POSITION AND POTENTIAL OF SERVICE-DOMINANT LOGIC – EVALUATED IN AN ‘ISM’ FRAME FOR FURTHER DEVELOPMENT

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Abstract
This work offers a framework for researchers by linking service-dominant (S-D) logic to an intersubjective stream of philosophy of science. Service-dominant logic has resonated in marketing, but no existing research has attempted to link S-D logic with basic meta-theory to provide a framework. Since the range of philosophies of science (isms) referred to in the marketing literature is broad, varying from ‘realism’ to ‘relativism’, from ‘positivism’ to ‘constructivism’ and from ‘structuralism’ to ‘post-structuralism/postmodernism’, first the different isms are grouped into four main groups/streams and then S-D logic is analyzed and classified according to these streams. The four streams are: object-orientation (realism, positivism, empiricism, and so on); subject orientation (constructivism, interpretivism, and so forth); intersubjective orientation (social constructionism, pancritical rationalism, methodological constructivism, and so on); and sign orientation (post-structuralism, postmodernism, and variations). S-D logic is mainly underpinned by an intersubjective orientation and has a huge potential for further development both in and for marketing if seen from a sign-orientated, post-structural perspective and linked to the theory of practices.

Keywords
philosophy of science, postmodern, post-structural, practices, service-dominant logic, social constructionism
Introduction

Service-dominant logic resonated well in the scientific community after its introduction in 2004. It has sparked extensive debate among academics and practitioners at international conferences and also in well regarded academic journals, including a special issue of *Marketing Theory* (Aitken et al., 2006). It has been discussed from various perspectives, for example using the Resource-advantage Theory (Hunt and Madhavaram, 2006); from a position aimed at achieving competitive advantages (Day, 2006); and from a Consumer Culture Theory (CCT) perspective (Arnould et al., 2006), among others. ‘Alternative logics’ have also been presented: an economy-based logic (Knudsen, 2006) and a ‘market as a sign system’ logic (Venkatesh et al., 2006).

The grounding of logics in or for marketing in philosophies of science has a long tradition in marketing. Recently Tadajewski presented a detailed overview of the debate (2004). To frame his discussion he used four categories introduced by Burrell and Morgan (1979) in Organization Theory. In marketing, Burrell and Morgan’s categories have also been frequently invoked in the literature (e.g. Alvesson, 1994; Arndt, 1985a, 1985b, 1986; Hudson and Ozanne, 1988; Morgan, 1992, 2003; Murray and Ozanne, 1991). Burrell and Morgan’s drew their categories from two contrasted poles: first, they distinguished between the subjective and the objective; second, between radical change and regulation. Combining these poles, they introduced four categories: functionalist/positivist, interpretive, critical/radical humanist and radical structuralist (Burrell and Morgan, 1979). Tadajewski (2004) used Burrell and Morgan’s frame in his detailed review but had to add an additional section to discuss postmodernism and poststructuralism in marketing, indicating that Burrell and Morgan’s categories delimit the perspectives to be discussed. The categorization into two contrasting poles (objective vs subjective) has been criticized in philosophy e.g. by Bernstein (1983), in sociology e.g. Fuchs (2001) and in marketing e.g. Brodie et al. (2006).

For this reason, this article is going to present a broader frame. In this context one should be aware that any categorization of meta-theories deals with ideal types and operates at a high level of abstraction. Thus, this framing cannot do justice to the eloquent and detailed argumentation of the many papers in the marketing literature. To capture the essential issues of each meta-theory it is focused on their main concerns. A detailed analysis of the differences between unit theories, and studies within the outlined meta-theoretical positions is beyond the scope of the present paper. This article does not attempt to create a detailed classification of individual marketing researchers or theories fitting into the outlined meta-theoretical positions. The frame is used not to describe or discuss individual isms but instead to offer categories for nearly all imaginable isms even if they are not mentioned here. Hence the following consideration is not restricted to the selected isms but open for further use.

Moreover, this article offers a framework for researchers by linking S-D logic to the intersubjective stream of philosophy of science. S-D logic has resonated in marketing, but no existing research has attempted to link S-D logic with basic meta-theory to provide a framework. This article first offers a frame categorizing different philosophies of science. Second, it analyzes how and where S-D logic fits into this frame. Finally, potential directions are discussed for further development of S-D logic in or for marketing, following Gergen’s extensions of Derrida’s deconstructionist thoughts integrating different forms of practices.

Mapping meta-theories as streams of isms

During the last few decades there has been a discussion on the appropriate meta-theory to be used in marketing. The range of meta-theories is broad and goes from positivism to
constructionism, including logical positivism, logical empiricism, constructivism, critical rationalism, relativism, structuralism, post-structuralism, postmodernism and more. As was already mentioned, the dichotomy between the objective and the subjective delimits the categorization of isms. In interpretivism, various forms of social constructionism and other fields, researchers have tried to overcome the trap of solipsism and the notion of ‘anything goes’ by seeing the social world as ‘inter-subjectively composed’ (Tadajewski, 2004: 317). Thus, as well as the objective and subjective categories, an inter-subjective category is introduced, which is not a mixture of the other two, but an addition to them and going beyond them.

In his detailed review Tadajewski (2004) added a section discussing postmodernism and poststructuralism in marketing, indicating that these isms do not easily fit into Burrell and Morgan’s categories (Tadajewski, 2004: 320). Thus a further extension of the three categories used here seems reasonable if one considers the post-structuralist and postmodern debates in marketing by Brown (1993), Firat et al. (1995), Penaloza and Venkatesh (2006) and Venkatesh et al. (2006). Here the common concern is the importance of signs or signifiers. In this context, one should be aware that in this article an objectivist/realist/positivist language is predominantly used, which could definitely be deconstructed (Derrida, 1972, 1976, 1978; Kamuf, 1991).

