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Lisa Peñaloza and Alladi Venkatesh
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Further evolving the new dominant logic of marketing: from services to the social construction of markets

Lisa Peñaloza
University of Colorado, USA and University of Utah, USA

Alladi Venkatesh
University of California, USA

Abstract. This work calls for a paradigmatic shift from marketing techniques and concepts to markets as a social construction. Our argument is composed of six facets: (1) revisioning the creation of value in markets to include meanings; (2) reconsidering the efficacy and limits of working from the perspective of the marketer; (3) incorporating more conscientiously consumer subjectivity and agency; (4) reformulating the nature of relationships between consumers and marketers from individuals to social beings inhabiting communities; (5) addressing more explicitly cultural differences in the form of subcultures within nations and international differences between nations in level of development; and finally, (6) exhorting the importance of marketer reflexivity. In charting these key transitions and tracing them to particular academic communities over time, we work towards a more radically transformative marketing practice that is socio-historically situated, culturally sensitive, and organic, in accounting for and adapting to contemporary global, technological, and socio-cultural developments. Key Words • culture • critical • interpretive • macro-marketing • markets

Introduction

"The market is in human nature" is the proposition that cannot be allowed to stand unchallenged; in my opinion it is the most crucial terrain of ideological struggle in our time. (Jameson, 1994: 281)

In a landmark series of articles Vargo and Lusch (2004a, 2004b) ushered in what
may well evolve into a new paradigm for the field of marketing, the service
dominant logic (S-D logic). Integrating and synthesizing work from a number
of subfields, including relationship marketing, quality management, market
orientation, supply and value chain management, resource management and
networks, they have created a compelling framework to provide ‘a richer founda-
tion for the development of marketing thought and practice’ (Vargo and Lusch,
2004a: 2).

As in the previous paradigmatic movements in marketing documented from
positivism to interpretivism (Despandé, 1983) and humanism (Hirschman, 1986),
the present one is characterized by shifts in the types of problems to be studied,
priorities in examining them, and methods to be used, all drawn from changing
key assumptions about the nature of marketing phenomena. In addition to these
philosophy of science issues are sociology of knowledge issues regarding conflicts
and their resolution between competing communities of scholars – in this case
positivists, interpretivists, and those in both groups studying services. Critical,
then, in documenting paradigm shifts, is charting key breaks or transitions
between where we have been as a field of study and where we are going, and
tracing them to particular academic communities over time.

To summarize S-D logic, Vargo and Lusch provide detailed documentation
along a number of fundamental dimensions, including the primary unit of
exchange, the determination and meaning of value, the role of the customer, the
nature of the firm-customer interactions and the source of economic growth
(2004a, b). Specifically, they describe the traditional goods centered logic as
having an emphasis on physical products; value as determined by the producer
and embedded in physical products as form, place, time and possession utilities;
the customer as recipient of such value in goods; and wealth as obtained from
consumers in exchange with firms in the form of economic capital accruing to the
firm for owning and manipulating operand (material) resources.

Conversely, Vargo and Lusch characterize the emerging service-centered logic
as having: an emphasis on intangible services; value as perceived and determined
by the consumer in use as benefits of specialized knowledge and skills they label
operant resources; the customer as co-creator of the service; and wealth obtained
in the form of economic capital from consumers to firms in the application and
exchange of operant resources by consumers and firms. Ultimately, they cast
the benefits of this paradigmatic transition as: furthering the customization of
services for consumers; increasing consumer involvement for market expansion;
assisting in value creation; advancing the place of marketing activity as the pre-
dominant organizational philosophy within the firm; and bringing about more
market-driven, consumer-centric organizations (2004a, b).

While Vargo and Lusch’s work has been invaluable in stimulating our thinking,
we believe their framework does not go far enough. In this article we carry further
the momentum of this paradigm shift, building upon their observations and
propositions towards a somewhat different goal, a more radically transformative
marketing practice based on re-conceptualizing the market as a social construc-
tion. We forge this re-conceptualization by extrapolating from seminal interpre-
tive and critical work in consumer behavior and market studies. There are six pillars to our argument:

1. re-visioning the creation of value in markets to include meanings;
2. reconsidering the efficacy and limits of working from the perspective of the marketer;
3. incorporating consumer subjectivity and agency;
4. reformulating the nature of relationships between consumers and marketers as social beings inhabiting communities;
5. addressing cultural difference in the form of sub-cultural differences within nations and international differences between nations in level of development; and
6. exhorting the importance of marketer reflexivity.

