



# 8

## Service-Dominant Logic: Theoretical Foundations and Directions

Angeline Nariswari  and Stephen L. Vargo

### Introduction

The marketing academy continues to raise the alarm about the field's relevance to and influence on society (Moorman et al., 2019; Wilkie & Moore, 2012). While there are critiques about marketing not producing enough relevant research for practitioners (Reibstein et al., 2009; Wieland et al., 2021), there are also valid concerns about the abundant negative impact marketing has had on society. As critics rightfully identify marketing as part of the problem (e.g., distribution of harmful products, overconsumption, unfair pricing, excessive waste), there is also

---

A. Nariswari (✉)

College of Business, California State University, Monterey Bay, Seaside, CA, USA

e-mail: [anariswari@csumb.edu](mailto:anariswari@csumb.edu)

S. L. Vargo

Department of Marketing and Supply Chain Management, University of Oklahoma, Norman, OK, USA

e-mail: [sv@ou.edu](mailto:sv@ou.edu)

hope and expectation that marketing can be part of the solution in addressing current societal issues (e.g., innovation and distribution of lifesaving drugs and technologies, sustainable marketing).

Once a central topic in marketing, research on marketing and society became sidelined from dominant marketing thinking as the field matured (Wilkie & Moore, 2003, 2012). However, there has been a recent resurgence in research focusing on marketing's impact on society. For example, the transformative consumer research (TCR) movement has accommodated studies on customers experiencing vulnerability and delved into issues like tobacco, alcohol, and drug addiction, nutrition and obesity, financial and health decision-making, considering their ethical implications and responsible marketing (Mick, 2006; Mick et al., 2012; Rosenbaum et al., 2011).

Meanwhile, transformative service research (TSR) works at the intersection of TCR and service by considering subjective and collective well-being outcomes in service provision (Anderson & Ostrom, 2015; Anderson et al., 2013). Additionally, calls for “better marketing for a better world” (BMBW) research by the *Journal of Marketing* signals that in addition to niche marketing subdisciplines, mainstream marketing also finds value in such topic areas (Chandy et al., 2021).

In step with this development, Kotler et al. (2021) introduced Human-to-Human (H2H) Marketing, a new framework in marketing that emphasizes humanism, is focused on solving existential human problems, oriented toward achieving high mutual benefit for customers and marketers, while upholding ethical commitment to all stakeholder groups. In essence, “H2H Marketing has the ambition to leave malpractices behind, offering an ethical and collaborative way of engaging with customers, by co-creating value together as a team rather than at the expense of each other” (Kotler et al., 2021: 6).

H2H Marketing builds on three determining factors: digitalization, design thinking, and service dominant (S-D) logic. Digitalization presents new dynamics to the marketing context, while design thinking provides a human-centered approach to innovation. Meanwhile, S-D logic, built on a narrative of resource-integrating, value cocreating actors performing service-for-service exchange in nested and overlapping service ecosystems enabled and constrained by actor-generated institutions, is

considered the theoretical basis of H2H Marketing (Kotler et al., 2021). S-D logic “provides the theoretical foundation for human marketing by integrating many fragments and emphasizes the importance of cocreation of value in collaborative ecosystems” (Kotler et al., 2021: 30).

Indeed, conventional marketing models have generally compartmentalized business and ethical decisions, increasing the possibility of overlooking ethical considerations (Abela & Murphy, 2008). However, the value cocreation approach, which is at the center of S-D logic “decompartmentalizes the two realms of business and ethics by aligning the metrics for effective marketing action and ethical behavior... this approach provides a broader view of value creation that underscores the need for firms to develop and maintain quality relationships with multiple stakeholders (e.g., employees, customers and suppliers) to benefit in the long term. By promoting business decisions that are mutually beneficial for customers, employees and society in general, value cocreation offers a perspective that can potentially alleviate tensions and reduce dissonance between business and ethical decisions” (Akaka & Nariswari, 2015: 8). This perspective clearly accommodates a more human-centered approach to marketing.

Given S-D logic’s designation as the theoretical foundation for H2H Marketing, this chapter aims to provide a more detailed description of S-D logic. The chapter outlines the theoretical foundations of S-D logic and depicts its evolution and growth. As scholars knowingly (Pohlmann & Kaartemo, 2017; Wilden et al., 2017) or unknowingly (Bolton, 2020) incorporate S-D logic in their work, S-D logic as a metatheoretical framework is increasingly recognized as a potential foundation for a general theory of markets (Hunt, 2020a; Sheth et al., 2022). Therefore, this chapter also discusses the next steps in the theory-formalization process to facilitate S-D logic as a potential unifying theory of markets.

## S-D Logic: Theoretical Foundations

Service-dominant (S-D) logic emerged as a counter-logic to the predominant goods-focused, firm-centric view on economic activity. Over time, it has gradually developed into a metatheoretical framework for understanding value creation in markets and society. Under the conventional dominant logic, value creation is driven by the production and distribution of value-laden goods, making goods the primary exchange basis. S-D logic offers a distinct lens that reframes the basis and purpose of exchange, in which marketing and economic activity are built on *service-for-service* rather than goods-for-money exchange (Vargo & Lusch, 2004a). By implication, *service*, understood as the process of using one's resources to benefit oneself or another, is the fundamental basis of exchange. Here, the source of value and purpose of exchange is not access to or distribution of tangible goods but deriving the benefit from activities performed using specialized skills and knowledge, which may or may not involve a good.

Another core assumption in S-D logic is that value cannot be independently created or delivered (Vargo & Lusch, 2004a). Actors can only propose value. Meanwhile, value is collaboratively created (Vargo & Lusch, 2008) through a system of actors who share rules, norms, and institutions (Vargo & Lusch, 2016) and perform resource integration practices, including through reciprocal service exchange (Vargo & Akaka, 2012). While value cocreation processes comprise multiple actors, it always includes the beneficiary, who determines value phenomenologically based on use and the broader social context (Edvardsson et al., 2011, 2012; Vargo et al., 2008).

Service-dominant (S-D) logic was introduced to the academic public about two decades ago in the seminal 2004 *Journal of Marketing* article "Evolving to a new dominant logic for marketing." Spearheaded by Stephen L. Vargo and Robert F. Lusch, S-D logic has continually evolved through an organic cocreation process with the contribution of various scholars and practitioners from within and beyond the marketing and business community (Pohlmann & Kaartemo, 2017; Wilden et al., 2017).

Among the many reasons for S-D logic's rapid growth and widespread acceptance, but also resistance, is its departure from the conventional and widely accepted view that emphasizes goods—tangible units of output—as the primary focus of exchange. This perspective, labeled by Vargo and Lusch (2004a) as “goods-dominant (G-D) logic,” takes a linear and firm-centric approach to value creation and is strongly aligned with neo-classical economics. In this view, “producers” are perceived as able to independently create value through manufacturing and distribution. Furthermore, the varied activities of suppliers, wholesalers, retailers, and other intermediaries add value to the value supply chain. Meanwhile, users or “consumers” can only destroy value through consumption.

In G-D logic, value is embedded in goods and narrowly defined in monetary terms (value-in-exchange). In contrast, S-D logic sees value as collaboratively created by resource-integrating actors and determined by its beneficiaries in context. As an alternative to the conventional, linear, goods-focused, firm-centric approach to exchange, S-D logic redefines value as collaboratively created by resource-integrating actors and adopts a processual, dynamic, and systemic approach to value creation.

## Core Concepts

S-D logic builds on five core concepts: *service, actors, resources, value, and institutions*. The community of scholars and practitioners that contribute to the development of S-D logic use these core concepts and perceive them to be foundational to S-D logic's lexicon, “terms and concepts, represented through words or symbols, which communicate meaning and help to coordinate thought among the community” (Lusch & Vargo, 2014: 54). In developing this lexicon, the goal is to balance parsimony, using as few concepts necessary to depict the phenomena of study, and isomorphism, which refers to the correspondence between theory and real-world phenomena.

