

THE CO-CREATION OF VALUE-IN-CULTURAL-CONTEXT

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ABSTRACT

Purpose – This chapter explores the nature of the cultural context that frames value creation and provides insight to the way in which value is collaboratively created, or co-created, in markets.

Methodology/approach – We develop a conceptual framework and research propositions for studying the co-creation of value-in-cultural-context through the intersection of consumer culture theory (CCT) and service-dominant (S-D) logic and the integration of a practice-theoretic approach for value co-creation.

Research implications – The integration of CCT, S-D logic, and practice theory provides a conceptual framework for studying the co-creation of value among multiple stakeholders and the (re)formation of markets.

Practical implications – Drawing on this framework, marketers can contribute to the co-creation of new markets by influencing changes in cultural contexts – practices, norms, meanings, and resources – that frame value co-creation and exchange.

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Originality/value of chapter – *This chapter explores the integration of CCT and S-D logic by focusing on value co-creation and applying a practice approach to further weave together these distinct research areas. In addition, the proposed framework elaborates the conceptualization of value-in-context to consider the cultural context that influences and is influenced by the co-creation of value.*

Keywords: value co-creation; value-in-context; market (re)formation; service-dominant logic; consumer culture theory; practice theory

INTRODUCTION

This chapter explores how the actions and interactions of multiple stakeholders contribute to the co-creation of value and the *cultural context* through which value is derived. The aim of this investigation is to gain a deeper understanding of the context that influences value creation (Askegaard & Linnet, 2011) and how markets are continually constituted over time and space (e.g., Edvardsson, Tronvoll, & Gruber, 2011). Askegaard and Linnet (2011, p. 391) argue that “there is a lack of adequate attention to social and cultural context in many analytical works, which focus instead on the agency of consumer and their identity projects.” Thus, this exploration responds to a call for broadening the scope of context and expanding research regarding market-related cultures beyond consumption (Arnould, 2007), to move toward a “context-attentive epistemology” (Askegaard & Linnet, 2011) for studying phenomenological and experiential views of value as well as the (re)formation of markets.

We base our conceptualization of cultural context on a growing body of literature known as consumer culture theory (CCT) (Arnould & Thompson, 2005), which treats culture as “the very fabric of experience, meaning and action (Geertz, 1973)” (Arnould & Thompson, 2005, p. 869). To develop a broader, more systemic understanding of the social and cultural context, through which value is derived (Askegaard & Linnet, 2011), we integrate service-dominant (S-D) logic and its service-ecosystems approach, which has been recognized as a “natural ally” for CCT (Arnould, 2007) and draws attention toward multiple levels (i.e., micro, meso, and macro) of context and complex social structures that frame value creation (Akaka, Vargo, & Lusch, 2013; Chandler & Vargo, 2011).

In addition, we apply a practice-theoretic approach to theorizing about the co-creation of value-in-cultural-context, which is consistent with CCT’s emphasis on consumption practices (e.g., Schau, Muniz, & Arnould, 2009; Warde, 2005) and S-D logic’s recent discussions regarding resource-integration practices (Vargo & Akaka, 2012) and the co-creation of value-in-social-context (Edvardsson et al., 2011).

This chapter contributes to deeper understanding of the context through which experiences are evaluated and value is determined (Penaloza & Mish, 2011), which is based on the concept of value co-creation (Vargo & Lusch, 2004, 2008). Although the integration of CCT and S-D logic has begun (e.g., Arnould, 2007; Penaloza & Mish, 2011), this work further weaves together these bodies of literature to advance the understanding of how value is co-created in markets. This value co-creation crossroad of CCT and S-D logic broadens the scope of value creation beyond “consumption” practices and provides insights to the dynamic social and cultural context through which value is derived and markets are reproduced (Askegaard & Linnet, 2011; Chandler & Vargo, 2011; Edvardsson et al., 2011). Based on this integration of literature, we present several research propositions to further explore the co-creation of value-in-cultural-context. We conclude with a discussion of the implications of this approach on the study of value co-creation and market (re)formation.

