
Alladi Venkatesh, University of California, Irvine, USA

In this EACR presentation, the focus is on how markets create value – value defined broadly as a set of economic, social and cultural benefits accruing to the members (humans as well as institutions) of a social/economic system. The presentations follows the ongoing debates on markets and marketing (see Penaloza and Venkatesh 2006; Venkatesh, Penaloza and Firat 2005; Lusch/Vargo 2006) and thus this is both a continuation and departure from previous work.

In the last two or three years, marketing scholars have raised the following 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 processes especially in the global arena,

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

d) why we should return to “markets” as our focus.

In this paper, our attention focuses on the relationship between markets and the creation of value. At a more micro-firm level this is also presumably the goal of marketing. We begin with the notion that markets are institutional arrangements that create value for their constituencies and the legitimacy of markets arises out of their value creating potential.

The purpose of this paper is to elucidate three value paradigms – exchange value, use value, and sign value -- and demonstrate that the dominant discourse in marketing has paid greater attention to the issues concerning exchange and use paradigms, and opportunity now arises for us to fully explore the system of sign value and integrate it into our discourse.

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SPECIAL SESSION

The Emperor Has No Clothes: Mythologies of Consumer Sovereignty in the Crisis Empire
Nikhilesh Dholakia, University of Rhode Island, USA

SESSION OVERVIEW

Background
This special session is proposed by some members of caQtus collaborative–a Think Tank initiated at the University of Texas-Pan American (UTPA) that has globally dispersed affiliated researchers. This collaborative initiates, supports, and critiques studies of Culture, Business, Markets, Consumption, Organizations, Globalization, and related topics from poststructural and cognitive perspectives. The session will be run as a “roundtable,” with brief position paper statements by the caQtus collaborative fellows who have agreed to participate in this session, followed by discussions that involve all session attendees. The position papers will be developed later into articles for journal special issues or a book.

Introduction
The financial crisis of 2007-2009, which very nearly derailed capitalism, has an unnoticed shadow dimension that exposes the fragile mythologies of consumer sovereignty. The consumer-related aspects of the financial crisis have received very little attention. This session focuses sharply on what this crisis, and crises of a similar nature, imply for the philosophical foundational blocks of consumer and market orientations—the ideas of a potent and sovereign consumer (Friedman and Friedman 1990)—that undergird the main edifice of consumer research, especially in business school settings.

The present crisis points to the vacuity of the mythology of the sovereign consumers, the supposedly omnipotent women and men who—with a mere swipe of their credit cards—are capable of sending major global brands scurrying all over the globe in search of ways to please these consumers.

The so-called sovereign consumer, in fact, is revealed in a period of abject crisis as starkly powerless: the emperor has no clothes. The consumer is a mere afterthought during the heat of the crisis, when seismic tremors shake up the financial foundations of the capitalist system. The “empire,” in fact, consists of altogether different global actors and forces (Hardt and Negri 2001) than “sovereign” consumers.

In the paragraphs to follow, the backgrounds of the four presenters—all fellows of the caQtus collaborative—and the topics of their brief position papers for EMAC-2010 are summarized.

ABSTRACTS

“Marketing and Consumers: Handmaidens of Finanzkapital”
Nikhilesh Dholakia, University of Rhode Island, USA

Nikhilesh Dholakia is Professor in the College of Business Administration at the University of Rhode Island (URI). He is also a Fellow of caQtus collaborative, a poststructural research group initiated at University of Texas–Pan American (UTPA). His research deals with globalization, technology, innovation, market processes, and consumer culture. His publications include the book Consuming People: From Political Economy to Theaters of Consumption, co-authored with A. Fuat Firat.

In the short presentation “Marketing and Consumers: Handmaidens of Finanzkapital,” Dholakia develops the argument and presents evidence showing that all aspects of marketing and consumption—from lofty ideals of consumer orientations and consumer sovereignty to high-level corporate marketing officers who target their strategies to brand-obsessed consumers—are mere handmaidens of fast-globalizing financial capital, or to use the classic 1910 Hilferding shorthand phrase, of “Finanzkapital” (Hilferding 1910). The choice of the feminine gender for marketing elements, in sub-servient relation to a macho global Finanzkapital, is deliberate. In periods of economic normalcy, the power structure and relations of Finanzkapital, much like the Wizard of Oz, stay concealed and marketing and consumers are placed on a false pedestal of sovereignty—made to look and feel and even act like powerful queens that wield enormous power over corporate decisions and choices. With crisis, these pretenses crumble rapidly; and the marketing and consumer elements are revealed in stark terms for what they are: handmaidens of Finanzkapital. The way out of this predicament is to foster multiple ways of consuming and producing outside the orbit of Finanzkapital, and thereby whittle away the pernicious global trap of finance-driven capitalism.