## Service

The conventional, predominant view in marketing sees marketers as selling products (i.e., units of output) that can be tangible (i.e., goods) or intangible (i.e., services). Here, *services* (typically plural) reflect an intangible unit of output or imply additional benefits added to the purchase of a product (e.g., customer service, exchange or return service, service warranty). In this view, goods are primary. Meanwhile, services are perceived as inferior because they do not share the specific characteristics of goods that are perceived beneficial (Vargo & Lusch, 2004b). For example, rather than having the tactile or tangible quality of goods, services are *intangible*. Service outputs are more *heterogeneous* than goods standardized through the manufacturing process. Services are *inseparable* as they require simultaneous production and consumption, unlike goods with a sequential process that enables the separation of production and consumption. Services are also *perishable* as they are conventionally more complex than goods to store (Zeithaml et al., 1985). Academics and researchers have long perceived the IHIP (intangible, heterogeneous, inseparable, perishable) characteristics as negative aspects for service marketers to overcome, and many service marketing strategies have emerged to counter these perceived limitations.

However, Vargo and Lusch (2004b) have argued that IHIP characteristics do not fundamentally distinguish services and goods. These differences only have meaning when viewed using a manufacturing lens. Applying a service perspective, focusing on commonalities rather than differences between ‘goods’ and ‘services’ may help dispel the myths about the fundamental nature of exchange, potentially uncovering strategies that go against commonly proposed solutions.

S-D logic takes a processual view of *service* (singular), widely understood as “the application of specialized competences (skills and knowledge), through deeds, processes, and performances for the benefit of another entity or the entity itself (self-service)” (Vargo & Lusch, 2004a: 2). Service (the process; singular) rather than ‘services’ (the unit of output; plural) is exchanged in the value cocreation process. Thus importantly, and perhaps counterintuitively, there are no services in S-D logic,

only service. Actors can deliver service *directly* but also *indirectly* through goods. Goods, therefore, function as a delivery mechanism for service.

To illustrate, a notable author may share their expertise directly through a live lecture (*direct service*) or distil their ideas in a book (*indirect service*). For readers, value does not come from sheer access to or ownership of the book. Instead, like the live audience, they derive value by applying their expertise to understand, learn, and critique the authors' ideas. In other words, lecture attendees and book readers derive value from the application of their respective resources. In this view, service includes direct and indirect service. Service encompasses goods, which are a delivery mechanism for service and a form of indirect service. Hence, goods are still a critical part of service.

## Resources

Resources are the source of service provision; they are anything tangible or intangible that actors can draw on for support. Resources can be obtained through market-facing mechanisms (purchased), public (shared, communal), or private (self, peers) sources. S-D logic acknowledges two types of resources: operand and operant resources. *Operand resources* are “static resources that require some action to be performed on them before they can provide value” (Lusch & Vargo, 2014: 13); they are potential resources that must be acted upon for value to be realized. For example, for one to enjoy their full benefits, a book must be read, and a frozen dinner must be cooked. Natural resources and goods are general examples of operand resources.

Meanwhile, *operant resources* are resources that are capable of acting on other resources to cocreate value. Operant resources are intangible and dynamic resources, such as human competence—skills, knowledge, and abilities that can be directly applied or applied to operand resources to cocreate value. In S-D logic, operand resources are secondary to the relatively dynamic, infinite, value multiplying operant resources.

This is not to say that static objects cannot be operant resources. Objects have agency (Vargo & Lusch, 2017) and, when seen as part of a system, can have the ability to act and impact other resources (Vargo,

2018). As S-D logic researchers continue to conceptualize materiality and agency, a more nuanced understanding of operand and operant resources is expected to appear. In any case, when actors integrate resources, they create new potential resources that can be used to access additional resources through service exchange, creating more opportunities to develop new resources to exchange. With every iteration of resource integration, actors contribute to changing the context of value cocreation (Nariswari, 2018).

## Actors

S-D logic refrains from utilizing context-specific concepts such as ‘producers’ and ‘consumers.’ Instead, S-D logic opts for the more generic term, *actors*. This neutral lexicon is selected to emphasize that all market entities, in essence, similarly perform resource integration through service-for-service exchange (Vargo & Lusch, 2011). This word selection also avoids the general misconception that ‘producers’ create value and ‘consumers’ destroy value. Conventionally, businesses are perceived to be active and have enterprising characteristics; they manufacture and distribute products of value, segment and target markets, and deliver value to consumers. Meanwhile, consumers are typically seen as passive market actors, the object of market segmentation, targeting, and positioning exercises. As end consumers, they become the final destination of the market offering. Instead of actively creating or adding value, they consume, use up, or destroy value through consumption.

However, recent studies increasingly acknowledge the consumer’s active and critical role in value cocreation, such as customer participation in service settings (McColl-Kennedy et al., 2012), their involvement in co-production activities such as crowdsourcing (Nariswari et al., 2023; Nishikawa et al., 2017), or engagement in brand communities (Schau et al., 2009). While value cocreation in S-D logic does not require co-production (i.e., active direct customer involvement in producing a unit of output), studies on co-production play a significant role in making the active, enterprising, value-contributing role of ‘consumers’ more



evident. At higher levels of abstraction, it is possible to see the commonalities across different market actors as similarly integrating resources and having value cocreation capacities (Vargo & Lusch, 2011). By not assigning labels to actors a priori, S-D logic acknowledges the multiplicity of roles that any actor can take on simultaneously depending on context.

As with the ‘goods’ vs. ‘services’ divide, the ‘producer’ vs. ‘consumer’ distinction makes sense only under the linear value creation and destruction model, in which suppliers, manufacturers, and intermediaries sequentially perform value-adding activities in the supply chain while consumers deplete value through use. Meanwhile, the generic actor designation supports a systems perspective in which a dynamic set of actors cocreate value, providing the context through which value is derived and determined (Vargo & Lusch, 2011). It facilitates the study of the collaborative and systemic nature of value creation.

## Value

Value creation is the primary motivation for exchange. *Value* reflects “an emergent, positively or negatively valenced change in the well-being or viability of a particular system/actor” (Vargo & Lusch, 2018: 740). Actors cannot create and deliver value independently; they do not simply provide value-laden goods or service. Instead, actors can only propose value. Value propositions are “the codeveloped understanding of potential value, or benefit, associated with a service provision, often articulated in the form of an implied or explicit promise and expectation” (Vargo & Lusch, 2018: 740).

Value is often determined nominally based on the exchange price (*value-in-exchange*). However, it is also essential to acknowledge value as an actor-specific positive or negative benefit. Value is experiential, holistic, and contextually distinct. Value is influenced by the combination of other resources available and interactions with other actors, implying that value is *always cocreated* and impacted by multiple actors but always involves the beneficiary. Every occurrence of value cocreation is unique and phenomenologically determined by the beneficiary.

Returning to the author's live talk vs. book example, the value of the author's idea is not simply equal to the cost of attending the lecture or the price of the book (*value-in-exchange*) but by how meaningful the ideas may be to the audience. Moreover, the usefulness of the author's ideas may be impacted by the audiences' knowledge set, capacity to understand and integrate new knowledge with prior knowledge, or simply the mood they were in or how noisy the room was when absorbing such knowledge (*value-in-use, value-in-context*). This depiction emphasizes the actor-specific, phenomenologically determined nature of value.

## Institutions

*Institutions* (i.e., actor-generated rules, norms, meanings, and symbols that support communication, collaboration, and decision-making) are generally situated within *institutional arrangements* (i.e., broader assemblages of interdependent institutions) that serve as coordinating mechanisms that facilitate service exchange and resource integration. On the one hand, institutions can support value cocreation; on the other hand, as with long-entrenched dogmas, obstructive ideologies, and logic, institutions and their related institutional arrangements can also limit value cocreation activities.