THE VALUE CO-CREATION CROSSROAD OF CCT AND S-D LOGIC

In recent years, the concept of value co-creation (Prahalad & Ramaswamy, 2004) has been gaining attention in marketing and related fields, as the study of value creation has transitioned away from a focus on the role of the firm to one that includes the role of the customer (Lusch & Webster, 2011). This alternative view on value creation is central to a recent shift in marketing, toward a service-dominant (S-D) logic (Vargo & Lusch, 2004, 2008; Vargo, Maglio, & Akaka, 2008), and falls in line with the effort to understand collaboratively created value among “consumers”¹ in a growing area of research known as consumer culture theory (CCT) (Arnould & Thompson, 2005). These streams of research have been recognized as compatible theoretical frameworks and “natural allies” (Arnould, 2007) because they both center on a co-creation perspective that emphasizes (1) phenomenological and contextual views on value, (2) social and cultural

contexts of value creation, and (3) the co-creation of value within dynamic social systems.

Phenomenological and Contextual Views on Value

One of the main features of value co-creation that is emphasized in S-D logic and CCT is the phenomenological and contextual nature of value. S-D logic's focus on value co-creation centers on the idea that service – the application of competencies for the benefit of others – is the basis of all exchange (Vargo & Lusch, 2004, 2008). This view considers all firms, customers, and other stakeholders as social and economic “actors” who exchange service and integrate (primarily intangible and dynamic) resources, such as knowledge and skills, in their efforts to create value for themselves and for others – co-create value.

The S-D logic view of value co-creation suggests, “the process of co-creating value is driven by value-in-use, but mediated and monitored by value-in-exchange” (Vargo et al., 2008, p. 150). Importantly, S-D logic literature has discussed the term “value-in-context” to articulate the value that is derived and determined through the use of a market offering, in a particular context – place and time, within a particular system, or dynamic network of actors (Chandler & Vargo, 2011; Vargo et al., 2008). S-D logic's conceptualization of value-in-context offers a balanced and multifaceted view of markets that includes multiple levels of interaction – micro, meso, and macro – and a meta layer that enables researchers to better understand relationships within and among different levels of interaction and how they evolve over time (Chandler & Vargo, 2011).

Recent research elaborates S-D logic's consideration of contextual value to highlight the social aspects of value-in-context. Whereas Chandler and Vargo (2011) explicate how social networks compose the contexts that frame exchange, Edvardsson et al. (2011) propose a framework for “value-in-social-context” as a means for studying how contexts are socially constructed through the enactment of practices and the formation and reformation of social structures. Although S-D logic focuses on the evaluation of experiences and mutually beneficial exchange relationships, research in this area has only begun to explore the social construction of context (Chandler & Vargo, 2011; Edvardsson et al., 2011) and the importance of institutions (i.e., social norms) in value co-creation (Vargo & Lusch, 2011). In addition, S-D logic literature has yet to elaborate on the cultural aspects

of context that influence and are influenced by the actions and interactions of various stakeholders.

From Social to Cultural Context

CCT literature extends the S-D logic view of value co-creation and value-in-social-context (Edvardsson et al., 2011) from a cultural perspective (Arnould & Thompson, 2005) and provides insights to the consideration of *value-in-cultural-context* (Akaka et al., 2013). One of the main themes of CCT literature is the “co-creative role of consumers,” which highlights the ways in which consumers co-create value through consumption practices and processes. Research in this area provides important insights to understanding how various value-creating practices of particular consumer groups create value collectively (e.g., Schau et al., 2009). Moreover, CCT research emphasizes multiple levels of value – micro (individual evaluations of experiences), meso (relational norms), and macro (collective meanings) – that influence and are influenced by consumer practices. This cultural approach to value co-creation points toward a more complex conceptualization of value than is traditionally conceived (Arnould & Thompson, 2005; Penalosa & Mish, 2011).

In line with a socially constructed view of context (Chandler & Vargo, 2011; Edvardsson et al., 2011), CCT research views consumer culture as a “heterogeneous distribution of meanings” that is composed of overlapping cultures and nested within a broader socio-historic framework. Importantly, Arnould and Thompson (2005) identify four major programs in CCT research – (1) lived culture (practices); (2) material and symbolic resources (resources); (3) social resources (norms); and (4) meaningful ways of life (collective meanings). Thus, CCT's consideration of various levels of value and multiple dimensions of culture provides a framework for considering several components of cultural context – practices, resources, norms, and meanings – through which value is co-created.