A fundamental shift in worldview?

Like other paradigmatic shifts, one of the pillars of Vargo and Lusch’s argument in mapping out the S-D logic is documenting changes in worldview. They emphasize the importance of seeing ‘into, through, and beyond’ the existing logic. To do so requires a highly abstract process, as the existing logic, or paradigm, is very subtle yet nonetheless pervasive in operating as a guide for scientists in a discipline. Drawing from Kuhn (1962) and Suppe (1977), Despandé (1983: 101) defined a paradigm as a set of linked assumptions about the world that provide a conceptual and philosophical framework of ontological and epistemological premises which are shared by a community of scientists investigating that world. Hirschman (1986) added the sociology of knowledge dimensions, particularly conflicts between communities of scholars, as adherents of the traditional or emergent worldview, which are played out in conferences, journals, hiring protocols, and doctoral programs in the field of marketing.

Substantively, in mapping out the shift from a product-dominant to a service-dominant logic, Vargo and Lusch focus on resources. Specifically, they chart the progression in emphasis on material or operand resources through the 18th century to the current emphasis on intangible ideas, skills, and knowledge, in other words, operand resources, in manipulating operand resources. They then linked these latter competences to more fundamental market processes of value creation.

Their work breaks new ground, then, in its emphasis on the intangibles behind the more tangible artifacts exchanged in markets, the shift from value in exchange to value in use and the more active characterization of consumers, who co-create value with marketers in the marketplace. In incorporating these shifts into the substantive media of exchange, value processes, properties of agents and their activities, the authors reconfigure a new marketing as the provision of services and value propositions.

At the forefront of our evaluation of whether this paradigm is new is examining where it requires a radically different philosophy and epistemology, and where it
does not. Contrasting the approaches of various interpretive researchers with those of service marketers in making space for their work is a useful exercise as well. Upon first glance, the service-dominant logic may be seen to comply readily with the positivist paradigm. Yet, a closer read yields a much more complex weaving of the positivist and interpretivist logics, with ample room for further incorporation of interpretivist tenets.

In examining the institutional trajectory of the subfield of services, we see patterns well documented in the sociology of knowledge literature. Against the backdrop of divisions between those marketing academics who study services and those who do not, the field of services has become an integral part of the field (Rust, 1998; Swartz and Iacobucci, 2000), as compared to its early status as somewhat specialized and marginalized.

The mainstreaming of work studying services in the field of marketing is only partly the result of the historical trend towards a higher proportion of the economies in services in developed societies, however. Just as important in bringing about a paradigmatic shift is the work of countless ‘desert scientists’, Thomas Kuhn’s (1962) term for those working in specialized areas outside the mainstream paradigm.

In the case of services marketing, the diligent and determined efforts of colleagues to make space for their work by confronting puzzles or anomalies whose solution does not fit within existing conceptualizations and metrics is evident in the multiple papers, conferences, and even journals clustered in various parts of the US, Scandinavia, and Australasia. These battles for increased acceptance of novel ideas from those outside the mainstream have been well documented by sociologist of science Kuhn (1962), and thus how they are incorporated remains the result of multiple and concerted scholars across a range of research outlets and institutional venues.

Advancing the paradigm shift: from services to markets

In the following sections we bring to bear advances in critical and interpretive work in shifting the marketing paradigm further towards the ultimate destination of markets as a unit of study. This shift dovetails with some of the vision and documentation of Vargo and Lusch (2004a, b), while departing somewhat to extend in additional directions.

The nature of value creation

We have noted already the transition from value in exchange to value in use documented by Vargo and Lusch as foundational in the shift from material to intangible market offerings. Here, their work builds upon the historical distinction between value in use and value in exchange that has been one of the hallmarks of the modern era (Firat and Dholakia, 1998). Indeed, a host of social theorists from Smith to Marx to Weber to Baudrillard, to name a few, have documented key
changes in economic and social activity that have occurred with industrialization and urbanization, and theorized their significance in understanding patterns of accumulating and appropriating economic wealth, with attention to their role in negotiating the social order.

