Service-Dominant (S-D) Marketing Thought: From Fordist to Post-Fordist Agenda

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The paper compliments extant knowledge on the post-Fordist structure and emphasizes corporate power of building competitive advantage when market hegemony resides in the consumers’ ingenuity. Extensively, it draws from the post-Maussian’s theory, the Kotlerite’ doctrine, Foucault’s governmentality, and other contemporary propositions that attempt to diffuse Karl Marx’s ‘living labor’ and promote communitarian dimensions. However, the post-Fordist technology challenges, radicalizes and extends traditional and Fordist methods of handing over political power to the consumers. Although repositioning market status-quo towards managing consumer independence is well accepted by scholars and practitioners, its adoption seems premature since many issues, including that of double exploitation, are yet to be addressed critically in some markets and the rules governing such market powers still reside in the developer. Therefore based on environmental demands and other factors, the 21st century marketing thought represents a blend of Fordist and post-Fordist technologies.

Keywords: Service-dominant logic, marketing thought, Fordism, post-Fordism.

1. Introduction

Marketing and its thoughts are multi-disciplinary, fragmented, and evolutionary. Marx’s (1973) notion of general intellect informs Vargo and Lusch’s (2010) proposition that marketing thought is moving from the tangible output and discrete transactions of G-D logic to intangible and invisible resources, exchange processes, and relationships of service-dominant (S-D) epoch. Emile Durkheim and Max Weber propose social reforms within capitalism, which is really at work today; thus, owing to modern technologies’ induced exponential changes, developments show that social scientists now think in the contexts of humanism of existentialism and postmodernism. To improve the modes of knowing and relating with the consumers drew initially from the Fordist technologies and lately, from post-Fordist virtues (Arvidsson, 2006; Ramaswamy and Ozcan, 2014). Thus, marketing thoughts grow from Fordist’s inside-out, win-lose or zero-sum through post-Fordist’s event-driven, win-win or value-in-use activities, where developers co-create values with diverse stakeholders/actors (Vargo et al., 2015; Haeckel, 1999; Vargo, 2008; Rand and Rust, 2011).

Scholars (Zwick et al., 2008; Lusch and Nambisan, 2015) posit that the need for updated social knowledge amidst extreme dynamism of post-modernism and the holy-grail to satisfy and retain customers question the capabilities of the traditional theories in building sustained

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competitive advantage. The contemporary actors and existentialists are future looking (Binkley, 2007) as contemporary technologies attempt to question tried-and-tested models and even accepted truths (Stamer, 2009). The theory of radical rupture proposes post-Fordist technologies replacing Fordist societies (Armitage, 2005; Genosko, 2007; Binkley, 2007) based on the social theorists' proposition that some activities come after modern to address its short-comings (Ritzer, 2008; Margolis, 2007). Scholars (Cova and Dalli, 2009; Zwick et al., 2008; Bonsu and Darmody, 2008) posit that user-developer dichotomies and good-dominant (G-D) logic that dominated marketing thought till late 20th century need be urgently addressed by alternative theories that emphasize emerging relational and post-Fordist virtues, which align with and/or replace the rigid mode of production with complex and fragmented markets.

However, emerging theories propose that consumers seek individualized and collective product meaning(s) since they are mutable, mobile, fragmented, heterogeneous, and exhibit increasing fickleness and fluid, unmanageable weariness, and growing cynical predisposition towards almost all forms of marketing control (Rand and Rust, 2011; Randall et al., 2010; Thompson and Troester, 2002). Fordist societies rely extensively on traditional technologies (e.g., market research, marketing concept, and marketing mix), which rarely seek strategic interface and merely constructed the consumer as a relatively homogeneous and immobile entity manipulated by twists of marketing programs amidst increasing pressure for improved efficiencies (Lusch and Vargo, 2014; Prahalad and Ramaswamy, 2004). Scholars (Zwick et al., 2008; Tapscott and Williams, 2006) observe that the consumer is complex social entity; his consumption pattern is rarely understood very clearly via extant, and perhaps, traditional theories that assume consumers as imagined and less passive participants with homogeneous pattern of consumption. Traditional market research provides the social process that assists in managing consumers, reducing market complexities, and improving production efficiencies (Arvidsson, 2006; Bartels, 1988) without significantly providing the mechanism that turns the post-Fordist consumers responsive to marketing management techniques (Zwick et al., 2008; Chandler and Vargo, 2011).