The first component of cultural context is a central area of CCT research that focuses on how consumption *practices* “reconfigure cultural blueprints for action and interpretation, and vice versa” (Arnould & Thompson, 2005, p. 873). The second component, symbolic *resources*, is based on the idea that “signs of all types are conceived and exchanged in markets and each (type of) market is itself a category constructed in the context of a particular sign system” (Venkatesh, Penalosa, & Firat, 2006, p. 258). The third component of cultural context centers on social resources or norms,

which include the “institutional and social structures that systematically influence consumption” (Arnould & Thompson, 2005, p. 874) and other value-creating practices. The fourth component of cultural context explored and elaborated through CCT research centers on meanings in markets. This research has generally focused on consumer ideologies or “systems of meaning that tend to channel and reproduce consumers’ thoughts and actions” (Arnould & Thompson, 2005, p. 874).

Based on this growing body of literature, we extend the concept of value-in-social-context (Edvardsson et al., 2011) and conceptualize *cultural context as a collection of practices, resources, norms, and meanings that frame the co-creation of value and guide the evaluation of an experience*. However, it is important to note that, although cultural context is a critical factor in value co-creation, these contexts are constantly intersecting with other social and cultural contexts and continually changing. Thus, to gain a deeper understanding of how value is co-created in cultural contexts, the consideration of the broader socio-historic contexts within which they are embedded is needed.

Co-Creation within Subcultures and Ecosystems

CCT research emphasizes cultural aspects of culture in markets by exploring the “subcultures” that manifest through interactions among consumers (e.g., Schouten & McAlexander, 1995) and the value that is created through those relationships (e.g., Schau et al., 2009). These subcultures are diverse cultural groups or social systems that can be found within or across traditional ethnic and geographical classifications of culture. The study of subcultures is important for understanding value creation because it emphasizes the micro-level practices (e.g., Schau et al., 2009) and macro-level structures that socially construct the context through which value is derived (Penaloza & Venkatesh, 2006). In marketing, however, the study of subcultures has been largely focused on the practices and perspectives of “consumers.”

Growing attention toward the roles of value stakeholders in these cultural groups (e.g., Penaloza & Gilly, 1999; Press & Arnould, 2011; Thomas, Price, & Schau, 2012) suggests that a broader approach is needed to better understand how value is created through market-mediated actions and interactions. Furthermore, studies of subcultures in marketing are often based on a situated context (e.g., fixed time and space), and an extended scope of context is required to better understand the socio-historic frames

of particular cultural contexts (Askegaard & Linnet, 2011) and the ways in which market-related cultures emerge and change (Canniford & Karababa, 2013; Schouten, Martin, & McAlexander, 2007).

Thus, although CCT provides a culturally rich view of value co-creation and context, this literature has been generally discussed with regard to the “consumer” and the exploration of the role of firms, and other stakeholders in collective value creation has received less attention (for exception see Humphreys, 2010b; Penaloza, 2000; Penaloza & Gilly, 1999; Penaloza & Mish, 2011; Press & Arnould, 2011; Thomas et al., 2012). Ultimately, this focus on consumer-created culture and value limits the understanding of value co-creation to the practices and perspectives of “consumers.” This view, at least partially, contradicts the concept of value co-creation (especially as it is discussed within S-D logic), which suggests that value is always co-created among multiple stakeholders, including, but not limited to firms and customers.

Along these lines, Arnould (2007) points out that the term “consumer” poses some theoretical and practical problems from the view of value co-creation. He argues that CCT researchers should be at the forefront of the effort to expand the model of “consumption” beyond the perspective of individual consumers and consider the firm and its exchange partners as well. Recently, Penaloza and Mish (2011) also argue for the development of a “market culture theory” to move CCT research beyond the perspective of consumers and consumption practices and consider the multiple stakeholders that contribute to value co-creation.

Although CCT researchers have begun to shift their attention beyond consumption-focused practices and processes (e.g., Humphreys, 2010b; Penaloza & Gilly, 1999; Press & Arnould, 2011), this transition requires the reconsideration of the “producer/consumer” divide and a renewed focus on the central practices and processes driving value co-creation and market (re)formation. S-D logic removes the distinction between producers and consumers by arguing that all social and economic actors are resource integrators and service providers (and beneficiaries), and draws attention toward the underlying mechanisms of markets with its focus on (eco)systems of service-for-service exchange.

