

TOWARD A THEORY OF MARKET CULTURE:  
AN INVESTIGATION OF VALUE CO-CREATION AND THE  
(RE)CONTEXTUALIZATION OF A GLOBAL MARKET CULTURE

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## ABSTRACT

In this dissertation, the consideration of markets as cultures, or *market culture*, is proposed as a theoretical framework, based on *value co-creation*, for studying markets and marketing. Central to this view, is the idea that value is always jointly created (co-created) in markets because it is proposed by one or more actors (e.g., firms), but derived and determined by different actors (e.g., customers), in a particular context. In three interrelated essays, a conceptual framework for studying market cultures is proposed and empirically investigated. This framework suggests that as firms, customers and other stakeholders enact *practices* (routine actions) to (co-)create value for themselves and for others, they draw on and contribute to common *resources*, *social norms* and *meanings*, which recursively constitute the *cultural contexts* through which value is derived.

The first essay proposes a framework for conceptualizing markets as cultures by integrating two streams of marketing research that center on jointly created value – service-dominant (S-D) logic and consumer culture theory (CCT) – and drawing on practice theory, as it has been developed in marketing and sociology. The second essay explores the *(re)contextualization*, or social construction, of a global market culture, surfing, as changes in practices guide and are guided by changes in structure – resources, norms and meanings – across time and space (i.e., globalization). The third essay applies the model of cultural context as a value co-creation approach to identifying unique markets, by studying the differences between surfing and a recently *(re)contextualized* market, stand-up paddle boarding (SUP). This research contributes to the development of market(ing) theory and practice by integrating and extending S-D logic and CCT and providing insight to the cultural aspects of value co-creation and market *(re)formation*.

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## INTRODUCTION

Traditional marketing theories – focused on the exchange of tangible resources and value created by the firm – increasingly limit the understanding of how firms can provide more compelling value propositions (i.e., offerings) in complex and dynamic environments (Vargo and Lusch 2004; 2008). In general, *conventional theories* in marketing are based on several assumptions: 1) markets are *pre-existing*, 2) relationships within markets are *dyadic* – between a firm and a customer, 3) *tangible resources* (e.g., goods and money) are the central medium of exchange, and 4) value is created or *produced* by the firm (Vargo and Lusch 2004). These assumptions pose challenges for managers attempting to use traditional, linear and unidirectional models to make decisions in complex, rapidly-changing environments.

A recent shift in marketing logic suggests that “markets are not; they become” (Kjellberg et al. 2011, in press). In other words, markets are not pre-existing; rather they are continually “*performed*” or (re)formed through the enactment of practices (Kjellberg and Helgesson 2006), which are driven by actors’ efforts to *integrate resources* and *co-create value* (Vargo and Lusch 2004; 2008; 2011). Along these lines, markets have been conceptualized as “a social construction” (Humphreys 2010; Penaloza and Venkatesh 2006); “signs and symbols” (Venkatesh, Penaloza and Firat 2006); “practices” (Kjellberg and Helgesson 2006), and “service ecosystems” (Vargo and Lusch 2011). In this dissertation, I draw on a conceptualization of markets as cultures, or *market cultures* (Abolafia 1998; Penaloza and Mish 2011), which elaborates and extends the research regarding the “performative” nature of markets and emphasizes the cultural aspects of value co-creation and market (re)formation. In general, this research contributes to the

development of a deeper understanding of how value is co-created (e.g., Prahalad and Ramaswamy 2004; Vargo and Lusch 2004; 2008; Vargo, Maglio and Akaka 2008) and how markets (re)form (e.g., Humphreys 2010a; Venkatesh, Penaloza and Firat 2006).

This conceptualization of market cultures draws on and extends emerging views on markets, which suggest that markets are formed through social processes (Humphreys 2010a; Penaloza and Venkatesh 2006) and the collaborative production of signs and symbols (Venkatesh et al. 2006). The proposed framework centers on the idea that, in markets, value is always jointly created – co-created (Prahalad and Ramaswamy 2004) – through the exchange and integration of resources and the derivation of value in a particular context (Vargo and Lusch 2004; 2008; Vargo et al. 2008). To gain a better understanding of how value is created in context, or *value-in-context* (Chandler and Vargo 2011; Vargo et al. 2008), I develop a model of *cultural context* that is based on a view of market as cultures. In this framework, cultural contexts are composed of multiple components of culture (Arnould and Thompson 2005) – practices, resources, norms and meanings – that influence and are influenced by evaluations of individual experiences (Holbrook 1999).

This model suggests that as firms, customers and other stakeholders interact in their efforts to create value, for themselves and for others (Schau, Muniz and Arnould 2009), they draw on and contribute to the cultural contexts that frame value co-creation and market exchange (Chandler and Vargo 2011). In this way, the practices and perspectives of various stakeholders continually contribute to the co-creation of value (e.g., experience) and the *(re)contextualization*, or social construction, of various levels – micro, meso and macro - of cultural context and markets (Chandler and Vargo 2011).

In three interrelated essays, this research begins to explore how value co-creation guides and is guided by the (re)contextualization of market cultures. This research starts by developing a theoretical framework for considering markets as cultures, based on value co-creation, and then narrows its focus by empirically investigating a model of cultural context to gain insight to how market cultures form and reform – that is, how the (re)contextualization of markets occurs. The first essay integrates two growing streams of research in marketing – service-dominant (S-D) logic (Vargo and Lusch 2004; 2008) and consumer culture theory (CCT) (Arnould and Thompson 2005) – with practice theory, as it has been developed in marketing (Kjellberg and Helgesson 2006; Schau et al. 2009) and sociology (Giddens 1984; Schatzki 1996; Renkwitz 2002), to offer a comprehensive view of how value is co-created and markets (re)form. A model is proposed, which suggests that as various stakeholders interact to co-create value, they draw on and contribute to the cultural context – practices, resources, norms and meanings – through which value is derived. The second and third essays begin the empirical exploration of this model of cultural context using both qualitative and quantitative methods to explore 1) how changes in practices influence and are influenced by changes in structure – resources, norms and meanings – as a local, ethnic practice is (re)contextualized into a global market culture (Essay 2), and 2) how the cultural context framework can be applied as a value co-creation approach to identifying markets (Essay 3).

