



S-D
Logic

Zooming Out: Metatheoretical Foundations for Macromarketing

Researching Stakeholder Relationships for a Better World

American Marketing Association Winter Educator's Conference
Orlando, FL
February 18, 2017

Stephen L. Vargo

Shidler Distinguished Professor of Marketing
University of Hawai'i at Manoa

Robert F. Lusch

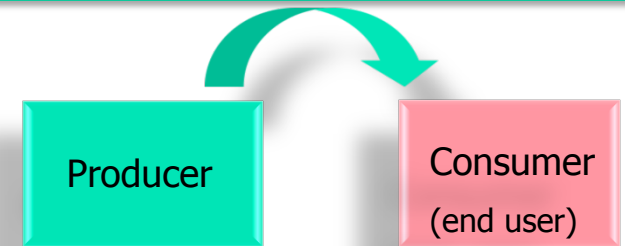
Professor of Marketing
University of Arizona



The Problem and the Need

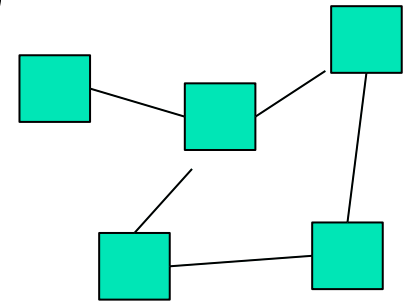
Current foundational model

- **Micro** level
- **Firm** centric
- **Mechanistic/linear**



Value-creation/destruction processes are:

- **Multi level** (e.g., micro, meso, macro)
- **Relational** (reciprocal, collaborative)
- **Systemic**
 - **Dynamic**
 - **Emergent**

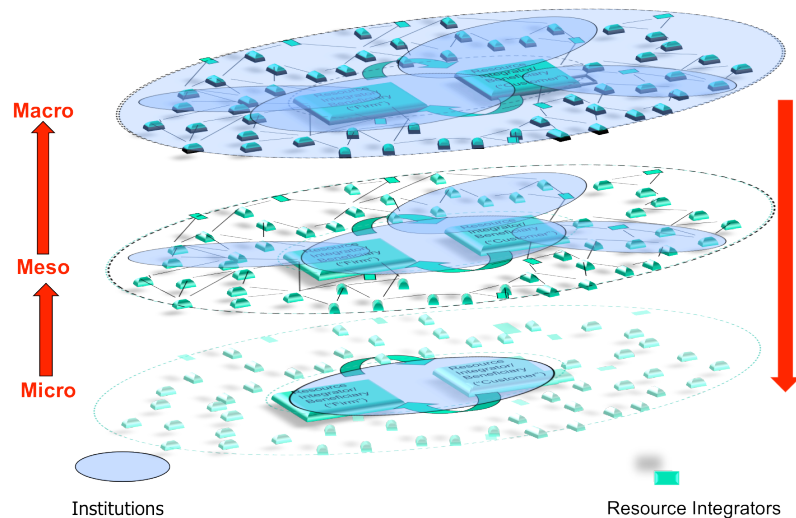




Emergence

S-D
Logic

- **Emergence**: a property that is **not present in parts** that **arises** from their **interaction** (serendipity, unexpected consequences, etc)