Institutions serve as shortcuts and building blocks in complex exchange activities. They, too, are integrable resources that are continually (re)assembled, providing the structural properties or context in which value cocreation processes are performed. Additionally, markets are considered an "institutionalized solution" (Lusch & Vargo, 2014; Vargo et al., 2015). It is "an institutional arrangement, shared by a set of actors, that defines a class of common problems and the value cocreation practices for dealing with them through service-for-service exchange" (Akaka et al., 2021: 378).

## Foundational Premises, Axioms, and Narrative

S-D logic was first introduced and captured through eight foundational premises (Vargo & Lusch, 2004a). Clarifications, refinements, and development of S-D logic, as well as awareness of the need to be more consistent with the growing S-D logic lexicon, resulted in some word-smithing and the introduction of three additional foundational premises (Lusch & Vargo, 2006; Vargo & Lusch, 2006, 2008, 2016). S-D logic's 11 foundational premises have now been condensed to five axioms, reflecting greater parsimony. This evolution is depicted in Table 8.1.

The axioms are as follows:

- Axiom 1: Service is the fundamental basis of exchange,
- Axiom 2: Value is cocreated by multiple actors, always including the beneficiary,
- Axiom 3: All social and economic actors are resource integrators,
- Axiom 4: Value is always uniquely and phenomenologically determined by the beneficiary,
- Axiom 5: Value cocreation is coordinated through actor-generated institutions and institutional arrangements.

The S-D logic mindset can be described through a concise narrative of value cocreation, as depicted in Fig. 8.1, in which actors perform resource integration to cocreate value through service-for-service exchange coordinated by endogenously generated institutions and institutional arrangements within nested and overlapping service ecosystems.

## Progression of S-D Logic

The development of S-D logic is marked by several conceptual turns, including the *actor-to-actor turn*, the *systems* and *institutional*, as well as *multi-level* turns (Vargo, 2018).

**Table 8.1** Development of foundational premises and axioms of S-D logic

Foundational premise	Axiom	Vargo and Lusch (2004a)	Vargo and Lusch (2008)	Vargo and Lusch (2016)
FP 1	Axiom 1	The application of specialized skills and knowledge is the fundamental unit of exchange	<i>Service is the fundamental basis of exchange</i>	
FP 2		Indirect exchange masks the fundamental unit of exchange	Indirect exchange masks the fundamental <i>basis</i> of exchange	
FP 3		Goods are distribution mechanisms for service provision		
FP 4		Knowledge is the fundamental source of competitive advantage	<i>Operant resources</i> are the fundamental source of competitive advantage	Operant resources are the fundamental source of <i>strategic benefit</i>
FP 5		All economies are services economies		
FP 6	Axiom 2	The customer is always a coproducer	The customer is always a <i>cocreator</i> of value	<i>Value is cocreated by multiple actors, always including the beneficiary</i>

(continued)

Table 8.1 (continued)

Foundational premise	Axiom	Vargo and Lusch (2004a)	Vargo and Lusch (2008)	Vargo and Lusch (2016)
FP 7		The enterprise can only make value propositions	The enterprise <i>cannot deliver value, but only offer value propositions</i>	<i>Actors cannot deliver value but can participate in the creation and offering of value proposition</i>
FP 8		A service-centered view is customer oriented and relational	A service-centered view is <i>inherently</i> customer oriented and relational	A service-centered view is <i>inherently beneficiary</i> oriented and relational
FP 9	Axiom 3		<i>All social and economic actors are resource integrators</i>	
FP 10	Axiom 4		<i>Value is always uniquely and phenomenologically determined by the beneficiary</i>	
FP 11	Axiom 5			<i>Value cocreation is coordinated through actor-generated institutions and institutional arrangements</i>

Adapted from Vargo and Lusch (2016)

## Actor-to-Actor Designation

The actor-to-actor turn resolves the perceived distinction between value-creating ‘producers’ and value-destroying ‘consumers’ by highlighting that all actors (e.g., individuals, households, customers, firms, organizations) participate in service exchange in fundamentally similar ways, i.e., they all integrate resources through reciprocal exchange to cocreate value. Their interactions contribute to the dynamic cocreation of the

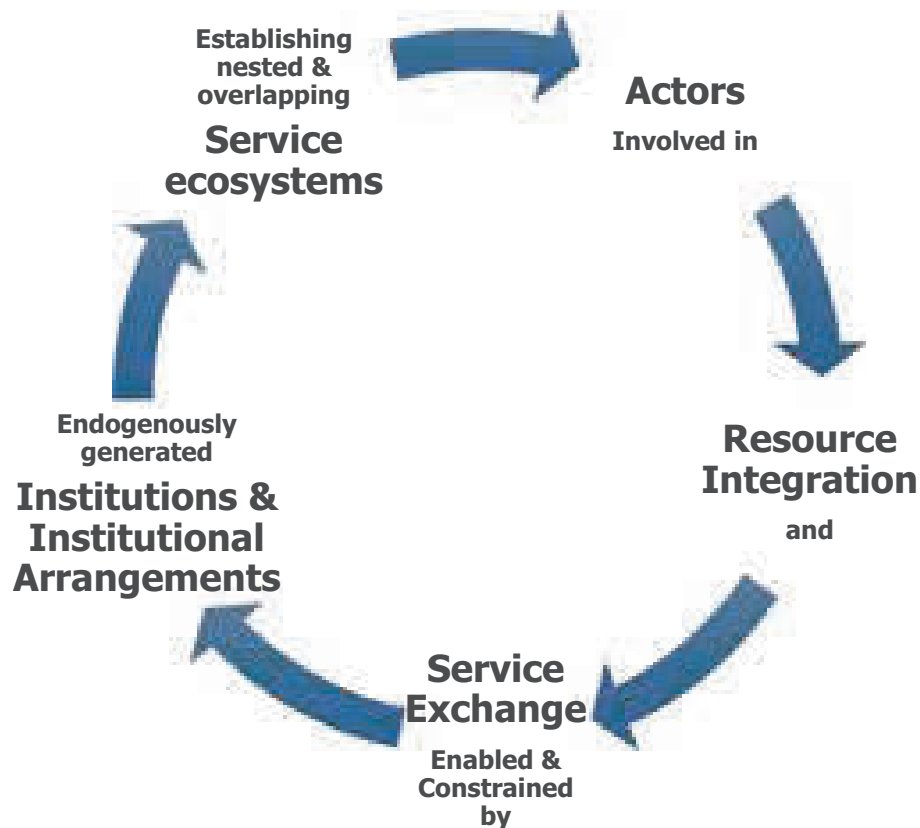


Fig. 8.1 S-D logic narrative (Source Vargo and Lusch [2016])

institutions that enable and constrain these value cocreation practices. The A2A designation does not imply that all actors play identical roles. It actually means the opposite since roles are not fixed and determined ahead of time but are fluid based on systemic context (Vargo, 2018).

Influenced by G-D logic, in which marketing emphasized the production and distribution of goods by firms to consumers, the natural starting point in conventional empirical research was to focus on the relationship between the firm and the consumer, i.e., the business-to-consumer (B2C) relationship. However, looking at business-to-business (B2B) interactions commonly studied in industrial marketing research, both exchange parties are considered enterprising and active contributors to value cocreation, unlike the B2C interaction in which businesses are considered active and ‘consumers’ passive. These revelations inspire the view that “it’s all B2B,” emphasizing that at a certain level of abstraction, ‘consumers’ are no less active and enterprising than producers. S-D logic hence

adopts the actor-to-actor (A2A) designation to facilitate a more general approach to exchange (Vargo & Lusch, 2011).

The benefit of the A2A designation is that it enables theoretical parsimony. It can reconcile or build a common thread across research disciplines or subdisciplines. The A2A view applies to a more general audience (Nariswari & Vargo, 2015). Under this perspective, it is plausible to interpret H2H Marketing as a special case of A2A relationships. By creating a common language to transcend the fragmented business-to-business (B2B), business-to-consumer (B2C), and consumer-to-consumer (C2C) research, the A2A orientation offers a shared perspective to bridge different research areas that will support cross-fertilization among various other disciplines.