This research contributes to the development of a theory of market culture that is based on the concept of value co-creation. Although the integration of S-D logic and CCT has begun (Arnould 2007; Penaloza and Mish 2011), this work further weaves together these bodies of literature to deepen the understanding of the (cultural) context

through which value is derived and establishes a conceptual foundation for developing a theory of market culture. Furthermore, the empirical studies provide important practical insights that contribute to the understanding of market (re)contextualization. This introduction discusses the conceptualization of markets as cultures with a brief review of the relevant literature, provides an overview of each of the three essays, and describes the iterative process that guided this effort to theorize about markets cultures.

### **Markets as Cultures**

The conceptualization of markets as cultures (Abolafia 1998), or market culture, that is proposed in this research is based on the idea that, in markets, value is always jointly created, or co-created. This view of markets integrates extends prior work that conceptualizes markets as “sign systems” (Venkatesh et al. 2006) and “service ecosystems” (Vargo and Lusch 2011), by centering on the concept of value co-creation. In recent years, the concept of value co-creation has been gaining attention in marketing and related fields as the focus has shifted away from the role of the firm to that of the customer in value creation (Lusch and Webster 2011). Importantly, although a co-creation perspective emphasizes the role of the customer in value creation, this view offers a *balanced* approach that considers the dynamic interactions and the participation of multiple stakeholders in value creation. This view on value creation is central to a recent shift in marketing, toward a service-dominant (S-D) logic (Vargo and Lusch 2004; 2008; Vargo et al. 2008), and also falls in line with the effort to understand collaboratively created value among “consumers” in a growing area of research known as consumer culture theory (CCT) (Arnould and Thompson 2005).

One of the main features of value co-creation that is emphasized in these two bodies of literature is the contextual nature of value. S-D logic proposes the term *value-in-context* to articulate the value that is derived and determined in a particular place and time, within a particular system, or dynamic network, of actors (Chandler and Vargo 2011; Vargo et al. 2008). Recent research elaborates S-D logic's consideration of contextual value, to highlight the social aspects of value-in-context. Whereas Chandler and Vargo (2011) explicate how social networks compose the context that frames exchange (Chandler and Vargo 2011), Edvardsson, Tronvoll and Gruber (2011) discuss how contexts are socially constructed. Edvardsson et al. (2011) propose a framework for "value-in-social-context" as a way for understanding contextually created value.

In line with a view of socially constructed context, CCT explores the "subcultures" that manifest through interactions among consumers (e.g., Schouten and McAlexander 1995) and the value that is created through those relationships (e.g., Schau et al. 2009). Importantly, CCT's view of culture differs from traditional approaches that view culture as static and homogeneous social influences. Rather, "CCT conceptualizes culture as the very fabric of experience, meaning and action" (Arnould and Thompson 2005, p. 869). This growing body of literature studies the complexities of cultures as fragmented, phenomenological and continually socially constructed phenomena. In particular, CCT research centers on the study of lived culture (practices), social resources (norms), ways of life (meanings), and symbolic and material resources (resources) (Arnould and Thompson 2005). This view of culture is particularly important in studying markets, because markets are driven by exchange relationships and, thus, highly susceptible to change (Abolafia 1998).

Thompson and Troester (2002, p. 553) make a distinction between consumer cultures and “classic” cultures by suggesting that the symbolic boundaries of consumer cultures are relatively permeable and substantially less dependent on social commonalities. Because of the particular dynamics associated with market interactions, the consideration of markets cultures can be distinguished from other “classic” cultures, which are more susceptible to social hierarchies and perhaps slower to change (c.f. Bourdeiu 1980). The integration of S-D logic and CCT moves the emphasis of value-in-context from social (Edvardsson et al. 2011) to cultural context, and draws attention toward the way in which context frames value co-creation, as well as exchange (Chandler and Vargo 2011). The following section briefly reviews S-D logic and CCT as they relate to value co-creation to provide a foundation from which a model of cultural context can be developed.

S-D logic and CCT have been recognized as “natural allies” (Arnould 2007) in the study of value co-creation because they both focus on the integration of intangible and dynamic resources and phenomenologically determined value. In addition, S-D logic and CCT have been recognized as complementary perspectives for studying value co-creation at individual (micro), relational (meso) and collective (macro) levels, which can lay the foundation for developing a theory of market culture (Penaloza and Mish 2011). However, these research streams originate from different viewpoints and, thus, emphasize varying aspects of value and value creation.

S-D logic’s focus on value co-creation centers on the idea that service – the application of competencies for the benefit of others – is the basis of all exchange. This view considers all firms, customers and other stakeholders as social and economic

“actors” who exchange and integrate (primarily intangible and dynamic) resources, such as knowledge and skills, in their efforts to create value for themselves and for others – co-create value. S-D logic’s service-oriented view of markets removes the producer/consumer distinction and sheds light on how value is derived in context. Vargo et al. (2008) discuss two measures of value that have been deliberated since the time of Aristotle – value-in-exchange and value-in-use.

Value-in-exchange represents the price a person is willing to pay for something, whereas value-in-use represents the value derived through the use or application of an available resource (Smith 1776). Vargo et al. (2008) point toward the need for conceptualizing value-in-context, which they propose as an extension of value-in-use because it centers on value derived through use, but is influenced by a particular context (e.g., time, place and social setting). However, it is important to note that this emphasis on value-in-use, in context, does not ignore the necessity of value-in-exchange, particularly with regard to markets. The S-D logic view of value co-creation suggests, “the process of co-creating value is driven by value-in-use, but mediated and monitored by value-in-exchange” (Vargo et al. 2008, p. 150). Importantly, recent research regarding S-D logic emphasizes networks or constellations of value creation and the socially constructed contexts through which value is created (Akaka, Vargo and Lusch 2012, Chandler and Vargo 2011; Edvardsson et al. 2010). In this way, value-in-exchange provides a means for measuring value, based on particular (e.g., social) contexts.

S-D logic’s conceptualization of value-in-context offers a balanced and multifaceted view of markets that includes multiple levels of interaction – micro, meso and macro – and a meta layer, which provides a viewpoint for oscillating among them



(Chandler and Vargo 2011). In general, S-D logic's "ecosystems" view suggests that exchange and value co-creation occur through reciprocal relationships among multiple stakeholders, which are mediated by institutions, value propositions, and networks (Vargo and Lusch 2011; Akaka et al. 2012). Although S-D logic focuses on the evaluation of experiences and mutually beneficial exchange relationships, research in this area has only recently begun to explore the social construction of context (Chandler and Vargo 2011; Edvardsson et al. 2011) and the importance of institutions (i.e., social norms) in value co-creation (Vargo and Lusch 2011). In addition, S-D logic literature has yet to elaborate on the cultural aspects of context that influence and are influenced by the actions and interactions of various stakeholders.