S-D
Logic

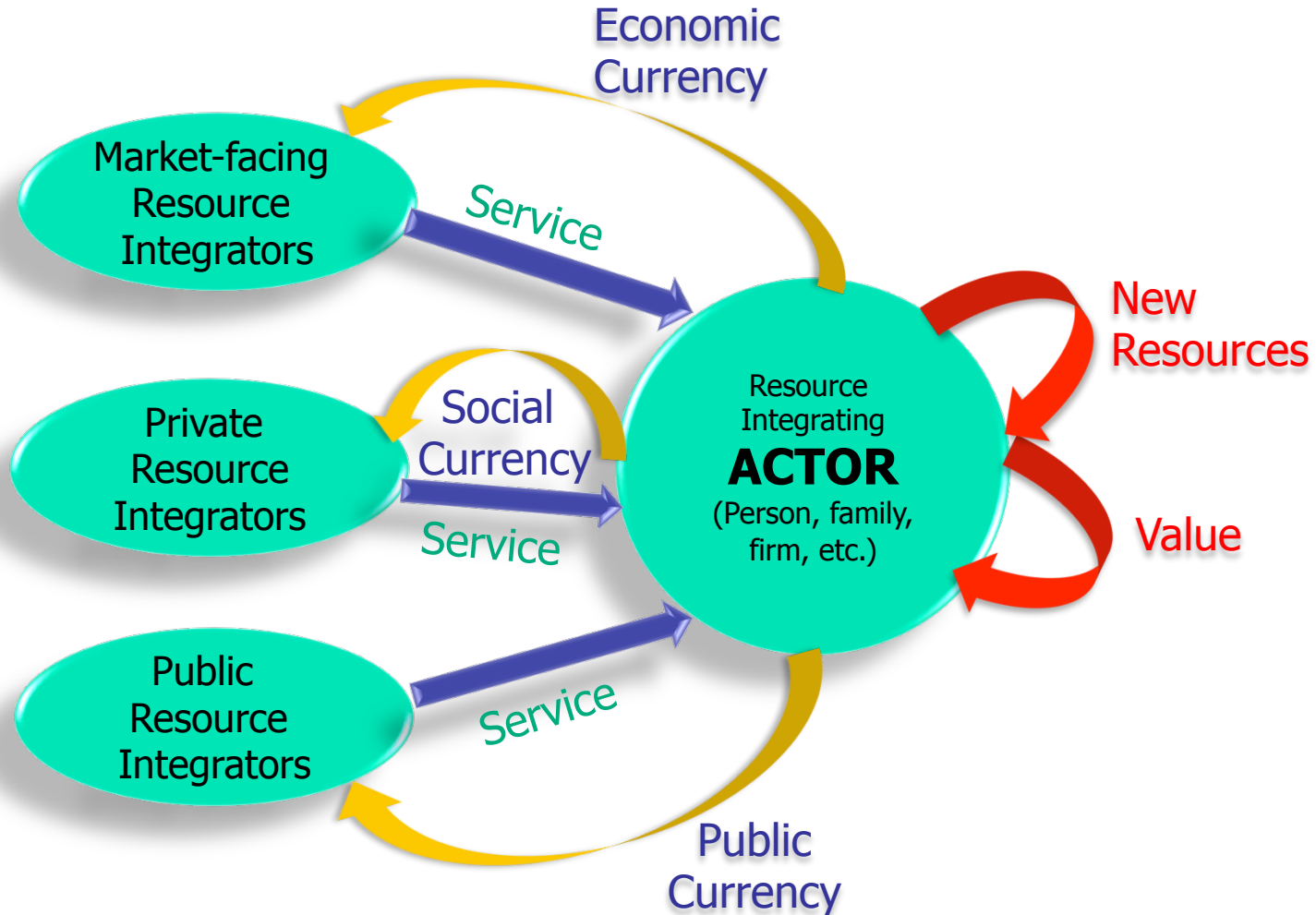
Axioms of Service-Dominant Logic

Premise		Explanation/Justification
A1	Service is the fundamental basis of exchange.	The application of operant resources (knowledge and skills), "service," is the basis for all exchange. Service is exchanged for service.
A2	Value is always cocreated by multiple actors, including the beneficiary	Implies value creation is interactional and combinatorial.
A3	All economic and social actors are resource integrators	Implies the context of value creation is networks of networks (resource-integrators).
A4	Value is always uniquely and phenomenological determined by the beneficiary	Value is idiosyncratic, experiential, contextual, and meaning laden.
A5	Value cocreation is coordinated through actor-generated institutions and institutional arrangements	Institutions provide the glue for value cocreation through service-for-service exchange

