The Market as A Sign System and the Creation of Sign Value

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Abstract

In this paper, we argue for a novel way of conceptualizing and integrating concepts and ideas concerning the market in emphasizing the nature and dynamics of sign value in the economy. In this preliminary analysis, we put forth a set of basic ideas for further elaboration and discussion. We view the contemporary market culture as replete with hyper-real objects, significatory practices, visual and sensory images, symbols, meaningful gestures and socio-cultural spaces. Our position in this paper is to join economic signs, symbols, and images with the framework of socio-cultural meanings in everyday life. Considerations of the sign are incorporated into markets, with attention to the construction of meanings and the negotiation of commerce as part of our material and cultural life. In these ways we unite in semiotic and symbiotic ways signs in products, artifacts, and service experiences with mediated and institutionalized organizational and socio-cultural formations.
Introduction

In recent years, marketing scholars (Kjellberg and Helgesson 2007, Peñaloza and Venkatesh 2006, Vargo and Lusch 2008) have raised collectively several critical issues that concern us here:

a) how our field (i.e. marketing) has ignored the discourse on markets as a set of historically constituted institutional arrangements as well as sites of business/marketing activities,

b) how the exclusive focus on marketing as a set of activities (e.g. 4Ps) limits our ability to comprehend the institutional actors, interests, and processes, especially in the global arena,

c) how other disciplines (e.g. sociology) have wrested the opportunity and come up with some central ideas,

d) how markets can be legitimated as value creators for the communities at large, and

e) why we should turn to “markets” as our focus.

In response to some of the issues raised above and in extending the discussion further, our attention focuses on the relationship between markets as sign systems and the creation of sign value. At a micro-firm level value creation is one of the quintessential goals of marketing and in addition, recent work in marketing has generated significant interest in co-creation of value (Vargo and Lusch 2004, Prahlad and Ramaswamy 2004 Smith and Colgate 2007). We begin with the notions that markets are institutional arrangements, networks of actors create value for their constituencies, and the legitimacy for markets arises out of their value creating potential. In our earlier work, we have shown that markets are culturally constituted and
situated, and marketing is a set of activities within this culturally constituted framework. In continuation of our previous work (Peñaloza and Venkatesh 2006, Venkatesh, Peñaloza and Firat 2006), we explore the notion of the market as a sign system and build on it to investigate how the market creates sign value. Instead of looking at the market merely as a site for exchanging products and services for some economic considerations, we look at the market as a culturally constituted enterprise system for negotiating meanings and executing symbolic practices across different social and economic landscapes (Appadurai 1996). This perspective is particularly appropriate in the contemporary global contexts where developed markets, emerging markets (e.g. BRIC) and less developed markets interact and collide under different cultural value systems representing different symbolic universe of practices.

We begin with the notion that elements of the sign economy manifested in market practices, are played out on several fronts: ideology, institutionalization, and globalization. In this regard, the notion of the sign economy goes beyond the traditional view within the field of marketing which is limited to economic or transactional exchange, as exchange is only one aspect of the market as sign system (Venkatesh 1999). We extend marketing thought and practice to the embodied, sensorial, material and symbolic world, and in doing so, are able to take a more inclusive perspective. To borrow a phrase from Tadajewski (2008), we are attempting an ‘epistemological restructuring” of “marketing knowledge” relating to value.

In a recent, much discussed paper, Vargo and Lusch (2004) provided an impetus for a paradigm shift within the field of marketing implying that substantive transformations are occurring in cultures and markets that must be accounted for. They alerted us to the economic
shift from a product-oriented thinking to a service-oriented thinking. They called this shift “the Service Dominant Logic (SDL)” of marketing, in moving beyond the emphasis on physical products, logistics, and exchange value, instead emphasizing resources, interactions among actors in a network, and use value (Vargo and Lusch 2008). In concurring with the spirit of their approach, we (Peñaloza and Venkatesh 2006) argued for a reevaluation of our field by proposing the following:

First, marketing scholars should shift their attention from marketing to markets, and situate the latter within their contemporary institutional and socio-historical contexts. Second, as markets become more aestheticized, spectacular, embodied, and personalized, it is instructive to view the global market economy as a sign economy.

The legitimacy of the market lies in the value it creates for the producer, the consumer, and various intermediaries as well as the society at large (Humphreys 2010). Historically, we have seen a progression in terms of how value has been defined and conceptualized. In traditional societies, products and services were acted on in terms of their use value. With the rise of industrialism and modernity, use value has been eclipsed by exchange value. In more recent times, we have begun to realize that both value connotations are embedded in sign value. That is, one way to transcend the confines of this dichotomous way of thinking is to reconsider both use value and exchange value as derivations of sign value. In the field of marketing the dominant approaches have been the exchange value and use value. (See Appendix for an exposition of this).