Day and Montgomery (1999) posit that traditional technologies rarely recognize marketing as dynamic, innovative, and/or adaptive. The post-Fordist epoch is an instrument of the great vision of do-it-yourself (Toffler, 1981; Schuen, 2008), sell-it-yourself (Cova and Dalli, 2009), self-shaping of lives (Rose, 2001), sense-and-respond (Haeckel, 1999), service-dominant philosophy (Lusch and Vargo, 2014), and other terms that go beyond the simple and traditional consumer orientation. Ritzer (2008) and Bartels (1988) posit that post-Fordist sprouts from (and integrates with) production orientation and then a pragmatic emphasis in assessing opportunities based on the production and distribution efficiencies. Apparently, the post-Fordist technologists propose theoretical frameworks that are more strategic in building sufficient customer delights and/or switching barriers than the simple market research activities because developers need to understand and predict the dynamics of capitalism, and to remain competitive by generating innovation from outside. Ndubisi (2004) notes that firm’s prosperity is less transactional; thus, organization’s destinies are in the hands of customers whose worlds rule operations (relational). Handing over the market hegemony to the customers through dialogue and forming of co-operative networks provide creative and localized intelligence, expertise, and experience for mutual benefits (Heiskanen and Hyvonen, 2006; Arvidsson, 2006).

The assumption that everything is service informs consumer-led developments and more intimate participatory and communitarian accords. Scholars (Zwick et al., 2008; Laughey, 2010; Cova and Dalli, 2009) advocate that this new dawn minimizes the customers’ antagonistic stance, attracts customer-customer and customer-developer partnership/dialogue
(value-in-use) as well as real and/or imagined social, symbolic, and affective capitals needed for distinctive value creation for the active customers and the communities they represent. The dynamics of the consumers represent the critical necessity of post-Fordist scholarship but limited studies have actually focused on assessing the real-life workability of such theoretical shift and the stage of product development that consumers’ professionalism and individualized world are most needed. In the light of this, this paper primarily complements knowledge on how developments in marketing thought (in the context of expected consumer roles) head from the Fordist technology of G-D logic to the post-Fordist activities of S-D marketing. This is purely a theoretical discourse that examines the traditional theories in the light of the 21st century development and integrated them with different theories that pursue dynamic and fertile ecosystem, social co-operation, and extended enterprise in order assess the possibility of handing over market powers voluntarily of to the consumers.

As a conceptual paper, predominantly we review studies published from the late 20th to 21st centuries on, amongst others, putting customers to work, customer empowerment, user interface and user collaboration, service dominant logic, and Fordist and post-Fordist epoch. Using keywords or combination of keywords, the studies were accessed from the popular databases as Emerald, Ulrich, EBSCO of USA and ERA of Australia, Science-Direct and SSRN and others. Some of the journals used were indexed by Scopus and ISI. The organization of this paper is as follows; it begins with an introduction of the subject matter and how materials were sourced. The next section deals with a review of extant studies on the specific areas of S-D logic and how innovations flow from outside as well as the relevant theories on communitarian perspective and active dialogue, knowledge convergence and transfer of affects, and consumer reward packages for his ingenuity. Finally, arguments were critiqued and conclusions drawn to present the position of the paper.

2. Service-Dominant Logic and Innovation Outside

The Fordist technologies rarely emphasize mutually beneficial accords; they act on customers (G-D logic) or finite and tangible natural (operand) resources to create wealth at the expense of fragmented thoughts and revised logic of exchange (Lusch and Vargo, 2014; Randall et al., 2010). Scholars (Chandler and Lusch, 2015; Alrubaiee and Al-Nazer, 2010) posit that developers’ ingenuity seldom create customer delights in market setting characterized by informed consumers, instability in business cycle, product obsolescence and market saturation, complexity and globalization of markets, and technological breakthrough. Similar scholars (Lusch and Vargo, 2014; Vargo and Lusch, 2011; Brodie et al., 2011) argue that in the post-modern societies, authority contexts are pervasive and subject to continual changes; thus, autocratic and unilateral contexts of authority in the industrial sector are out-dated. Scholars (Zimmermann, 1951; Penrose, 1959; Constantin and Lusch, 1994) posit that in the late 20th century, human skills and knowledge began gaining recognition as the most important production factor. Constantin and Lusch (1994) are of the view that operant resources create effects that reflect on how firms deal with exchange processes, markets, and customers. Operant resources are not fixed and finite; they involve the use of intangible and dynamic functions of human ingenuity to create values (Lusch and Vargo, 2014) since everything is neutral or even resistance until mankind puts it to use (Zimmerman, 1951). For Penrose (1959), it is not the resources themselves that are the inputs to the production process rather the services they (resources) render.