Recently, Vargo and Lusch (2011) have extended the framework of S-D logic to elaborate the systemic nature of value co-creation and service-for-service exchange. In particular, the authors introduce the concept of a *service ecosystem*, which draws on a dynamic systems approach to studying the interaction and exchange of service among various stakeholders and underscores the role and multiplicity of institutions (Williamson, 2002) in

value co-creation. This service ecosystems view integrates a sociological perspective (e.g., Giddens, 1984) and emphasizes the embeddedness of rather-simple, micro-level actions and interactions (e.g., dyadic) within more complex meso- and macro-level systems and structures.

A service-ecosystems approach broadens the scope of cultural context and points toward the multiplicity of structure (Sewell, 1992) in markets. This view emphasizes the way in which market interactions are governed by “institutions” or “rules of the game” (Vargo & Lusch, 2011; Williamson, 2002), but recognizes that these same institutions are also constituted by human actions and interactions (Edvardsson et al., 2011). Thus, in this view, markets are formed and reformed through a recursive relationship between individual action and the reproduction of relationships and shared meanings (e.g., social norms and cultures).

This intersection of CCT and S-D logic provides a framework for considering the extended cultural (and social) context through which value is created. However, the recursive process by which value creation occurs within and across these cultural contexts requires further examination. The following sections elaborate a practice perspective for value co-creation and provide insight to the co-creation of value-in-cultural-context, which can potentially contribute to the development of a theory of market culture (Penaloza & Mish, 2011).

A PRACTICE PERSPECTIVE FOR VALUE CO-CREATION

The research on practices in sociology, and more recently marketing, is a collection of diverse perspectives that focus on how human actions contribute to the creation of society (e.g., Giddens, 1984; Reckwitz, 2002; Schatzki, 1996) and markets (e.g., Araujo, Finch, & Kjellberg, 2010; Kjellberg & Helgesson, 2007). However, these routine activities or “doings and sayings” are also driven by social influences and past actions as well (Reckwitz, 2002; Warde, 2005). Warde (2005) draws on Schatzki (1996) and Reckwitz (2002) to provide a practice-centered foundation for studying “consumption,” particularly within the framework of CCT. This emphasis on practices in markets is important because, according to Schatzki (1996, p. 11), “[Practices are] the central social phenomenon by reference to which other social entities such as actions, institutions, and structures are to be understood.”

One theory in the practice literature, structuration theory (1984), has been recently recognized as a means for studying the social construction of the context (i.e., contextualization) through which value, or value-in-context, is co-created (Edvardsson et al., 2011). Structuration theory (Giddens, 1984) provides a practice-theoretic framework that is useful for integrating CCT and S-D logic, while underscoring the central role of practices in value co-creation. In particular, structuration theory makes a critical connection between *structure* (norms, meanings, and resources), which is the focus of CCT, and *systems* (reciprocal relationships), which is central to S-D logic and its ecosystems view (Vargo & Lusch, 2011).

At the heart of structuration theory is the *duality of structure* and the distinction between the concepts of structure(s), system(s), and structuration. Giddens (1984) defines *structures* as “recursively organized sets of rules and resources” that exist out of time and space; *systems* as the “reproduced relations” among actors that are connected through organized practices, or “situated activities of human agents reproduced across time and space”; and *structuration* as the conditions that connect structures and systems and enable the reproduction of both. Importantly, in this view, it is the enactment of organized routine *practices* and *interaction* among actors that drive the reproduction of both structures and systems. Thus, social structures (e.g., cultural context) are the means and the result of the interaction that arises as actors engage in practices and form systems in their efforts to create value for themselves and for others. Because practices drive the reproduction of resources, norms, and meanings, they are an important part of the cultural context that frames value co-creation. However, practices are also the main drivers of interaction and the “reproduction” of relationships. In this way, practices are the component of cultural context that intersects structures (rules and resources) and systems (relationships) and drives the (re)formation or (re)contextualization of market cultures.