## Systemic and Institutional Focus

### Service Ecosystems

As societies develop and actors enhance their competence and expertise through specialization, actors increasingly rely on exchange to fulfill their personal needs and the needs of others. Specialization increases interdependence among actors, prompting actors to continually integrate, apply, and exchange resources from multiple sources for value cocreation. Zooming out to look beyond dyadic A2A interactions reveals a broader configuration of actors that prompts a systems orientation. S-D logic has thus begun to depict a holistic, dynamic approach to value cocreation by a network of actors. This view is in line with research on networks (Achrol & Kotler, 1999; Granovetter, 1973) but distinct in that the actors are linked by a common dynamic process of resource integration through service-for-service exchange as a means to increase one's viability, which partly contributes to collective well-being (Vargo & Lusch, 2017). Hence, the system is aptly labeled a *service ecosystem*, in which service represents “the particular kind of critical flow—mutual service provision” and ecosystem reflects “actor–environmental interaction and energy flow” (Vargo & Lusch, 2016: 10).

A *service ecosystem* is “a relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange” (Vargo & Lusch, 2016: 10–11). It is relatively self-contained in that the system does not aim to achieve an optimal solution but to address survival issues by adapting to changing situations. Lusch and Vargo (2014: 163) note that “as with biological ecosystems, most exchanges between actors in a service ecosystem are done to solve a local problem or pursue a local opportunity but tend to be repeated when successful. Over time, these A2A exchange and interactions ripple through tiers of actors, resulting in the emergence of what is a relatively self-contained structure.” As service ecosystems are nested within larger service ecosystems, compared to other types of systems, they are slower to unravel when any actor leaves or is removed from the system. Meanwhile, as a self-adjusting system, resource-integrating actors in a service ecosystem can freely exit, exchange with other actors, and become part of other ecosystems due to their loose connection to each other. When actors are loosely coupled, they are quicker to adapt when circumstances change, increasing chances of survivability (Lusch & Vargo, 2014).

The service ecosystem perspective highlights the systemic nature of exchange, in which value is cocreated in the context of multiple interactions and relationships of various actors accessing and exchanging various resources for their benefit and the benefit of others (Vargo & Lusch, 2004a, 2011). The systemic and contextual nature of value cocreation underlines that resources are integrated in the context of other potential resources (Lusch & Vargo, 2014; Vargo & Lusch, 2011). By implication, resources are not value-laden or inherently useful. The benefit of a specific resource depends on the availability of other resources offered by different actors, including having the appropriate knowledge or sense-making framework to extract the potential benefit of such resource, bringing to light the importance of institutions.



## Institutions and Institutional Arrangements

Institutions are the coordination mechanisms that provide a common framework to facilitate massive-scale value cocreation (Vargo & Lusch, 2016). As used in S-D logic, institutions are “rules of the game” (North, 1990). More specifically, building on Scott’s definition (2008), institutions are “humanly devised coordinating mechanisms (e.g., rules, norms, symbols, etc.), that enable and constrain value-cocreating actions within and across service ecosystems” (Vargo et al., 2023a: 18).

Scott (2008) identifies three pillars of institutions, namely regulative, normative, and cultural-cognitive. The regulative pillar relates to the capacity to establish rules, monitoring to ensure conformity to said rules, and the ability to apply sanctions in the form of rewards or punishments. Normative pillars relate to the introduction of values, norms, and roles that present prescriptive, evaluative, and mandatory dimensions into social life. Meanwhile, cultural-cognitive elements refer to a shared understanding of the nature of social reality and the frames from which meaning is generated. Given their role, institutions may provide explicit or tacit commonly accepted guidelines that enable and constrain value cocreation. Institutions also provide the sense-making frames needed to enable ‘*resourceness*,’ in other words, “the ability of potential resources to facilitate the accomplishment of something desirable” (Koskela-Huotari & Vargo, 2016: 164).

Bearing in mind the significance of the service ecosystem perspective in S-D logic, it is natural for S-D logic to increasingly consider systems-related concepts and theories to explore how they can inform S-D logic and how S-D logic might align with or accommodate such theories. Vargo (2018) has thus suggested, among others, the importance of attending to *complexity theory* and *emergence*, and the consideration of *triads* over *dyad*.

**Complexity theory and emergence.** Complexity theory is “the interdisciplinary science that focuses on questions related to complex adaptive systems (CASs). It examines the relationship between unpredictability and order as a result of feedback and amplification” (Vargo et al., 2023a: 17). Meanwhile, complex adaptive system (CAS) is defined by Vargo et al. (2023a: 17) as “dynamic, open systems that are capable

of exhibiting self-organizing and self-adapting behaviors, through feedback.” CAS has roots in various disciplines, such as evolutionary biology, nonlinear dynamic systems, and artificial intelligence (Choi et al., 2001). Social sciences have gradually adopted CAS to explore socioeconomic systems (Arthur, 2015; Ramos-Martin, 2003). For example, CAS has been used to study organizational change (Eoyang, 2011), leadership (Schneider & Somers, 2006), supply chain networks (Choi et al., 2001; Surana et al., 2005) as well as word-of-mouth communication (Goldenberg et al., 2001) and marketing management (Wollin & Perry, 2004).

As with other service ecosystems, dynamic conceptualizations of markets and marketing activity have been described as complex adaptive systems. Meanwhile, value cocreation is regarded as complex adaptive process (Vargo, 2018). Complex adaptive systems (CAS) encompass interdependent actors following simple rules; their interactions generate nonlinear outcomes that can be unpredictable, leading to phase transitions and the emergence of new higher-order structures (Polese et al., 2021).

*Emergence* is “a phenomenon that arises from the relationships among existing system’s elements but that is qualitatively different from and irreducible to them” (Vargo et al., 2023a). Meanwhile, *phase transitions* are “large-scale step change which occurs when external environmental disturbances and internal interactions dislodge the ecosystem from a state of stability, into de-institutionalization and then re-institutionalization, when it achieves a new stable state. The new state is characterized by the emergence of new institutional arrangements and value that provide order and organization to the interactions of the service ecosystem” (Polese et al., 2021: 29). The study of emergence is becoming more important because all core marketing phenomena can debatably be identified as emergent processes. Vargo et al. (2023a) identify value, experience, satisfaction, brand meaning, markets, and institutions as generated through a dynamic, interactive, emergent process whose outcomes are somewhat unpredictable because the whole is irreducible to their parts.

Emergent properties can be observed at the micro, meso, or macro level of the service ecosystem and may include new resources, value,

practices, and institutional arrangements generated through the interaction of actors and resources (Peters, 2016; Polese et al., 2021). These new properties can generate similar properties at other levels of observation, in part due to upward and downward causation, and can potentially present minor or major changes into the service ecosystem (Taillard et al., 2016). While emergence also applies to natural and physical systems, it is distinct in socio-material systems such as service ecosystems since they comprise actors capable of reflexivity, making the system driven by shared intentionality (Taillard et al., 2016). Recent research has begun reconciling theoretical frameworks and terminology in emergence, complex adaptive systems, and institutional literature to align with the S-D logic framework. The purpose is to highlight how S-D logic can help explain emergence of various marketing phenomena (Vargo et al., 2023a).

**Dyads vs. Triads.** Given a dynamic network perspective, observation of exchange should include triads (A-B-C) rather than dyads (A-B) (Sitaloppi & Vargo, 2017). A triadic analysis is not just a consideration of a system with three actors but includes, at a minimum, the coexistence of two ties between three associated actors. These ties can reflect a direct exchange between two actors or the indirect exchange between two others that impact the three-actor system (Chandler & Vargo, 2011). Adding a third actor into the analytical frame makes the role of indirect ties (i.e., the impact of A's or B's or A and B's relationship to C on the relationship between A-B and vice versa) more visible and prominent (Sitaloppi & Vargo, 2017). The third actor can facilitate a complementary relationship between two actors or impede reciprocal dyadic relationships. Using the triad as the primary and smallest unit of analysis of a service ecosystem reveals how actors are continually shaping and being shaped by the network of ties in which they are situated.