In summary we believe that the essence of marketing is not simply the resources or the interactions, but the way both are institutionalized within organizational, socio-cultural,
and ideological milieu. This is what we infer as the logic of the market. We grant that the economics of the market clearly *dictate* many marketing actions: selling, buying, advertising, pricing, distributing, and so on – known as 4ps within our field (Kotler 1967 and several other editions). However, in the economic framework, marketing becomes a disembodied set of practices and calculations (Callon Meadel and Rabeharisoa 2002), viewed as if the issue were simply the manipulation of supply and demand. Instead, in studying markets, we argue for the imperative of examining the institutionalization of all economic and marketing discourses and practices, with attention to their historical, ideological, and cultural contours. We emphasize the social, symbolic aspects of transactions in the rituals and calculations (Cochoy 2008) associated with these transactions. Finally, an important part of this approach is that it can be potentially comparative, as theoretical gains can be made by examining variations across societies and time periods while paying attention to similarities and shared dimensions and principles as a function of emerging global informational and institutional imperatives and constraints.

The position in this paper is that signs, symbols and images can no longer be separated from everyday life and the framework of meanings. Considerations of sign are related to the way in which markets construct meanings and negotiate commerce as part of our material and cultural life. In these ways we unite in semiotic and symbiotic ways signs in products, artifacts, and service experiences with mediated and institutionalized organizational and socio-cultural formations. As Cassirer (1944) once remarked, we are as much aesthetic subjects as political, economic and cognitive subjects. The main focus of this paper is to enlarge the focus of our study of markets as sign systems and include sign value experiences as indicators of everyday
life and commerce. Before we elaborate our notions of sign value, we would like to provide some discussion on the notion of value itself.

**The Concept of Value**

The term, "value" is one of the most widely discussed concepts in various disciplines and some early discussions can be traced to the realm of philosophy. Here is how Eiss and Pedersen (2002) introduce the notion of value that is instructive:

“To embark upon the study of value is to enter a field trodden by others. From Smith and Ricardo to Marx and Mauss, and by way of Simmel and Saussure, the category has been used in varied ways to illuminate ethical, economic, logical, linguistic, and other political dimensions of human life. Over the course of the 20th century, divergent understandings of value have often been expressed in terms of dyadic distinctions: Value is about measure or meaning; it is material or symbolic, secular or sacred, abstract or concrete, individual or collective, qualitative or quantitative, global or local. Its origins can be found in either production or in exchange, in structure or in process. To inquire into value is to choose between focusing on social relations or objects, the makeup of persons or of politics, systems of meanings or patterns of action.” (p.283).

Thus in raising the question of value, we have to cover a wide ground but that is not attempted here. However, there are some central themes that concern us in this paper in the context of markets and marketing that we wish to elaborate and position ourselves within the context of our discipline.
Philosophically speaking, the concept of value enters the picture through the moral/ethical discourses of societies (Wiggins 1998, Wendling 2009). For example, terms such as trustworthiness, mutual respect, responsibility, fairness, caring, etc. are the basis of ethical principles in human behaviors and transactions. In philosophical terms, human actions and interactions must be morally defensible and ethically justifiable. In more practical terms, what this means is that those who are in positions of value creation should discharge their duties commensurate with certain commonly accepted and mutually agreed upon ethical principles. The moral/ethical perspective is also reflected in market ideological extensions as well as more pragmatic value orientations of human interactions (Lacziak 2006). Another strand in philosophy that is relevant for us is the distinction between intrinsic value and instrumental value. For example Dewey (1939), a noted American philosopher, claimed that anything can only be of intrinsic value if it contributes to the common good while instrumental value is limited to the functionality of the thing in question. Derivatively, for our purpose, the sign value of a thing or an act can comprise both intrinsic and instrumental value.

One of the earliest writers to discuss value in sociological terms is the social philosopher George Simmel (1978[1907]) for whom “value is never an inherent property of objects, but is a judgment made about them by subjects.” In consumer research Holbrook (1999) counters treatments of value as a property of objects in marketing research by emphasizing its attributed, productive quality by consumers. Similarly Vargo and Lusch (2004, 2008) elaborate value in service as meaning-laden, contextual, experimental, phenomenological, and operative at the level of the social system for multiple actors. In an attempt to decipher the place of meaning in value
Peñaloza and Mish (2010) document three levels of “value co-creation”: superordinate cosmological principles, social and regulatory standards, and individual discourses and practices.

