

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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OFFICE OF AIR, NOISE, AND RADIATION

The Buy Quiet Program organizes markets for quiet products as a method for inducing noise reduction technologies into product design. It combines product development and marketing strategies with public organizing strategies. It organizes new market entities and stimulates market competition for quieter products.

From the product development standpoint, there are two identified products. The first is a procurement method which incorporates a dollar value incentive for lower noise levels. This incentive induces competition among supplying firms to lower noise levels, while keeping its price competitive in order to win the sale. This product (or procurement method) is then packaged with other information and services and marketed to institutional buyers.

The institutional market is segmented into public and private institutions, where the public institutions are primarily state and local governments. The marketing function is designed to appeal to the government's charter to enhance community values. In essence, governments promote peace and quiet in their neighborhoods by procuring quieter products. Marketing channels are structured to reflect representative interests within the community and government structure which need to coalesce to support such procurements. These interests include neighborhood groups, elected officials, environmental officials, procurement officials and user departments. A coalition of membership organizations at the national level, representing these interest, become the channels through which this method of procurement is marketed.

Governments which "buy quiet" are then used as the marketing channel to local industry. In essence, local or state governments invite industries within their jurisdiction to join them in procuring quieter products. The technique is to appeal to the community relations or public image objectives of local industry. Large national firms and trade associations are contacted directly. Organizations, whose national image would be well served by their cooperation with such a program are primary candidates.

As governments and industries "buy into" the system and their numbers grow, their aggregation constitutes a "market for quiet." This new market itself becomes the second product which is in turn marketed to supplying industries. Industrial firms which supply noisy products find opportunities to expand their market share by competitively reducing product noise levels, differentiating their product, and marketing its quieter character. This further stimulates development of the market, so that the system's dynamics are all directed toward the development, marketing and procurement of quieter products at competitive prices.

These dynamics are accelerated and made feasible through a well defined style of operation. This style is dictated by techniques inherent in public organizing strategies and the decentralized nature of markets. The management style is facilitative rather than directive, fosters decentralized initiatives, and is designed to promote an organic style of growth whose energies are based in grass roots activities.

Simple extensions of Buy Quiet into <u>Buy Clean</u>, <u>Buy Safe</u>, <u>Buy Energy Efficient</u>, and other related subjects, give it broad application to many product related social issues. Broader still is the possible application of the general approach, an approach which we have called "Social Entrepreneuring," to non-product related issues.

Summary Comparison

Regulatory Approach

Compulsion - threat of penalty

Centralized, hierarchial authoritorian

Government as enforcer

Legal, technical staff

Conflict systems - judicial (court) resolution

High program costs for data collection

High program cost for feasibility, cost/benefit

Hinders innovation - fosters "can't be done" profile.

Social Entrepreneuring

Inducement - incentives and market competition

Decentralized, nonhierarchial, entrepreneurial

Government as facilitator, organizer

Marketing, entrepreneurial staff

Market systems-competitive (market) resolution

Data generated automatically in bid request/response process - m cost.

Competitive marker balances costs, benefits, feasibility-no studies program costs

Competition stimulates innovation