## Multi-Level Perspective

The multi-level perspective in S-D logic includes two aspects: *levels of aggregation*, which involve observation of studied phenomena, and *levels of abstraction*, which are related to different types of theory. Adopting a service ecosystem perspective reveals the complexity of

context (Akaka et al., 2013) and the nestedness of interactions among resource-integrating actors (Chandler & Vargo, 2011; Peñaloza & Mish, 2011). Nested interactions imply that smaller levels of interaction are situated within broader levels of interaction. For the purpose of analysis, researchers can study service ecosystems at *different levels of aggregation* (Vargo & Lusch, 2017). Commonly, micro-level analysis focuses on individuals or dyads and their interactions, while meso-level observations involve brand communities, markets, or industries. Macro-level studies involve a broader observation set, which may include the national or global scope (Chandler & Vargo, 2011; Vargo & Lusch, 2017). However, determining what comprises, for example, micro- vs. macro-level aggregation, is not based on any fixed criteria. The observer or researcher can subjectively determine the boundaries of each observation level depending on the core phenomenon of interest. What has been proposed, however, is that to fully comprehend any complex social phenomenon, researchers may apply oscillating foci, i.e., zooming in and out by viewing the phenomenon from at least one other level above or below (Chandler & Vargo, 2011; Nicolini, 2009). Relatedly, Akaka et al. (2023) underline the importance of the meso level in connecting observations of micro-level actions with emergent macro-structures.

Despite the proposed levels of aggregation, for analytical purposes, S-D logic fundamentally adopts a flat-world orientation. Hence, ontologically, complex systems of actors and their related interaction operate on a single, flat level. The noted micro, meso, and macro levels of aggregation are merely perspectives used to support observation and analysis of complex phenomena. Nevertheless, these levels are not distinct, separate entities but snapshots of a single-level complex web of interactions with different levels of granularity (Akaka et al., 2023).

Another discussion of levels in S-D logic refers to theoretical levels, which relate to the levels of abstraction (e.g., micro-theoretical, mid-range theoretical, and metatheoretical). Theory at one level can inform theories at other levels. Much of the academic work in S-D logic has been at the metatheoretical level. As a metatheoretical framework, S-D logic is developed at a higher level of abstraction. However, it can be applied to understand and inform the study of phenomena across all levels of aggregation (e.g., micro [individuals], meso [communities, industries], macro

[countries]). As the metatheoretical narrative of S-D logic has become more developed and articulated, Vargo and Lusch (2017) suggest that theory development in S-D logic will increasingly shift toward middle-range (Brodie et al., 2011) and micro-level theory, which will enable more direct testing, verification, validation, and application.

## Direction of S-D Logic

### Theorizing Markets to Develop Theories of Marketing

Marketing scholars caution that the marketing discipline is at a junction; it can continue to pursue incremental research by working “safely within the confines of its present boundaries—relying on mainstream assumptions, theories, and methods that tend to reinforce, not challenge, our thinking” (Moorman et al., 2019: 1) or chart new territory by challenging “the assumptions, metaphors, and ideas about what marketing is or is not and promote a better set of ideas and approaches for what it might become” (Moorman et al., 2019: 2). Maintaining the status quo puts the marketing field at risk of losing relevance (Kotler et al., 2021; Reibstein et al., 2009) or being overshadowed by other disciplines that focus on similar issues important in marketing (Moorman et al., 2019).

In addressing this issue, the typical call is for more managerially relevant research through increased collaboration between academics and businesses (Kumar, 2017; Vermeulen, 2005). However, others also underline the significance of conceptual work to the development of the field (MacInnis, 2011; Yadav, 2010), including the need for more indigenous theory development from within the marketing discipline (Hunt, 2020a; Zeithaml et al., 2020).

Theories of marketing imply normative theories about ‘what to do’ or ‘how to do.’ Nevertheless, Hunt (2002) argues that good normative theory should rest on positive theories explaining ‘what is.’ Therefore, normative theories of ‘how best to do marketing’ should be built on positive theories explaining ‘what markets are’ (Vargo, 2007a). A point of concern, however, is that marketing builds primarily on economic

science, and economic science is built on Adam Smith's (1776) normative conceptualization of how to make a nation wealthier given the era of industrialization (Vargo & Lusch, 2004a; Vargo, 2007a, 2007b). Thus, rather than being built on a positive theory of markets or economic exchange, marketing is built on normative economic theories, making for a weak foundation to support the robustness and long-term scientific development of the discipline (Vargo, 2007a).

Furthermore, Hunt (2020b), along with other scholars, criticize the marketing field as losing its primary focus, becoming increasingly siloed or fragmented, more reliant on borrowed theories and concepts from different fields, generating limited indigenous theory (Key et al., 2020; MacInnis, 2011; Yadav, 2010; Zeithaml et al., 2020). Hence, there are calls to re-institutionalize the marketing discipline through efforts that bridge fragmentation and focus on indigenous theory building to legitimize the discipline (Hunt, 2020b; Key et al., 2021).

Consequently, a general theory of markets is essential (Mele et al., 2015; Venkatesh et al., 2006; Wieland et al., 2021) and should be the foundation for developing normative theories in marketing (Hunt, 2002; Vargo, 2007a). By implication, to be more practical, the marketing discipline paradoxically needs to be more theoretical (Alderson, 1965). In particular, broader conceptualizations of markets, including their stable and dynamic state as well as their systemic and holistic nature, are needed (Mele et al., 2015; Wieland et al., 2021).

## **S-D Logic as a Potential Theory of Market**

S-D logic and its related service ecosystems perspective is an indigenous, or marketing-born, metatheoretical framework. The deliberate adoption of S-D logic is increasing in marketing and its subdisciplines (Pohlmann & Kaartemo, 2017; Wilden et al., 2017). S-D logic has diffused within marketing to inform various areas of inquiry such as branding (Merz et al., 2009), customer engagement (Brodie et al., 2011), international marketing (Akaka et al., 2013), macromarketing (Akaka et al., 2023), marketing communications (Ballantyne & Varey, 2006), and social marketing (Luca et al., 2016). Researchers outside of

marketing have also adopted S-D logic, inspiring research, among others, in art philosophy, design thinking, education, health, management, public administration, and tourism (for a more detailed elaboration of S-D logic's within-discipline and transdisciplinary vectors of diffusion, please see Vargo & Lusch, 2017).

Hence, many prominent scholars have begun identifying S-D logic as a candidate for developing a general marketing theory (Hunt et al., 2022; Sheth et al., 2022). Kotler et al. (2021) recognize S-D logic as the “grand theory” of marketing. A shift in research focus from promotion and persuasion to value propositions and cocreation and increasing interest in customer experience and well-being indicates that many scholars are adopting S-D logic without realizing it (Bolton, 2020). While earlier work explicitly claims S-D logic to be a mindset or lens (Vargo & Lusch, 2006) and still in the pre-theory stage (Vargo, 2007b; Winklhofer et al., 2007), recent research begins to depict S-D logic as the conceptual base for a general theory of markets (Akaka et al., 2021; Vargo et al., 2023b).

S-D logic has four overlapping characteristics that may contribute to its viability as a potential general theory of markets: *transcending, accommodating, unifying, and transformative* (Koskela-Huotari & Vargo, 2018). S-D logic is *transcending* because of its ability to resolve tensions and paradoxes in predominant views, primarily by identifying higher-order abstractions that can encapsulate concepts seemingly at odds with each other. For example, by taking on a processual definition of *service*, S-D logic can reconcile the distinction between goods vs. services (intangible goods) by reframing them as indirect and direct service (Vargo & Lusch, 2004a). The A2A designation resolves the producer vs. consumer divide by identifying all market actors as resource integrators (Vargo & Lusch, 2011).