Value Co-creation through Resource Integration & Service Exchange



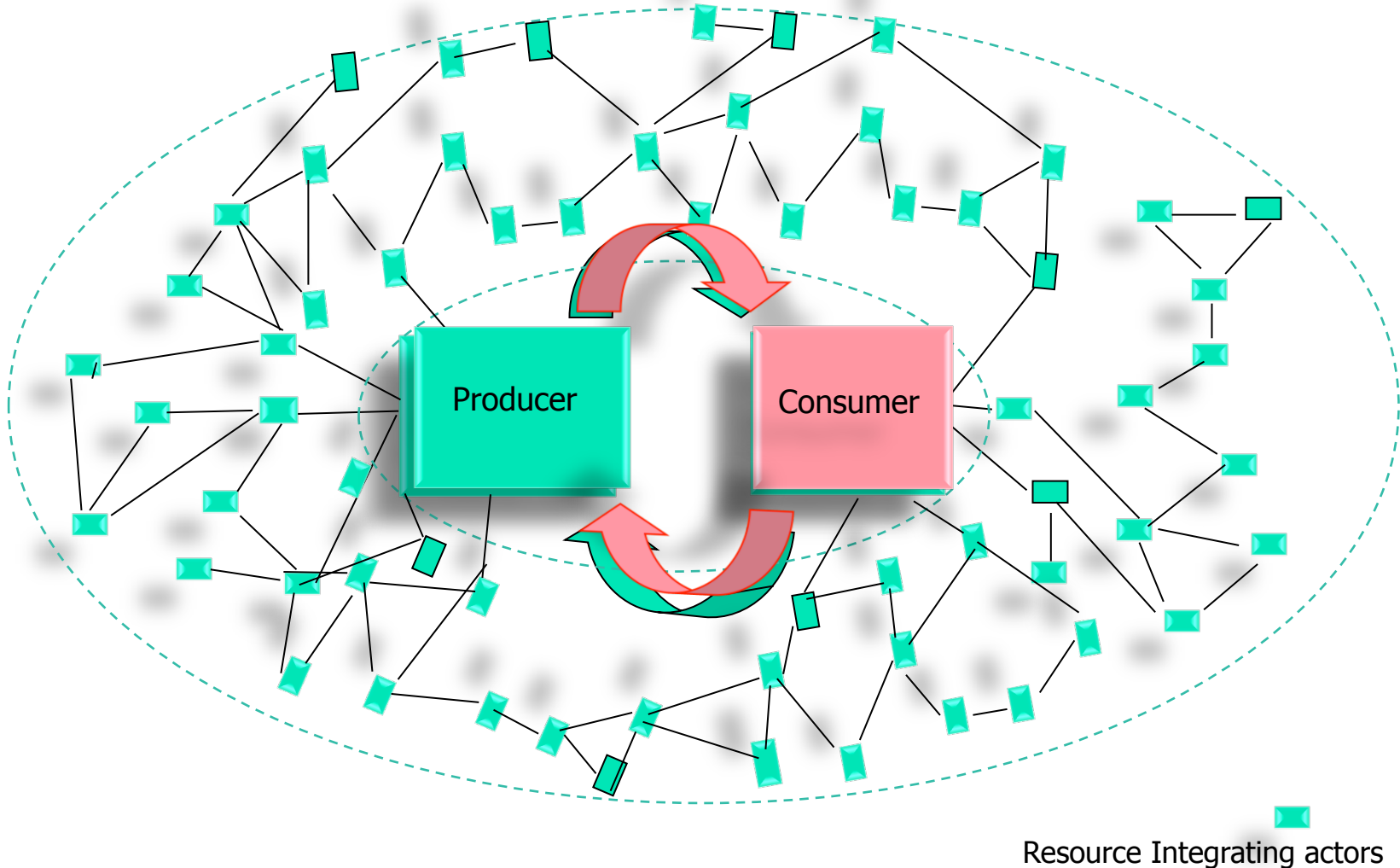
S-D
Logic



Micro Exchange Embedded in Complex (Eco)Systems of Exchange



S-D
Logic



Resource Integration & and the Structuration of Service Ecosystems



S-D
Logic

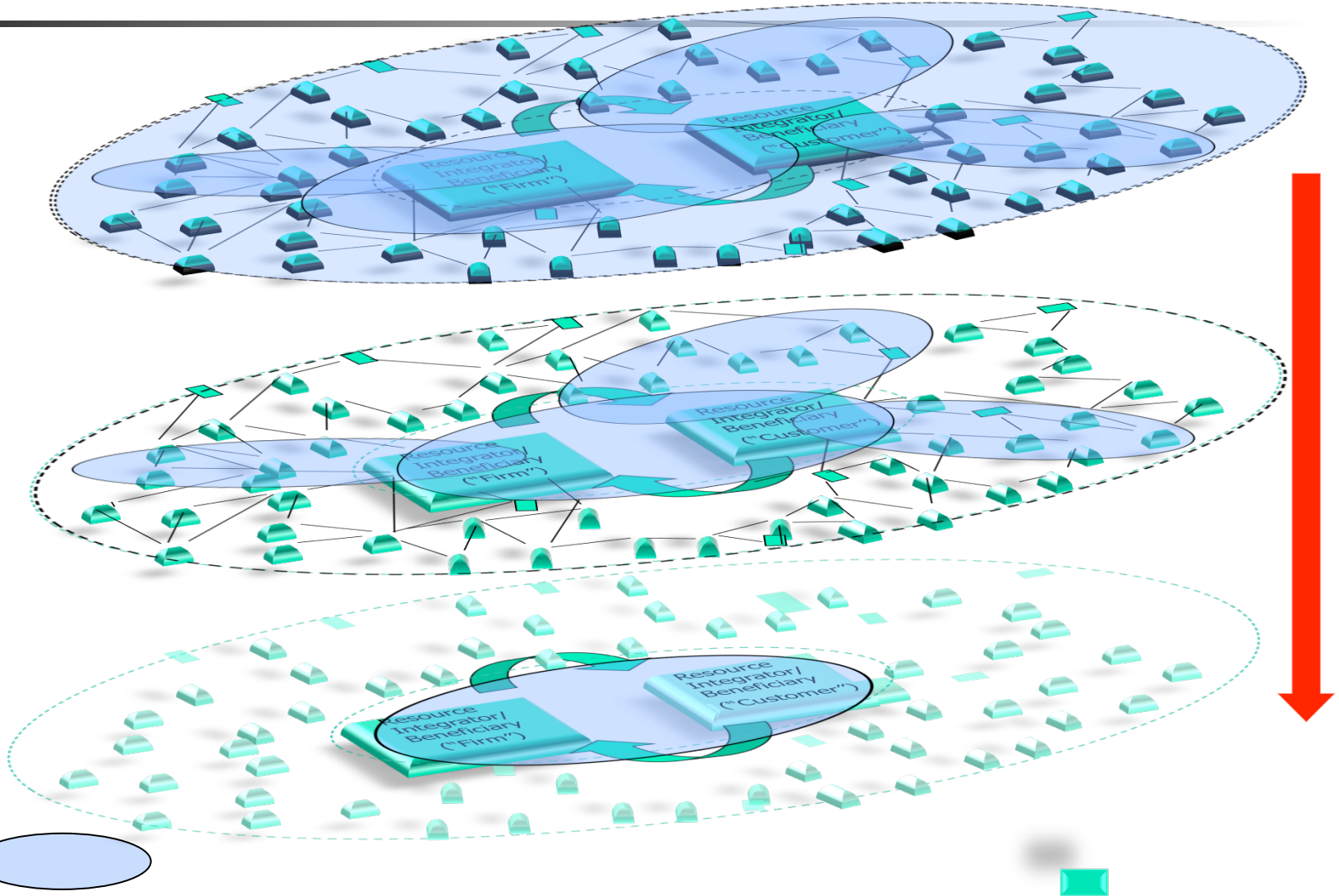
Macro



Meso



Micro



Institutions

Resource Integrators



S-D
Logic

The Structure and Venue of Value Creation: Institutions & Service Ecosystems

Institution

- “any **structure or mechanism** of social order and **cooperation governing the behavior** of a set of individuals within a **given human community**.”
- (Stanford Encyclopedia of Social Institutions)