Table 1 summarizes the four streams. There is considerable fluidity among the four meta-theoretical streams. For instance interpretivism may be considered subjective as well as intersubjective, or cognitivism may be identified as objective as well as subjective, depending on the criteria chosen by different researchers.

To compare different streams of isms is by no means an easy task, but as long as one agrees on some descriptors, one can use them to compare different isms. One descriptor used to describe the isms is the language itself, and, of course, the language used is influenced by the isms it describes. One cannot avoid this problem, since there is no language outside the isms, or outside language. Still, there should be some kind of implicit agreement on the following descriptors which have already been used in the literature (Weber, 2004): ontology, epistemology, research object, method, legitimization, and self-applicability. Since the first four descriptors are described by Weber (2004), a brief general description is given here only for ‘legitimization’ and ‘self-applicability’.

**Legitimization**

‘Legitimization’ refers to the means by which statements (theories) are made legitimate and whether there is a reference point used to decide whether a statement is legitimate or not. For instance in mathematics a statement is true or false (or maybe undecidable), and whether the statement is true is legitimized by proof. So the reference point here (to avoid the word ‘criterion’, used above for the ‘descriptors’ of streams) is truth, and the legitimization is proof.

**Self-applicability**

Self-applicability is by no means a new criterion. It was used in a similar sense by Hilbert when he introduced the term ‘meta-mathematics’. This meta-mathematics was designed to be a mathematical theory, hence a mathematical meta-theory of mathematics (Lorenzen, 1980). The idea was to establish self-applicable mathematics. However, then it seemed that Gödel destroyed the idea of self-applicability with his incompleteness theorem. Gödel’s theorem (Gödel, 1962) says that any formal system is incomplete because it contains statements it cannot prove to be true or false. Hence Gödel’s theorem only induces problems for a self-applicable system if this system claims to be able to distinguish between true and false. Gödel’s incompleteness theorem does not destroy self-applicability as a meta-criterion for systems
<table>
<thead>
<tr>
<th>Metatheoretical assumptions about</th>
<th>Object-oriented/ objective</th>
<th>Subject-oriented/ subjective (cognitive construction)</th>
<th>Inter-subjective orientation/ intersubjective (communicative construction/critical discourse)</th>
<th>Sign/signifier orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong></td>
<td>There is a reality independent of the researcher</td>
<td>Reality is inseparable from researcher's life experience</td>
<td>Reality is construed via objectivational discourses</td>
<td>'Everything' is a sign/signifier</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>Theories explain and describe objective reality</td>
<td>Researcher interprets his/her experience of reality</td>
<td>Researchers establish common understandings</td>
<td>Signifiers are related to other signifiers</td>
</tr>
<tr>
<td><strong>Research object</strong></td>
<td>Ontic reality</td>
<td>Perceptions and/or constructions</td>
<td>Relations of common understanding/ common understanding and intersubjective meanings and practices, objects as a result of objectivation</td>
<td>The relation of signifiers</td>
</tr>
<tr>
<td><strong>Method</strong></td>
<td>Modeling and empirical investigation (proof)</td>
<td>Subjective interpretation and/or construction</td>
<td>Discourse and interaction which can take place using various methods, quantitative as well as qualitative</td>
<td>Deconstruction</td>
</tr>
<tr>
<td><strong>Legitimization</strong></td>
<td>Proof/justification</td>
<td>Internal viability of subjective interpretation, no legitimization between researchers</td>
<td>Agreement, criticizability</td>
<td>There is no language outside language, signifiers refer to other signifiers</td>
</tr>
<tr>
<td><strong>Self-applicable Representatives</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Realism, positivism, early critical rationalism, empiricism, structuralism</td>
<td>Constructivism, interpretivism</td>
<td>Social constructionism, conventionalism, pancritical rationalism</td>
<td>Post-structuralism, Postmodernism</td>
</tr>
</tbody>
</table>
which *do not* claim to be able to distinguish between true and false, such as as pancritical rationalism or social constructionism. In the latter case (in pancritical rationalism or social constructionism) a statement is used if it has survived former criticism. It is still criticizable. And criticizability is applicable to itself.

Therefore, pancritical rationalism (Radnitzky, 1987) and methodological constructivism (Lorenzen, 2000) are self-applicable. For social constructionism, it is easy to show that it is self-applicable because it states that every sentence/statement is a social construction. This sentence in itself is a social construction, since any language is a social construction. There is no contradiction, no infinite regress, because there is no justification, and there is no dogmatic rationality. It is as open as pancritical rationality and therefore avoids the Münchhausen trilemma (Albert, 1991). These isms are based on intersubjective agreement and commitment, which are always criticizable and can be constructed in various ways.

The *‘object-oriented/objective stream’*. There can be little disagreement with the statement that research is done by researchers, that researchers call the matter/items they research ‘objects’, and that they use ‘research methods’. In Figure 1, researcher 1 and researcher 2 are representatives of a research community. By using research methods (RMs) they gain knowledge (K) about objects (Os). In this view/ism, researchers can find the ‘truth’ about objects or, as Hunt puts it, this position presupposes ‘the existence of underlying uniformities or regularities among the phenomena that comprises its subject matter. The discovery of these underlying uniformities yields empirical regularities, law-like generalizations (propositions) and laws.’ (Hunt, 1976a: 26) The position of scientific realism ‘retains truth as an overriding objective of theory and research’ (Hunt, 1990: 2).