Value discussions are not limited to philosophy but extend to various other fields -- literary and cultural theory, anthropology, sociology, economics, and politics. Different disciplines have developed different notions of value and their own interpretations. A noted anthropologist, Appadurai (1986, 1994), in his work on “social life of things,” observed that social exchanges are part of a two-tier sign system. They are hierarchically ordered value spheres, the “prestige sphere” and “subsistence sphere.” Thus gifts and emotional transactions belong to a higher sphere while reciprocal transfers and barter belong to a lower sphere. In addition, Appadurai (1994) prefers the term, regimes of value because while the value of an object may vary from situation to situation, its value attributions are not equally weighted, but rather display hierarchical ordering principles and practices. This subjective notion of value is thus a very important characteristic of value.

In the broader field of business value may refer to share holder value (e.g. finance), or a broad set of social goals (e.g. business policy). In marketing, the primary focus has been on exchange value (see Bagozzi 1974, 1975) creating use value for the customer utilizing various marketing techniques such as pricing, promotion, distribution, retailing, etc. (Kotler 1991).

In line with current marketing focus, Holbrook (1999) defines on consumer [use] value as an “interactive relativistic preference experience...[which results from] an interaction between the consumer and some object. (p.5).” Thus for Holbrook, value is “personal (varying across people)” and “situational (specific to the context)."
Also in the field of marketing, the notion of “perceived value” has received much attention. One can say that this has been one of the most widely discussed topics within the value literature in the field (Zeithaml 1988, Slater 1997). As, Sanchez-Fernandez and Iniesta-Bonillo (2007) point out, perceived value has received much attention because it is central to our understanding of the direct or most obvious “interaction between a consumer and a product.”

At the risk of simplification, we might say that the concept of value in marketing has been viewed in terms of the material, instrumental and psychological benefits (e.g. satisfaction) derived by the customer through engagement with the product or service. Similarly, from the firm’s point of view the value imperative is that the firm create value for the customer for the ultimate success of the product can only be evaluated in terms of the customer acceptance. As Slater (1997) states, “…the creation of customer [perceived] value must be the reason for the firm’s existence and certainly for its success.” (p.166). Thus both the firm as the provider of value and the customer as the recipient of value are engaged in the value equation. We might also add here that this is really the essence of exchange value as well as use value. This notion of the firm as the provider of value and the customer as a recipient of value has recently been further modified with the introduction value co-creation (e.g. Prahalad and Ramaswamy 2004). Simply put, co-creation means that the customer is nota passive recipient of market offerings but an active participant in the creation of value. Much recent work is devoted to this recognition that the value creation process is a mutual engagement of the marketer and the customer. The concept of co-creation is not without criticism and the drawbacks of co-creation are clearly discussed in a recent article by Zwick, Bonsu and Darmody (2008) who argue that “[value] co-creation represents a political form of power…[E]xploitation of creative and valuable forms of
consumer labor is the true meaning of the concept of co-creation.” (p.163). While this observation is arguable, it certainly needs to be acknowledged.

In general, the existing literature seems to indicate value to mean a certain benefit which is

a) derived by an entity in the market system by actively participating in it, or

b) conferred by an entity (e.g. a firm) in relation to other entities (customers, or society at large) in the system through the action of the entity, and

c) correspondingly a benefit received by other entities outside the system but affected by the actions of the members of the system.

Thus value creation is both a process and an outcome. For the sake of completeness, we add that markets can also create negative values (e.g. pollution, exclusion of some segments, marginalization etc.), referred to in economics as externalities. Peñaloza and Mish (2010) note the strategic importance of externalities among Triple Bottom Line (TBL) firms, as they work to not only temper them, but also to educate consumers and public policy agents in bolstering regulatory efforts and in building markets for more sustainable products.

In a very thoughtful and insightful paper, Shankar, Whitaker and Fitchett (2006) have argued that that “we conceive the aim of consumption to be the facilitation of meaningful (italics added) social relationships and the acquisition of material wealth.” Although this statement is contestable, it points to the notion that consumers are seeking meanings in (or through) their possessions rather than merely engaging instrumentally with the products. The implication here is to elevate consumption to a different level where the “value of consumption” is not viewed merely in instrumental or material terms but at a higher order of signification. Granted, this may not be true of all consumption situations but certainly elevating consumption to a different level
seems appropriate. What is this different level? Here we argue that the sign value enters the picture.

Svensson (2007) sums it up nicely by stating that “the various outcomes of marketing permeate our daily lives as the chief cultural architects contributing to the production and reproduction of taste, dreams, and needs, identity and self-positions, life styles and contexts (p.21)

For our purposes, we follow Hutter and Throsby (2009) who provide a useful first level distinction between socio/cultural value and economic value. Following Bourdieu (1985) they suggest that in the economic field, objects have instrumental value while in the cultural field objects have symbolic value. Although rather simplistic, this is a useful starting point for it leads us into a discussion of Baudrillard’s (1981) work which is relevant here.

