global Warming. Environmental risk triggered a still strengthening top-down effort engendered by the political leaders from different countries over such decarbonization initiatives as carbon pricing, energy audit, environmental regulations on the encouragement of efficient use of energy and provision of subsidies for renewable energies. These environmental laws, policies and regulations, in principle, are not to limit our individual freedom, but serve the sign posts guiding us to actualize human-nature harmony. However, government intervention in different countries can hardly bring about a long-term solution to the global warming because the raising costs of decarbonizing the global economy by governments shifted the financial burdens to taxpayers, thus taxpayers’ grievance would eventually undermine the social and political stabilities (Staff Reporter, 2009a). Therefore, entrepreneurs, playing the most decisive economic role, are actually the most innovative agent for inducing human-nature progress in a bottom-up manner in locales. Mitigating conflicts between environment and human is now offering tremendous business opportunities. Such investments include environmental-friendly projects in biofuels, solar power, carbon-trading market, electric vehicles, sustainable fish farming, smart home electricity meters and waterless lavatories. A newspaper report unveiled, Al Gore, the former US vice president and the Nobel Peace Prize Winner, has become the first “Carbon billionaire” who gained personal fortune from US\$2 million to US\$100 million due to his investments in green projects (Staff Reporter, 2009b).

***From Profit-oriented Paradigm to Human-Nature Co-growth Paradigm***

We have to go beyond the obsolete and cul-de-sac paradigm of “making profit hurts the ecosystem” which also hurts our innovative ideas to improve the general wellbeing of our humanity. Personal wealth, economic development and environmental sustainability can grow together. Indeed, human and nature can harmoniously coexist and grow if producers and consumers learn a lesson from what I described as “Producer-consumer Strategic Sustainable Resonance”. To many entrepreneurs, the common practice they do to realize corporate social responsibility for environment is to donate money to support non-profit-seeking initiatives. In return, the corporations earn good will instead of profit. However, corporate social responsibility is more than just two words: Philanthropy and Sponsorship (Forrester, 1990). It hinges on an advancement of the entrepreneurial mindset into an innovative golden-green production by exploring ways to introduce operations that can enable decarbonizing effort initiated by producers resonates to sustainable consumption behavior participated by the consumers. Ultimately, the nature gains its positive social externality.

A case study<sup>2</sup> from a free daily newspaper business called the Metro Daily Hong Kong (MDHK) in Hong Kong shed new light for a successful way forward for entrepreneurs to integrate green concept into its production without running conflict to profitability by creating resonances between the productive behaviors and the consumption pattern in consumers’ daily life. The triple-win situation can come into fruition that entrepreneurs can make profit, consumers can get what they want; the stress on natural resources for human consumption can be reduced.

#### ***How does the Producer-Consumer Strategic Sustainable Resonance work?***

In this study, I propose a conceptual and analytical framework that will facilitate serious investigation of intersection between entrepreneurial or corporate actions intended to maximize profit and consumers’ responses to these actions. Amazingly, the nature is the ultimate beneficiary when both producers and consumers joined hands to actualize the sustainable development, intra-generational and even inter-generational equities over time by reducing the demand on natural resources. The concept of Producer-Consumer Strategic Sustainable Resonance<sup>3</sup> introduced in

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<sup>2</sup> This paper adopts a participatory observation to collect the first hand data to visualize the process of producer-consumer strategic sustainable resonance, coupled with the secondary data amassed from various sources of data like the internet materials, business reports, newspaper articles and library archives for illustrating the effectiveness of producer-consumer strategic sustainable resonance in achieving triple-win situation on producers, consumers and the nature in terms of profit, readership and the potential saving of tree consumption.

<sup>3</sup> This term depicting the process, producer-consumer strategic sustainable resonance, is based in part on the concept of “strategic resonance,” originally coined by a management economist whose name is Steve Brown (2000) to optimize the performance of manufacturing firms by emphasizing on the customer requirements and organizational capabilities (Brown and Fai, 2006). Nevertheless, Brown’s

this paper refers to a dynamic process in which the measures adopted by producers for maximizing profit match the environmental-friendly consumption by consumers; eventually human-nature harmony emerges by reducing resource stress.

Let me detail a case study by using MDHK case. Having landed in Hong Kong on April 15, 2002, MDHK is a free Chinese tabloid-size daily newspaper which has been widely distributed every weekday through the major railway network. This newspaper shortened its break-even period from 36 months to 14 months and made profit until now, breaking its parent Sweden-based newspaper enterprise, Metro International, as one of the best Metro Daily performers around the world with strong profit-making capability (Chan, 2005, Next Magazine Reporters, 2005). This free daily recorded ongoing double digit growth from its sole source of revenue that is the advertising revenue since 2002, the industry-based estimated net monthly profit reached HKD\$5 millions (Equivalent to more than US\$641,000 every month). What makes this business the most successful is to turn environmental risks into opportunities by bridging the sustainable readership to advertising revenue source through the process of producer-consumer strategic sustainable resonance. During the process, MDHK provides free, portable, and convenient-accessible daily newspaper with quality and summative content that fully integrated into 20-minute newspaper consumption preference in Hong Kong commuters' daily lives (Lee, 2008). In my participative observation over the past few years, with its installation of a network of newspaper recollection boxes in at least 25 train stations, these boxes serve as a proxy platform for newspaper recirculation from a reader to many others. This free daily also encourages readers who obtained a copy to shuffle among the peers, friends and colleagues by printing a slogan on the front page of the newspaper. That slogan is "Re-circulating newspaper after your reading makes everyone ever much happier! (In Chinese: 傳閱更開心)". These two channels of re-circulating what the newspaper we would originally throw into a rubbish bin after consumption can regenerate a new product life cycle for the limited amount of newspaper published a day.