In a conceptual move somewhat akin to moving back to more fully embrace the present and future, Vargo and Lusch (2004a) forcefully argue against a view of value limited to exchange. Their position that value also is created in use has been documented in countless interpretive consumer behavior studies (Arnould and Price, 1993; Fournier, 1998; Holt, 1995; Peñaloza, 2001), and is not the issue here.

Instead, the issue is whether the new paradigm is usefully forwarded in replacing value in exchange with value in use. We see much potential loss of understanding and explanatory power in doing so; specifically, eclipsing the capital transfer fundamental to market exchanges. In the effort to maintain this critically important part of market phenomena we forward a view of value as created in exchange and use.

Specifically, the first pillar stemming from the study of markets draws attention to paradoxical shifts and transpositions in value creation processes in the form of exchange and use, simultaneously or sequentially. We envision the process of value creation in ways similar to scientists’ advances in acknowledging the simultaneous movement of light in the forms of particles and waves. That is, at any one time, value may be seen to be created in exchange or use. Most typically, positivists have emphasized exchange value, while interpretivists emphasize use value. Both of these are partial perspectives, however, which we seek to reunite under the more comprehensive rubric of markets.

To recap, our view emphasizes value as constituted by marketers and consumers in their activities and discourses via an enacted process, a social construction that takes place prior to, during and after the actual exchange and use(s) take place. Further, we do not limit marketers to production or consumers to consumption, as marketers consume and consumers produce (Firat and Venkatesh, 1995). Over time, then, and with greater triangulation across interpretivist and positivist paradigms in the context of market development, value may be seen to be constituted in exchange and use, simultaneously and sequentially.

Noteworthy here is the relation of these different facets of value creation processes to the different emphases given in the field over time. The changing paradigms may be seen to reflect different features of markets developing or unfolding at different times and places as a function of technology, infrastructure and level of development, for example.

Further, as documented by Kuhn (1962), Hirschman (1986) and Despandé (1983), in pieces more particular to the field of marketing, fields change as much by shifting the research perspective in focusing on elements of phenomena that existed already, but were neglected in the focus on other elements, as they do by focusing on newly emergent phenomena. For example, much of the early work in marketing focused on marketers’ activities in consummating exchanges (Bartels, 1965). To this day remnants of the research perspective and emphases of this early work are evident in our focus on marketing techniques, the infamous Four Ps of
product, price, promotion, and place, with markets conceptualized as the summation of market exchanges over time.

Yet paradigmatic shifts are not just a question of phenomena, or even research perspectives. As sociologists of science have noted (Gergen, 1988), dissemination and acceptance of knowledge, concepts, and techniques are also factors, accomplished in our field in social networks, communities of scholars and, in this case, positivists, interpretivists and services marketing scholars.

Returning to S-D logic, Vargo and Lusch (2004a) argue compellingly for shifts in emphases to include value in use by consumers, and to conceptualize value as created simultaneously by marketers and consumers. They do so in a comprehensive, well-documented account that reaches across paradigmatic boundaries in playing work on services against that on products, and by incorporating positivist, and to a lesser degree, interpretivist work. Of particular import, as they note, is the early work of the Nordic School and Australasia on services marketing and relationship marketing in numerous conferences and journals (Grönroos, 1994; Gummesson, 2002). It is our sense that the numbers of people doing work on services presently has attained a critical mass such that it is accurately described as a paradigm shift, fait accompli.

Our argument dovetails with theirs in conceptualizing value as created simultaneously by marketers and consumers. Where we part company is to call for further work – a second order paradigm shift yet to be made – that extends value co-creation by consumers and marketers to include meanings in exchange and use. We are particularly interested in the effects, if any, to the net economic value accruing to marketers versus consumers in market exchanges when we include value in use. As we shall see, despite additional work by consumers, the value they produce does not necessarily become more favorable to them as we move our conceptualizations from tangible to intangible market exchanges. In fact, the reverse may occur when we take into account the additional benefits marketers obtain at the point of exchange from the labor of consumers in producing meanings.

The overlooked component in value: meanings

Our second conceptual move incorporates meanings into the value equation. Thus, value creation is recast to include meanings and values in exchange and use. Arguably, this move captures the most pressing contribution of interpretive work to the field of marketing over the past 20 years, namely the production of meanings by consumers (Arnould and Thompson, 2005; Baudrillard, 1988; Bourdieu, 1984). In this sense then, we view markets as comprised of the value and meanings co-produced by marketers and consumers.