S-D logic is *accommodating* in that it fosters an inclusive outlook. S-D logic is inspired by and builds on various research disciplines (e.g., service marketing, industrial marketing) and perspectives (e.g., relationship marketing, resource-based views) within marketing. It is also considered a natural ally to consumer culture theory (CCT) (Arnould, 2014)). Furthermore, S-D logic incorporates and is compatible with practice theory (Schatzki, 1996), institutional theory (Lawrence et al., 2009; Scott, 2008), systems theory, complexity, and evolutionary theory

(Capra & Luisi, 2014; Eoyang, 2011). Most recently, S-D logic, with its service ecosystems and institutionalization perspectives, has been utilized to explore and explain emergence in marketing (Peters, 2016; Polese et al., 2021; Taillard et al., 2016; Vargo et al., 2023a). As previously noted, the A2A perspective can accommodate context-specific observations such as B2C, B2B, C2C, including H2H interactions.

S-D logic is *unifying* because it attempts to establish theoretical convergence. Rather than abandon or replace existing views, S-D logic supports transdisciplinary research and reorganizing different knowledge through a standard set of concepts, lexicon, or framework. Last of all, S-D logic also supports a transformative mindset because of its ability to inform and provide new insights that would not be possible to observe under conventional G-D logic.

The transcending, accommodating, unifying, and transformative nature of S-D logic indicates that it has the bandwidth and necessary characteristics to facilitate the development of a general theory of markets (Vargo et al., 2023b). With lexicon and axiomatization somewhat developed, work toward the formalization of S-D logic continues (Akaka et al., 2021; Hunt, 2002, 2014). The following section outlines potential pathways to continue the formalization of S-D logic.

## Continuing the Formalization of S-D Logic

Establishing a general theory of markets requires an ongoing theory-formalization process. Hunt (2002, 2014) identifies three iterative stages toward formalization, the first being language or lexicon development distinct from natural language systems, such as the English language, which includes primitive elements that can be used to generate non-primitive elements. The next stage of the process is the axiomatization of the formal language system. This involves choosing sufficient fundamental statements to deduce other statements. S-D logic has developed a set of lexicons. As explained above, the core terms include service, resources, actors, value, and institutions. Additionally, five axioms of S-D logic have been generated. The third process is interpretation, where the “axiomatic formal system is linked to observable entities and events



in the real world through interpretation rules in a manner that will allow for exploration” (Akaka et al., 2021: 378).

To pursue the interpretation stage, Akaka et al. (2021) identify several critical pathways: the empirical exploration of emerging areas of inquiry, developing marketing-born mid-range theories on markets, and cocreating theory with a broad range of actors. They introduce specific topics at the intersection of S-D logic and market theorizing as potential areas of empirical inquiry, including considering market exchange as a particular case of service-for-service exchange, phenomenological market experiences to consider how experience influences value cocreation and well-being, multi-level market analysis, the evolution of markets as well as intentional market intervention, in other words, efforts to shape markets.

Metatheoretically based mid-range theory is needed to further develop a general theoretical framework by bridging the metatheory and empirical verification. That is, the development of mid-range theories enables empirical testing that is not possible for axioms, which are assumed to be true for analytical purposes (Hunt, 2002). Hence, Akaka et al. (2021) call for more mid-range market theories, particularly those that support a dynamic, service-based, systems-oriented view. While examples of S-D logic inspired mid-range theories have been listed in Vargo and Lusch (2017) and Vargo et al. (2023b), it is worth noting that such mid-range theoretical work includes the critical development of humanism in management, as captured in this edited book. Related to human-centered management is the conceptualization of H2H approach in marketing, which aims to utilize marketing as a force for positive change to create a better world. The H2H Marketing model builds on digitalization as a context, design thinking methods, and rests on S-D logic as a theoretical foundation (Kotler et al., 2021).

Finally, theory cocreation needs to involve academics and a diverse set of market actors. For example, involving managers or business practitioners is critical. As Zeithaml et al. (2020) suggest in the development of theory-in-use (TIU), the mental models held by stakeholders (e.g., managers, customers, employees, and public policy makers) are critical to the development of new theories. Furthermore, Akaka et al. (2021: 387) also signify the need to involve students in higher education

in the theorizing process to “provide avenues for connecting students, academics and practitioners in the theoretical conversation” giving “students the opportunity to think critically about the field of study and their own pathways ahead.” While marketing education focuses on teaching students normative theory on building monetary success for businesses, what is often lacking is the implication of such decisions on the broader service ecosystems in which various actors, businesses, and markets are embedded (Akaka et al., 2021). Achieving such an objective requires a change in marketing education that can prepare students to become professionals aware of their responsibilities to society.

In principle, all market actors carry and enact concepts and theories or representations of markets that influence the outcome of markets (Kjellberg & Helgesson, 2006, 2007). Therefore, regardless of how removed they may seem, various actors’ efforts to conceptualize markets can play a critical direct or indirect role in market shaping, underlining the importance of expanding conceptualizations of markets and including diverse market actors in theorizing markets (Akaka et al., 2021; Wieland et al., 2021).

## Conclusion

S-D logic offers a lens to think about economic activity beyond goods-for-money exchange (G-D logic) but in broader terms of value cocreation through service-for-service exchange, driving a potential paradigmatic shift in marketing (Brodie et al., 2019). Over the last two decades, with the involvement of various scholars, S-D logic has emerged as a metatheoretical framework that simplifies the complex nature and purpose of exchange.

S-D logic is captured in a narrative of value cocreation in which resource-integrating actors cocreate value through service exchange in nested and overlapping ecosystems coordinated by actor-generated institutions. This metatheoretical framework provides a holistic, dynamic, and systemic understanding of value cocreation across a wide configuration of actors that applies to various contexts and levels of analysis.

The transcending, unifying, accommodating, and transformative nature of S-D logic explains its widespread adoption within the marketing discipline as well as across disciplines, making it a strong candidate as a potential foundation for developing a positive theory of markets, from which normative marketing theories can be created (e.g., Vargo, 2007; Vargo & Lusch, 2011). In the ongoing work toward formalizing theory, S-D logic has developed a distinct lexicon to depict markets as nested institutional arrangements driving service exchange within service ecosystems and engaged in axiomatization to essentialize its foundational premises. What remains is the need to continue interpretation through more empirical research on markets, development of indigenous mid-range theories on markets, and embracing the participation of various market actors. While theory is never fully finalized (Akaka et al., 2021; Hunt, 2002), they are formalized through collective exploration, testing, and discovery involving multiple market actors, leading to a foundational framework where many new theories can emerge.

## References

- Abela, A. V., & Murphy, P. E. (2008). Marketing with integrity: Ethics and the service-dominant logic for marketing. *Journal of the Academy of Marketing Science*, 36, 39–53.
- Achrol, R. S., & Kotler, P. (1999). Marketing in the network economy. *Journal of Marketing*, 63(4\_suppl1), 146–163.
- Akaka, M. A., Koskela-Huotari, K., & Vargo, S. L. (2021). Formalizing service-dominant logic as a general theory of markets: Taking stock and moving forward. *AMS Review*, 11, 375–389.
- Akaka, M. A., & Nariswari, A. (2015). Ethics: Value co-creation. In D. Bearfield, E. Berman, & M. J. Dubnick (Eds.), *Encyclopedia of public administration and public policy*. Routledge.
- Akaka, M. A., Vargo, S. L., & Lusch, R. F. (2013). The complexity of context: A service ecosystems approach for international marketing. *Journal of International Marketing*, 21(4), 1–20.