This describes roughly the idea of positivism, logical empiricism, logical positivism and ‘classical’ critical rationalism. Cognitivism is also put into this group because it is embedded in the positivistic framework. Simultaneously, the object of cognitivism is the subject, i.e. perception, information processing, knowledge, etc., as ‘objective’ operations of the (human) brain or mind (Varela, 1990). Moreover, structuralism is subsumed here because it ‘proposes to interrogate existing social relations (and especially structures – the author) albeit from an objectivist standpoint similar to the positivist paradigm’ (Tadajewski, 2004: 320).
The aforementioned isms discussed above have the common aim of investigating an object which is 'out there'. Therefore this group of isms is named 'object-oriented isms'. In marketing, the ism debate started by addressing the scientific status of marketing (Alderson and Cox, 1948; Bartels, 1951; Baumol, 1957; Buzzell, 1963; Converse, 1945; Hunt, 1976a, 1976b; Hutchinson, 1952; O’Shaughnessy and Ryan, 1979; Taylor, 1965; Vaile, 1949). Later, Arndt identified that ‘on the basis of the role of the researcher and of objectives of research, three orientations were identified [in marketing]: empiricism, criticism, and constructivism. Among these, empiricism was found to be by far the most important orientation in marketing’ (Arndt, 1985a: 21). A good overview of ‘the state of the art’ up to the early 1980s is given by Anderson (1983). One of his conclusions was: ‘Despite its prevalence in marketing, positivism has been abandoned by these disciplines (contemporary philosophy and sociology of science) over the last two decades in the face of the overwhelming historical and logical arguments that have been raised against it’ (Anderson, 1983: 25). In the literature, during the 1990s and up to now, a discussion or perhaps even a discourse has thus taken place about whether constructionism and/or constructivism question realism and/or positivism (and critical rationalism) and whether concepts such as ‘objectivity’ and ‘truth’ should be avoided (especially Anderson, 1983; Cunningham, 1999; Marsden and Littler, 1996; Peter and Olson, 1983, 1989, 1990; Zinkhan and Hirschheim, 1992).

Concerning S-D logic, the question may arise whether it is based on an objective orientation or not. Although a detailed analysis will be provided below, it seems now by looking at Table 1 that S-D logic is probably not based on an objective orientation since it does not (yet?) claim a specific method or proof for justification. On the other hand it does not exclude methods and proof based on an objective orientation. So this question cannot yet be answered.

The ‘subject-oriented/subjective stream’. Now another group of isms can be distinguished by focusing not on the object, but on the subjects investigating the object, i.e. the researcher’s subjectivity or the researcher as a subject. This has been done by constructivism and interpretivism. Whereas interpretivism looks at the social world not as external facts (from the researcher’s perspective) ‘but as a subjectively experienced construct’ (Mottier, 2005: 4), constructivism focuses on these individual constructs made by the researcher. In interpretivism, social ‘reality’ is subjectively recreated, thereby denying any kind of objective social research (Szmigin and Foxall, 2000). A picture of an object depends on the personal, subjective experiences. In Figure 2, subjectivity is indicated by two different interpretations, labeled I1 (that of Researcher 1) and I2 (that of Researcher 2). Since the two researchers use different methods they cannot be sure
whether they are talking about the same object. In constructivism, each researcher construes a different picture of the object or construes a different object.

In interpretivism and constructivism, different researchers get a different picture of an object through either their interpretation or construction. In these isms, subjects are unable to get the same picture of an object or any entity; they do not even know whether they are investigating the same object. It might happen by chance. Therefore, all isms that are based on subjectivity are grouped in a stream called ‘subject-driven perspective’. Interpretivists may claim to be more intersubjective, as interpretivism refers to the ‘intersubjective experience of individuals’ (Morgan, 1980: 608); but on the other hand it is based on subjectivity: ‘society is understood from the standpoint of the participant in action’ (Morgan, 1980: 608).

Relatively early on, in 1983, Peter and Olson presented the constructionist view as an opportunity for marketing: ‘As marketing scientists, we should be concerned to make our discipline more effective in creating useful knowledge about our subject matter. We believe that such improvements are best achieved by adopting the relativistic/constructionist approach to science advocated here’ (Peter and Olson, 1983: 123). The positivist paradigm was further challenged by other writers (Anderson, 1986; Arndt, 1985a, 1985b; Belk et al., 1988; Holbrook and O’Shaughnessy, 1988; Thompson et al., 1989) as well as by an ‘interpretative turn’ in marketing and consumer research (e.g. Belk et al., 1988, 1989; Kassarjian, 1994; Sherry, 1995). It became an emergent approach in marketing and consumer research. But criticism was also voiced that interpretive researchers ‘were quick to comply with the cultural and social norms of positivistic epistemological and methodological criteria’ (Tadajewski, 2004: 318) in their attempts to ensure acceptance for intellectual output (Belk, 1995). This was also realized by interpretive researchers, who then detailed their own appropriate evaluation criteria (e.g. Arnold and Fischer, 1994; Bristor and Fischer, 1993; Gould, 1991; Goulding, 1999; Hackley, 2001a; Hirschman, 1986; Stern, 1989; Thompson et al., 1989).

If constructivism or interpretivism were interpreted as strictly subjective, e.g. as in radical constructivism (v. Glasersfeld 1987, 1995), it would trap people into solipsism and/or into the notion of ‘anything goes’, a view usually attributed to Feyerabend. In contrast to the misinterpretation of the ‘anything goes’ slogan, relativist thought in marketing (e.g. Anderson, 1983, 1986, 1988; Peter, 1991 1992; Peter and Olson, 1983) tried to overcome the strict subjective position by arguing that a contribution to knowledge is subject to community acceptance. In this vein, interpretive research is connected to the social world in an intersubjective manner. Concerning S-D logic, the question arises here of whether S-D logic is based more on a subjective or intersubjective orientation? Later, we will see that the answer depends on how one interprets the fundamental premises of S-D logic.