But what, then, are meanings, and how do they differ from values? Part of the answer to this question is a matter of abstraction which, as we shall see, moves back and forth between higher and lower levels over time as per the particular theoretical and practical application. At the most abstract level, the economic term utility captured all the 'what' and 'what for' of market transactions. Strongly influenced by economic thought, marketing scholars moved initially
in a more concrete direction in distinguishing between form, place, time, and possession 'utilities' (Weld, 1916). Decades later, in the tumultuous civil rights era, marketers shifted attention from the substantive nature of the exchange to the rapidly changing value and lifestyle profiles of consumer segments (Sheth, 1979). Closely following on the heels of lifestyle work has been interpretive work, less interested in crafting market segments than understanding the central constructs and axes of signification in and through which consumers give life its meanings (Belk et al., 1989), and the way such meanings are contested among various social groups (Cova and Cova, 2002; Peñaloza, 1994).

Most recently, work on consumption meanings, which includes various blends of sociological, anthropological, hermeneutic, and phenomenological approaches, has been repositioned as a well of opportunities for firms trying to connect with consumers – individually and in groups – in ways most meaningful to consumers’ lives (Solomon, 2003). Marketing applications of this work emphasize leveraging the cultural and political authority of meanings as substantive content for advertisements and product development (Holt, 2004), and negotiating with subgroups of loyal consumers, or communities (McAlexander et al., 2002). Re-examining the political-economic aspects of this consumption labor in producing meanings is the second pillar we put forward in the study of markets. We see this as an unaddressed, yet potentially fruitful, opportunity for implementing more just co-creations of value in the marketplace.

Overcoming the limitations of the marketer perspective

Over 30 years ago Tucker (1974) challenged the terms of the debate between those interested in extending the marketing concept to include ideas and values (Kotler and Levy, 1969) versus those intent upon maintaining a fairly narrow view of the scope of marketing limited to economic exchanges (Luck, 1969: 31). Tucker pointed out that paradoxically, extending the marketing concept need not change the field very much as long as the view of marketing academics was synonymous with that of the marketing manager, the channel captain and, by proxy, that of the economic health of the nation and its overall well-being. Invoking the infamous metaphors of a fisherman studying fish as compared to a marine biologist, Tucker exhorted the field of marketing to move beyond this myopia by examine marketing activities from other perspectives, namely that of the social scientist, to better understand the impacts of marketing practices on society.

It strikes us that Tucker’s observations are no less relevant today, just as some of the basic arguments in extending the marketing concept resemble those of S-D logic (Vargo and Lusch, 2004a, b). That is, the field continues to face challenges of relevance in negotiating the tenuous bonds between theory and practice; in dealing with major social issues such as poverty, violence, urban deterioration, and environmental damage; and in narrowing the growing gaps between developed and developing nations.

Key among the similarities between an extended marketing concept and S-D logic are their extensions, rather than challenges, to the micromarketing view-
point. In essence, facilitating exchanges, and persuading and altering the behavior of consumers and those in other organizations to be more in line with firm interests retain primacy in both. Further, long-standing assumptions that more market development translates to more consumer empowerment, better qualities of life and national development, for example, continue as unabated in the contemporary marketing era (Applbaum, 2004) as they did in the 1970s.

It is our contention that doing research from the marketing perspective is fundamentally limited in facing the challenges listed above. Nor does studying the social impacts of marketing practice go far enough. Our call for studying markets in the tradition of social scientists posits marketing and consumption practices as social interventions situated within in a dialectic relationship (Peñaloza and Gilly, 1999), and thus directs attention to the social influences supporting and constraining both sets of behaviors in tandem.

We make many concessions in studying marketing phenomena from the perspective of the marketer, not the least of which is working from a subjective viewpoint that transgresses many of the distanced, objective tenets held so dearly by social scientists. Why, then, do we maintain this exercise in self-annihilation, in eclipsing our subject position with this other? Answers to this question have been presented as a mix of disciplinary customs and tradition, attempts to gain legitimacy from practitioners and dealings with universities as applied areas of study (Colchoy, 1998).