Baudrillard (1981), a critical-cultural theorist, is credited with elaborating the notion of sign value in his critique of the commodity form. According to him, within the capitalist system, the commodification of culture has reached a more advanced stage characterized by the pre-eminence of signs and images. The institution of marketing (or advertising) systematizes the commodity sign by linking commodity objects to other objects. In this process, the terrain of exchange value transforms into sign value by converting the political economy of exchange into the political economy of the sign. Thus, according to Baudrillard, the market system legitimates the proliferation of the sign values at the same time such proliferation comes at the expense of human understanding of the symbolic order. For him central in the process of meaning-making is the reference of a sign to other signs, which necessarily precludes any meaning for material objects that is established in terms of the relations to others it forges. While we agree with
Baudrillard to some extent, especially his notion of the pre-eminence of sign value in the contemporary global economy and the importance of working to understand the sign in relation to meaning and to the production of material objects, we do not subscribe to his extended critical appraisal that posits such meaning as elusive and ultimately impossible due to its infinite regression to other signs. While we do not discount the importance of the inter-referentiality of signs, we emphasize as well the socially negotiated and institutional character of meaning. In this sense our position is more in line with McCracken (1990, 2005), that we live in a world of meanings constituted by actors in the market economy for whom objects and actions are attributed different meanings within their culturally constituted worlds.

The Sign Value System

Sign Value System as a Meaning System

Following Baudrillard (1981) and McCracken (1990) we shall now discuss the sign value system as a conglomeration of meanings generated through signs and symbols. Underlying the sign value paradigm is the meaning system. As pointed out by Peñaloza and Mish (2010), the terms “meaning” and value are often used interchangeably in marketing and consumer research, and yet their linkages and transitions are seldom elaborated, “CCT researchers use the term “meaning” interchangeably with “value,” … at individual and collective levels, for the substantive cultural elements and categories consumers draw from and reproduce in formulating identities and relating to other people and the natural environment.” The authors note that explicit or implicit in such work is signification as the primary mode of production and
consumption in contemporary capitalism, in the exchange of signs that convey meaning and thus generate value.

In this paper we feature the concept of sign for the meanings it generates. The meanings attributed to physical objects, including products, are well documented in psychological, sociological and anthropological studies (Lash and Urry 1994, Douglas and Isherwood 1979). For example, Mary Douglas and Baron Isherwood (1979) treat goods as an “information system” in their seminal work, The World of Goods.

“The goods are both the hardware and the software, so to speak, of an information system... [The meaning system] dissolves Cartesian dichotomy between physical and psychic experience. Goods that minister to physical and psychic needs – food or drink- are no less carriers of meaning than ballet or poetry...Let us put an end to this widespread misleading distinction between...goods that sustain life and health and others that’s service mind and heart (i.e. the spiritual goods.). ..The argument proposed here is that all goods carry meaning...” (p.72)

Translated into our terms, in this remarkable exposition Douglas and Isherwood refer to the ways people conflate use value and sign value in relation to material objects.

Conversely, meanings are embedded throughout marketing practice. Holt (2004) detailed the centrality of connections to social phenomena for “iconic” brands. In another example, (Peñaloza 2000) noted the importance of meanings in production and distribution, in the case of cattle ranchers at a Western trade show. Such work triangulates well with the situated study of
market practice by the IMP group and STS group in directing attention to the meaning making of market actors in networks and those employing scientific technologies in developing markets.

*The Global Sign economy*

The conventional view of an economy is in terms of production and distribution of goods and services measurable in standard units and priced according to acceptable economic laws of supply and demand and managerial imperatives. Scholars in various disciplines including sociology (du Gay and Pryke 2002), anthropology (Wilk 2006; Miller 1998) and marketing (Scott 2004) assert the intricate interrelations between culture and the economy, and of consumption in addition to production, in analyzing the global economic and cultural landscape.

Firat and Venkatesh (1995) and Venkatesh (1999) noted that when consumers cannot distinguish products based on performance, then consumption is driven by non-utilitarian attributes. As marketers work to produce and addressing these “needs” they advance a marked shift from a goods production industry to an image production industry in what Baudrillard characterized as the Sign economy. To elaborate, the first feature of contemporary global sign economy is that the market imageries drive production and consumption. Market imageries are embedded in the sign value system. One consequence of this is, products can be reduced to commodities and since on most substantive features, similar products perform alike they can be differentiated based only on their imageries or sign values. In other words, the economic system of commodity utility transforms into a sign system.