In an attempt to exploit consumer intellectuality, the post-Fordist structure emphasizes the nascent twist of operant resources to generate richer theoretical frameworks that integrate
good and service components and enable humans to multiply the produced effects of operand resources and to create additional operant resources (Laughey, 2010; Cova and Dalli, 2009; Prahalad and Ramaswamy, 2004). Underpinned by the operant resource theory, Lusch and Vargo (2014) opine that the S-D logic attempts shifting marketing thought from the exchange of tangible outputs and discrete transactions of G-D logic to all inclusive dominant and relational epoch that spans value-in-use, open-ended value propositions, and exchange of dynamic but infinite, intangible, and invisible resources (e.g., specialized skills, experiences, and knowledge) that offer organizations core competences. Such integrative structure is well applauded since G-D logic rarely accommodates user interface and thus, provides only a narrow picture of the consumers’ worlds (Prahalad and Ramaswamy, 2004; Brodie et al., 2011; Vargo and Lusch, 2010; Chandler and Lusch, 2015). The S-D logic proposes that if everything delivered to the consumer is conceived as service (not product) or service-oriented architecture (SOA) is emphasized, then permanent user-interface is a prerequisite for fostering competitive advantage (Lusch and Vargo, 2014).

Scholars (Gronroos, 2000; Zeithaml and Bitner, 2000; Penrose, 1959; Merz et al., 2009) perceive services as the application of specialized competencies (knowledge and skills) through deeds, processes, and performances for the benefits of another entity, the entity itself, or the entity itself and other entities. Although this definition appears a bit narrow and more traditional, it is more encompassing and captures the fundamental functions of all business enterprises (Lusch and Vargo, 2014). The proposition is that production efficiencies are subject to the discovery of customers’ needs (Kotler and Levy, 1969) and that skills and experiential knowledge of core stakeholders create superior values (Berthon et al., 2008). S-D logic represents a re-oriented philosophy that applies to all market offerings, including those involved in tangible outputs in the process of service provision (Vargo and Lusch, 2010). The service-oriented view proposed here is not synonymous with services industries (e.g., health care, education, and energy), value-added services/value-in-exchange (e.g., buy three and get one free or pre/after sale-services), or residual services (Lusch and Vargo, 2014); rather, it conceives reframing commodities as a service component through dialogical and collaborative networks, and attempts to build value-in-use (Vargo, 2008; Vargo and Lusch, 2011; Zwick et al., 2008). The worlds of S-D logic, according to scholars (Prahalad and Ramaswamy, 2004; Tapscott and Williams, 2006), involves the re-imagination and re-conceptualization of markets as democratized spheres, where developers are perceived as mere partners and facilitators, who encourage networks of consumers’ social and creative ingenuity for mutual benefits even in erratic consumption environments.

Co-opting consumers’ life-world into decision-making process provides reflective commonalities that re-define and re-engineer competitive weapon and wealth creation (Ogawa and Pillar, 2006) through flexible practices, reduced product returns and inventory holding costs, minimized advertising budget and risks of product failures (Cova and Dalli, 2009; Heiskanen and Hyvonen, 2006). Holt (2002) and Firat and Dholakia (1998) posit that commonality maximizes profitability and perhaps unstable consumption pattern owing to disjointed and sophisticated lifestyles. S-D logic does not perform traditional transformations but adds values (Hardt and Negri, 2004; Merz et al., 2009; Chandler and Lusch, 2015). First, Cova and Dalli (2009) emphasize primary cultural and intellectual values, such as problem solving, symbolic and analytic tasks, linguistic expressions, and others capable of causing workers to produce ideas, symbols, codes, texts, images, and linguistic figures. Second, affective labour as expressed in mental and body positions – satisfaction, excitement, wellness, or passion. S-D logic captures proactive learning, adaptive and generative capabilities, market sensing (gathering and disseminating market intelligence information), and
sense making (interpreting and making use of information for decision making). Scholars (Kotler and Keller, 2009; Vargo and Lusch, 2011; Prahalad and Ramaswamy, 2004) posit that proactive learning involves developers paying specific attention to long-term innovation through mutual interface.

Understanding the consumer, including the purchase influencers (e.g., reference and peer groups) is informed by the fact that scholars (Ciccantelli and Magidson, 1993; von Hippel, 1998) found that consumers encounter difficulties in verbalizing what they want from a product and thus, rely heavily on others to make purchase decision. The adaptive capability involves operating agility in adjusting the core programs to accommodate some inescapable directions and developments as markets evolve; and the generative component challenges prevailing environmental assumptions and norms (even beyond familiar setting) in order to break new grounds capable of attracting new innovative services.

2.1 Theories of Knowledge Convergence and Transfer of Affects

Often people in social structure show cohesiveness to the community’s culture and effect, norm and value, and belief systems as constructed by the community or opinion leaders and other powerful actors, who, also, offer their inmaterial labour as working consumers and co-develop values for themselves and others in the community (Terranova, 2004; Tapscott and Williams, 2006). Rymasezewski et al. (2006) opine that after selling You-Tube to Google Inc., Google relied on rhetoric measures to attract the willingness and ingenuity of the masses in creating their lives and those of others. Such post-Fordist assumption draws from cognitive psychology, design theory, engineering design, human-computer interaction, organizational theory and product development management (Alarm, 2002), and derives their roots from Plato, Jean Jacques Rousseau, John Locke and other early political philosophers, who propose active publics being creative collaborators in issues affecting them and thus, recognize the relationship between specialized skills and exchange (Saastominen et al., 2007; Jeppesen and Molin, 2003). Justifiably, S-D logic benefits from the interdisciplinary theories of Adam Smith’s division of labour, Marxian ‘living labour and labour-theory-of-value,’ Marcel Mauss’ socio-economic gift giving theory, Kotllerite’ doctrine, and Michal Foucault’s governmentality; and practically, McDonaldization and the use of ATM confirm such reforms and repositioning of consumers’ interests.