In the interest of forwarding knowledge about markets, we put forward as the third pillar in the study of markets abandoning the perspective of marketers in favor of working from the perspective of the social scientist in studying marketing phenomena. There are many potential gains in doing so. Distancing ourselves from the phenomena we study is important in providing a more critical, more comprehensive perspective on marketers and what they do. Additionally, we can learn from anthropologists in maintaining elements of both subjectivity and objectivity, to benefit theoretically and methodologically from the disjunctions and overlaps between experience-near and experience-far perspectives. The ultimate payoff is better understanding of marketers, consumers, and markets.

From subject/object relations to subject/subject relations

Vargo and Lusch associate objectified notions of the consumer with the traditional production-orientation. Describing the role of customers in the traditional goods centered logic, they write ‘the customer is the recipient of goods. Marketers do things to customers; they segment them, and promote to them. The customer is an operand resource’ (2004a:7, Table 2). Conversely, in describing S-D logic, they note, ‘The customer is a co-producer of service. Marketing is a process of doing things in interaction with the customer. The customer is primarily an operand resource, only functioning occasionally as an operand resource’ (p. 7, Table 2).

The fourth pillar we forward in the study of markets moves explicitly from a subject–object relation between marketers and consumers towards a more subject–subject relation. Specifically, we turn to psychotherapy, anthropology,
and ethnic studies in this section to track a few issues necessary in theorizing more subject/subject relations between marketers and consumers, and thus, our implications expand upon the subject–object relations intimated by Vargo and Lusch.

We begin with the disparate subject positions of marketers and consumers, consider their respective interests, and ultimately reconsider relationships between them. While they part company in significant ways, the disciplines of psychology, anthropology, and ethnic studies share an interest in understanding the particular processes through which selves come to acknowledge and deal with others. In psychology, a key turning point in self-development is the mirror stage, when the child begins to acknowledge the mother as another person. For anthropology, central tensions are found between the anthropologist and those under study. For ethnic studies in the US, fundamental concerns relate to persons of color, namely Blacks and Latinos/as, in relation to those in the White mainstream.

While the market introduces an institutional setting rather distinct from individual psychological development and relations between cultures or subcultures and races, it is likely that marketers grapple with consumers in parallel processes of learning about consumers as ‘other’. Here, unlike academic studies, this learning is not the end in itself, but rather an intermediary step in comprehending their subjectivity and dealing with their agency in practical market relations. Importantly, each of these fields recognizes that these processes always implicate the one in comprehending the other. Also noteworthy here are the preliminary steps of attributing to others one’s own characteristics, yet unfortunately such transfers often happen in a negative sense of attributing them with inferior development or capability. Only with much effort designated to see the other on its own terms can such subjective understanding emerge, both as an end in itself, and as the precursor to an interpretive frame capable of comprehending actions taken in their interest as distinct from one’s own.

It is our contention that S-D logic continues, rather than challenges, the objectified treatment of consumers. This is evident in Vargo and Lusch’s construal of consumers as operant resources. While such characterization endows consumers with more subjectivity and agency than its predecessor, consumers nevertheless remain subordinated to firm interests. As other examples, consider Prahalad and Ramaswany’s (2002) exhortation for firms to co-opt consumer involvement and Holt’s (2004) parallel efforts facilitating firms in appropriating consumption meanings in the value creation process. Appropriating consumers’ efforts producing value and meaning in market offerings is no doubt desirable to firms, but here we encourage researchers to explore more fully consumers’ subjective understandings and agentic practices regarding their participation in the ‘co-creation’ of meaning and value, and consider who benefits from it, and how such appropriations impact community developments.

These ‘effects’ are of tremendous significance and urgency as capitalist market forms diffuse throughout various developing and developed countries in the world today (Hefner, 1998; Held and McGrew, 2000; Inda and Rosaldo, 2002). Attention to relations of power between consumers and marketers, as well as between consumer groups and between firms, is vital in advancing the study of markets.
At this point we return to the subject position of academics in relation to practitioners detailed in the previous section. We suggest that conventional disciplinary practices of marketing academics in aligning their subject positions in concert with the perspective of marketers has contributed to the objectified ways in which marketers envision and treat consumers to this day.

Moving to more subject/subject relations between marketers and consumers is a matter of research perspective and method, topic/application, and the customs of particular communities of scholars. Insights as how to advance more subject/subject relations between marketers and consumers may be gleaned from the work of interpretive consumer researchers operating from the perspective of consumers (Hirschman and Holbrook, 1982; Muñiz and O’Guinn, 2001; Scott, 1994). Yet incorporating more subjective understandings of consumers does not in itself advance more subject/subject relations between marketers and consumers, and in fact can perpetuate the opposite effect of subjectifying consumers and objectifying marketers. What is required is more subjective understanding of both parties applied to the study of relations between them (Arnould and Price, 1993; Peñaloza, 1994; Peñaloza and Gilly, 1999; Price et al., 1995).