By collecting the secondary statistical dataset to illustrate the how readers sustainably consume newspaper through recirculation behaviors. The multiplication of newspaper readership is generated by the Producer-Consumer Strategic Sustainable Resonance. Based on a statistical record from the Hong Kong Audited Bureau for Circulations (Hong Kong Audit Bureau of Circulations, 2009), the total newspaper printed in a day

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concept is narrowly focusing on the win-win situation between consumers' satisfaction and producers' maximum production capabilities, this concept does not extend to the influence of natural environment and how joint efforts input by producers and consumers would attain positive socio-environmental externality.

stood at around 340,000 copies. According to a media market survey conducted by the Hong Kong Media Atlas, the total readership in a day of MDHK reached 752,451 per day in the same reference period (Metro Daily Hong Kong, 2009). The discrepancy between the former figure (i.e 752,451 recorded) and the latter figure (i.e 340,000 copies recorded in the same reference period) showed an appealing result of successful newspaper recirculation induced by peer recirculation and recirculation facilitated by the recollection boxes (i.e 412,451 copies). By dividing the total number of copies generated by readers' recirculation behaviors (412,451 copies) over the total number of newspaper copies printed in a day (340,000 copies). The result of Sustainable Readership Multiplier ( $M_R$ ) is 1.21.

*Human-nature harmonious implications: "Less is more!"*

This Sustainable Readership Multiplier ( $M_R$ ) yields these cost-saving, profit-generating and human-nature harmony implications that can best be concluded in this statement – "Less is more!"

First, this result pinpointed an emerging social phenomenon that people in Hong Kong are re-circulating the same pile of newspapers printed in a day among themselves to reach a wider pool of readerships without using additional printing paper. A same set of newspaper can be consumed by an additional 1.21 Persons in a day after the initial consumption of the first batch of readers. This helps reduce the demand on woods for producing printing paper. Second, the higher the figure of multiplier means the more the readers the same set of newspaper can be consumed without using additional production resources like ink, paper and transportation. To this company internally, it can save the cost on printing and distributing numerous copies of free daily newspapers (Chan, 2008). As a result the production costs of MDHK tremendously reduce in a cost-saving perspective. Third, the higher the readership figure attracts more advertising revenue for the MDHK because the advertising messages can effectively connect to a large volume of readers in a day. Chan Wai Chung, MDHK Chief Editor, quoted a marketing research result on advertising companies that the MDHK Recall Rate<sup>4</sup> is higher than any other local newspapers (Chan, 2008).

The above scientific analysis showed an exemplary of the best business operation model initiated by entrepreneurial efforts for enhancing the recirculation of newspaper

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<sup>4</sup> Recall Rate measures the frequency of newspaper advertisements that the readers can recall from their memories. The higher the recall rate evidenced that the greater advertising impact on readers. That explains the reason why advertising clients would like to post advertisements on this newspaper (Chan, 2008).

by thoroughly knowing consumers' consumption pattern and integrated it into profit-oriented and environmental-friendly mode of production. In fact, using fewer printing paper means cutting fewer trees down. MDHK saved at least 1,483 trees for making newsprint paper<sup>5</sup> every day. For every ton of wood a forest grows, it removes 1.47 tons of carbon dioxide and produces 1.07 tons of oxygen. Now, the free daily recirculation saved 1,483 trees per day which is equivalent to 206 tons of wood (1 Ton of wood is equal to 7.2 trees). The producer-consumer strategic sustainable resonance can remove the planet 302.82 tons of carbon dioxide and generate 220.42 tons of oxygen for human every day. By avoiding falling 1,483 trees for paper pulps that MDHK originally needs to produce newspaper for the same amount of readers without newspaper recirculation, stresses on our ecosystem tremendously reduced.

#### *Concluding remarks*

I mentioned in brief my argument that a long-term solution to the burning global environmental crisis hinges on the capability of entrepreneurs to spark a profit-making innovative change in operational practices so that their production behaviors can strategically resonate to consumers' behavioral pattern for fostering all-win milieu for producers and consumers within the socio-economic system and the nature. On the global level, this bottom-up large-term sustainable effort induced by civilians and businessmen can also strategically resonate to the top-down legal-binding measures and institutional remediation on averting a rise in temperature. On the local level, both cost and revenue can be minimized and maximized to a business respectively, coupled with a wonderful product satisfaction for readers without compromising the natural resources.

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<sup>5</sup> If a set of 20-page double-size-printing free daily, it is equivalent to 30 pieces of A4 size paper. Now, MDHK can generate at least 412,000 copies of newspaper per day for new readership through peer recirculation and recirculation engendered by collection boxes. MDHK saved 12.36 million pieces of A4 paper. This huge sum of A4 paper saved from reducing the newspaper printing is equivalent to 1483 trees. Further, if one ton is the same as 40 cartons of paper.

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