Although these theories deal with different behavioral frameworks and are rooted in different theoretical backgrounds, they espouse that competitive advantage depends on social construction of realities and identity quests. The increasing rationalization of the West aided the global diffusion of McDonaldization logics beyond the imagination of Max Weber (Ritzer, 2004a). McDonaldization process uses the principles of efficiency, calculability, predictability, control by means of technology, and irrationality of rationality to rely on appropriation of consumer work and to force globalization and cultural homogenization (Ritzer, 2008). Adam Smith’s seminal work provides the normative explanation on how division of labour and exchange contribute to social well-being of a nation. Smith (1904) believes that the foundation of national wealth creation and exchange is built on specialized skills that result to surplus and exportable tangible outputs and that the use of such skills to produce services was not productive in national wealth standard. Emphasis on skills and exchange theory to create tangible goods that have exchange values limits the productive activity in wealth creation. Similarly, Dixon (1990) opines that tangible goods are paramount in wealth creation and not the use for which they are put. Smith’s discourse on exchange or his focus on tangible output
appears a bit parochial and differs a great deal from the views of other political economists, including Frederic Bastiat, Staurt John Mill, and Wroe Alderson.

An Economic Scientist, Frederic Bastiat, who wrote on exchange of service for service affirms Vargo and Lusch's S-D philosophy of value-in-use since mental and physical skills (operand resources or services) transform matter (or operand resources) into useful states perceived by others to satisfy their individualized desires (Bastiat, 1964). The post-Fordist scholars (Bonsu and Darmody, 2008; Auh et al., 2007; Tapscott and Williams, 2006) suggest that corporate life largely rests on the extraction of socio-economic values from the personal and emotional inputs of the active consumers, who create value for themselves and others. Berthon et al. (2008) perceive that consumers have real and perhaps imagined identities, serve as operand resources for values to be distributed across the social system. In his work, Mauss (1990) proposes that division of labour within and between clan and members of tribe(s) results in giving and receiving of specialized gifts that reflect on developed services. The post-Maussian socio-economists distinguish primary and secondary social interactions as well as the characteristics of each level in gift-giving between individuals, groups, and economic agents. They relied on MAUSS group proposition that the obligation to give is fundamental in exchanging symbolic, emotional, affective and cultural values amongst consumers at primary level of sociality, and where function or efficiency ( impersonal relationship or sociality of the market) is less important than personality, secondary sociality then emerges (Cova and Dalli, 2009; Mauss, 1990).

The Marxian advocates that industry advances towards automation transforms the structural organization of wage labour as workers no longer get involved in the production process (alienation owing to commodification of labour) but serve more as watchmen and regulators (Marx, 1973). Marx (1973) and Lusch and Webster (2011) suggest that the transformation of capital into money is a condition for the realization of capital through production, and hence for the exploitation of labour. These presuppose that capitalism has attracted new co-operation that spans social networks of knowledge and challenges the traditional developer-user dichotomies. Marxian’s thoughts in the contemporary networked organization suggest that individuals are primarily workers not only as employees; they may become partial employees and employees become partial consumers and both offer production affects (Zwick et al., 2008; Cova and Dalli, 2009). However, Kozinets et al. (2004) opine that the Marxian’s labour theory of value suggests that labour provides all wealth; therefore, enlisting unpaid customers to co-create values and selling same to them and their communities even at premium affirms expropriation of surplus value. The Kotlerite’ school perceived markets as re-conceptualized from the mundane modes of production to celebrating and harnessing the world of vibrant interaction and sportsmanship, where a network of social knowledge guides the creation of innovations and of course wealth (Bonsu and Darmody, 2008; Tapscott and Williams, 2006).

The resistance and opposition to market hegemony are transformed into a source of socio-economic value(s) and user communities are encouraged to engage in active brainstorming and experimentation. Michel Foucault, a post-structuralist, proposed ‘governmentalities’ to de-emphasize autonomous meaning-giving and to show the relationship between archaeology of knowledge and genealogy of power (Foucault, 1991, 1966, 1969). The archaeology of knowledge is associated with general systems or rules of formation and transformation of statements into discursive perspectives; and genealogy of power tells how people govern themselves and others through knowledge (Scheurich and McKenzie, 2007; Ritzer, 2008). Knowledge generates power by constituting people as subjects and then governing them with the knowledge. Power is decentralized; it exists in a variety of micro setting (Ritzer, 2008) and
governmentalities entail a shift from micro politics of power to heterogeneous and non-subjective processes, where practices and techniques of governance depend significantly on discursive representation (Dean, 1994). Thus to meet the new demands of capitalism, developers urgently need disciplinary power to shape actions via the imposition of orders, rules, and norms into the machinery of production. This form of government represents a kind of power through practices, where independent, creative, and voluntary activities of the consumers are effectively channeled as raw materials for value creation.

