Paradigms, Pluralisms, and Peripheries: On the Assessment of the SD Logic

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Paradigms, Pluralisms, and Peripheries: On the Assessment of the S-D Logic

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Abstract

This commentary addresses some common themes of the papers from the 3rd EMAC/ANZMAC Research Symposium track on service-dominant (S-D) logic: (1) issues and approaches to measurement, (2) the need for plural versus singular paradigms, and (3) questions concerning the boundary conditions of S-D logic. It suggests that since S-D logic is not a normative theory and is an alternative to the current (goods-) dominant logic, caution must be exercised in designing empirical tests. It also suggests that since S-D logic transcends the goods vs. services logics, it obviates the need for pluralism and is capable of spanning boundaries created by goods-dominant-logic…possible path for its development.

Keywords: Service-dominant logic, Paradigms, Paradoxes, Dualities, Marketing theory

The common tasks for the papers developed for the 3rd EMAC/ANZMAC Research Symposium track on "Service-Dominant Logic – Moving the Debate to the Empirical Arena" were (1) to address issues of measurement and (2) to assess the movement toward and effectiveness of a service-dominant (S-D) logic (e.g., Vargo and Lusch 2004). The papers approached these tasks in varying ways; each also raised additional issues. Rather than address each of the papers separately, the purpose of this short commentary is to the address the overall focus of the track and to respond to some of the recurring themes. Generally, these deal with issues of and approaches to measurement, the question of the need for plural versus singular paradigms, and questions concerning boundary conditions.

The Nature and Measurement S-D Logic

As discussed elsewhere (e.g., Vargo and Lusch 2006), S-D logic is a lens, a mindset, through which phenomena can be viewed. It is not a theory. In fact, as Winklhofer, Palmer, and Brodie (2007) correctly state, it is "pre-theory." Thus, while it could lead to the development of a theory of the market and marketing as Vargo and Lusch (2006; see also Vargo 2007) have suggested, neither the logic nor its premises currently meets the criteria for a theory (e.g., Hunt 2002) and should not be so evaluated.

This non-theory, but potential theory-foundation status, of S-D logic raises several questions. The first concerns the type of theory that could (should) be developed. The most apparent answer is a *theory of marketing* but, for reasons discussed elsewhere (e.g., Vargo 2007), a theory of marketing implies *normative theory* and normative theory should rest on a *positive theory of the market.* Thus, perhaps the first task for S-D logic is to provide the foundation for this positive theory.

These issues of theory status and theory type are important in the present context because they have direct impact on the issue of measurement, the common focus of these articles, and give rise to the second question: can S-D logic be assessed empirically and, if so, what are the measurement issues?

Generally, it appears that the call for the empirical assessment of S-D logic assumes that it is a normative theory, which, as noted, it is not. However, this situation does not necessarily imply that empirical research is not valid and useful; it just implies that it should be approached with prudence. That is, while it is possible to address empirical issues of effectiveness as a function of *general orientation,* it will not likely provide a powerful test because orientation can become manifested in different normative decision rules as moderated by alternative positive theory. Thus, the correlation between orientation and outcome might be weak and therefore conclusions should be approached cautiously.

For somewhat similar reasons, an empirical test of whether an evolution toward S-D logic is evident in practice should be approached cautiously. A finding that marketing practitioners have not adopted an S-D logic orientation in whole or in part does not imply that S-D logic *would* not improve firm performance, if adopted.

Additionally, both operationalization of constructs that reflect an emerging orientation and the measures of effectiveness are likely operationally bound by the dominant paradigm. For example, *relationship,* which is typically associated with S-D logic, can be operationalized consistent with S-D to reflect *interactive value-creation* or, more typically, reflective of goods-dominant (G-D) logic in terms of *multiple transactions.* Likewise, measures of *effectiveness* can be assessed in G-D logic terms like *productivity* (units of output per amount of effort) or as determined by the beneficiary (e.g., satisfaction, value-in-use), which is more consistent with S-D logic. The general point is that care needs to be taken to assure that measures are consistent with the purpose of the research and reflective of the orientations under investigation. The very nature of paradigms makes this correspondence difficult.

Paradigms and Paradoxes

S-D logic is also not a paradigm (e.g., Lusch and Vargo 2006; Vargo and Lusch 2006), though it has been so characterized in numerous instances. It could become one of course if, by definition, it becomes a *worldview.* But worldviews are determined bottom up rather than top down and, thus, it is the discipline that will make this determination, over time. However, while it is too early to know if S-D logic will achieve paradigmatic status, it is appropriate to say that it operates at a *paradigmatic level of analysis.*

Perhaps somewhat naturally, analyses at the paradigmatic level raise questions of singularity or plurality. A number of scholars, including several in this track (e.g., Sweeney 2007; Winklhofer et al. 2007) have taken a stance that plurality is needed. That is, S-D logic and G-D logic should coexist.

This pluralistic stance is a convenient, if not understandable, resolution, but perhaps one that deserves further scrutiny. The general issue is whether it is possible to have pluralistic paradigms. The more specific issue is related to the relationship between G-D logic and S-D logic or, perhaps alternatively, the relationship between goods and service(s).