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

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

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

Recently, Penaloza and Mish (2011) argue for the development of a “market culture theory” (MCT) to move CCT research beyond the perspective of consumers and consumption practices and consider the multiple stakeholders that contribute to value co-

creation. Table 1.1 outlines the concept for furthering the development of a theory of market culture, based on the intersection between S-D logic and CCT.

**Table 1.1 Concepts for Developing a Theory of Market Culture**

Concept	Definition	Sources
Value Co-creation	The processes by which value is jointly created through the enactment of practices and the integration and exchange of resources among multiple stakeholders, and derived through a particular context.	Schau et al. 2009; Vargo and Lusch 2004; 2008; Vargo et al. 2008
Cultural Context	A collection of practices, resources, norms and meanings that frame the co-creation of value and guide the evaluation of an experience.	Arnould and Thompson 2005; Chandler and Vargo 2011; Penaloza and Mish 2011
Contextualization	The process by which a particular context socially constructed.	Chandler and Vargo 2011; Edvardsson et al. 2011
Market Culture	A social system that is composed of overlapping, and possibly conflicting, cultural contexts and exchange-related relationships, which is (re)contextualized through the enactment of practices and intersecting value co-creation processes among multiple stakeholders.	Abolafia 1998; Arnould and Thompson 2005; Chandler and Vargo 2011; Penaloza and Mish 2011; Schau et al. 2009; Vargo and Lusch 2004; 2008; Vargo et al. 2008

This intersection of S-D logic and CCT provides insight to the process of value co-creation and begins to lay a foundation for developing a theory of market cultures. Based on this view of value co-creation, a model for cultural context is proposed. CCT points toward several critical components of cultural context – practices, resources, norms and meanings – that fall in line with S-D logic’s emphasis on resource integration and the importance of institutions (guiding social norms) in value co-creation (Akaka et al. 2012; Vargo and Lusch 2011). In addition, S-D logic offers a broad, ecosystems view

of value co-creation that includes multiple stakeholders and various levels of interaction – micro, meso and macro – that complement CCT’s dynamic views of culture and value. Thus, the integration of S-D logic and CCT provides a comprehensive foundation for conceptualizing markets and cultures and developing a framework of cultural context.

Although the intersection of S-D logic and CCT begins to outline a framework for the development of MCT, the way in which components of cultural context – practices, resources, norms and meaning – relate to each other and connect with dynamic networks of actors remains unclear. Furthermore, additional investigation of contextualization, or the social construction of context, is needed to better understand how cultural contexts (e.g., markets) form and reform (Edvardsson et al. 2011). The following section discusses a practice approach to theorizing about the formation and reformation of cultural context, to develop a framework for understanding how value co-creation drives the (re)contextualization of market cultures.

### ***The (Re)Contextualization of Market Culture: A Practice Perspective***

Practice theory is a collection of research centered on the study of practices – doings and sayings (Schatzki 1996) – that has recently been gaining attention in marketing literature (Kjellberg and Helgesson 2006; Schau et al. 2009). According to Schatzki (1996, p. 11), “[Practices are] the central social phenomenon by reference to which other social entities such as actions, institutions, and structures are to be understood.” One theory in the practice literature, structuration theory (1984), has been recently recognized as a means for studying the social construction of the context (i.e., contextualization) through which value, or value-in-context, is co-created (Edvardsson et al. 2011). Although various phenomena can be socially constructed – e.g., meanings, value, markets etc. (Penaloza

and Venkatesh 2006) – “contextualization” (Chandler and Vargo 2011) is discussed here as the process by which a particular context is socially constructed. Structuration theory (Giddens 1984) provides a theoretical framework that further develops the concept of contextualization and is also very useful for integrating CCT and S-D logic more cohesively. In particular, structuration theory it makes a critical connection between *structure*, or cultural schema (Sewell 2002), which is the focus of CCT, and *systems*, reciprocal relationships, which is central to S-D logic and its ecosystems view.

At the heart of structuration theory is the *duality* of structure and the distinction between the concepts of structure(s), system(s), and structuration. Giddens (1984) defines *structure* as “recursively organized sets of rules and resources” that exist out of time and space; *system* as the “reproduced relations” among actors that are connected through organized practices, or “situated activities of human agents reproduced across time and space;” and *structuration* as the conditions that connect structures and systems and enable the reproduction of both. Importantly, in this view, it is the enactment of organized routine *practices* and *interaction* among actors that drive of the reproduction of both structures and systems.

Structuration theory’s (Giddens 1984) duality of structure suggests that structures – rules (norms and meanings) and resources – and systems – reciprocal relationships – are not independent constructs. Rather, structures are the means and the result of the interaction that arises as actors engage in practices and form systems in their efforts to create value for themselves and for others. Because practices drive the reproduction of resources, norms and meanings, they are an important part of the cultural context that frames value co-creation. However, practices are also the main drivers of interaction and

the “reproduction” of relationships. In this way, practices are the component of cultural context that interconnects structures (rules and resources) and systems (relationships) and drives the (re)contextualization of market culture. Structuration theory provides a framework for considering the duality of structure in market cultures by connecting CCT’s focus on cultural schema, or structure, with S-D logic’s focus on service ecosystems, or dynamic systems of reproduced relationships. In this view, cultural context is composed of practices, resources, norms and meanings, but it is the enactment of practices associated with value co-creation that are central to the reproduction of both structures and (eco)systems and the (re)contextualization of market cultures.

### **Overview of the Essays**

This work contributes to the development of a theory of market culture, as called for by Penaloza and Mish (2011) and discussed by Abolafia (1998), in order to develop a deeper understanding for how value is co-created and how markets (re)form. However, the development of a theory is an extended and iterative process (Hunt 2002). The literature reviewed above provides a foundation for conceptualizing markets as cultures, but theoretical development requires more than a conceptual framework. It requires a set of systematically related statements or lawlike generalizations that are empirically testable (Hunt 2002).

The early stage of theory development in this research begins to lay a theoretical foundation from which the testing of more specific causal relationships among clearly defined variables can later occur. Importantly, before a theory can be tested, explorations of the central constructs related to a theory must be classified, and generalized conditionals identified (Hunt 2002). To this end, this research raises important questions

and develops a conceptual model that can be empirically explored (Essay 1).