These presuppose having docile subjects who voluntarily free their unwaged and exploited, yet enjoyed labour. The disciplinary power of capital successfully configures docile customers required for the efficient functioning of rationalized systems of capitalism. Foucault’s ‘government’ emphasizes transparency and let go (Stamer, 2008) because the existing structure encourages ideas from outside; thus, breaking Max Weber’s bureaucracy of keeping knowledge and intentions of professionally informed secret. Three specific assumptions of these theories abound; first, firms with more than simple market orientation and market research possess greater organizational learning capabilities (Morgan et al., 1998; Lusch and Webster, 2011) as well as cognate behavioral and cognitive changes (Layton, 2011; Kok et al., 2003) that are antecedents to improved innovation and corporate performance (Humphreys, 2010). Second, customers are capable of creating values for themselves and others (Marx, 1973; Venkatesh and Penaloza, 2006; Bonsu and Darmody, 2008) and so co-opting their values follows the general systems theory of management, where integrated results surpass the independent pursuits of the parts. And third, building relationships to pursue longevity goals for mutual benefits and developing user confidence to achieve co-operative marketing networks.

2.2 Communitarian Perspective and Active Dialogue

The Cluetrain Manifesto’s traditional philosophy that markets are networks for conversion informed the proposition of Zwick et al. (2008) that markets represent platforms for participation, where developers offer consumers resources to create, and consumers in returns offer developers a world of creative experience and knowledge. Cova and Dalli (2009) posit that building virtual herds, consumer tribes, or communities lies on the natural dependence in human existence and the need to facilitate real-time interactions. The authors note that communities are online and/or contact social structures with identifiable myths, values, rituals, vocabularies, and hierarchies that address common interest in specific activities. Often active consumers may be so experienced, informed, and knowledgeable that they possess specialized competencies and skills that developers rarely match. Thrift (2005) posits that developers attract and retain such customers by building platforms that provide free and creative interactions where the interests of both parties are mutually addressed. The post-Fordist developers rarely initiate or control conversion wholly; rather, they generate ‘toolkits of consumer innovation’ on account that the consumers on their own or through the collective knowledge of others can create and improve value networks.

Parker and Castleman (2009) note that developers evolve platforms upon which active consumers organize themselves in communities, share contents and dialogue regularly and form social and communal esprit de corps connecting market-system components and attracting emotional and expressive ties. Such tribal perspectives are more effective and influential in people’s behavior than either marketing institutions or other formal cultural authorities (Cova and Cova, 2002). However, because user’s competence is subject to his knowledge and skills, his willingness to learn and experiment as well as his ability to engage in
an active dialogue (Prahalad and Ramaswamy, 2004); developers vigorously seek to formulate policy mechanism that boosts managing customer diversity and on-going relationships in a personalized manner to offer ideas that improve perceived values. The developers assume the role of tutors and/or instructors (Chan and Lee, 2007); training the consumers as though employees by assisting them to properly define and verbalize their needs (Ciccantelli and Magidson, 1993) and by assigning certain responsibilities or positions to certain consumers in order to inspire community willingness to co-create (Nambisan, 2000). This involves the democratization of contents and the interplay of knowledge/topic experts, community evangelists, community builders (Cmehil, 2008), and others, who are informally and perhaps formally accessible and without which the workability of consumer-consumer and consumer-producer interactions seldom exists. Cisco internet giant, for instance, provided customers with access to her knowledge base, resources, and user community to encourage customer-to-customer dialogue and to help one another.

Scholars observe that to trap users’ world, developers often visit them, use ethnographic studies (Heiskanen and Repo, 2007), foster experimentation, contingency and playfulness (Zwick et al., 2008) or get them (users) involved in the ‘drawing board,’ by participating in user groups (Tommes et al., 1997). Within a community, the internet provides sites of unparalleled democracy and creativity to extract economic values from consumer inputs (Zwick et al., 2008). The theory of “Communities of Innovation,” suggests that without web community, people rarely connect, collaborate, share, and contribute their intellectual capital real-time. Initially, the idea was to create portals that enable actual and potential customers to access and share contents, ask questions, and be innovative; and later SAP Developer Network (SDN) built a passionate community (involving the use of ABAP, Java, NET and other cutting-edge technologies) to facilitate business processes and encourage interactions amongst and between employees, customers, supply chain, dealers, bankers, and the general public. Cmehil (2008) proposes that the Business Process Expert (BPX) community drives the business process innovation real-time; and community builders are visionary about service contents and service locations as well as changes across multiple communities. SDN started a passionate team with Mark Finnern as an evangelist and a community builder, who encouraged people to understand that the more they post things they know, the more their knowledge increases through comments by others within the community (Cmehil, 2008).