**Intersubjective orientation.** In marketing, the intersubjective perspective appears threefold: as interpretive research; as the constructionist perspective; and as the research of practices. In interpretive research, where it is concerned with understanding, it describes lived co-participant experience (Szmigin and Foxall, 2000: 189). The constructionist approach sees the social world and its meaning as co-constructed or co-created (Buttle, 1992; Craig-Lees, 2001; Ferguson, 2002; Hackley, 1999a, 1999b, 2001a, 2001b; Hines and Quinn, 2005; Hopkinson, 2001). Penaloza and Venkatesh (2006) in particular see markets as socially constructed. Edvardsson et al. (2010) try to understand service exchange and value co-creation from a social construction perspective. Practice theory emphasizes the implicit and intersubjective sociality of practices (Reckwitz, 2002; Schatzki, 1996) and will be extensively discussed later. Constructivism and social constructionism are alike in so far as both are concerned with the question of how we construct what we take to be ‘“the real”’ (Gergen, 1999: 237). But the difference is that ‘for constructivists, the process of world construction is psychological; it takes place ‘in the
In contrast, ‘for social constructionists, what we take to be real is an outcome of social relations’ (Gergen, 1999: 237). The social relations are between people and therefore intersubjective.

**Figure 3. Intersubjective orientation**

Figure 3 shows the concept: the object and the research method are co-created/socially constructed by the researchers, indicated by the arrows underneath. The research method applied to the object as if it were something given is indicated by the arrows already used in Figure 1. So, if one takes object and method for granted, one could argue as a realist. But if one is aware of social construction, one realizes that one first has to construct the objects, the researcher and the research method. Concerning S-D logic, Vargo and Lusch (2008) have argued that value is, among other things, ‘meaning laden’. Where does the meaning come from? To see this we have to discuss the fourth orientation where signs and signifiers are the main focus.

**Sign/signifier orientation.** With the emergence of postmodernism, and more specifically of post-structuralism, signs and systems of signs were put into focus.

What is sociologically significant for us, and what marks our era under the sign of consumption, is precisely the generalized reorganization of this primary level in a system of signs which appears to be a particular mode of transition from nature to culture, perhaps the specific mode of our era. (Baudrillard, 1998: 79)

Baudrillard (1975, 1998) and Derrida (1972, 1976, 1978) totally disconnected the sign as a signifier from the signified: ‘The sign no longer designates anything at all. It approaches its true structural limit which is to refer back only to other signs’ (Baudrillard, 1975: 128). From this perspective Cherrier and Murray conclude ‘In the post-modern era, there is no longer an attempt to refer back to nature or ground the representamen’ (2004: 513). Baudrillard’s perspective has also been used by Venkatesh et al. in their emphasis on ‘(re)considering the starting point of our disciplinary analysis to be the market . . . as opposed to marketing’, where they considered the ‘market as a sign system’ (2006: 251). Following a more postmodern vein, Firat et al. (1995: 47–8) distinguish three relationships between marketing and postmodernity. The first sees
marketing as undergoing some transformations as a result of the impact of postmodern society. The second sees marketing as a ‘primary engine of changes’ (Firat et al. 1995: 48) in the ongoing transition from modernity to postmodernity. The third perspective, to which Firat and Venkatesh themselves belong, sees ‘an identity between marketing and post-modernity’ (Firat et al., 1995: 48, emphasis in the original). Firat and Venkatesh argue that ‘Marketing is the conscious and planned practice of signification and representation’ (1993: 246). Whether these representations refer to signifiers or to the signified is still open. But Firat and Venkatesh definitely focus on signs and therefore this perspective is attributed as sign orientation. To follow Baudrillard and Derrida one could draw the following picture in homage to Rene´ Magritte’s painting *This is Not a Pipe* (see Figure 4).

![Figure 4. Sign/signifier orientation](image)

**Table 2. Linking the orientations**

<table>
<thead>
<tr>
<th></th>
<th>Objective orientation</th>
<th>Subjective orientation</th>
<th>Intersubjective orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign orientation</td>
<td>Objects</td>
<td>Subjects</td>
<td>Interactions</td>
</tr>
<tr>
<td>Data</td>
<td>Narratives</td>
<td>Discourses</td>
<td></td>
</tr>
</tbody>
</table>

From a postmodern perspective and the importance it places on signs and signifiers for the other three orientations one cannot merely juxtapose the above-mentioned sign orientation with the other three orientations. For present purposes the sign orientation is now linked to all three other orientations, as shown in Table 2, since all other orientations use language as a main process of discourse. In the objective orientation, data (for example) are used as signs to represent objects; in the subjective orientation for example narratives are used as signs referring to individual experiences and thoughts; and in the intersubjective orientation, discourses and dialogues are used as signs referring to interaction or to other discourses.
Now the fundamental premises are related to the above orientations as shown in Table 1 for easier comparison.

### Table 3. Relating fundamental premises and streams of isms

<table>
<thead>
<tr>
<th>Fundamental premise</th>
<th>Objective orientation</th>
<th>Subjective orientation</th>
<th>Intersubjective orientation</th>
<th>Sign orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Service is the fundamental basis of exchange.</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>2 Indirect exchange masks the fundamental basis of exchange.</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>3 Goods are distribution mechanisms for service provision.</td>
<td>(x)</td>
<td>(x)</td>
<td>(x)</td>
<td></td>
</tr>
<tr>
<td>4 Operant resources are the fundamental source of competitive advantage.</td>
<td></td>
<td></td>
<td>X(*)</td>
<td>X(**)</td>
</tr>
<tr>
<td>5 All economies are service economies.</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>6 The customer is always a co-creator of value.</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>7 The enterprise cannot deliver value, but only offer value propositions.</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>8 A service-centered view is inherently customer-oriented and relational.</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>9 All economic actors are resource integrators.</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>10 Value is always uniquely and phenomenologically determined by the beneficiary.</td>
<td>X(***)</td>
<td>X(****)</td>
<td>X(*****))</td>
<td></td>
</tr>
</tbody>
</table>

*) if operant resources are not applied  
**) if operant resources are applied  
****) following Husserl’s Phenomenology  
***** following Snegg’s Phenomenology  
****** following Schütz’s Phenomenology

Now the fundamental premises are related to the above orientations as shown in Table 1 for easier comparison.

### Relating fundamental premises of service-dominant logic to streams of isms

Having laid out four streams of isms I will now analyze the fundamental premises of S-D logic to determine which of the three streams they may belong to. During this process S-D logic is linked to these streams and positioned according to them. This enables conclusions to be reached regarding the potential of S-D logic and its further development. An overview is given in Table 3.