Additionally, empirical studies are conducted to further investigate the model, using both qualitative (Essay 2) and quantitative (Essay 3) methods, to advance the theoretical development of the model. An overview of each essay is provided below.

***Essay 1 – Markets as Cultures: The Co-creation of Value in Cultural Context***

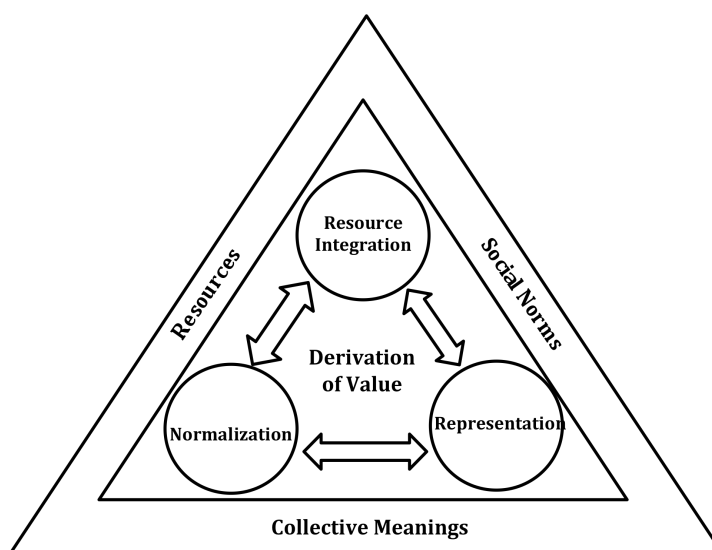
The first essay incorporates the literature reviewed above to propose a conceptualization of markets as cultures and develop a conceptual model for studying how value is co-created and how cultural contexts (e.g., markets) (re)form. In particular, this essay draws on S-D logic (e.g., Vargo and Lusch 2004; 2008), CCT (e.g., Arnould and Thompson 2005) and practice theory in the sociology (e.g., Giddens 1984; Schatzki 1996) and marketing (Kjellberg and Helgesson 2006; Schau et al. 2009; Warde 2005) literature to better understand how different stakeholders contribute to value co-creation as well as the (re)contextualization of market cultures.

This essay applies a dynamic, cultural approach (Arnould and Thompson 2005) to theorizing about value co-creation and market (re)contextualization, which extends prior literature that emphasizes social aspects of value-in-context (Chandler and Vargo 2011; Edvardsson et al. 2011) and the social processes and symbolic meanings that form markets (Humphreys 2010a; Venkatesh et al. 2006). In addition to the literature in S-D logic, CCT and practice theory (reviewed above), as well as recent research on practices in marketing helps to elaborate the nature of practices in value co-creation and markets. Kjellberg and Helgesson (2006) propose a model of market practices, which includes exchange, representation and normalizing practices. Along those lines, Schau et al.

(2009) recognize that of the anatomy of brand community practices includes individual skills, understandings and norms, and commitment to ethos.

The integration of the literature above with the recent research on practices in marketing points toward three central and overarching practices – resource integration, representation and normalization – as the drivers of value co-creation and market (re)contextualization. These practices are not independent of each other or mutually exclusive. Rather, as suggested in the proposed model (Figure 1.3), as various stakeholders enact practices they often simultaneously engage in resource integration, representation and normalization through interactions with others. The enactment of these value co-creation practices influences and is influenced by various aspects of structure – resources, norms and meanings. In this framework, value is co-created in cultural context because as actors derive and determine value through the evaluations of a market experience they draw on (and contribute to) cultural contexts within which an experience occurs.