Social platforms that integrate and regulate the interactions, bridge the barrier(s) placed by distance and firm’s size, and provide less expensive business processes and knowledge integration include Face-book, MySpace, Flickrs, You-Tube, Second Life (SL), twitter, instant messaging, social feeds, applications (Rangaswami, 2006); localized social media such as blogs, RSS, wikis, custom-built communities, social bookmarks (Hamilton, 2009); and collaborative planning software used for project planning and management, idea generation, marsh-ups, and weblogs (Newman and Thomas, 2009). These platforms permit users (e.g., B2B, B2C, staff, or friends) to share music, videos, photos, and information, and to even post questions about what the network is up to real-time, and resultantly attract viral or me-too behaviours following the epidemic theory (Mahajan et al., 1990). Face-book, SL, and MySpace in their specific grassroots manners expropriated the cultural affect of the masses and used it for creativity, virtual construction, socialization, and pecuniary exchanges (Zwick et al., 2008; Rymasezewski et al., 2006).

The Massively Multi-player Online Games (MMOGs) bring active community members from different geographical locations for virtual meeting (Bonsu and Darmody, 2008) in attempt to operationalize the effective mobilization of consumers’ tacit knowledge and experiences into a new organized knowledge (Lusch and Webster, 2011; Terranova, 2004). Such gaming permits
co-operative networks of relationship that induces participants to unveil their creativity, control, belongingness, and affection by serving up to a diversity of codes and designs that define the game (Lusch et al., 2010; Bonsu and Darmody, 2008). The more intense the interface in a gaming, the more co-creation conforms to mutually beneficial interaction. Aside knowledge sharing of this sorts requiring the need to develop mechanism that incorporates human resources and technology (Mason et al., 2008), the interactions are emergent since the social software is optional, free-form, egalitarian, support many forms of data, displays mechanism for real-time interaction, and minimizes barriers to contribution (Newman and Thomas, 2009; Buhse and Stamer, 2008).

2.3 Labour and Rewards

Kaulio (1998) proposes the models of design for (Fordist structure), design with (consumers’ inputs), and design by (consumer involved in the entire design process). ‘Design with’ and ‘design by’ are dialogical; they attempt preventing undemocratic operations and playing of ostrich. Similarly, Cova and Dalli (2009) propose customers constructing experiences and assigning different functional, psychological, and social meanings to products; interfaced experiences (integrated internal and external innovations); and experiences that have been largely developed in which consumers have been immersed in a context that is frequently hyper-real. These scholarly submissions suggest that consumers are creators/resources, consumers/users, and competitors/co-creators to developers in creating values. Finch (1999) and Kaulio (1998) perceive these roles from input and output perspectives; as input consumers occupy the upper-echelon of being resources, innovators, and co-creators, and as output, the consumers sit at the lower-echelon of being buyers, users, and advocates. The consumer provides contextual information, serves as sources of innovative ideas and partner in the entire developmental process, provides useful feedbacks (Heiskanen and Hyvonen, 2006), and/or reduces the perceived risks of potential buyers. They blend their imaginative and constructive creativity with the firm’s capability to create customized solutions (Lusch et al., 2010; Sherry et al., 2007).