Solér (2007) provides a valid rationale for this transformation. If goods and objects have meanings, what is the theoretical position of the meaning system? She notes that the concept of
meaning in relation to consumption is well established within social constructivist consumer research. She provides valuable insights into the symbolic properties of consumable objects by directing attention to the ways meanings are produced and associated with the images that objects represent; in turn, such meanings are integrated into the construction of identities by consumers via symbolic consumption. The implications of this are that in the global economy, signs are created, transferred, controlled, expressed and consumed in relation to another set of signs, that of consumers' identities and relations with other consumers.

In addition, it is important to note that images can be produced faster than physical objects. Images can be multiplied, copied, and produced with rapid intensity. In this reproduction of images, there is no sense in asking what is the original and what is the copy (Benjamin 1969). Copies can be made to appear more original than the original, even more real than real, and in this cycle of production and reproduction, what is privileged is not the technical knowledge of producing goods but rather the shifting surface knowledge whose main ingredients are speed, motion, and instantaneity.

*Contemporary Market Culture*

The contemporary market culture is replete with hyperreal objects, visual and sensory images, symbols, and spaces. Baudrillard used this term to emphasize that people are dependent upon signs to attribute meaning to other signs, and to discredit meaning making in relation to a symbol system predicated on correspondence to material reality. And yet while we can see exaggerated forms of hyperreality in shopping centers, and in various commercial locations frequented by consumers all over the world, and while we are dependent upon signs to communicate our
understanding of their meaning, it is not clear that all sense of the material world is lost. Manipulated and elusive, no doubt, but not necessarily lost.

Visual methods are well-situated to the study of signs in contemporary market culture, as noted by Schroeder (2002). His work draws attention to the visual nature of consumption in contemporary market culture where consumer images are packaged into signs or, more accurately, into an endless chain of signifiers.

With the emergence of new technologies of information and communication, the visual and the textual are transforming the cultural order. In our everyday communication, not only do we use signs as part of our spoken and written language, but everything about us is significatory, whether it is a road sign, a brand, or a package. Some signs have deeper and second and third-order meanings compared to some other signs. Signs can be visual or embedded in language. For marketers, the sign takes a very important role, especially in advertising and communication, which is the ultimate sign system. Following is a lucid explanation by Poster (1990) as to how signs are negotiated:

Normally, a sign is composed of a word and a mental image and is associated with a referent, a "thing" in the "real" world. When signs are exchanged between individuals, they become symbolic; they float ambiguously between the individuals, associated as it necessarily is with their relationship to each other. [The signs are] exchanged like gifts that enrich or diminish the social tie. (P. 57)

*Symbolic Nature of consumption*
The symbolic nature of consumption processes is another condition that is closely tied to the sign system. Consumers negotiate consumption processes via symbolic exchanges. These meanings are derived from several different sources, from the media, or the cultural groups to which they belong, or the families in which they are raised and their own personal experiences. Meanings are in transit, and as meanings change, so do consumption practices. This does not mean that meanings change at the same rate in all cultures or across all individuals; rather, it means that meanings are constructions determined and negotiated by individuals via their cultural affiliations. To the extent that consumption is a significatory process, what is signified changes when new meanings are ascribed to products and services. For example, as shown by McCracken (1990, 2005), meanings are culturally constituted and transferred to the ultimate user through what McCracken calls the meaning transfer system. Most critically for our purposes, such signs and the meanings and social relations they express and depend upon are highly contested by consumers and marketers in markets (Thompson, Rindfleisch and Arsel 2006).

**Sign value and Use value**

Signs and images are closely tied to materiality and use value. We recognize that products that we consume functional utility; however, functionality itself can be treated as a sign. Thus, we live in a simulated environment where realities constantly are constructed and consumed.

In a number of domains where consumer culture is most visible or visualized (e.g., clothing/fashion, diet, recreation and travel, art and culture), the consumer engages creatively in discernible patterns and multiple experiences. These experiences become narratives of one sort or another, and because narratives can change and no narrative has a privileged status, all
narratives are permissible.

Once we employ the term narrative, we enter the world of language, in particular the language of signs, and representational schemes. In the abstract, language is devoid of boundaries and is composed of different voices and points of view. It is this type of postmodern possibilities that the world of marketing offers to consumers. However, we take into consideration the well tested Safir-Whorf hypothesis which holds that differences in the way languages encode cultural and cognitive categories affect the way people think, so that speakers of different languages think and behave differently because of it (Fishman 1982). Without going into much detail, we recognize the existence of linguistic relativity which also accounts for cultural and sub-cultural differences in language and representation (Lucy 1997).