**Figure 1.3 Derivation of Value in Cultural Context**



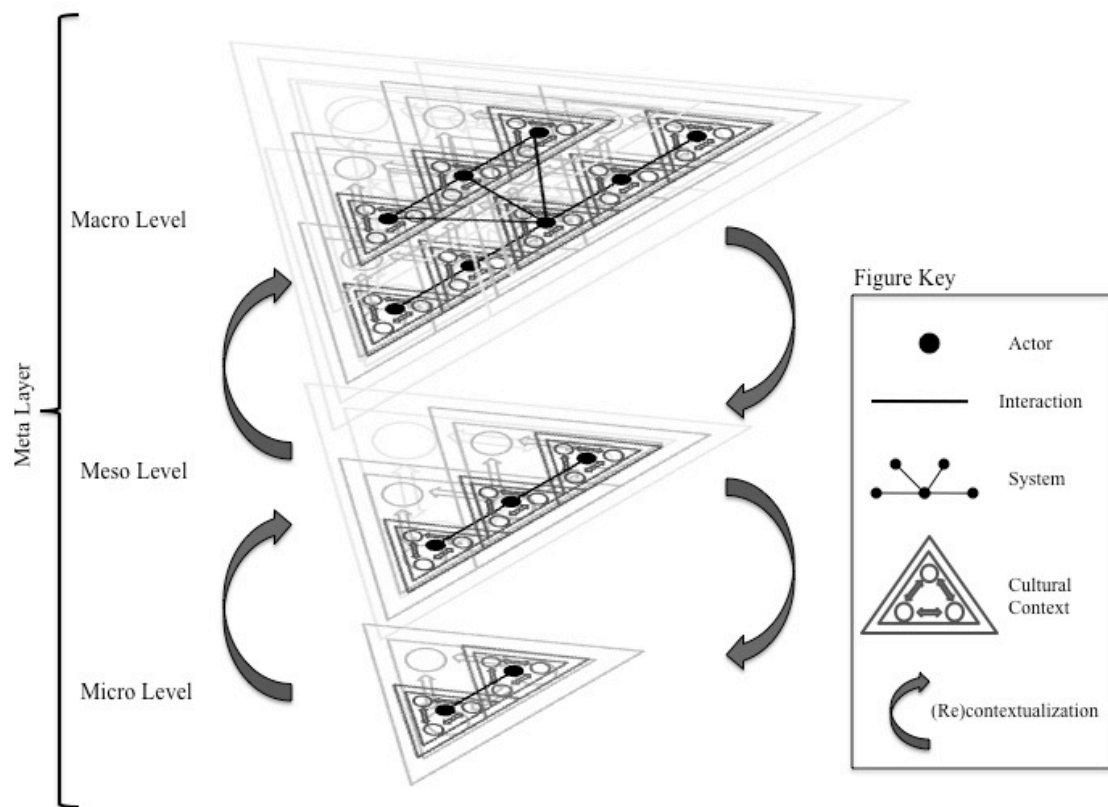


Clearly, the value co-created through cultural context cannot occur in isolation. Rather, by definition, the co-creation of value involves at least two, but usually more, actors and it is nested within broader sociohistoric environments. This model of cultural context provides a means for conceptualizing the context of value co-creation at micro, meso- and macro- levels of interaction within market culture, and for studying how cultural contexts change, or become recontextualized, across time and space. Because the central focus of value co-creation is interaction, the micro-level of cultural context is a dyad (Chandler and Vargo 2011). That is, in this view, in order for value co-creation to occur, there must be a shared context – i.e., common practices, resources, norms and meanings – between at least two actors. However, because each actor is connected with a multitude of other actors, each individual cultural context is unique, and, thus, the derivation of value varies for different actors, even if they engage in similar interactions and experiences. Furthermore, each micro-level interaction is nested within larger networks of actors, as well as social structures, and, thus, cultural contexts are (re)contextualized at micro, meso and macro levels (Chandler and Vargo 2011; Vargo 2011).

As actors enact value co-creation practices at the micro-level, they draw on and contribute to broader, meso-levels of cultural context. These levels are composed of three or more actors (Chandler and Vargo 2011) and are more complex contexts than the micro level because they involve a larger variety of practices and structures, some of which may conflict with the others. This complexity of market cultures multiplies at the macro-level, where a multitude of meso-level, and thus micro-level, cultural contexts overlap. Drawing on the literature reviewed above, this framework suggests that the

(re)contextualization of market culture is driven by value co-creation and the simultaneous reproduction of cultural context (practices, resources, norms and meanings) as well as systems (relationships) (Giddens 1984). Figure 1.4 illustrates the (re)contextualization of market culture. It is important to note that this figure represents a particular market culture in a particular space and time – as changes occur in the system or structure, the market culture becomes recontextualized and changes in systems and structures occur.

**Figure 1.4 (Re)Contextualization of Market Culture**



As mentioned, Essay 1 weaves together S-D logic, CCT and practice theory to develop the model of cultural context proposed above. In this view, the (re)contextualization of market cultures reproduces cultural contexts at various levels (micro, meso and macro) of value co-creation. Drawing on the work of Chandler and Vargo (2011), this model also includes a meta-layer, which provides a perspective for

oscillating among different levels of cultural context. In this framework, *when a micro-level of interaction is centered on exchange, market cultures can be conceptualized at all (micro, meso and macro) levels*. A number of research propositions are presented to further investigate how value is co-created in cultural context and how (re)contextualization occurs across time and space. Essays 2 and 3 begin the empirical exploration of this framework by specifically studying the (re)contextualization of a global market culture (Essay 2) and investigating how this model of cultural context can be applied as a value co-creation approach to market identification and help to guide the contextualization (social construction) of new markets (Essay 3).

### ***Essay 2 – The (Re)Contextualization of a Global Market Culture***

The second essay begins the empirical exploration of the market culture framework developed in Essay 1, by studying the recontextualization of a global market culture. In particular, this research investigates how changes in practices guide and are guided by changes in structure – resources, norms and meanings (Giddens 1984) – across time and space (i.e., globalization). Although the proposed model suggests that market cultures can be conceptualized at micro, meso and macro levels, it is the meso-level of cultural context (e.g., subcultures) that has been the focus of CCT research (e.g., Muniz and O’Guinn 2001; Schouten and McAlexander 1995; Schau et al. 2009) and is of particular interest here. This level of cultural context is important for understanding markets because it is composed of micro-level actions and interactions but nested within broader, macro-level markets and/or societies.

The study of meso-level cultures in markets can be found in the research related to “subcultures of consumption” (Schouten and McAlexander 1995), “marketplace

cultures” (Arnould and Thompson 2005), “brand communities” (Muniz and O’Guinn 2001; Schau et al. 2009) and “global consumer cultures” (Alden, Steenkamp and Batra 1999). However, these studies generally assume the pre-existence of a particular cultural context, and the formation of subcultures in markets has not yet been fully explored. This study extends the research regarding subcultures in marketing through the exploration of the (re)contextualization of a particular meso-level global market culture, surfing. This present research provides insight to understanding how markets (cultures) form and reform by studying changes in practices and structure as an ancient, ethnic practice is (re)contextualized as a global market culture.

The context of surfing was selected for this research because surfing provides a means for studying market culture on both a local and a global scale. The practice of surfing has been recognized as a cultural activity indigenous to Hawaii, and other Polynesian Islands. However, over time, this traditional cultural practice of riding across the face of a breaking wave has evolved into a world-wide commercial industry. The international aspect of surfing culture provides insight to the complexity of market-related cultures, which can often be found within and across traditional geographical borders. Most importantly, prior studies on surfing provide evidence of a culturally rich structure and a collection of thriving local and global markets (Canniford 2005).

This research uses a historical analysis supplemented with ethnographic methods. Social construction (e.g., Giddens 1984) is a major component of the theoretical framework developed in Essay 1, and it is best studied over time (Barley and Tolbert 1997). Thus, a qualitative historical method (Smith and Lux 1993) is applied by integrating archival data, with in-depth interviews and non/participant observations, to

identify critical shifts in the expansion and (re)contextualization of a global market culture, surfing (Witkowski and Jones 2006). A historical analysis was selected for this research because it is an excellent means for identifying explanations of change over time and developing new theories (Smith and Lux 1993). Archival data such as magazines, videos, etc. were analyzed to establish a pattern of changes in practices and structure in surfing culture. Both primary and secondary sources were used to get a general idea of the history of the surfing culture (secondary sources) and to verify the facts presented (primary sources). In addition, the data collection involved semi-formal and informal interviews, non/participant observation, and photography (Witkowski and Jones 2006).

The findings from this study reveal three distinct phases in the (re)contextualization of surfing as a global market culture – practice decontextualization (1778-1896), market contextualization (1897-1966) and market recontextualization (1967-2011). Table 2.4 provides an overview of the phases of market (re)contextualization, as well as associated practices and structure.