The consumer is the target of pre-and post-testing exercises and thus, plays significant roles in packaging and repackaging marketing programs. End-users’ role is expressed in terms of perceived satisfaction derivable from personal and emotional interactions with developer(s) (Auh et al., 2007). In the software industry, for instance, Microsoft tested a beta version of its Windows 2000 in customers’ native environments, whereupon customer issues raised were addressed and customers had clear knowledge of how Windows 2000 could add values to their businesses. Cova and Dalli (2009) maintain that the co-opted users develop positive affective evaluation of the product and its maker that reflects positively on their repurchase and growth in the loyalty ladder as well as customer-customer interactions. The more positive interaction is, the greater the perceived values and the possibility to use accumulated firsthand experience to reduce the perceived risks of others (Rosenbaum and Massiah, 2007). However, developers trap customer labour and use same to launch optimistic innovations without direct economic benefits accruing to customers. Although consumers ordinarily expect direct pecuniary and non-pecuniary compensations in returns; extant studies (Heiskanen et al., 2007; Heiskanen and Hyvonen, 2006; Jeppesen and Frederiksen, 2006) predominantly show that intrinsic gratifications (e.g., reputation, creativity, employment, satisfaction, and peer-group representation and recognition) represent the direct benefits accruing to consumers for their professionalism.
The post-modernists propose that S-D logic represents a struggle for recognition owing to consumers’ feelings of helplessness, neglect, and disconnect (Jeppesen and Frederiksen, 2006). The co-opted customers feel involved, committed, and develop positive predispositions that span more intimate developer-to-customer and customer-to-customer accords (Moore et al., 2005; Rosenbaum and Massiah, 2007). Positive customer-customer interactions generate self-fulfillment (Cova and Dalli, 2009; Heiskanen and Hyvonen, 2006); and greater perceived values expressed in satisfaction, repurchase intentions, word-of-mouth, and ultimately customer-developer effects. These are seldom perceived in strict economic terms owing to differential consumer labour in value creation (Cova and Dalli, 2009; Berthon et al., 2008). Heiskanen et al. (2007) and Zwick et al. (2008) opt for a re-theorization emphasizing co-sharing of financial proceeds since one-sided bargain rarely permits continuity. Developer ‘double exploit’ working consumers; their collaborated enthusiastic know-how and ingenuity are rarely paid for yet they cause others to buy and even pay premium prices, especially for customized values (Franke and Piller, 2004; Cova and Dalli, 2009). Specifically, creationist capitalism aligns more with productive consumption, where consumer identities are configured as a mutable, mobile, and ever-shifting terrain (Zwick et al., 2008). Laughey (2010) theorized that prosumption is mostly work-related and producer-led.

Bonsu and Darmody (2008) theorize that while trapping the personality and subjectivity of working customer influences market processes and market actions; consumer’s control seems illusionary as developers make the marginally felt rules governing the market and colonize consumers’ collective creativity without express interest to pay. S-D logic alters user-developer relationship and empowers users to actualize their highly individualized but dynamic expectations (Jeppesen and Molin, 2003; Heiskanen et al., 2007) in terms of intrinsic values, change perceptions (to change hearts and minds), self promotion (Berthon et al., 2008), functional, psychological, and social values (Etgar, 2008). Lazzaranto et al. (1996) suggest complete integration of consumers’ productive mind; thus, co-sharing of financial proceeds may be almost impossible if the interface is not all-encompassing. Often customers are involved in all stages of development, especially specification, conceptualization, engineering design, and prototyping phases (Kaulio, 1998). Since consumers rarely get involved in the entire process in some instances, it may be difficult to assume their know-how wholly drives the innovation successfully. Besides, consumer labour is only voluntary and unwaged; the prosumers willingly engage in cultural and technical work with no written documentation on the developer’s economic obligation and so, they legally resort to intrinsic benefits derivable from consumption.

Prosumers are astute developers who ensure mutual developer-consumer empowerment; thus, the consumers enjoy satisfactory exchanges and the developers experience industry growth and competitiveness (Tapscott and Williams, 2006). The consumer labour is expropriated as surplus because it is free labour without influence on consumers’ ability to buy more (Zwick et al., 2008). Marxian exploitation of consumers supports that prosumers are exploited, though their inputs are voluntary, and sometimes, attract enjoyment (Marx, 1973; Roemer, 1982), excitement, and inspiration. Ritzer (2004) opines that prosumers are exploited consumers (rather than productive ones) for the cause of prosumer capitalism under the guise of value creation. However, the Noble Laureate in Economics, Milton Friedman proposes that efficient economic responsibility involves delivering quality product assortments at acceptable prices. Thus, if services are efficient, then the socio-economic values are assumed delivered because the customers rarely run extra costs of product returns, complaints, defense mechanism, attribution, dissonance, and switching.
The socio-economic consciousness of Keynesian analysis and the New Institutional Economics (Kazmi, 2008; Freeman et al., 2010) suggest that in addition to getting quality product assortments at affordable rates, developers supposedly deliver socio-economic values to the consumers. Such social contracts span human rights, ethics and safe-working conditions, green marketing and stewardships, corporate contributions (e.g., to charity) and corporate governance, accountability, transparency, and partnerships for sustainable development and community development (Freeman et al., 2010). For Ndhlouvu (2011), developers are committed to these environmental issues on accounts that providing them regularly improves corporate sustainability, investment decisions and business portfolios, attitude toward the developer and its products, employee commitment and job satisfaction, brand image, and direct financial performance.

