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Marketing Theory 2014 14: 135 originally published online 28 August 2013

DOI: 10.1177/1470593113500386

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The value of value in CCT

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Abstract

It is well known that markets are value creating economic, social and cultural systems. In marketing, Sydney Levy originally proposed symbolic value as the notion underlying consumption activity. This was followed by Kotler's elaboration of customer value or customer satisfaction as the basis and justification for marketing. We have also seen the emergence of exchange value and use value in the works of Bagozzi and Holbrook respectively as the corner stone of all marketing and consumption activities. More recently, with the emergence of brand marketing globally, Peñaloza and Venkatesh introduced the notion of sign value, asserting that the market economy is tending toward a sign economy. Thus markets are viewed as social/cultural constructions and what is created is a system of meanings, especially in the global and cross-cultural environments. It is in the broad context of established works and more specifically in the context of consumer culture that we comment on Karababa and Kjeldgaard's article in this issue that takes the value discourse one step further by enunciating a cultural paradigm. They present a comprehensive analysis that includes "exchange value," "perceived value," "value as cognitive evaluation," "social values and value systems," "value as co-created," "aesthetic value," and "identity and linking value." We believe that Karababa/Kjeldgaard's framework is a good start and is indeed a contribution to the growing literature on market value.

Keywords

Sign value, use value, exchange value

It is well known that markets are value-creating economic, social, and cultural systems. Much formal writing has appeared in marketing and in other fields since Adam Smith (1776[1982]) theorized value in terms of effort, usefulness, money, and trade. Marx (1974[1865]) expanded on the labor theory of value as his foundational critique of capitalism, equating a firm's profits with

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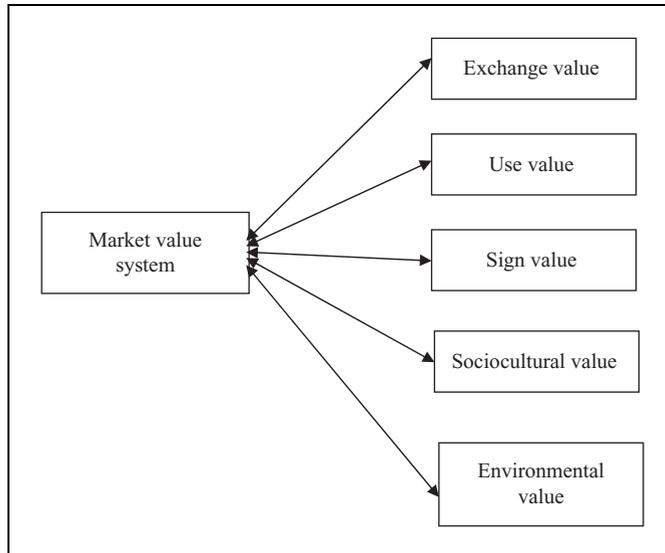


Figure 1. Market value system.

the wages of labor that owner/managers denied to workers in the capitalist system. Ricardo's (2004[1911]) work bringing to the study of value systemic demand and distribution concerns that impacted prices, profits, and wages is an important part of this classical tradition as well. In turn, classical microeconomists elaborated the value concept at the highest level of abstraction in establishing the notion of utility maximization as the justification of all economic activities from both the demand side and the supply (i.e., the firm) side. Other important developments feature the transfer and modification of economic terms to the fields of material consumer "objects" and information (Baudrillard, 2006[1972]; Castells, 1996; Poster, 1990). Notably, Adam Smith pointed out that value systems need not necessarily converge, in the case of items with use value but little exchange value, a critical point not to overlook as we interrogate the nature of value.

In marketing, Kotler (1967) viewed customer value as the basis and justification for marketing activity, and since then numerous colleagues have placed the related notion of consumer satisfaction at the center of the marketing myth. More formally, the field of marketing has primarily dealt with exchange value (Bagozzi, 1975) and use value (Holbrook, 1999) as the cornerstones of all marketing and consumption activities. Later, the notion of sign value gained currency in the field; one of its earliest forms is found in the work of Sydney Levy (1959). Since then branding has gained prominence; indeed as "sign value" serves as the convergence point for all valuing activities, it is no exaggeration to view branding as the basis of modern cultural marketing. Peñaloza and Venkatesh (2006) worked to synthesize these elements, asserting that the market economy is tending toward a sign economy and that markets are social/cultural constructions and what is created is a system of meanings, especially in the global and cross-cultural contexts. Peñaloza and Mish (2011) illustrated the way different stakeholders reproduce value in a marketing system via discourse and practice involving the production and exchange of meanings, artifacts, and interactions.

It is in the broad context of established works and in the more specific context of the field of consumer culture that we comment on Karababa and Kjeldgaard's (2014) article that takes the value

discourse one step further by enunciating a *cultural paradigm*. They present a “variety of ways in which the notion of value is used in marketing theory and consumer research.” This is indeed a comprehensive list worthy of readers’ attention that includes “exchange value,” “perceived value,” “value as cognitive evaluation,” “social values and value systems,” “value as cocreated,” “aesthetic value,” and “identity and linking value.” It is the authors’ purpose that we engage in a dialogue across these different value systems. To facilitate such a dialogue, they provide a framework to “understand interrelatedness of value,” which gives prominence to Graeber’s (2001) three systems of value: “economic,” “sociological,” and “semiotic.”

Karababa/Kjeldgaard’s framework is admirable on many levels, and we offer a few comments that we hope help extend this framework. We greatly appreciate their attempt to survey previous approaches to value and to map its key dimensions and related consumption constructs at individual and collective levels in relation to Graeber’s (2001) three systems of value (see their Figure 1). Fundamental concerns in marketing and consumer culture theory include conceptualizing and documenting empirically how distinct dimensions and systems of value come together and diverge, and many of our colleagues have worked steadily in employing a number of distinct theoretical conceptualizations and methodological approaches emphasizing material culture, subjectivity, agency, discourse, and practice along these lines. Our question is whether what is needed in the global and cross-cultural contexts is a qualitatively different approach. We suggest that valuable insights may be gained from deepening and extending previous cultural schemas as appropriate to the cultural value paradigm. For example, Appadurai’s (1996) “ethnoscapes,” “mediascapes,” “technoscapes,” “financescapes,” and “ideoscapes” could provide a useful schema for documenting the ways value is produced/reproduced, negotiated, and represented within and between distinct commercial organizations and social configurations. Another opportunity lies in incorporating social and environmental value into the enunciation of the “value system,” in order to keep to the fore various social and biological domains impacting and impacted by various capitalist and other forms of market organization. We suggest that Karababa and Kjeldgaard’s cultural framework can be taken further to encompass social and environmental issues, for the global value system is not simply an extension of the value system under “capitalism” or “globalism” but increasingly implicates and impinges upon multicultural and environmental concerns enacted at the level of the market system. In closing, we offer a framework that roughly represents social and environmental dimensions that might extend or complement Karababa and Kjeldgaard’s work (see Figure 1). In Figure 1, we depict the two systems of “exchange value” and “use value,” adding “sign value” as currently discussed in the marketing literature. In addition, we give equal weight to “sociocultural value” and “environmental value” as comprising the “market value system.” We hope that our conceptualization of the market value system in conjunction with Karababa and Kjeldgaard’s framework will generate further discussion in this area.

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