Institutional Arrangements

- **Higher-order** assemblages of **interrelated institutions**



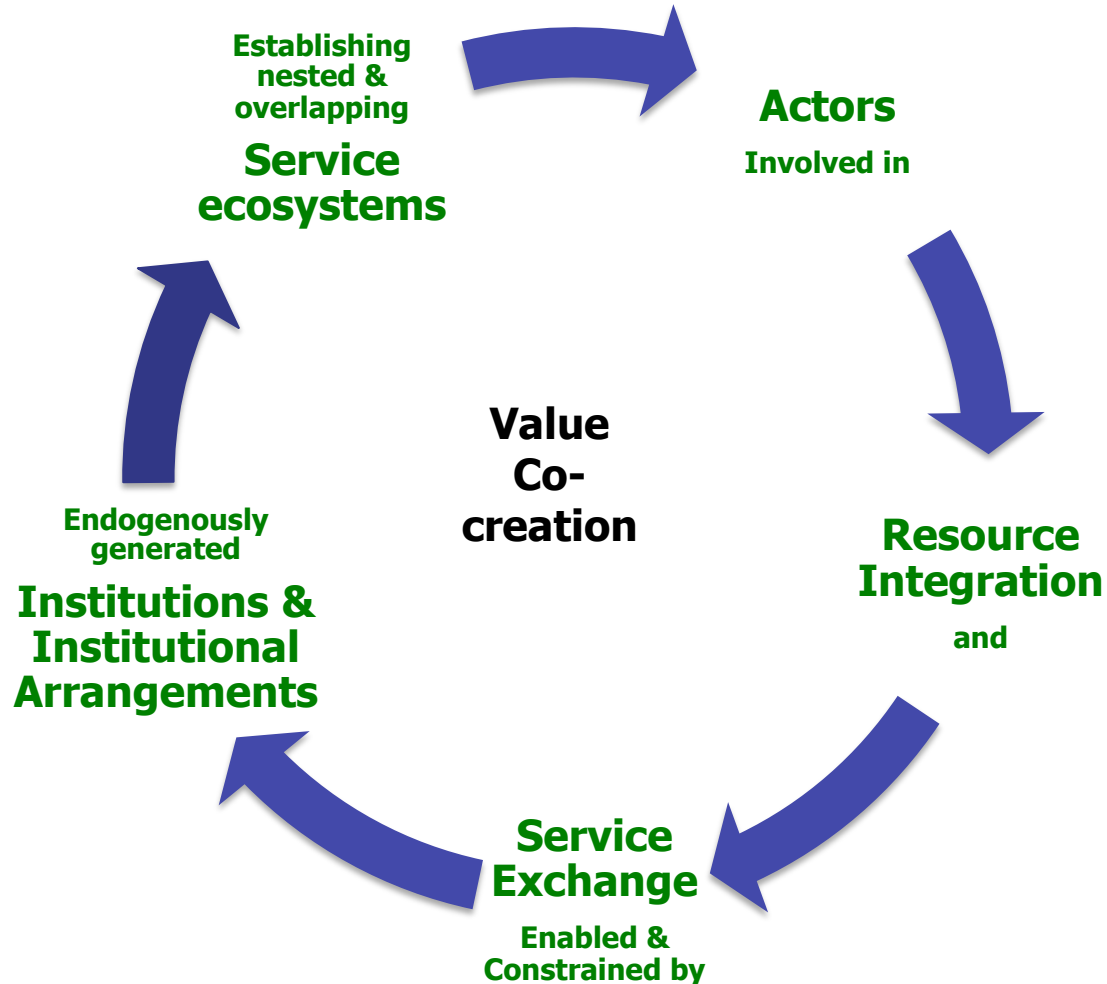
Service Ecosystem (S-D logic)

- relatively self-contained, **self-adjusting systems of resource-integrating actors** connected by **shared institutional arrangements** and **mutual value creation through service exchange**.

The Core Narrative & Processes of Service-Dominant Logic



S-D
Logic

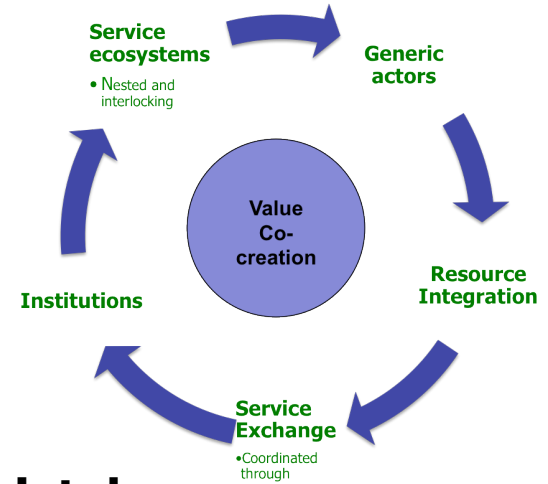
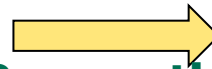