3. Conclusion

Nothing is isolated; everything is connected to everything else. The post-modern technologies expand from the Fordist modes by turning collective ideological resistance and opposition to marketing power into creative collaboration. The Fordist technologies act on customers (G-D logic) or on finite and tangible (operand) resources to create wealth. On accounts that such agenda rarely creates customer delights, switching barriers and ultimately retention, the post-Fordist epoch emphasizes the effects (multiplier and additional) created by the operant resources as the most important production resources (Penrose, 1959; Constantin and Lusch, 1994; Lusch et al., 2010). The customers are the most pervasive and arguably the most productive form of labour (Zwick et al., 2008) that informed their subversive energy being harvested to fuel market re-generation (Holt, 2002). S-D logic emphasizes paradigmatic shift in marketing thought from exchange of the tangible outputs and discrete transactions of G-D logic to all inclusive dominant and relational virtue that spans value-in-use, open-ended value propositions, and exchange of dynamic but infinite intangible and invisible resources (e.g., specialized skills, experiences, and knowledge) that offer core competences and/or organizational processes (Lusch and Vargo, 2014; Prahalad and Ramaswamy, 2004; Laughey, 2010).

The logic supposedly challenges, radicalizes and extends the traditional methods of handing over market hegemony to the spectre given that contemporary propositions apply Marxian’s ‘living labour’ and ‘labour-theory-of-value,’ to reposition market status-quo towards managing consumer independence and to confirm Marx’s prediction of subordinating direct labour to mobilized labour. The emphasis is on rapid innovations, especially those that result from playful customer liberation, creative expression, and entrepreneurial freedom (Bonsu and Darmody, 2008). The post-Fordist thoughts propose new forms of government and new operational ways to control, dominate, and resist consumption on accounts that the parochial focus and the conflict of interests of the seemingly solo operations of the orthodox methods of installing consumer control seldom meet the challenges of the island of we and many-to-many interactions. With the 21st century under the siege of fragmented, product obsolescence, rapidly changing tastes and others that render traditional consumer control inefficient; integrating production with consumption demands developers building effective customer management and intellectual capital that span providing ambiances that make customers free their right ways.

In the world of synchronous and asynchronous web technologies permitting firms to establish participatory platforms, users are inspired to willingly interact and to produce immaterial labour, which though independent of the developers’ objectives and strategies but serves as the
primary source of value creation and a gift to other consumers/markets. This involves encouraging communitarian dimensions and reconfiguring social relations through mobilization, expropriation and commodification of skilled, flexible, and autonomous, yet docile labour force (Zwick et al., 2008; Learmans, 1993; Arvidsson, 2005). Consumers form communities and/or social organizations that permit voluntary freeing and channeling of their ingenuities in the right direction, repositioning themselves beyond the circuits of mere customization, and exercising political power and behavioral change that attracts improved surveillance, discipline, innovativeness, and corporate performance. The quality of the community in accessing social contents and stimulating membership involvement influences mass participation, consumer power and well-being and of course the quality of capital inputs for production. In some instances, the community serves as a repository of creative knowledge, protects, controls, and redistributes tangible benefits and even prevents exploitation when the interface moves from primary to secondary levels (Cova and Dalli, 2009).

However, the argument of S-D logic sounds encouraging but appears almost a myth in some cases. First, producing with customized competences and charging customers premium price(s) (double exploitation) call for re-theorization to address the supposedly conflict of interests. At the level of interface, interaction is primary and thus, no pecuniary exchanges are required (Cova and Dalli, 2009; Arvidsson, 2005). However, people change overtime; the intrinsic values that drive their ingenuity may overtime give way for extrinsic values or a combination of both. Second, customers’ presence is marginally felt; from background, developers promulgate major rules governing the market and may under-play essential tools of customer empowerment. In granting residents intellectual copyright for their creations in SL in order to encourage co-creation and property ownership rights, Lindens reserved the authority to terminate such empowerment (Klang, 2004; Lessig, 2004). Thus, customer empowerment is not yet ripped in some markets. Nevertheless, we propose that S-D logic describes situations whereby consumers’ competencies are mobilized and expropriated to add localized ingredients to outputs. Presumably, such interface improves value on users’ personality even when the consumer and/or his community work(s) with the least control from the producers. Also we propose that S-D marketing permits adequate grasp of the firm’s internal and external barriers and drivers.

The internal barriers reflect flattened organizational hierarchy, action rationality and sense-making processes in integrating user inputs into product development; and the external barriers centre on close analytical address of the state of nature in order to identify situations that permit more or less utilization of user inputs. The usual conflict of interest is a reinforcement to reconsider broader circumstances in launching innovations. Further, the mode of interface is central and different firms benefit from different forms subject to their environment. Small firms follow distinct action rationality, leading to rapid implementation of some user inputs and defensiveness towards others; and larger firms are more open to user inputs yet less determined to execute them (Heiskanen and Repo, 2007). For semi-skimmed innovations, less complex interface exists; thus, making for minimal costs and least disruption on established behavior. Full-fat innovations attract further complexities resulting from customers’ resistance to radical concepts that disrupt value networks, culminating to high users’ costs expressed in aggressive search for, and processing of, information leading to reduced perceived risks. However, S-D logic promotes business success but its implementation is largely facilitated and constrained by top management idiosyncrasy, extent of disruptiveness, market power, and competitive demands.
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