Structuration theory’s emphasis on the duality of structure in market cultures helps to connect CCT’s focus on cultural schema, or structure, with S-D logic’s focus on service ecosystems, or dynamic systems of reproduced relationships. Although the distinction is made between structure(s) and systems(s), Giddens’ view of duality of structures suggests that structures and systems are not independent constructs. Rather, both structures and systems are reproduced and governed by one process, namely structuration. Giddens (1984, p. 19) proposes, “One of the main propositions of structuration theory is that the rules and resources drawn upon in the production and reproduction of social practices are at the same time the means of system reproduction (the duality of structure).” Thus, a closer look at

structures (rules and resources) and practices can provide added insight to how relationships are reproduced and market cultures are (re)formed.

Importantly the question of how practices connect to structures (and systems) addresses both continuity and change. Sewell (1992, p. 16) extends Giddens' structuration theory by proposing a "multiple, contingent, and fractured conception of society – and of structure." In his effort to better understand dynamic changes in structure, Sewell (1992) proposes five axioms in his theory of structures: (1) multiplicity of structures, (2) transposability of schemas, (3) unpredictability of resource accumulation, (4) plurality of resources, and (5) intersection of structures.

One of the underlying differences between Giddens' and Sewell's perspectives is in their definitions of agency. Both argue for humans as agents, but Giddens defines agency as actors' capability of doing things, whereas Sewell defines agency as the capability to transpose and extend "schemas" (what Giddens calls the rules of structure) into new contexts. In other words, whereas Giddens and his structuration theory generally conceptualize individuals as agents that are capable of continuously reproducing social systems, Sewell focuses on individuals as agents of change, particularly across structures. Based on his focus on structural change, Sewell argues that "structure is dynamic, not static; it is the continually evolving outcome and matrix of a process of social interaction...the same resourceful agency that sustains the reproduction of structures also makes possible their transformation" (p. 27).

Evidence of this dynamic view of structure can be found in the marketing literature, particularly with regard to consumption-related cultures and practices. For example, Schouten and McAlexander (1995) identify hierarchies of commitment and authenticity within the structure of Harley Davidson's brand community. From a global perspective, Kjeldgaard and Askegaard (2006) discuss multiple local and global layers of structure of youth culture in Denmark and Greenland. These are among many studies of market-related cultures (e.g., Cova, Kozinets, & Shankar, 2007; Muniz & O'Guinn, 2001; Schau et al., 2009), which suggest that structures of any particular market culture have multiple dimensions. However, the ways in which these structures are maintained or change across time are less understood.

Schouten et al. (2007) reflect on the evolution of Harley Davidson's subculture and recognize the need for more extensive studies, covering longer periods of time, to better understand the dynamics of subcultures and the market-related forces that drive change. Thus, in order to fully conceptualize how value is co-created in cultural context and market cultures change

and evolve, a deeper understanding of the social and economic encounters that shape them is needed. The following section discusses the way in which the actions and interactions among multiple stakeholders contribute to the co-creation of value as well as the cultural context through which it is derived.

CO-CREATING VALUE-IN-CULTURAL-CONTEXT

"Practices" have been recently recognized as a central construct in studying market-related phenomena (Kjellberg & Helgesson, 2006; Schau et al., 2009; Warde, 2005) and, thus, are a critical factor in understanding the co-creation of value. As mentioned, within CCT literature, practices are one of the main components of cultural context that influence the evaluation of an experience and determination of value. In particular, practices have been a focus of investigation for CCT researchers aiming to better understand the lived experiences of consumers and how they contribute to the creation of identities and meaning (Arnould & Thompson, 2005). Importantly, Warde (2005, p. 146) argues that a practice approach is important for the study of consumption because it "offers a distinctive perspective, attending less to individual choices and more to the collective development of modes of appropriate conduct in everyday life." Schau et al. (2009) elaborate the idea that practices connect behaviors to both explicit procedures and tacit understandings. The authors refer to procedures, understandings, and engagements as the common "anatomy" of practices and suggest that the anatomical components function cohesively and "work closely together as a process of collective value creation" (p. 35).