From individual to social units of analysis

In the wake of the Enron and Worldcom scandals, business practitioners, theorists, and business schools have been put under considerable pressure to become more socially responsible. Notably, many have taken steps – exploratory and practical – to respond (Badiner, 2002; Henderson, 1991; Prahalad and Hart, 2002). In some ways their work dovetails with that of numerous academics, practitioners, activists and politicians grappling with the uneven effects of development between and within nations (Danaher, 2001; McQuillan and Preston, 1998; Stiglitz, 2002).

Yet to date much of this work leaves intact basic assumptions about marketers, consumers and market development in developed and developing societies. Further, despite continued and persistent attempts to challenge linear, evolutionary views of modernity, such that the third world inevitably follows the trajectory of the first world (Alvarado, 1996; Inca and Rosaldo, 2002), these assumptions continue to provide legitimization and guiding principles for marketing efforts.

But more than that, a complex weaving of belief, assumption, and social reality underpins the marketing world view (Cayla, 2003). Like the other paradigms or world views of consumers, marketers and markets discussed earlier, the marketing one is difficult to access because it is so widespread and taken for granted to be the reality. Unquestioned and unchecked, even as it continues to be acted upon, the marketing world view can be very dangerous in its reality effects, one of which has been the gradual replacement of a social unit of analysis with an individual one.

Here we contrast views of the relationships between businesses and consumers more comprehensively in the context of society with the instrumental view of consumers and marketers as individuals, primarily viewed as the means to a market exchange to get to the ongoing impacts of firm activity on community/social
development. We extend from Applbaum’s (2004) re-conceptualizations and re-territorializations of social life by marketers that gradually, and over time, have come to replace social identity configurations with those of market segments. Drawing from decades of ethnographic research and consulting work with firms in markets across the globe, Applbaum charts a complex process of moves between abstractions and concrete material practices such that levels of social scale – age, social class, even lifestyles become disaggregated and re-aggregated as a national market segment or an international one, such as the global, individual, cosmopolitan consumer.

Work on community would seem to be a counter example, in the sense of moving in a more sociological tradition. Indeed, many researchers have argued that groups of consumers are comparable in features to more traditional communities based on ethnic and/or religious affiliations. Yet, while brand communities of Salomon snowboarders (Cova and Cova, 2002); Apple computer users (Schau and Muniz, 2002); Harley Davidson bikers (Schouten and MacAlexander, 1995); and Star Trek fans (Kozinets, 2001) exhibit shared values, a shared world view and social bonds, their communities are studied for what they do for individuals, and how the group negotiates with the particular firm.

Missing is the more historical sense of the term community as a semi-autonomous social group comprised of multiple firms, and of marketers and consumers. Perhaps the net result of the market-oriented world view has been the ontological and epistemological separation of the two sets of agents: marketers and consumers. Yet the unfortunate effect is that community is examined among individual consumers for a product or brand at the same time our very discipline precludes it. That is, few communities exist comprised solely of consumers without production and exchange of some sort in markets. If so, an important lesson to be learned regarding consumer marketer relations is the socio-economic obligations and reciprocity upon which the traditional ethnic and religious communities groups coped with harsh economic, social, and environmental treatment over time.

This insight was driven home to the first author in completing a documentary film. Consistent with previous work, she went through a fairly rigorous process of selecting informants. Age, socio-economic class, gender, language, generation, and color were the social criteria to use to achieve variation among consumers for a paper on consumer behavior. Analogously, marketers were selected and interviewed by the type and size of the business, the role in the firm, etc. for a separate paper on marketers. In making the film for the Latino/a community, she suddenly realized that this community was not comprised just of marketers and consumers, and how these disciplinary divisions precluded many forms of community.

The fifth pillar of our approach is to reunite marketers and consumers within the social unit of analysis of the market. Examining more explicitly this process of translation, as we move back and forth as marketing academics and practitioners between a market-centered world view and one more socially oriented, is vital in drawing attention to the taken-for-granted transpositions of agents, practices,
needs and values accomplished via day-to-day practices and beliefs that legitimize and reproduce the marketing world view.