We start with FP 10: ‘Value is always uniquely and phenomenologically determined by the beneficiary.’ This FP sounds very individualistic, experiential and situational, without any ground for objectivity or intersubjectivity. Simultaneously, Vargo and Lusch say: ‘Value is idiosyncratic, experiential, contextual, and meaning laden’ (2008: 7). Let us start interpreting FP 10 by looking at the literature on phenomenology. Here one can identify three perspectives. The first perspective goes back to Husserl and is characterized by ‘eidetic reduction’.

The purpose of the third step – an instance of what Husserl calls ‘eidetic’ reduction – is to generalize the results attained through a transcendental study of consciousness. The phenomenology finally attained, Husserl believes, will then not be merely an account of the phenomenologist’s own consciousness, or own experience, but will have the status of a general ‘science’ of consciousness. (Smith and McIntyre, 1982: 95).
This is very close to an objective perspective. But let us look at the second perspective:

For whatever purpose behavior is to be studied, it must be observed from one of two distinct points of view. It may be studied objectively, as by an outside observer; or it may be studied phenomenologically, from the point of view of the behaving organism itself. (Snygg, 1941: 406)

Here, ‘phenomenological’ means from inside the experiencing organism, which means totally subjective, since in this case the study from outside is not part of the phenomenological inquiry. The third perspective goes back to Alfred Schütz: ‘Only the experienced is meaningful, not, however, the experiencing’ [Nur das Erlebte ist sinnvoll, nicht aber das Erleben] (Schütz, 1932: 49). And, ‘By defining the role of another, I myself take on a role’ [Indem ich die Rolle des Anderen definiere, nehme ich selbst eine Rolle an] (Schütz, 1932: 21). This sounds very much like social constructionism. ‘For what Schütz is proposing is, essentially, that all that we take to be most uniquely personal – our conscious experience – is largely derived from social interchange’ (Gergen, 1999: 128).

Looking at these perspectives from a marketing point of view might give the impression that marketers may not accept insights from a transcendental consciousness (Husserl’s perspective) or that they also do not want to become lost in subjectivity (Snygg’s perspective). The way to appropriately use the idea of phenomenology in S-D logic is the way Schütz uses it. This perspective can be interpreted as intersubjective, and therefore belongs to the third stream. This is very much supported by other fundamental premises: FP1, FP2 and especially FP6 and FP8 (see below).

FP 9: ‘All social and economic actors are resource integrators’ (Vargo and Lusch, 2008: 7). In the original version of S-D logic this fundamental principle was not included (Vargo and Lusch, 2004). Here, this FP is not taken as a definition but more as a statement. Taking it as a definition means one could define people as economic or social actors if and only if they are resource integrators. Or, the other way round, one could define a resource integrator as an economic or social actor. In taking it more as a statement the term ‘resource integrators’ first needs to be discussed. Let us start with ‘resource’. Vargo and Lusch (2004, 2008) distinguish between two kinds of resources: operant and operand resources. To deal with these two kinds of resources more easily one could say that the operand resource (from Latin operandum = something which has to be worked on) is the resource which undergoes an act/work. The operant resource is the resource which does an act/work.

According to FP 1, operant resources are skills and knowledge. Whenever one acts, one needs some kind of skill or knowledge, so one always acts as an operant resource. By doing so one uses some operand resources, whether it is the air one breathes or the tool one uses or a thing one changes. So whenever people act, they use their operant resources along with operand resources to create, or produce something. In so doing, they integrate resources. The pure process of recourse integration can be done by a single person even if it is intended for the benefit of another person. But to get the (required) resources for recourse integration one needs some kind of exchange with others: ‘the goal of exchange is to use the applied knowledge of others (service) as resources’ (Vargo et al., 2008: 150).

So if one interprets the exchange and the pure process of recourse integration as two separate activities the pure process of recourse integration can be seen as subjective whereas the exchange is by definition intersubjective. If one interprets the exchange and the recourse integration as one activity it is intersubjective, as it includes exchange between people. Here it is preferred to interpret exchange and recourse integration as different activities, since exchange can be effected on markets and (as the former socialist countries showed) without markets and
the recourse integration is independent from the organization of exchange. But since exchange is needed for recourse integration, here FP 9 is understood as being more intersubjective than subjective or objective.

FP 8: ‘A service-centered view is inherently customer oriented and relational.’ This principle is very much related to FP 1, which states: ‘Service, the application of operant resources (skills and knowledge) for the benefit of another party (typically customers), is the fundamental basis of exchange’: integrating the other party into the definition of service makes it inherently (by definition) customer-oriented and relational. In addition, if it is relational it is intersubjective, not subjective and not objective.

Now we come to FP 7 and FP 6. FP 7: ‘The enterprise cannot deliver value, but only offer value propositions.’ FP 6: ‘The customer is always a co-creator of value.’ Taking the value proposition and using it, the customer co-creates value. The value would not be there without use and the value could not be co-created without the value proposition. In S-D logic, value is ‘always uniquely and phenomenologically determined by the beneficiary’ (FP 10) so its co-creation in FP 6 is intersubjective, as is the value proposition. One could argue here that a value proposition is objective because it is the same for everyone. But as soon as it is understood as a value proposition by someone specific, that person is in an intersubjective relation because someone (the firm) offers a (value) proposition which is realized as a value proposition by someone specific and not by everyone in the same way. If it were perceived the same by everyone it could be seen as objective. It could also be argued that offering a value proposition is subjective because everybody sees it in a different way. That may hold for different customers but taking only customers one would not take into account the value proposition. The value proposition is an offer from one person to another and therefore relational and hence intersubjective.

FP 5: ‘All economies are service economies.’ Taking the definition in FP 1 ‘Service, the application of operant resources (skills and knowledge) for the benefit of another party (typically customers, better: beneficiaries (Vargo, 2009)), is the fundamental basis of exchange’ – service is interactive and hence intersubjective. The basic idea of service stated here can easily be used to rationalize the division of labor which one finds in any economy.