Broadening the scope of market-related practices, Kjellberg and Helgesson (2006) extend the study of practices beyond the actions and interactions of consumers to develop a framework for conceptualizing "market practice," which includes three broad and interwoven categories of practice – exchange, normalizing, and representational. Market practice is defined as "bundles of practices including material arrangements that contribute to perform markets" (Araujo, Kjellberg, & Spencer, 2008, p. 8). *Exchange practice(s)* are those that are enacted to initiate or reciprocate exchange. *Normative practice(s)* are those that contribute to the establishment of rules or social norms. *Representational practice(s)* are those that depict what a market is and how it works. In line with Schau et al.'s (2009) view on practices in markets, Kjellberg and Helgesson (2006) describe the

relationship between the three market practice(s) using the concept of “translations.” The authors explain, “these three categories of practice are further conceived as being linked through chains of translations involving various intermediaries such as rules, tools, measures and measurements” (p. 843). Thus, translations involve the processes that connect various practices across time and space.

Kjellberg and colleagues’ identification of market practices – exchange, normative, and representational – contributes to the understanding of how markets are “performed” or (re)formed through exchange. However, as discussed above, S-D logic and its conceptualization of value co-creation emphasizes the embedded nature of exchange in social systems (Granovetter, 1985), by focusing on value derived through use of market offerings in complex social and cultural contexts, nested within service ecosystems (Vargo & Lusch, 2011). In this view, exchange encounters are embedded within a variety of social interactions and the ongoing integration of resources among multiple actors. Korkman, Storbacka, and Harald (2010) argue that resource integration is central to the enactment of practices in markets and suggests that as practices are enacted to create value, resources are integrated. This points toward *resource integration as a central practice in value co-creation* (Akaka & Chandler, 2011; Vargo & Akaka, 2012) and broadens the scope of interactions in markets to include practices such as sharing (Belk, 2010), word-of-mouth (Brown & Reingen, 1987), and gift-giving (Sherry, 1983).

Although “resource-integration practices” have been proposed as a more appropriate way of conceptualizing practices that contribute to value co-creation (Vargo & Akaka, 2012), it is important to note that exchange practices are subset of resource-integration practices and essential in markets. This is because markets are driven by the exchange of resources (Bagozzi, 1975) – specifically, the exchange of service (Vargo & Lusch, 2004, 2008). However, because this exchange is nested within a variety of social and cultural contexts, relationships in markets include interactions that take place outside of a particular firm/customer transaction.

Prior research suggests that these interactions are influenced by *social contexts*, which include networks of relationships (Chandler & Vargo, 2011) and social structures (Edvardsson et al., 2011). The proposed conceptualization of *cultural context* emphasizes the symbolic resources and meanings that contribute to the co-creation of value and, thus, includes resources and meanings as well as practices and norms. In this view, value is co-created in cultural context through the enactment of practices and integration of resources, which are guided by social norms and collective

meanings. At the same time, however, the enactment of practices (resource integration, normative, and representation) associated with value co-creation are central to the reproduction of both structures and (eco)systems and the reformation of markets.

RESEARCH PROPOSITIONS

The conceptualization of cultural context, discussed above, broadens the scope of value creation beyond specific cultural contexts or subcultures, by considering the influence of broader, socio-historic frames (e.g., service ecosystems). Based on the proposed framework, four propositions and directions for future research are discussed below. The first two propositions center on developing a deeper understanding of the nature of value that is co-created in cultural context, or value-in-cultural-context. The latter two propositions identify different areas for furthering the study of the (re)formation of cultural context, which can aid in advancing a deeper understanding of how markets form and change (e.g., Humphreys, 2010a).

Proposition 1: Value Co-Creation Is Mediated by Cultural Context

The consideration of market cultures suggests that value co-creation is mediated by the practices, norms, meanings, and resources associated with a particular exchange. That is, a cultural context influences the evaluation of a particular resource applied by a certain person at a specific place, time, and social setting. Thus, future research is needed to better understand differences as well as commonalities of cultural contexts across market cultures and how they mediate value co-creation.

For example, work is needed to better understand the central practices and resources of particular markets and how they contribute to the uniqueness of those markets and the value co-created within them. In other words, a value co-creation approach to identifying and distinguishing markets, based on differences in practices and resources, is needed to better understand cultural contexts and how they contribute to the derivation of value. In addition, the social norms that guide interaction among firms, customers, and other stakeholders should be more closely investigated. In particular, research is needed to explore if and how changes in social norms drive changes in social roles, particularly those related to co-production,

customer participation in the development of value propositions (Akaka & Chandler, 2011).