- Akaka, M. A., Vargo, S. L., Nariswari, A., & O'Brien, M. (2023). Micro-foundations for macromarketing: A metatheoretical lens for bridging the micro-macro divide. *Journal of Macromarketing*, 43(1), 61–75.
- Alderson, W. (1965). *Dynamic marketing behavior: A functionalist theory of marketing*. R. D. Irwin.
- Anderson, L., & Ostrom, A. L. (2015). Transformative service research: Advancing our knowledge about service and well-being. *Journal of Service Research*, 18(3), 243–249.
- Anderson, L., Ostrom, A. L., Corus, C., Fisk, R. P., Gallan, A. S., Giraldo, M., Mende, M., Mulder, M., Rayburn, S. W., & Rosenbaum, M. S. (2013). Transformative service research: An agenda for the future. *Journal of Business Research*, 66(8), 1203–1210.
- Arnould, E. J. (2014). Rudiments of a value praxeology. *Marketing Theory*, 14(1), 129–133.
- Arthur, W. B. (2015). *Complexity and the economy*. Oxford University Press.
- Ballantyne, D., & Varey, R. J. (2006). Creating value-in-use through marketing interaction: The exchange logic of relating, communicating and knowing. *Marketing Theory*, 6(3), 335–348.
- Bolton, R. N. (2020). First steps to creating high impact theory in marketing. *AMS Review*, 10(3), 172–178.
- Brodie, R. J., Löbler, H., & Fehrer, J. A. (2019). Evolution of service-dominant logic: Towards a paradigm and metatheory of the market and value cocreation? *Industrial Marketing Management*, 79, 3–12.
- Brodie, R. J., Saren, M., & Pels, J. (2011). Theorizing about the service dominant logic: The bridging role of middle range theory. *Marketing Theory*, 11(1), 75–91.
- Capra, F., & Luisi, P. L. (2014). *The systems view of life: A unifying vision*. Cambridge University Press.
- Chandler, J. D., & Vargo, S. L. (2011). Contextualization and value-in-context: How context frames exchange. *Marketing Theory*, 11(1), 35–49.
- Chandy, R. K., Johar, G. V., Moorman, C., & Roberts, J. H. (2021). Better marketing for a better world. *Journal of Marketing*, 85(3), 1–9.
- Choi, T. Y., Dooley, K. J., & Rungtusanatham, M. (2001). Supply networks and complex adaptive systems: Control versus emergence. *Journal of Operations Management*, 19(3), 351–366.
- Edvardsson, B., Skålén, P., & Tronvoll, B. (2012). Service systems as a foundation for resource integration and value co-creation. *Review of Marketing Research*, 9, 79–126.

- Edvardsson, B., Tronvoll, B., & Gruber, T. (2011). Expanding understanding of service exchange and value co-creation: A social construction approach. *Journal of the Academy of Marketing Science*, 39(2), 327–339.
- Eoyang, G. H. (2011). Complexity and the dynamics of organizational change. In P. Allen, S. Maguire, & B. McKelvey (Eds.), *The SAGE handbook of complexity and management*. Sage.
- Goldenberg, J., Libai, B., & Muller, E. (2001). Talk of the network: A complex systems look at the underlying process of word-of-mouth. *Marketing Letters*, 12, 11–223.
- Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology*, 78(6), 1360–1380.
- Hunt, S. D. (2002). *Foundations of marketing theory: Toward a general theory of marketing*. ME Sharpe.
- Hunt, S. D. (2014). *Marketing theory: Foundations, controversy, strategy, and resource-advantage theory*. Routledge.
- Hunt, S. D. (2020a). For re-institutionalizing the marketing discipline in Era V. *AMS Review*, 10(3–4), 189–198.
- Hunt, S. D. (2020b). Indigenous theory development in marketing: The foundational premises approach. *AMS Review*, 10(1–2), 8–17.
- Hunt, S. D., Madhavaram, S., & Hatfield, H. N. (2022). The marketing discipline's troubled trajectory: The manifesto conversation, candidates for central focus, and prognosis for renewal. *AMS Review*, 12(3–4), 139–156.
- Key, T. M., Clark, T., Ferrell, O. C., Stewart, D. W., & Pitt, L. (2020). Marketing's theoretical and conceptual value proposition: Opportunities to address marketing's influence. *AMS Review*, 10(3), 151–167.
- Key, T. M., Clark, T., Ferrell, O. C., Stewart, D. W., & Pitt, L. (2021). Re-institutionalizing marketing. *AMS Review*, 11(3), 446–453.
- Kjellberg, H., & Helgesson, C.-F. (2006). Multiple versions of markets: Multiplicity and performativity in market practice. *Industrial Marketing Management*, 35(7), 839–855.
- Kjellberg, H., & Helgesson, C.-F. (2007). On the nature of markets and their practices. *Marketing Theory*, 7(2), 137–162.
- Koskela-Huotari, K., & Vargo, S. L. (2016). Institutions as resource context. *Journal of Service Theory and Practice*, 26(2), 163–178.
- Koskela-Huotari, K., & Vargo, S. L. (2018). Why service-dominant logic. In S. L. Vargo & R. F. Lusch (Eds.), *The SAGE handbook of service-dominant logic*. Sage.
- Kotler, P., Pfoertsch, W., & Sponholz, U., (2021). *H2H marketing: The genesis of human-to-human marketing*. Springer.

- Kumar, V. (2017). Integrating theory and practice in marketing. *Journal of Marketing*, 81(2), 1–7.
- Lawrence, T. B., Suddaby, R., & Leca, B. (2009). *Institutional work: Actors and agency in institutional studies of organizations*. Cambridge University Press.
- Luca, N. R., Hibbert, S., & McDonald, R. (2016). Towards a service-dominant approach to social marketing. *Marketing Theory*, 16(2), 194–218.
- Lusch, R. F., & Vargo, S. L. (2006). Service-dominant logic: Reactions, reflections and refinements. *Marketing Theory*, 6(3), 281–288.
- Lusch, R. F., & Vargo, S. L. (2014). *Service-dominant logic: Premises, perspectives, possibilities*. Cambridge University Press.
- MacInnis, D. J. (2011). A framework for conceptual contributions in marketing. *Journal of Marketing*, 75(4), 136–154.
- McCull-Kennedy, J. R., Vargo, S. L., Dagger, T. S., Sweeney, J. C., & van Kasteren, Y. (2012). Health care customer value cocreation practice styles. *Journal of Service Research*, 15(4), 370–389.
- Mele, C., Pels, J., & Storbacka, K. (2015). A holistic market conceptualization. *Journal of the Academy of Marketing Science*, 43(1), 100–114.
- Merz, M. A., He, Y., & Vargo, S. L. (2009). The evolving brand logic: A service-dominant logic perspective. *Journal of the Academy of Marketing Science*, 37, 328–344.
- Mick, D. G. (2006). Meaning and mattering through transformative consumer research. *Advances in Consumer Research*, 33(1), 1–4.
- Mick, D. G., Pettigrew, S., Pechmann, C., & Ozanne, J. L. (2012). Origins, qualities, and envisionments of transformative consumer research. In D. G. Mick, S. Pettigrew, C. Pechmann, & J. L. Ozanne (Eds.), *Transformative consumer research for personal and collective well-being*. Routledge.
- Moorman, C., van Heerde, H. J., Moreau, C. P., & Palmatier, R. W. (2019). Challenging the boundaries of marketing. *Journal of Marketing*, 83(5), 1–4.
- Nariswari, A. (2018). How service exchange drives market (re)formation. In S. L. Vargo & R. F. Lusch (Eds.), *The SAGE handbook of service-dominant logic*. Sage.
- Nariswari, A., Chen, Q., & Alden, D. L. (2023). Toward a common customer identity framework for managing participatory marketing communication campaigns. *Journal of Advertising*, 53, 357–376.
- Nariswari, A., & Vargo, S. L. (2015). From B2C to B2B to A2A: A Translation Perspective on Theory Development. In S. Fließ, M. Haase, F. Jacob, & M. Ehret (Eds.), *Kundenintegration und Leistungslehre*. Springer Fachmedien Wiesbaden.