FP 4: ‘Operant resources are the fundamental source of competitive advantage.’ It is important to notice here that Vargo and Lusch (2008) are not saying operant resources are competitive advantages but that they are the source of competitive advantages, because whether or not they become competitive advantages depends on how they are applied. This is a very subjective statement, since everybody has some operant resources but without application they remain subjective. Nobody else can see or evaluate them. Hence the operant resources are subjective but the competitive advantages derived from operant resources are intersubjective because they are in competition with others’ applied operant resources.

FP 3: ‘Goods are a distribution mechanism for service provision.’ In S-D logic goods are seen as service providers: they provide a service and if they are used they execute the service; therefore the goods can be used to distribute service from one person to another, not to nowhere. If they distribute service from one person to another they connect these two (or more) people. But this connection can be impersonal and therefore not intersubjective. For example, driving a BMW is possible without knowing anyone from the company BMW. Hence, depending on how the service is provided FP 3 can be subjective or intersubjective.

Now FP 1 and FP 2 are taken together because they deal with service and exchange. FP 1: ‘Service, the application of operant resources (skills and knowledge) for the benefit of another party is the fundamental basis of exchange.’ FP 2: ‘Indirect exchange masks the fundamental nature of exchange.’ The first half of FP 1 was already discussed while discussing FP 9. Now
the second half and FP 2 deal with direct and indirect exchange. The word ‘exchange’ is open to many interpretations. One given by Vargo is: ‘What is exchanged is the “application of specialized knowledge and skills (competences) for the benefit of another party” – i.e., Service.’ Exchange can be seen in such a broad and abstract way that it includes nearly all interactions as in the theory of social exchange (Homans, 1958). In any case it remains intersubjective.

There are very few indications that S-D logic is connected to signs/signifiers. ‘Value is idiosyncratic, experiential, contextual, and meaning laden’ (Vargo and Lusch, 2008). In this explanation ‘value’ is not the same as meaning; value is ‘meaning laden’. If meaning is different from value it is not explicitly addressed in S-D logic. Looking at ‘the evolving brand logic’ from an S-D logic perspective Merz et al. (2009) focus explicitly on co-creation of brand value and not on co-creation of brand meaning. If, on the other hand, value is ‘meaning laden’ Merz et al. focus implicitly also on meaning. Penaloza and Venkatesh here see an ‘unaddressed, yet potentially fruitful opportunity’ (2006: 305) for further development, which is supported in this article as it argues that the poststructural sign perspective has a particular potential for the development of S-D logic in/for marketing.

**Signs, practices and coordination**

It is argued here that the evolution of S-D logic can be seen as an indicator for a general turn in marketing theory, since most of the fundamental premises are not in the sense of objectivity or subjectivity but written in the vein of intersubjectivity (as discussed earlier) and hence S-D logic tries to overcome the contradicting positions of objectivity or subjectivity. This article goes a step further in laying out a perspective by connecting the intersubjectivity of S-D logic with the sign orientation. We start by using the perspective of social constructionism, especially as it is laid out by Kenneth Gergen (1991, 1994, 1999). In addition, an explicit and implicit level (Löbler, 2010) of relations will be distinguished. Gergen’s social constructionism is an invitation to engage in reflexive inquiry about the lived world (Gergen, 1999: 115). This orientation is appealing because of its resonance with Vargo and Lusch’s avowed aim to initiate an evolving dialogue on S-D logic. Gergen’s social constructionism moves beyond framing ideas from objectivist, subjectivist and even intersubjective thought inherited from the philosophy of science. Gergen (1994) reminds us that different perspectives or paradigm shifts are not just a question of phenomena or research approaches but that also, and perhaps more importantly, dissemination and acceptance of knowledge, concepts and techniques are also factors accomplished in our field in social networks, communities of scholars and, in our case, of objectivists, subjectivists and service marketing scholars.

In a first, important step Gergen contrasts Descartes’s statement: ‘cogito ergo sum’ [I think therefore I am] with ‘communicamus ergo sum’ [we communicate therefore I am] (Gergen, 1994: VIII). The fact that he writes here not ‘sumus’ [we are] may be surprising, but shows that the social constructionist perspective points from the relationship to the construction of the individual and not from the individual to a construction of the relationship. By using the plural, ‘communicamus’ [we communicate], as well as the singular form, ‘sum’ [I am], social constructionism links the relationship with the self; however, it does not start with the self, but with the relationship.

The second important step is Gergen’s extension of Derrida’s idea of deconstruction. The part of Derrida’s idea of deconstruction which is of interest here is that he demonstrates the futility of the search for a signified. In this perspective signifiers do not refer to the signified but only to other signifiers. One is forever led to other signifiers, those that inform us about ‘the nature’ of the signifier in question. Now Gergen proposes: ‘Deconstructionists tend to confine
their analysis to the world of texts, but if we extend the implications of such analyses, we open new alternatives in the social domain’ (1994: 262). ‘Let us press the analysis outward to a ‘‘world’’ beyond texts . . . What prevents us from introducing what we call ‘‘actions’’ or ‘‘objects’’ into the domain of textuality (as signifiers)?’ (Gergen, 1994: 262). ‘The play of signifiers is essentially a play within language, and this play is embedded within patterns of human action in what we call material context’ (Gergen, 1994: 262). This play is also possible if one still wants to keep the idea that signifiers refer to a signified, if one could agree that only the signifiers have a coordinative impact. Whatever is perceived, one does not perceive the signified but the signifier (Löbler, 2010). One does not see the tree but only the color and surface of it. One does not hear another person’s thoughts but only the utterances or the sound waves, etc.