Aside from the issue of whether it is coherent to have competing "worldviews," paradigms are normally considered *incommensurable,* though there remains debate concerning to what extent and what this implies (see Hunt 2002; Winklhofer et al. 2007). That is, alternative paradigms can not be directly, objectively compared. This does not mean that they can not both be true. In fact, it can be argued that, as meta-models, all paradigms are true. This sets up a paradox. But pluralism, at least in terms of dual acceptance, as normally implied, is not the only resolution.

Perhaps not entirely coincidental, paradoxes and dualities have been the focus of a fair amount of attention in marketing lately, particularly in the B2B literature (e.g., Dittrich et al. 2006; Hakansson and Ford 2002). Lewis (2000) notes that there are three ways to deal with paradoxes. The first is *acceptance.* This is something like the historical approach to the rather intractable goods versus services debate (see Vargo and Lusch 2004b) and, arguable, pretty close to what most advocates of pluralism in logics of marketing seem to be advocating.

The second resolution strategy is *confrontation.* In the present context, this involves something like arguing that service is more important than goods. Arguably, this is what some hear proponents of S-D logic advocating. However, I do not (see Vargo and Lusch 2006).

A third strategy is *transcendence,* essentially finding a level of abstraction and perspective at which the paradox is resolved. This is closer to what Bob Lusch and I have been advocating with S-D logic: service (singular) – the process of doing something for the benefit of another party – is the common denominator of exchange; goods represent mechanisms for service provision. Thus, S-D logic is inherently *dualistic* while resolving the paradox. Stated slightly differently, plurality is what the discipline has had with the separation of goods marketing and services marketing. In S-D logic, that separation is not only unnecessary; it (arguably) is resolved – service and goods coexists with a common purpose (service). More generally, the existence of a paradox is often evidence that there is a need for a more unifying paradigm rather than an excuse for promoting pluralism.

Peripheries and Boundaries

Some scholars advocate more consideration for boundary conditions. Paradoxically (in a different sense from above), the arguments are *both* that there should be *more and fewer boundaries.* Most of these calls seem to stem from the issues above.

For example, Sweeney (2007; see also Brookes and Brodie 2007) insists that that S-D logic might fit some industries but not others, implying that *boundary conditions* are necessary. But this argument is based on the argument that, since not all practitioners use the same approach, pluralistic paradigms are required. As noted, managerial practices can not solely dictate normative theory, much less the appropriateness of the paradigm on which it is based. S-D logic is neither. Perhaps as important, managerial approaches are neither paradigms themselves nor do they operate at a paradigm level. More generally, issues of plurality are often confounded by use of the rubric of "paradigm" as synonymous with a whole host of non-paradigmatic (or paradigm-level) constructs, such as managerial approaches, models, and positive and normative theories. Again, caution in assessment is warranted.

Conversely, Brookes and Brodie (2007) suggest that S-D logic sets up *false and unnecessary boundaries* by implying that it only applies to serving, rather than *creating,* customers. Theoharakis and Sajtos (2007) make a similar point. Aside from the fact that serving and creating are not mutually exclusive, much less opposing, concepts, this boundary issue points toward a more serious issue. As discussed elsewhere, (see Vargo and Lusch 2008) S-D logic is continually evolving and necessarily communicated through a lexicon tied to the paradigm to which it is being compared. In the case of "serving" versus "creating," the observation, while appropriate, is based on an early version of Foundational Premise 9 (e.g., Vargo and Lusch 2006) – "Organizations exist to integrate and transform microspecialised competences into complex services that are demanded in the marketplace." A change in wording, to a more general "all economic actors are resource integrators," was signaled in Lusch and Vargo 2006 (and formalized in Vargo and Lusch 2008). These issues will continue to provide challenges in the development and communication of S-D logic but the linguistic challenges should not be confused with the foundations of S-D logic itself.

Conclusion

S-D logic can and should be subjected to empirical investigation. The scholars associated with the papers in this symposium should be commended for what are some of the first efforts in this regard. Nothing in this commentary should be interpreted as being critical of these efforts. Rather, the purpose is to note that caution should be exercised in both the identification of empirical research questions and the operationalization of the related core constructs. Perhaps as important, care should be taken not to reify S-D logic. S-D logic is a tag that has become used to identify what appears to be an evolving, revised logic of exchange, markets, and marketing. It will continue to evolve and, while it is appropriate to investigate S-D logic empirically at any point in this evolution, premature conclusion should be avoided.

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Biography

Stephen L. Vargo is a Shidler Distinguished Professor and Associate Professor of Marketing at the University of Hawai'i at Manoa. Professor Vargo's primary areas of research are marketing theory and thought and consumers' evaluative reference scales. He has had articles published many of the leading marketing journals, including the Journal of Marketing, and serves on the editorial review boards of the Journal of Marketing, the Journal of Service Research, the Australasian Marketing Journal, and the International Journal of Service Industry Management. Professor Vargo has been awarded the Harold H. Maynard Award by the American Marketing Association for "significant contribution to marketing theory and thought."

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