Furthermore, studies of brands with consideration of cultural context can shed light on how market meanings influence the value derived through co-creation and exchange. Finally, the consideration of resource integration as a central practice for value co-creation suggests that one of the critical factors of value co-creation is the ability to access, adapt, and integrate resources (Akaka, Vargo, & Lusch, 2012). Thus, empirical work is needed to classify particular attributes of cultural contexts that make resources more easily integrated in value co-creation processes.

Proposition 2: Value-In-Cultural-Context Is Influenced by Both Structures and Systems

Holbrook (1999) defines value (singular) as the evaluation of an experience and values (plural) as the norms and meanings that influence evaluation. In this view, structures (resources, norms, and meanings) influence value derived through the use of an offering. However, Vargo and Lusch (2011; see also Vargo et al., 2008) provide a systems view of value (singular), which incorporates evaluations as well as the viability of an actor or system within its environment. In this view, as value co-creation practices are enacted, value is phenomenologically determined through the evaluation of holistic experiences. However, the value derived is also dependent on the viability of that actor, which is based on the sustainability of relationships within a system or the network that comprises the system itself. Although individual viewpoints and evaluations may differ, the viability of an actor or system provides a measure of value for a system as a whole.

Further work is needed to understand the relationship between evaluation and viability and how they influence the value derived within and across nested and overlapping micro, meso, and macro levels. In particular, understanding how conflicting viewpoints on evaluations or differences in viability across micro, meso, and macro levels is critical to understanding what value is and how it can be increased. The congruence of evaluation and viability in value co-creation is an especially important topic for future research because oftentimes what is considered as valuable at a micro context may not be considered as such at meso or macro levels. In addition, work is also needed to further study how different types of value co-creation practices, such as Schau et al.'s (2009) brand community

practices, influence evaluations of particular value propositions and/or increase systems viability.

Proposition 3: Cultural Contexts Are (Re)formed by the Enactment of Practices

The proposed framework points toward value co-creation practices (resource integration, normative, and representation) as the drivers of the co-creation of value-in-cultural-context. However, these practices include routine actions that contribute to the integration of resources as well as the development of social norms and collective meanings. In other words, the enactment of practices draws on and contributes to the cultural context through which value is created. In this way, the enactment of practices not only drives the creation of individual forms of value (e.g., evaluations of value propositions), but also contributes to the formation and reformation of structures (as well as systems) and influences changes in norms, meanings, and resources in markets.

The exploration of how resources, norms, and meanings in markets are (re)formed, or socially (re)constructed, through the enactment of practices is needed to better understand how value is co-created in cultural context. As mentioned, the study of practices and structure in markets has made major strides in the area of "consumption." However, less attention has been paid to firm practices and how they contribute to structure formation and change. Furthermore, much of this work centers on the study of structures at particular places and/or times (Askegaard & Linnet, 2011) and work is needed to understand how market cultures emerge and change over extended time and space dimensions. In addition, recent research has begun to study how the process of legitimization drives market (re)formation (Humphreys, 2010a). However, further research is required to understand the particular normalization practices that contribute to the legitimization of markets as well as the resource-integration and representation practices that influence the (re)formation of cultural context.

Proposition 4: Changes in One Component/Level of Context Will Influence Changes in Others

Because the components and levels of cultural context are interrelated and overlapping, changes in one component and/or level will drive changes in

one or more of the other components or levels. For example, as actors learn and improve their practices, expectations associated with a particular practice will evolve and the norms will change as well. In addition, it is likely that new resources will be developed to support and/or drive changes in that practice. Because resources are interrelated with meanings, the emergence of new resources will likely change the meanings associated with existing and emerging resources as well. In addition, cultural contexts are (re)formed at micro (dyad), meso (triad), and macro (group) levels. Thus, two actors engaged in exchange will have distinct cultural contexts at a micro-level, but their interactions contribute to the reformulation of context at a meso-level. Furthermore, the meso-level of cultural context is framed within a broader macro-level of cultural context, which is made up of micro, and meso-levels of context and may include different practices, norms, meanings, and resources, as well as different views on value.