The ‘play within language’ and signs/signifiers does not only play an important role in the social domain but also in natural science, as was expressed by Nils Bohr, the famous physicist:

> Probably, the development of language is thereby (with the development of the intellect, the author) the crucial step. Because speaking, and thus, indirectly, also thinking, is an ability which – in contrast to all other physical abilities – does not develop in the individual, but between the individuals. We learn to speak only from other humans. Language is to a certain extent a net, which is stretched between humans, and we hang in this net with our thinking, with the possibilities of our insights. (Nils Bohr in Heisenberg, 1975: 165)

His friend and colleague Werner Heisenberg answered:

> If one compares intellect and instinct as you just did, one could also imagine that completely different kinds of language could have arisen in different regions of the earth. And in fact the grammars of different languages are very dissimilar, and perhaps these different grammars may result in differences in logic. (Heisenberg, 1975: 165)

This makes clear that even in physics, researchers were quite aware of the importance of language for logic and thoughts.

The languages in which this all takes place are the product of social interdependence (Gergen, 1994): the relationships in which we are coordinated and coordinating (Löbler, 2010). People even tend to create (para-social) relationships to literary figures such as Scarlet O’Hara or Harry Potter and even with virtual sales agents (Löbler and Raschpichler, 2009) whom they are never able to meet in person. They create these para-social relationships using the language and signs available. In this vein, language, signs and signifiers can be seen as a coordination system on three levels. For a detailed discussion of the following levels see Löbler (2010).

On level 1, people coordinate behavior using language, signs and signifiers. The world is full of icons giving directions to find whatever people are looking for. All manuals use language and signs to explain what to do with a new device to get it to work appropriately. People explain where to go using language and signs. They give orders using language and signs. Wherever language and signs have a behavioral impact they are used to coordinate behavior and interaction either between subjects and subject or between subjects and objects.

On level 2, people also use language, signs and signifiers to coordinate how to use language, signs and signifiers. This is the level one might think of as the level of creating or describing meanings. But following Baudrillard or Derrida one has to abstract from the signified if talking of signifiers because signifiers refer to signifiers and people define/describe words or terms using other words and terms. There is no access to an abstract signified, for example ‘loyalty’,
outside of language (Löbler, 2010). One can only describe loyalty using other words. This is exactly what is meant here by saying people coordinate the use of language by language use.

And on level 3 people use language, signs and signifiers to coordinate their thoughts, which is not to say that necessarily all thoughts are coordinated by language. This idea goes back to Wittgenstein: ‘thinking is essentially the activity of operating with signs’ (Wittgenstein, 1960: 6). So thinking means coordinating the activity of operating with signs by using those signs, and the signs coordinate the activity as they are part of it.

So far we mainly talked about explicit means of coordination and the word ‘coordination’ was used such that all entities involved in a coordination are coordinating as well as coordinated. The Latin roots for ‘coordination’ are ‘co’ for ‘together’ and ‘ordinare’ for ‘arrange’. From this origin ‘coordination’ means ‘to arrange together’. It is the mutual process of the coordinated and the coordinating. If I see a tree in my way I walk around it. So the tree coordinates my way as it urges me to walk around it, and then I walk around it, coordinating my route in relation to the tree. I would not walk around it if the tree was not there. Roads coordinate our driving just as we coordinate our driving.

Thus, a coordination mechanism can be defined as one that helps to manage dependencies. For example, simple things in our daily lives like a traffic light and a flight schedule can be viewed as coordination mechanisms that help us manage our dependencies with other drivers and the airlines, respectively. (Espinosa et al., 2004: 112)

But forms of coordination can be explicit and implicit (Löbler, 2010) and we now want to look at implicit coordination (Espinosa et al., 2004). Explicit coordinations are embedded in lifeworld background [lebensweltlicher Hintergrund] to use Habermas (Habermas, 1985a, 1985b); or to use a cultural theory perspective: ‘In general, cultural theories (and especially theory of practices) relativize the rationalist models of the interest-following or the norm-following transparent agent by situating action in implicit or unconscious, collective symbolic structures’ (Reckwitz, 2002: 261). In particular ‘Practice theory – as it is exemplified in authors such as Bourdieu, Giddens, late Foucault, Garfinkel, Latour, Taylor or Schatzki – is a type of cultural theory’ (Reckwitz, 2002: 245). Therefore practices may serve as a layer for implicit coordination (Espinosa et al. 2004; Löbler, 2010; Toups and Kerne, 2007).

![Figure 5. Explicit and implicit layers](image-url)
A practice is thus a routinized way in which bodies are moved, objects are handled, subjects are treated, things are described and the world is understood. This way of understanding is largely implicit (Reckwitz, 2002: 249). The theory of practices has been discussed in marketing, especially in a special issue of this journal in 2008, and there are attempts to integrate it into a broader service systems perspective (Vargo and Lusch, 2010). As a general theory, a practice approach stands in opposition to individualist ontologies where social phenomena are viewed as products arising out of the actions and mental states of individuals, and societism understood as the study of social facts, structures and systems that resist reduction to individual actors. (Araujo et al., 2008: 6)

Hence it is neither a structuralist/objective perspective nor a subjective perspective. And according to Warde (2005) it is in opposition to a sign/signifier-oriented stream, as he makes clear: ‘Theories of practice also provide a powerful counterpoint to expressivist accounts of consumption’ (Warde, 2005: 147). Simultaneously, Schatzki’s notion of practices as a ‘nexus of doings and sayings’ (Schatzki, 1996: 89) builds an underlying, connecting bridge for expressed sayings and signs on the one hand and doings on the other hand. Schatzki (1996), like Habermas (1985a, 1985b), addresses the implicitness of practices (Schatzki) and the lifeworld background (Habermas). In this sense practice-theory is not only a nexus of doings and sayings: it also connects body and mind, and the individual subject is the ‘carrier of the practice’ (Reckwitz, 2002: 250). And so it serves as an implicit layer in which all explicit coordination is embedded. Practices implicitly coordinate ways of doing and saying things, and concomitant practices are created by different ways of doing and saying things.