- Nicolini, D. (2009). Zooming in and out: Studying practices by switching theoretical lenses and trailing connections. *Organization Studies*, 30(12), 391–1418.
- Nishikawa, H., Schreier, M., Fuchs, C., & Ogawa, S. (2017). The value of marketing crowdsourced new products as such: Evidence from two randomized field experiments. *Journal of Marketing Research*, 54(4), 525–539.
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.
- Peñaloza, L., & Mish, J. (2011). The nature and processes of market co-creation in triple bottom line firms: Leveraging insights from consumer culture theory and service dominant logic. *Marketing Theory*, 11(1), 9–34.
- Peters, L. D. (2016). Heteropathic versus homopathic resource integration and value co-creation in service ecosystems. *Journal of Business Research*, 69(8), 2999–3007.
- Pohlmann, A., & Kaartemo, V. (2017). Research trajectories of service-dominant logic: Emergent themes of a unifying paradigm in business and management. *Industrial Marketing Management*, 63, 53–68.
- Polese, F., Payne, A., Frow, P., Sarno, D., & Nenonen, S. (2021). Emergence and phase transitions in service ecosystems. *Journal of Business Research*, 127, 25–34.
- Ramos-Martin, J. (2003). Empiricism in ecological economics: A perspective from complex systems theory. *Ecological Economics*, 46(3), 387–398.
- Reibstein, D. J., Day, G., & Wind, J. (2009). Guest editorial: Is marketing academia losing its way? *Journal of Marketing*, 73(4), 1–3.
- Rosenbaum, M., Corus, C., Ostrom, A., Anderson, L., Fisk, R., Gallan, A., Giraldo, M., Mende, M., Mulder, M., & Rayburn, S. (2011). Conceptualisation and aspirations of transformative service research. *Journal of Research for Consumers*, 19, 1–6.
- Schatzki, T. R. (1996). *Social practices: A Wittgensteinian approach to human activity and the social*. Cambridge University Press.
- Schau, H. J., Muniz, A. M., & Arnould, E. J. (2009). How brand community practices create value. *Journal of Marketing*, 73(5), 30–51.
- Schneider, M., & Somers, M. (2006). Organizations as complex adaptive systems: Implications of complexity theory for leadership research. *The Leadership Quarterly*, 17(4), 351–365.
- Scott, W. R. (2008). *Institutions and organizations: Ideas and interests*. Sage.
- Sheth, J. N., Parvatiyar, A., & Usley, C. (2022). *Marketing theory: Evolution and evaluation of schools of marketing thought*. Wiley.

- Siltaloppi, J., & Vargo, S. L. (2017). Triads: A review and analytical framework. *Marketing Theory*, 17(4), 395–414.
- Smith, A. (1776). *An inquiry into the nature and causes of the wealth of nations*. W. Strahan and T. Cadell.
- Surana, A., Kumara, S., Greaves, M., & Raghavan, U. N. (2005). Supply-chain networks: A complex adaptive systems perspective. *International Journal of Production Research*, 43(20), 4235–4265.
- Taillard, M., Peters, L. D., Pels, J., & Mele, C. (2016). The role of shared intentions in the emergence of service ecosystems. *Journal of Business Research*, 69(8), 2972–2980.
- Vargo, S. L. (2007a). On a theory of markets and marketing: From positively normative to normatively positive. *Australasian Marketing Journal (AMJ)*, 15(1), 53–60.
- Vargo, S. L. (2007b). Paradigms, pluralisms, and peripheries: On the assessment of the SD logic. *Australasian Marketing Journal (AMJ)*, 15(1), 105–108.
- Vargo, S. L. (2018). Service-dominant logic: Backward and forward. In S. L. Vargo & R. F. Lusch (Eds.), *The SAGE handbook of service-dominant logic*. Sage.
- Vargo, S. L., & Akaka, M. A. (2012). Value cocreation and service systems (re)formation: A service ecosystems view. *Service Science*, 4(3), 207–217.
- Vargo, S. L., & Lusch, R. F. (2004a). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1), 1–17.
- Vargo, S. L., & Lusch, R. F. (2004b). The four service marketing myths: Remnants of a goods-based, manufacturing model. *Journal of Service Research*, 6(4), 324–335.
- Vargo, S. L., & Lusch, R. F. (2006). Service-dominant logic: What it is, what it is not, what it might be. In S. L. Vargo & R. F. Lusch (Eds.), *The service-dominant logic of marketing: Dialog, debate, and directions*. ME Sharpe.
- Vargo, S. L., & Lusch, R. F. (2008). Service-dominant logic: Continuing the evolution. *Journal of the Academy of Marketing Science*, 36(1), 1–10.
- Vargo, S. L., & Lusch, R. F. (2011). It's all B2B... and beyond: Toward a systems perspective of the market. *Industrial Marketing Management*, 40(2), 181–187.
- Vargo, S. L., & Lusch, R. F. (2016). Institutions and axioms: An extension and update of service-dominant logic. *Journal of the Academy of Marketing Science*, 44(1), 5–23.
- Vargo, S. L., & Lusch, R. F. (2017). Service-dominant logic 2025. *International Journal of Research in Marketing*, 34(1), 46–67.



- Vargo, S. L., & Lusch, R. F. (2018). *The SAGE handbook of service-dominant logic*. Sage.
- Vargo, S. L., Maglio, P. P., & Akaka, M. A. (2008). On value and value co-creation: A service systems and service logic perspective. *European Management Journal*, 26(3), 145–152.
- Vargo, S. L., Peters, L., Kjellberg, H., Koskela-Huotari, K., Nenonen, S., Polese, F., Sarno, D., & Vaughan, C. (2023a). Emergence in marketing: An institutional and ecosystem framework. *Journal of the Academy of Marketing Science*, 51(1), 2–22.
- Vargo, S. L., Wieland, H., & Akaka, M. A. (2015). Innovation through institutionalization: A service ecosystems perspective. *Industrial Marketing Management*, 44, 63–72.
- Vargo, S. L., Wieland, H., & O'Brien, M. (2023b). Service-dominant logic as a unifying theoretical framework for the re-institutionalization of the marketing discipline. *Journal of Business Research*, 164, 113965.
- Venkatesh, A., Penalosa, L., & Firat, A. F. (2006). The market as a sign system and the logic of the market. In R. F. Lusch & S. L. Vargo (Eds.), *The service-dominant logic of marketing: Dialog, debate, and directions*. ME Sharpe.
- Vermeulen, F. (2005). On rigor and relevance: Fostering dialectic progress in management research. *Academy of Management Journal*, 48(6), 978–982.
- Wieland, H., Nariswari, A., & Akaka, M. A. (2021). On managerial relevance: Reconciling the academic-practitioner divide through market theorizing. *AMS Review*, 11(3), 252–271.
- Wilden, R., Akaka, M. A., Karpen, I. O., & Hohberger, J. (2017). The evolution and prospects of service-dominant logic: An investigation of past, present, and future research. *Journal of Service Research*, 20(4), 345–361.
- Wilkie, W. L., & Moore, E. S. (2003). Scholarly research in marketing: Exploring the “4 eras” of thought development. *Journal of Public Policy & Marketing*, 22(2), 116–146.
- Wilkie, W. L., & Moore, E. S. (2012). Expanding our understanding of marketing in society. *Journal of the Academy of Marketing Science*, 40, 53–73.
- Winklhofer, H., Palmer, R. A., & Brodie, R. J. (2007). Researching the service dominant logic–normative perspective versus practice. *Australasian Marketing Journal (AMJ)*, 15(1), 76–83.
- Wollin, D., & Perry, C. (2004). Marketing management in a complex adaptive system: An initial framework. *European Journal of Marketing*, 38(5/6), 556–572.
- Yadav, M. S. (2010). The decline of conceptual articles and implications for knowledge development. *Journal of Marketing*, 74(1), 1–19.

- Zeithaml, V. A., Jaworski, B. J., Kohli, A. K., Tuli, K. R., Ulaga, W., & Zaltman, G. (2020). A theories-in-use approach to building marketing theory. *Journal of Marketing*, 84(1), 32–51.
- Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1985). Problems and strategies in services marketing. *Journal of Marketing*, 49(2), 33–46.