_Aesthticization of the Market Place_

In cultural theory, the notion of aesthetic economy has been a central theme. Noted Böhme, (2003)

“With this term [i.e. aesthetic economy], the dichotomy of use and exchange value was expanded to include a third value category [i.e. aesthetic value].” Commodities are aestheticized and staged in the sphere of exchange. These aesthetic qualities of the commodity then develop into an autonomous value, because they play a role for the customer not just in the context of exchange but also in that of use. They are certainly not classical use values, for they have nothing to do with utility and purposiveness, but
they form, as it were a new type of use value...in so far as use is made of their attractiveness, their aura, their atmosphere, decisive for the aesthetic economy.” (p.72)

Similar notions of commodity aesthetics can also be found in Haug (1985) and Slater (1987) where they discuss “the appearance of use value.” Although the basis of their approaches is one of cultural critique, the substantive issue is whether an object has inherently use value or not, what is marketed is not the reality of use value but the “promise or appearance of use value.” We take this one step further and argue that to the extent appearance is symbolic of aesthetic value and the consumer is driven by aesthetic needs as much as instrumental or material needs, aesthetic considerations become a legitimate source of consumer actions.

Closer to our field, recently, some authors have discussed the role of aesthetics in consumer lives since market dispositions (Postrel 2004, Szmigin 2006, Venkatesh and Meamber 2008) add a very significant value to consumer lives. Postrel (2004) discusses how aesthetics is reshaping commerce through systems of signs in branding and the elevation of form aesthetic over functional utility. Schmitt and Simonson (1997) cite several examples in the world of brands (e.g. Starbucks) where marketing and aesthetics join together in creating new forms of institutional arrangements based on brand aesthetics. Commenting on the aestheticization of everyday life, Szmigin (2006) demonstrates how consumer culture has left arts and everyday life indistinguishable so that we now live in a world that is marked by the aestheticization of consumption. Venkatesh and Meamber (2008) explore the possibility of constituting the consumer as aesthetic subject based on the consumption of sign values. Zwick and Dholakia examine the stock market as an example of new visuality (per Schroder 2002) and screen aesthetics and as the
epistemic consumption object. Entwistle (2002) discusses the formation of the “aesthetic economy and the production of value” focusing on the way in which aesthetics become central to the economic calculations of the market.

The aestheticization of markets is an important development and needs to be acknowledged as such. This is because in the modern market system, and in the global landscapes, while market practices abound, the discourse somehow is limited to economic purpose for it is not easy to quantify the effects of aesthetics which are the basis of sign value. In the actual profit and loss ledger, aesthetic perspectives are either reduced to monetization of aesthetics via economic arguments or they are ignored as being superfluous. This is a limited perspective and somewhat myopic for if we look at consumer lives they extend from purely instrumental/functional perspectives to more qualitative perspectives.

**An Integrated Model**

In looking at the market as a sign economy, we develop a framework as shown in Figure 1. In this figure, we represent the three systems of value, the sign value, the exchange value and the use value as interconnected within the market system. While these systems of value are conceptually distinct, they are also related. Hence instead of treating them as separate entitled, we postulate that market transactions and activities can be represented within a framework shown in Figure 1.

Much discussion in the marketing literature does indicate reference to the sign value but such references are scattered and they have not been integrated into a sign value system. As shown in table 1, there are several concepts associated with sign value and are discussed in the marketing literature. Because they are scattered and developed independently by researchers in
different setting and under different assumptions, their collective significance has not been properly appreciated nor is their collective impact properly accounted for. We believe that there is an opportunity to represent and examine them collectively within a

Here is a list of illustrative sign value indicators (not an exhaustive list) discussed in the literature worthy of attention. More can be added.

Without trying to be exhaustive, here is an elaboration of the sign value concepts that are relevant here.

- In his seminal work Levy (1957, 1981), proposed that products are imbued with “symbols” and symbols create and appeal to cultural values or appeal which are central to consumption processes.

- In the work by Mick (1986) and others attention is paid to semiotic codes and significatory systems. Semiotic codes generate meanings and meanings are part of everyday language of consumers.

- McCracken (2005) employs an anthropological approach treats as culture as a meaning transfer system. That is, meanings are produced and transferred through the cultural system and consumers make sense of the consumption processes through cultural understanding of meanings. While Mick’s approach is through language and semiotic codes, McCracken’s work relies on the cultural system.

- Schroeder’s (2002, 2006) work on visual consumption privileges visuality and visual images through branding as the triggering mechanisms that appeal to consumers. He
generates several postulates that point to "visuality" of consumption as the triggering event.

- Zaltman and Coulter's (1996) work on metaphors is yet another example of how consumers make sense of their consumption world by projecting metaphorical idioms on to objects. Instead of literary images, they examine cognitive constituents of mental images through metaphors.