Further research is needed to investigate how changes in one component of cultural context influence or are influenced by changes in other components, particularly across time and space as market cultures grow and/or change. In addition, work is needed to more closely inspect different levels of cultural context and classify different types of cultural context that cut across the different levels. Research in this area will help to unpack the differences and similarities across different market cultures, as well as different levels — micro, meso, and macro — of cultural context, and how they relate to and influence one another. Advancing the understanding of multiple levels of cultural context and contextual change will provide a more comprehensive understanding of what market cultures are and how value is co-created among them. It will also shed light on the dynamics and complexities of structure in markets and how heterogeneous views on value can contribute to the (re)formation of markets.

IMPLICATIONS AND CONCLUSION

This research integrates a dynamic cultural approach (Arnould & Thompson, 2005) with a service-centered view (Vargo & Lusch, 2004, 2008; Vargo et al., 2008) to explore the cultural context that frames value co-creation in markets. This effort contributes to the development of CCT as well as S-D logic, and provides insight to how value is co-created and how markets (re)form. In addition, the consideration of value-in-cultural-context

extends prior literature that emphasizes the social aspects of value-in-context (Chandler & Vargo, 2011; Edvardsson et al., 2011) and the social processes and meanings that form markets (Humphreys, 2010a; Venkatesh et al., 2006).

The influence of cultural context on value co-creation is an important consideration for researchers and practitioners who want to better understand how to increase the level of value derived through the use of a particular offering. For example, if marketers want to better understand how to increase positive evaluations of a value proposition, they need to consider the cultural context — practices, norms, meanings, and resources — that mediates the derivation of value. Moreover, if marketers have an interest in understanding or changing particular practices in markets (e.g., drink more milk, stop smoking, etc.) or, perhaps more importantly, creating new markets, they need to consider multiple components of cultural context, identify which components need to be changed or developed further, and perhaps initiate the change from there.

This framework provides a means for studying more than value co-creation; it establishes a foundation for exploring and potentially influencing market (re)formation. In this view, markets are (re)formed through the enactment of value co-creation practices, but these practices are guided by changes in norms, meanings, and resources as well. Based on this, the goal of marketing shifts from segmenting and targeting existing markets, to developing and co-creating new markets. Drawing on this framework, marketers can contribute to the co-creation of new markets by contributing to changes in cultural contexts — practices, norms, meanings, and resources — that frame value co-creation and exchange.

This research contributes to the development of a theory of markets in general (Vargo, 2007; Venkatesh et al., 2006) and a theory of market culture in particular (Penaloza & Mish, 2011), which centers on value co-creation and considers the embedded nature of markets in dynamic social and cultural contexts. The framework proposed in this chapter provides a starting point for thinking about and studying markets as cultures. Clearly, this is only a beginning step toward developing a theory of market culture (Penaloza & Mish, 2011). Empirical research is needed to further explore different components of cultural context and the relationships among them. The propositions provided above outline a possible roadmap for where to go from here. Ultimately, the development of a deeper understanding of the co-creation of value-in-cultural-context and advancement of a market culture theory will require the continued effort and expansion of research focused on understanding how resources are integrated and

applied among multiple stakeholders and the dynamic social and cultural contexts through which value is created.

NOTE

1. Consistent with CCT and in spite of the S-D logic stance to move away from the terms "producer" and "consumer", we are using the term "consumer" this chapter, to refer to what would be an individual service beneficiary in S-D logic.

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LOYALTY IN A CULTURAL PERSPECTIVE: INSIGHTS FROM FRENCH MUSIC FESTIVALS

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ABSTRACT

Purpose – This chapter addresses the concept of loyalty from a consumer culture theory perspective.

Methodology – We investigated loyalty in the context of annual (French) music festivals and their ritualized meanings for consumers with a multi-method approach, both qualitative and quantitative methods.

Findings – From our study loyalty appears as: (a) social rather than individual; (b) outcome of a social evaluation of emotional experiences rather than individual satisfaction; (c) temporally and (d) spatially structured and structuring. This stands in contrast to dominant conceptualizations of loyalty that emphasize individual's satisfaction as antecedent of loyalty.

Originality/value – Our findings take off from Fournier and Yao's (1997) and Fournier's (1998) suggestions that loyalty can be reconceptualized as relationships. However, we argue that these relationships are as much a matter of social relations between people than between people

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