**Table 2.4 The (Re)Contextualization of Surfing as a Market Culture**

	<b>Practice Decontextualization (1778-1896)</b>	<b>Market Contextualization (1897-1966)</b>	<b>Market Recontextualization (1967-2011)</b>
<b>Practices</b>			
<i>Resource Integration</i>	Surfing, Resourcing, Sharing	Exchanging, Transporting, Improving	Reinventing, Replicating, Automating
<i>Normalization</i>	Staking*, Engaging, Serving	Welcoming*, Organizing, Value-proposing	Micro-specializing, Regulating, Reconnecting
<i>Representation</i>	Idolizing, Story-Telling, Documenting*	Symbolizing, Justifying*, Evangelizing*	Preserving, Reviving, Re-defining
<b>Structures</b>	Structures of Community and Conflict	Structures of Imagination and Legitimization	Structures of Reproduction and Recombination

\* Identified as a brand community practice in Schau et al. 2009

Each phase was demarcated with the identification of specific events that represented a shift in the cultural context – practices and structure – of surfing. The focus of this research was to identify changes in practices and how they influenced, or were influenced by, changes in the structure of surfing as well as the macro-sociohistoric context within which the subculture is embedded. Drawing on the framework developed in Essay 1, I identified various value co-creation practices – resource integration, normalization and representation – across the different time periods that most highly reflected the practices that were introduced or dominant during each phase. Although particular practices and structures were more dominant in one phase than another, there was clearly a lot of overlap in both practices and structure, which reflects the “reproductive” (Giddens 1984) nature of the (re)contextualization, or social construction, of market culture.

The first phase represents the decontextualization of the practice of surfing as traditional Hawaiian culture eroded when Westerners began exploring the Pacific Island chain. This phase is dominated by community-oriented practices, such as sharing, serving and story-telling, but also reveals the conflict that arises as cultural contexts collide. The second phase is centered on the contextualization of surfing as a market and the practices that contributed to the shift from surfing as an ancient cultural practice to a market culture. Central to this shift, were practices such as exchanging and value proposing. In addition, this phase of market contextualization was dominated by structures of legitimization, and practices such as organizing and justifying, as well as structures of imagination, and practices such as symbolizing and improving.

The third phase reveals how the market culture of surfing was recontextualized as the practice of surfing and its associated structures moved across the world. During this time, the market culture of surfing was dominated by practices such as replicating, automating and micro-specializing, which helped increase access to resources and drove the growth of surfing around the world. However, this increase in access to surfing, also influenced practices such as reinventing and redefining through the recombination of resources and cultural contexts. Driven by these practices, this phase of market recontextualization was dominated by structures of reproduction and recombination.

This study of the (re)contextualization of surfing as a market culture empirically explores the model of cultural context proposed in Essay 1 and contributes to the study of value co-creation as well as market (re)formation. This essay begins to examine how the components of cultural context – practices, resources, norms and meanings – relate to each other and change over time and space. It also provides a closer look at practices and structures that contribute to the (re)contextualization, or social construction, of cultural context. Essay 3 draws on the findings from the market recontextualization phase, and applies the cultural context model as a value co-creation approach to identifying markets. In particular, the model of cultural context is applied to further investigate the recontextualization of surfing as changes in practices, resources, norms and meanings reveal the emergence of a new market – stand-up paddle boarding.

### ***Essay 3 – From Segmentation to (Re)Contextualization: A Value Co-creation***

#### ***Approach for Identifying Markets***

The model of cultural context proposed in Essay 1 and developed in Essay 2 provides a cultural perspective for studying value co-creation and the process by which markets

form and reform – are (re)contextualized. This framework can also be applied to make distinctions between one market (culture) and another based on the components of cultural context – practices, resources, norms and meanings. In this way, the model of cultural context provides a means for identifying markets, which is based on value co-creation. This framework provides an alternative to traditional approaches of market identification that focus on *segmenting* relatively homogenous groups of customers (e.g., Smith 1956). Rather than focusing on differences between pre-existing customer groups, this value co-creation approach centers on understanding differences in context and *(re)contextualizing* new or emerging markets. Table 3.1 compares of the alternative perspectives to identifying and interacting in markets.

**Table 3.1 From Segmentation to (Re)contextualization**

	Segmentation ( <i>Marketing To</i> )	(Re)contextualization ( <i>Marketing With</i> )
Value as...	Created by firms and “consumed” or “destroyed” by customers	Co-created among firms, customers and other stakeholders
Customers as...	Operand resources	Operant resources
Markets as...	Pre-existing	Continually (re)contextualized
Central research question...	How can firms segment and target (position themselves to) customers?”	How can firms frame markets and contribute to the co-creation of value and (re)contextualization of markets?
Markets defined by...	Customer characteristics, behaviors and preferences	Cultural context – practices, resources, norms and meanings
Goal of identifying markets...	For firms to identify and position themselves to target new or existing customers	For firms to identify and contribute to the contextualization of new or emerging markets



The cultural context framework to marketing strategy contributes to a shift from thinking about “marketing to” to “marketing with” customers and the consideration of customers as operant resources – those that are capable of acting on other resources to co-create value – rather than operand resources – those that require action taken upon them for value to be created (Vargo and Lusch 2004; Lusch and Vargo 2006). This research applies the cultural context model to identify distinct markets and includes qualitative methods, such as those used in Essay 2, as well as a quantitative content analysis to extend the study of surfing’s market recontextualization phase.

The qualitative portion of the study revealed a recent (re)contextualization of surfing, to what appears to be a new market culture – stand-up paddle boarding (SUP). Through in-depth interviews and non/participant observations, it became clear that SUP is a growing and influential phenomenon, which emerged from changes in the cultural context – practices, resources, norms and meanings – of surfing. However, the qualitative analysis did not provide a conclusive distinction between surfing and SUP markets because of varying perspectives on whether SUP is surfing or not. To test to see if SUP is indeed a distinct market culture, an automated content analysis was conducted using articles from two major websites for surfing and SUP, [surfermag.com](http://surfermag.com) and [supthemag.com](http://supthemag.com), respectively.

Following the methods outlined by Humphreys (2011), an analysis of the qualitative data was used to identify the central practices and resources in surfing as well as the norms and meanings that drive interaction and exchange in this particular market culture. Then, a quantitative, automated content analysis was conducted to count the proportion of words per article on a surfing and an SUP website that are associated with

each component of surfing’s cultural context, using a computerized program called Linguistic Inquiry and Word Count (LIWC) (Humphreys 2010a; Pennebaker, Francis and Booth 2007). A custom dictionary was developed with the assistance of three “expert” sources in surfing culture, which was used to assess whether SUP is a distinct market culture. The content analysis was done at the article level and a logistic regression was conducted to see if the odds of an article having surfing-related words was significantly less on the SUP website than the surfing website. This was based on the idea that if SUP is indeed a distinct market culture, the SUP website will not emphasize the central practices (surfing) and resources (waves) in surfing, and will also have differences in norms (professional roles) and meanings (brands). The operationalization of the components of surfing’s cultural context, along with the words associated with each component, are presented in Table 3.3 below.