The choice is ours, really, to further a marketer-centered world view, subordinating social life in the process, or to recalibrate and reconfigure our understanding and research actions to resituate the market within social life, as the vibrant yet unduly centered part that it has become.

A self-reflective marketing practice: attention to market development

The final conceptual move we encourage for marketing academics interested in making a paradigmatic shift is stepping in front of the mirror that is the culture of the marketplace to see it and our roles as marketing theorists in constructing and legitimizing it. We argue for this both as an end in itself in advancing knowledge of how markets develop, and as the means to better understanding marketers’ activities and inter-relations with consumers as individuals and in groups.

In ways crafted from anthropology’s reflexive turn (Clifford and Marcus, 1986; Crapanzano, 1992; Geertz, 1973) carried out in the wake of social constructivist views of culture (Berger and Luckman, 1967), we extrapolate from the social construction of reality to shift our perspectives back on marketers and marketing academics.

The implications are profound. Markets, then, rather than viewed as material or even immaterial exchanges of people, products/services, and capital (Vargo and Lusch, 2004a, b), are viewed as social constructions that we as marketing theorists have a role in constructing. Part of becoming more reflexive as marketing theorists is learning to situate marketing and consuming agents historically and culturally, in order to better appreciate the roles of their social positioning and relationships as influenced by, and influencing, marketing phenomena. Much further work is encouraged that interrogates the complex process of negotiations, expectations and representations of marketers and consumers by each other, apart and together, that constitute markets.

Another important area of study examines marketers and consumers as ends in themselves, rather than viewing them narrowly as the agents and means of consummating market exchanges. The study of marketers as ends in themselves is vital in bringing forward social life in its uses for, and conflicts with, marketing phenomena. Further, taking lessons from hermeneutics, we must reexamine fundamental marketing constructs such as the marketing concept and consumer satisfaction as components of a larger market belief system that we play significant roles in perpetuating. Here we can learn from experimental consumer researchers who have noted, paradoxically, how contradictions between beliefs and practices often reify rather than challenge each other. As noted throughout this article, advances in academic fields stem from opening up, rather than reifying, contradictions. It is our hope that in encouraging the more self-reflexive study of markets we will pave the way towards more critical advancement of the field.
Conclusion: from marketing techniques to the social construction of markets

This work builds upon Vargo and Lusch’s service-dominant logic in moving beyond the study of products to intangibles (2004a, b), to argue for the importance of examining markets and market development as social constructions. As charted early on by Tucker (1974), much valuable theoretical and methodological work is to be done in comparing various consumer markets for products and services with labor and financial markets.

Yet while shifts in research topics and perspectives have played a big part in the paradigmatic development of the S-D logic, just as important are the communities of scholars making it happen. While many advances leading to the move beyond products to markets have been advanced by positivist and interpretivist studies of services, and of consumer and market behavior, we do not see this new paradigm of market development as limited to either. Both positivist and interpretive studies of markets and market development are strongly encouraged.

Our argument for the social construction of markets is comprised of six parts. First, conceptualizing the nature of value creation as exchange and use retains emphasis on capital transfers in market exchanges, while incorporating recent interpretive developments in consumers’ productive activities. Further, while we have mapped out some of the dynamics whereby value creation processes entail exchange and use simultaneously or sequentially, much further theoretical and empirical work is to be done.

Second, expanding the nature of value creation to include the exchange and use of meanings and values captures more comprehensively the nature of the relations between marketers and consumers at the centre of markets. Explicitly acknowledging the substantive character of such relations is a necessary step in deconstructing firms’ double reappropriations of consumers’ work producing meanings and values that underly the technical trends for increased consumer participation.

Third, regarding the widespread use of the marketer perspective, our work brings to the fore major gyrations of subjectivity and agency in accomplishing this taken-for-granted research/practical custom. We do so with the dual goals that those who choose to operate from this perspective will do so more conscientiously to appreciate losses as well as gains; while those who do not find more space to make their theoretical and methodological contributions. In stemming the losses continued by objective reductions of consumers, we argue for the importance of re-centering consumers in the contexts of their lives in order to better understand the subjective meanings and values of consumers and better appreciate the place of market activity in their lives. With the exception of collectors/fanatics, most people simply do not live for or in the market, but rather use it as a bundle of resources and constraints – among them pay, products and services, and services to negotiate identity, social relationships, and socio-cultural meanings and values, each of which in turn makes substantive emotional and financial demands upon consumers (Firat and Dholakia, 1998). The market is both a force to be reckoned
with and a social terrain that consumers construct in a continuous, dialectical process with marketers towards their life projects and goals.