So the theory of practices can be seen as the link not only between the four orientations, but also between the different focuses of these orientations. Practices are implicitly behind all forms of explicit coordination (Löbler, 2010), they coordinate implicitly, and we can become aware of them through the ways we do or say things. ‘These practices, overhearing and ambient monitoring, aid in implicit coordination capabilities’ (Toups and Kerne, 2007: 714). Now the explicit entities from Table 2 (objects, subjects, interactions, data, narratives and discourses) are underlaid by the implicit level of practices (see figure 5). These practices emerge on the explicit level as explicit entities being connected. Practices (P1) coordinate subjects and objects (e.g. a way of cooking); practices (P2) coordinate subjects and their interactions (e.g. the way we welcome each other); practices (P3) coordinate objects and data (e.g. a way of doing research, a way of not driving the car too fast). Practices (P4) coordinate subjects and narratives (e.g. the way people tell their stories). Practices (P5) coordinate interaction and discourses as they are the nexus between them (the way we interpret our interaction, e.g. what does a kiss or buying a Rolex (not the Rolex itself) mean?). Practices (P6) coordinate data and narratives (e.g. the way of interpreting data in research, the way of saying that we drive too fast). And finally practices (P7) coordinate narratives and discourses (e.g. the way one person reacts to another person’s story by saying something). Hence practices coordinate our entire life together with signs and signifiers; the former implicitly and the latter explicitly.

Conclusions

Proposition 1: Service-dominant logic is laid out as an intersubjective undertaking.

S-D logic has been analyzed in an isms frame and has been identified as mainly in congruence with an intersubjective orientation. This is an important result as it indicates that S-D logic may underpin or even accelerate a turn away from the ‘old’ dichotomy of ‘objective’ and subjective’.
Proposition 2: Service thinking should be aware of explicit and implicit realms.

A fourth orientation was identified, the sign orientation. Analyzing the sign orientation leads to the post-structuralist fallacy of being ‘caught in language’. Gergen’s social constructionism was used to extend the limitations of post-structuralist textuality. For service and marketing in particular it seems helpful to distinguish between an explicit and implicit level of work and/or coordination. While the implicit level is usually taken for granted, this article argues that the explicit level is always underpinned by an implicit level of practices. Taking only the explicit level of signs, signifiers or language, one is trapped in the post-structuralist limitation or ‘lost in language’. The importance of practices as an implicit layer underneath the explicit use of language has been emphasized. This has some consequences for marketing and service scholars as well as for marketing and service.

Proposition 3: According to Service-dominant logic science (or service research) itself is a service and hence intersubjective and hence socially constructed.

If individuals in the community of marketing scholars use words such as ‘objective’, ‘truth’, etc., they may find it appropriate and in doing so they may feel good in fighting against each other for whatever they believe is true. But what impact does this fight have? If this kind of battle is fought, practitioners might think: ‘Well, until they have reached a solution we have to do something on our own’. Fighting for truth may be exciting but marketing is not only done for its own sake, it is done for companies, customers, managers, etc.; or even for society as a whole. In real life people very often do not even know the truth, but still they act and argue. If one believed in truth and sees it as a prerequisite for arguments, any argument would be impossible. But people (and so researchers and scholars) act and argue because they coexist and they have to coordinate with each other. And in doing so they may somehow know that they are interdependent.

But, as this article has tried to show, the coordination of marketing or services as a discipline, as well as of marketing or service on a phenomenological level, has an explicit and implicit level. Or, to use the terminology of S-D logic, they exchange one service for service and as actors they integrate resources in a coordinated way. All social and economic actors are resource integrators (Vargo and Lusch, 2004, 2008). But that does not happen automatically. Exchange and resource integration have to be enabled and they have to be enabled by people. Thus, a coordination process is needed to enable exchange and resource integration. All these coordinations by language use do not only pertain to markets or marketing on a ‘phenomenological level’, but, even more, to the community or network of scholars co-creating the discipline. We are all in the net of language use as well as (co-) creating this net of language use. Taking this for granted ignores the implicit practices connecting signs and language to ‘real life’ (Löbler, 2010). Seeing markets as forms of coordination where signifiers play an important role is of course not a truth claim but an invitation for further thoughts based on former thoughts in the discipline. It is part of a discursive journey which we may call the discipline or community of marketing.

Proposition 4: Markets can be understood as explicit sign system with an implicit coordination of practices.

Markets may be understood as forms of coordinating processes both on an explicit and implicit level, so they can be seen as sign systems and simultaneously as practices. Being aware that markets function on an explicit and implicit level as a form of coordination, as described above, one can understand that the participating entities (signifiers or, in a pre-post-structural
language, people, objects, etc.) coordinate as well as being coordinated, as in a dance. But markets are not the only form of coordinating exchange (as socialist countries have shown, though not very successfully). And Venkatesh et al. (2006: 253), in particular, claim that: ‘In one of the stranger omissions of the discipline, the term market has not been employed with much seriousness or rigor’. If one sees the market as a form of coordination, as is suggested here, this maintains an awareness that the market or the markets are social constructions and that they refer to other signifiers, whether these signifiers refer to signs of ‘objects’, ‘subjects’ or ‘institutions’, or to the underlying practices which are co-created or co-constructed by the way we use (way we use = practice) language and signs. There is a plurality of practices (Gergen, 1999) as forms of coordination, which is going to be realized in our discipline (Araujo et al., 2008; Kjellberg and Helgesson 2007; and the special issue of this journal in 2008).

Proposition 5: Dis-embedded sign systems have to be re-embedded to become valuable service.

S-D logic has a potential to integrate post-structuralism as well as practice theory. Both are important for re-embedding dis-embedded systems as they are described by Giddens (1984, 1990). Signs and language may be confusing if they are not connected to practices. They have no meaning without practices (Löbler, 2010). If S-D logic is extended toward a service discipline in this vein it may evolve into a new paradigm of service thinking not only in business and marketing but also beyond.
References


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