**Table 3.3 Surfing Context Dictionary**

<b>Cultural Context</b>	<b>Surfing Context</b>	<b>Words in Dictionary</b>
Practices	Surfing	surfing, aerial, backside, bail out, barreled, bottom turn, cutback, drop-in, duck dive, floater, frontside, noseriding, off-the-lip, over-the-falls, pearl, prone-out, stall, takeoff, tube-ride, wipeout (20 words/phrases)
Resources	Waves	wave, barrel, backdoor, beach break, closeout, crest, curl, lineup, onshore, overhead, point break, reef break, section, set, shore break, swell, tube (17 words/phrases)
Norms	Professional Roles	air brush artist, buffer, CEO, competitor, designer, glasser, manager, photographer, professional surfer, promoter, representative, sander, shaper, sponsor, trainer, coach (16 words/phrases)
Meanings	Surfing Brands	Quiksilver, Billabong, Hurley, O’Neill, Rip Curl, Vans, Volcom (8 words/phrases)

The outcome of this content analysis suggests that there are indeed significant differences across the cultural contexts – practices, resources, norms and meanings – of

surfing and SUP. In particular, the findings show that as the number of words related to surfing, waves and major surfing brands increases in a given article, the odds of that article being featured on the SUP website significantly decreases. Interestingly, the findings also suggest that as the number of words related to the professional roles in surfing increases in a given article, the odds of that article being featured on the SUP website significantly increases. One of the implications of this particular finding is that because the market culture for SUP is being (re)contextualized from the original cultural context of surfing, the social norms in surfing provide a foundation or the infrastructure from which the other components of cultural context can vary.

This value co-creation approach to market identification may be most helpful for understanding the formation of markets, which is a central issue in research regarding innovation (Kim and Mauborgne 2005) and entrepreneurship (e.g., Sarasvathy 2003), and is gaining more attention in the marketing literature as well (e.g., Humphreys 2010a; Read et al. 2009). Additional research is needed to better understand the similarities and differences that make up structures of common difference (Wilk 1995) across cultural contexts to advance this value co-creation approach to identifying markets. However, this research provides important insights on value co-creation and market (re)contextualization and contributes toward the development of a theory of market culture. The following section discusses the process by which this theorizing occurred.

### **Developing a Theory of Market Culture**

It is difficult to pinpoint a specific method for the initial stages of theory development. In fact, according to Hunt (2002, p. 27), “Many, if not most, major scientific discoveries are flashes of perceptual insight and are not the result of following some rigorously

prescribed procedure.” This has been the case in for the model of cultural context and (re)contextualization developed and tested in this research. Although much of the formulation of ideas emerged through the integration of the literature discussed above, it was the “flashes of insight” that struck during the collection and subsequent analysis of the empirical data that helped to clarify and solidify the model proposed in Essay 1. Furthermore, this process was not only iterative – a result of going back and forth between theory and data – it was also quite effectual – a process of one event or encounter effecting or influencing the next, often unintentionally (Read et al. 2009).

In many ways, my exploration of value co-creation and market culture began long before I started to formally study these phenomena. My interest in collaboratively created value began when I worked as a salesperson at a local surf shop during my teenage years. I was fascinated by the way my job selling surfboards and T-shirts seemed to really help to create value in the lives of others. Once I started surfing and became immersed in surfing culture, I began to more fully understand what customers were experiencing as part of this vibrant and communal culture. In order to better understand markets and marketing, I began to study traditional models of marketing and value creation as an undergraduate student. However, it quickly became evident that something was missing from my marketing and related textbooks and I became frustrated with the idea that marketing was about persuading, even manipulating, people into buying things. It was several years later, when I was introduced to S-D logic (Vargo and Lusch 2004; 2008) and value co-creation, that my interest in markets and marketing was rejuvenated. As I furthered my studies, I became increasingly interested in gaining a deeper understanding for how value is co-created, particularly in culturally rich contexts, such as surfing.

When I began my work with Dr. Stephen Vargo, lead author of the seminal S-D logic paper (Vargo and Lusch 2004), I was immediately drawn to the concept of value co-creation. Around the same time, I began exploring CCT research as well, and was reminded of my initial interest in how value is collaboratively created in market-related subcultures. One of the papers that helped me to make an important connection between CCT and value co-creation was Schau et al.'s (2009) paper on brand community practices. I became very interested in practices and how they contributed to value creation (Schau et al. 2009) as well as market formation (Kjellberg and Helgesson 2006). From there, I spent more time studying practice theory and “stumbled upon” Giddens’ (1984) work on structuration theory. At the intersection of S-D logic, CCT and practice theory, I began to gain a deeper understanding of how practices contribute to value co-creation as well as the formation of structures (resource, norms and meanings) and systems (exchange relationships). It was with this conceptual foundation that I began my empirical investigation of the cultural context that started it all...surfing.

The process that guided my qualitative research was equally, if not more, effectual than that which guided my conceptual development. I started talking with people I knew from my past life in surfing culture and, from there, made an effort to talk with people whom I thought would provide additional perspectives for understanding value co-creation and market (re)formation more fully. I contacted several important figures in surfing culture that graciously invited me to interview and spend time with them. As I went through this data-collection process, I began to make additional connections between the literature and the data and, after going back and forth countless

times, and responding to feedback from my mentors and peers, I eventually developed the framework for cultural context proposed above.

Finally, as I conducted the exploratory, qualitative research, I realized that one of the biggest, most recent changes in surfing was the emergence of SUP. However, as I continued to ask people about the differences between surfing and SUP, or how they felt about the introduction of SUP, I received mixed responses. Some informants considered SUP to be part of surfing, whereas others considered SUP to be something entirely different. To make a more definitive distinction between the two, I conducted the quantitative content analysis and discovered that SUP is indeed a different market, based on differences in cultural context, and, can be further developed as such.

The essays that follow are the outcome of an elaborate and extensive process of exploration, (re)conceptualization and revision. This brief description of the process by which my theorizing about contextual context and market cultures occurred does not adequately capture the iterative and effectual nature of this research, or the seemingly “random” sparks of insight that enabled the completion of this project. However, this discussion begins to reveal the reality of this research as a messy, and somewhat unpredictable venture. I believe that it is by discussing and emphasizing the imperfect and effectual nature of research that new methods of research and theory development can be (co-)created. This is especially important for the advancement of the evolving, S-D, logic of marketing (Vargo and Lusch 2004; 2008) and the development of a theory of market culture (Penaloza and Mish 2011). For now, I hope that this present effort of studying value co-creation and market (re)contextualization will provide insight to the culturally rich and collectively created nature of value, and markets.