"Hip-Pocket" S-D Logic

S-D
Logic

The Narrative
and Structural Perspectives



Societal:
National, Global, etc

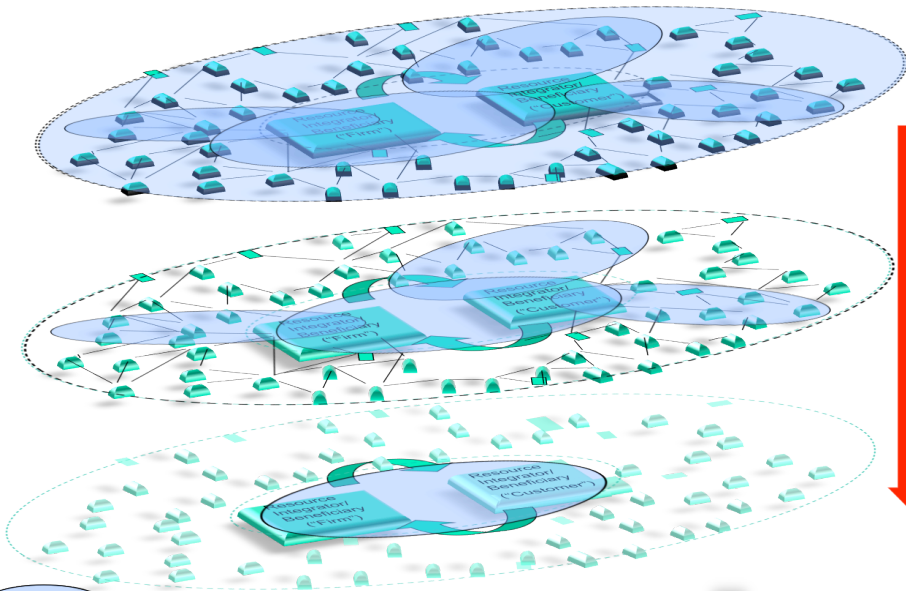
(Sub)culture:
Brand, Market, "industry, etc

Exchange
B2C, B2B, C2C, etc

Macro

Meso

Micro



Institutions

Resource Integrators

Some Transdisciplinary Reorientations & Considerations



S-D
Logic

Systems theory (e.g., Capra et al. 2014)

- From **parts to wholes**
- From **objects to relationships**
- From **measuring to mapping**
- From **quantities to qualities,**

Complexity theory/economics (e.g., Arthur 2017)

- **Complex adaptive systems:** complexity from simple rules

Institutional Theory (e.g., Scott 2008)

- Role of **socially constructed coordinating mechanisms** (rules, norms, symbols, etc).

Some Transdisciplinary Approaches & Reorientations



S-D
Logic

Practice theory (e.g., Giddens 1984, Kjellberg and Helgeson 2007)

- **Structuration**: structure as outcome and context of interaction
- **Performativity**: acting according to structure

Reorientations on Value (e.g., Vargo and Lusch 2014)

- Value as “**change in viability of a system**”
- **Co-viability** (“inclusive fitness”) (e.g., Hamilton 1964)

New methods

- More **interpretive/ethnographic** approaches
- **Computational** approaches
 - especially **agent-based modeling** (Rand and Rust 2011)
- Etc.



The S-D logic Landscape

S-D
Logic

Levels

Aggregation

Macro Level

(e.g., societal, community -- national, global, local)

Meso Level

(e.g., "industry"/market, cartel)

Micro Level

(e.g., transactions, sharing,)

Theory/ Abstraction

Meta-theoretical

(e.g., S-D logic, cocreation of value)

Midrange theoretical

(e.g., engagement, coproduction)

Micro-theoretical

(e.g., law of exchange, decision making)

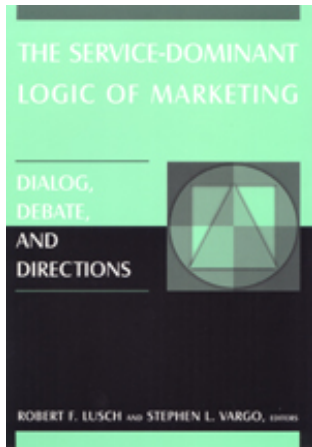
Primary Focus to Date

Stakeholder, Sustainability
CSR, etc. research

*Increasing Attention,
Looking Forward*



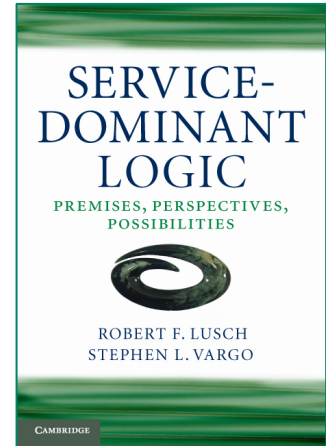
S-D
Logic



Thank You!

For More Information on S-D Logic visit:

sdlogic.net



We encourage your comments and input. Will also post:

- Working papers
- Teaching material
- Related Links

Steve Vargo: svargo@sdlogic.net Bob Lusch: rlusch@sdlogic.net