- In the discourse on postmodern marketing and consumption, (Firat and Venkatesh 1995), there is much reference to significatory systems having to do with hyper-reality, fragmentation, decenteredness. The postmodern discourse takes us into the realm of multiple meanings, representational idioms and the ascendance of signs and images as the constituent elements of contemporary consumer scene.

- Recent work on branding further exemplifies how the whole area of branding has become a major significatory system. Brands are no longer mere labels attached to products as identifiers. Brands are iconic (Holt 2004), are meaning laden within a culturally constituted system (Schroeder and Salzer-Morling 2006). To quote Schroeder and Salzer-Morling (2006), "...we live in a branded world: brands infuse culture with meanings...branding represents a cultural process, performed in an interplay between art and business, production and consumption, images and stories, design and communication (p.3)...[O]rganizations are becoming more expressive...When production and consumption are no longer a matter of function, aesthetic, emotional and
symbolic values seem to be central to organizations.” (p.10). “ Thus brands have become the ultimate symbols of the global sign economy.

- To further augment our discussion on the market as sign economy, we refer to the work of Venkatesh and Meamber (2008), Joy and Sherry (2003), who have shown the key role played by aesthetics in the formation of markets. Thus we are witnessing what may be termed, the aestheticization of the market system globally and locally.

- Szimigin (2006) examines the relationship between art and commerce and explores how consumption is aestheticized through artistic symbols ad art like objects.

- Tadajewski (2008) provide a schema as follows: “Exchange value may be compared to positivism, use value to quasi-positivism and sign value to full-fledged interpretivism.”


The above are but illustrative examples of how markets are constituted as sign systems and the need to incorporate sign value as a critical element of the global sign value.

**Conclusion**

In this paper, we have argued for a fresh way of conceptualizing and integrating concepts and ideas concerning the market as a sign economy and its role in creating sign value. We might say that the contemporary market culture is replete with hyper-real objects, significatory practices, visual and sensory images, symbols, meaningful gestures and socio-cultural spaces.
For example, we can see exaggerated forms of hyper-reality in shopping centers and in various commercial locations frequented by consumers all over the world. We also see commercial practices that signify various meanings and connotations. These further illustrate that we live in a visual/sensory image culture where market images are packaged into signs or, more accurately, into an endless chain of signifiers. With the emergence of new technologies of information and communication, we also observe that the visual and the textual are transforming the cultural order via digital idioms.

In this preliminary analysis, we put forth some ideas for further elaboration and discussion. It is our hope that we can further develop these ideas more fully and come up with a research initiative that looks at a thorough articulation and development of an epistemology of market as a sign economy and sign value system in the emerging global context.
Figure 1: An Integrated Model of Value Systems: Market as a Value Creation Enterprise
<table>
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<th>Concepts</th>
<th>Exchange Value</th>
<th>Use Value</th>
<th>Sign Value</th>
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</thead>
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<td>1. Markets as material culture - a macro perspective</td>
<td>Objects that can be exchanged for other objects or economic considerations based on the basis of give and take</td>
<td>Objects have an inherent value that can be generated in use. Water has use value but no exchange value unless it is bottled.</td>
<td>The meaning of materiality as sign value. Diamonds have a sign value which gives rise to their exchange value</td>
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<td>2. Markets produce artifacts</td>
<td>Artifacts are possessed and stored and create exchange value</td>
<td>Objects produce markets Reverse use value</td>
<td>Visual Archaeology of objects as a sign system</td>
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<td>3. Markets as Producers of Images</td>
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<td>Branding is an assurance of use quality. Brands produce customer loyalty thorough use and anticipation.</td>
<td>Brands become the source of iconic images. Brands as signs</td>
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<td>4. Markets as institutional structures</td>
<td>Formal structures and performance metrics facilitate exchange system</td>
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<td>Collective wisdom of multiple actors embedded in product value</td>
<td>Role of different actors in creating different use values (e.g. product designers, interior decorators, packaging experts etc.)</td>
<td>Ecology of value system. The whole is greater than the sum of its parts.</td>
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<td>7. Markets as complex systems</td>
<td>Complexity of value creation because of, actors, processes and external agents</td>
<td>Practices of different actors produce use value to the system as a whole</td>
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<td>8. Market strategy</td>
<td>Market strategy as shaping the market as a whole and the manifestation of the market</td>
<td>Market strategy as creating use value for the customer</td>
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References


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Appendix

Exchange Value

One fundamental notion of value is that there is a value producer and intended value recipient — the former creates value (i.e. confers value on an object or engages in an action that embodies value) and the recipient is the beneficiary. If the value recipient performs something in return, this is an example of exchange. Along the same lines, the primary sense in which the concept of value has been embraced by marketing discipline is the notion of exchange value. This underlies the basic functions of marketing.