Fourth, moving from subject–object to subject–subject treatments of consumers and marketers is an uneasy transition, which some may view as Utopian in its dealings with power. This is not just a matter of endowing consumers with more subjectivity and agency, although we applaud such work as steps in the right direction. Instead, here we argue for a comprehensive interrogation of the subjectivity and agency we routinely accord to marketers from our subjective positions as marketing academics, even as we work to extend such subjectivity and agency to consumers and to ourselves as marketing academics.

Fifth, regarding the units of analysis, much work remains to be done that better understands consumers, marketers and firms at an individual level. Yet, our more emphatic call is for additional work that takes as its focus of study consumers, marketers and firms in social groups, and as social groups in communities, neighborhoods, cities, industries and nations. Importantly, such work must be socio-historically grounded, with researchers situating market agents, practices and discourses in their particular place and time. Further, we will benefit from studying markets and market development with attention to their institutional context, as markets are fundamental locations for the expression and production of cultural groups and social relations both within and across nations. Viewing marketer and consumer subject positions and market phenomena as social constructions is valuable in better understanding relations between market beliefs and practices and the reality effects stemming from such beliefs.

Ultimately we call for preserving a critical distance in studying markets for what they do and for how people use them and are used in them, to better understand how market valuations become our valuations and validations. We encourage marketing academics and practitioners to theorize and bring about a self-reflexive marketing practice that is more organic, socially responsible and better suited to particular societies, even as we work together to better understand why markets command such a great, even central importance over time and across the globe.

Notes

1 There are, of course, many basic differences between S-D logic and the extended marketing concept. Chief among them are Vargo and Lusch’s (2004a, b) emphasis on intangibles, value as determined by consumers, and the co-creation of value by marketers and consumers.
2 In depth discussion of each of these problematics is beyond the scope of the present article. For more in-depth treatment of the development of the self via language see Lacan (1984); of anthropological relations between the self and other see Crapanzano (1992), for more discussion of relations between Latinos/as and Whites see E. San Juan, Jr. (2002).
3 Such work takes place against the historical backdrop of the erosion of public space in social life in a gradual process initiated with the enclosure laws, and reconfigured over time in consumption in malls and other pay to play clubs (Barry, 1991).
4 To remedy this omission she included in the film representatives of other sectors such as local government, education, religion, and art and cultural organizations.

References


Lisa Peñaloza is Associate Professor of Marketing at the University of Colorado, Boulder and Associate Professor of Marketing at David Eccles School of Business, University of Utah, Salt Lake City. Her research is concerned with how consumers and marketers constitute and navigate culture in the marketplace. Market and consumer subcultures examined in her work relate to ethnicity/race, nationality, gender/sexuality, geographical region, and industry. She produced and directed a documentary film, ‘Generaciones/Generations: Cultural Identity, Memory and the Market’, exploring the
role of consumer behavior and market practice in the development of a Mexican American community in San Antonio, Texas. Her most recent work is a one-act play, 'An Invitation to Dinner with Marx and Baudrillard', exploring the overlaps and disjunctions between democracy and capitalism. Her research has been published in the Journal of Consumer Research, the Journal of Marketing, Public Policy and Marketing, the International Journal of Research in Marketing, and Consumption, Markets and Culture. Address: Leeds School of Business, University of Colorado, Boulder, USA. [email: Lisa.Penaloza@Colorado.EDU].

Alladi Venkatesh is Professor of Management and Associate Director of CRITO (Center for Research on Information Technology and Organizations) at the University of California, Irvine. His research focus is on the impact of new media and information technologies on consumers/households. His scholarly publications have appeared in various journals, including the Journal of Consumer Research, Management Science, Communications of the ACM, the Journal of Product Innovation and Management, the International Journal of Research in Marketing, and Telecommunications Policy. He is a co-editor of a new journal, Consumption, Markets and Culture (CMC). Address: Graduate School of Management, University of California, Irvine, CA92697-3125, USA. [email: avenkate@uci.edu]