“Markets and Marketing at a Crossroads”
Fuat Firat, University of Texas–Pan American, USA

A. Fuat Firat is professor of marketing the cofounder of caQtus collaborative, a poststructural research group, at the University of Texas–Pan American. His research interests cover areas such as macro consumer behavior and macromarketing; postmodern culture; transmodern marketing strategies; gender and consumption; marketing and development; and interorganizational relations. His has won the Journal of Macromarketing Charles Slater Award for best article with co-author N. Dholakia, and the Journal of Consumer Research best article award with co-author A. Venkatesh. He has published several books including Consuming People: From Political Economy to Theaters of Consumption, co-authored by N. Dholakia, and is the founding editor of Consumption, Markets & Culture.

In this brief presentation, Firat makes the argument that the ideology of “free markets” is now bankrupt, and so is its ultimate form of practice: modern marketing. To build the argument, a short history of the construction of “The Market” in the image of—yet antithetical to—traditional marketplaces is presented. Through this history, the constitution of the modern capitalist system based on phenomena such as those of marketization, individualization, commoditization, consumerization, and commercialization is explored, thus exposing the natures of both “The Market” and modern marketing as institutions that reproduce the ideological construction of life in contemporary society. Exposing both as institutions rather than as mechanisms or a set of practices provides the reason for their unsustainability.

Alladi Venkatesh, University of California, Irvine, USA

Alladi Venkatesh is Professor, Management and Computer Science, and Associate Director, CRITO (Center for Research on Information Technology) University of California, Irvine, USA. His research focuses on Community-based Technologies (Home Informatics and Networking; Youth and New Media, Consumers and Electronic Environments), and Cross-Cultural Research and Global Sign Systems. In particular, Venkatesh’s work deals with the networked home and how consumers and households are adapting to new technologies of information and communication. He is

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“Open Sky Marketing”

Pierre McDonagh, Dublin City University, Ireland

Pierre McDonagh is Founder and Director of the Centre for Consumption which is primarily associated with Dublin City University but is linked with other colleges including Royal Holloway, Exeter and Edinburgh University Business School. Overall it is a centre which aims to bring together people who are interested in consumption and provide a forum in which interesting things can happen. Pierre’s research problematizes a positive role for marketing in society in relation to nature, food, music and sport. Initially he developed work around Green Management and advertising, editing a book on Green Management with Andy Prothero in 1997 (for Dryden) now published with ITBP. He has written a number of articles around the theme of nature expounding the theory of ESC—Ecological Sustainable Communication. He has won the Journal of Macromarketing Charles Slater Award for best article with William E Kilbourne (Clemson) and Andy Prothero (University College Dublin). He has since extended this work to look at music, food, & sports marketing; and serves as Global Policy & Environment Editor for the Journal of Macromarketing, European Editor for Markets, Globalization and Development Review (MGDR), and serves on the editorial boards of Consumption, Markets & Culture, Journal of Marketing Management (UK).

In this brief presentation, Pierre rearticulates the theory of ecological sustainable communication as a form of eradicating ecological alienation that may occur between an organization and its stakeholders. He makes the argument that—following Paul Virilio’s work Open Sky, which considers the social destruction wrought by information technology and the global media—we now require Open Sky Marketing. In Virilio’s view, hyper-information existence—facilitated by technologies of ubiquity, virtuality, and instantaneity—is not a liberating state of affairs. Instead, such existence entraps people in a “gray ecology,” robbing them of color, of the possibility of spatial distancing, of rooted sensory perception—in short, of humanity. Open Sky marketing that reconnects people personally and humanly, McDonagh submits, is a requirement for survival of the species and that the present financial blip is the opportunity for society to finally embrace Ulrich Beck’s ecological enlightenment as a means to this end.

REFERENCES


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