The field of marketing in the last forty years or so has been primarily but not exclusively concerned with the exchange value paradigm. The major success of the field is in developing an epistemology around exchange value paradigm. In implementing this epistemology, the first move is to recognize that we are dealing with firm level decisions and firm level actions. Central to this paradigm are two main actors, the firm and the customer who are on the two sides of the exchange equation. The firm assures a certain offering to the customer for a price and the customer evaluates it and purchases the offering at a negotiated price. This is the crux of exchange. Implied in this exchange is the notion that the marketing firm is creating value to the customer and this is in turn evaluated by the customer who agrees to pay a certain price. Once the exchange takes place the customer is presumably satisfied and the customer continues the relationship (based on the level of satisfaction derived from the transaction.)

According to Alderson (1957, 1958), marketing’s primary concern was facilitating exchange represented in the fulfillment of the sorting processes of sorting out; accumulation; allocation; and assorting. This meant, that marketing, faced with a "conglomeration" of goods, first breaks the collection into various types of groups (sorting out), allows creation of larger supplies of specific groups (accumulation) which may be broken down by a process of apportionment (allocation) and finally putting together unlike supplies in accordance with some predetermined pattern (assorting). As regards the role of the consumer, Alderson realized the importance of the firms’ target market.

While Alderson took an institutional/functionalistic perspective, Kotler (1967) adopted a managerial/decision making approach to the exchange process. According to Kotler, within the context of exchange framework, the question remains how does the firm create value? This is done through a set of activities and organizational and firm level initiatives. Thus Kotler adopted the the well-established 4P’s approach which are the basic ingredients of the firm level decisions. The 4-P model which has been inscribed into marketing consciousness is both revered and criticized - nevertheless remains the fundamental paradigm giving impetus to firm level decisions in the creation of exchange value.

In making the exchange paradigm lasting and valuable to both theory and practice two criteria are used – first the paradigm must be operational and second the paradigm must be measurable. By operational we mean that the paradigm must be capable of being translated into practice. By measurable we mean that the key elements of exchange transaction must be capable of evaluation in quantifiable terms. These two criteria if properly executed guarantee the ultimate success of the paradigm and its viability.

Use Value
The notion of use value stems from the notion that the offering that has been obtained from exchange is useful and is put to use by the person who receives the product or the offering. Use value refers to the direct usefulness of an object or service. It can also be called as the functional value and is inextricably tied to the tangible or intangible property/object. A use-value can be both subjective and objective.

There is certainly an overlap between exchange value and use value (but in terms of what they mean they can be different). Use value is subjectively assessed by customers, who base their evaluation of value on their perceptions of the usefulness of the product while Exchange value is realized when the product is purchased. It is the amount paid by the buyer to the producer for the perceived use value (otherwise known as price).

The extreme example of the distinction between the two is water and air which have a high use value but limited exchange value. Thus most of the free goods in society have limited or no exchange value. On the other hand, it is reasonable to argue that in many marketing situations we buy products and services (i.e. exchange value) because we are going to be consuming them (i.e. use value).

In terms of the field of marketing the literature on use value paradigm is quite substantial. In fact, one can argue that most of consumer research is based on the use value paradigm. Customers begin with a set of current and anticipated needs and evaluate firm’s offerings based on the potential of the products in their daily use. Products are purchased because of their potential to satisfy user needs.

**Synthesis of Exchange and Use Values**

If the value giver does not expect anything in return from the receiver, this can be construed as a gift. In moral philosophy, the notion of value assumes a different dimension – which is, does the value created by an entity meet the ethical standards of behavior? In other words, if the relationship between the giver and the receiver is not equal, or if the expected return is exorbitant, this would raise an ethical issue for it would not be a fair exchange.

Karl Polanyi’s (2001) work is relevant here in the context of exchange value and the role of the market system. Polanyi argued that the market system that is currently prevalent in modern industrial societies is historically relevant to a particular period and cannot be generalized to all periods and to all societies. Thus the concept of exchange value that we speak of in marketing discipline should be contextualized because it does not take into consideration the notions of redistribution, social exchange, and trade that have existed in many societies and continue to do so.

In the global context, markets have different histories and occupy different cultural landscapes and there is no single paradigm of marketing that can be applied to all - as in one size fits all. Second, markets are institutional arrangements and involve several players that include social actors, economic institutions, social arrangements and bureaucracies. We are of course interested both in the particularities of institutional arrangements as well as some universal concepts and try to figure out a model that would accommodate both the differences and similarities.