**ESSAY 1**

**MARKETS AS CULTURES:**

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

## **Markets as Cultures:**

### **The Co-creation of Value in Cultural Context**

#### **Introduction**

Increasing attention toward the concept of value co-creation reflects a shift toward thinking about markets as dynamic and evolutionary social systems that are driven by the exchange of service – the application of resources for the benefit of another (Vargo and Lusch 2004; 2008). Value co-creation centers on the idea that value is collaboratively created through the integration and exchange of resources among multiple parties, and derived through a particular context, or value-in-context (Vargo, Maglio and Akaka 2008). This view on value creation aligns with a recent shift in marketing logic that suggests, “markets are not; they become” (Kjellberg et al. 2011, in press) because they are formed through social processes (Edvardsson, Tronvoll and Gruber 2011; Humphreys 2010a) and the collaborative production of signs and symbols (Venkatesh, Penaloza and Firat 2006). In other words, markets are not pre-existing; rather they are continually co-created or “performed” through the enactment of practices (Kjellberg and Helgesson 2007) and the exchange of resources through networks of interaction and value co-creation (Vargo and Lusch 2008; 2011).

In this paper, I propose a framework for considering markets as cultures, based on value co-creation, to contribute to the development of a theory of *market culture*, or market culture theory (MCT) (Abolafia 1998; Penaloza and Mish 2011) and further develop the concept of value-in-context (Chandler and Vargo 2011; Edvardsson et al. 2011; Vargo et al. 2008). A cultural view on markets is important because it emphasizes the social relations and culturally embedded meanings that influence and are influenced by the practices and processes engaged in exchange. Abolafia (1998, p. 69) explains,



The phrase ‘markets as cultures’ is meant to denote that as loci of repeated interaction/transaction, markets exhibit their own distinct set of mutual understandings. These understandings are both enabling and restraining; i.e., market participants use them to both pursue their interests and to limit the range of alternatives available to each other. These understandings emerge through interactions among multiple stakeholders but become institutionalized. As such, they tend toward persistence and become resources in a market participant’s capacity to act. Nevertheless, market culture is not fixed. It is because market culture must be continually reproduced through exchange relations that it is vulnerable to change.

In this view of market culture, exchange is a central driver of market dynamics. Along a similar vein, Lusch and Vargo (2006) emphasize how exchange drives change in markets, as well as society. The authors argue that as individual actors interact with others to improve their lives, they end up “stimulating additional change that ripples throughout society” (Lusch and Vargo 2006, p. 411). They elaborate, “As this ripple occurs we see more and more creative effort because more and more signals are transmitted about what works and what does not work; what creates satisfaction and what creates dissatisfaction; and what produces gains over loss.” Thus, exchange drives change because as multiple people with various views on value interact, they continually redefine what value is and how it is created. In this way, markets can be considered as cultures because the interaction among actors is embedded within a context of overlapping norms and cultural meanings, but because markets are driven by exchange (and various viewpoints on value) they are dynamic and ever changing.

Penaloza and Mish (2011, p. 27) emphasize the importance of understanding the cultural aspects of markets and argue for the development of a “market culture theory” (MCT) to more closely examine the “cultural discourses, practices, agents and artifacts constituted in markets.” The authors identify the need for MCT in their integration of two bodies of complementary literature that center on the concept of value co-creation –

*service-dominant (S-D) logic* (Vargo and Lusch 2004; 2008) and *consumer culture theory (CCT)* (Arnould and Thompson 2005). At the intersection of S-D logic and CCT, the concept of value co-creation draws attention toward the multiple perspectives and levels (micro, meso and macro) of value (Penaloza and Mish 2011), as well as the importance of context in markets (Chandler and Vargo 2011). S-D logic and CCT have been recognized as “natural allies” (Arnould 2007) in the study of value co-creation because they both focus on the integration of intangible and dynamic resources and phenomenologically determined value. This present research integrates these two bodies of literature and draws on research regarding *practices* in marketing and sociology to develop a framework for studying cultural components of context, or *cultural contexts*, and provide a foundation for developing a theory of market culture.

The proposed framework is based on the idea that value is jointly created (co-created) through practices of individual actors, the exchange and application of resources and the derivation of value in a particular context (Vargo and Lusch 2004; 2008; Vargo, Maglio and Akaka 2008). A model of cultural context is proposed, which suggests that as firms, customers and other stakeholders enact practices in their efforts to integrate resources and create value for themselves, and for others (Schau, Muniz and Arnould 2009), they draw on and contribute to the resources, norms and meanings that influence and are influenced by value co-creation. In this framework, the practices and perspectives of various stakeholders continually contribute to the co-creation of value and the (re)contextulization, or social construction, (Chandler and Vargo 2011; Edvardsson, Tronvoll and Gruber 2011) of the cultural context that frames value co-creation and exchange.

This paper begins with a discussion of what value co-creation is and how it provides a conceptual foundation for developing a theory of markets. This conceptualization of value co-creation is grounded in a service-dominant logic (Vargo and Lusch 2004; 2008) view of markets and marketing, which focuses on mutually beneficial exchange, networks of relationships, and phenomenological and contextual value. The next section offers a dynamic view of culture, based on consumer culture theory (CCT), and presents four interrelated components of culture – practices, resources, social norms, and collective meanings – that are mediated by markets. Then, a conceptualization of markets as cultures is proposed, which posits that the enactment of practices simultaneously contributes to the creation of individual value as well as collective forms of value, including social norms and collective meanings.

The concepts of value co-creation, cultural context, contextualization and market culture – are then pieced together by drawing on practice theory, from the marketing (Kjellberg and Helgesson 2007; Schau et al. 2009) and sociology literature (Giddens 1984; Schatzki 1996, Renkowitz 2002), to shed light on the recursive nature of markets and the relationship among multiple levels of action and meaning (Giddens 1984). Based on this, I propose a framework for studying how value is co-created in cultural context. This model suggests that as actors enact value co-creation practices, they simultaneously draw on and contribute to resources, norms and meanings that constitute the context through which value is derived. Finally, several research propositions are outlined and the implications and future research directions of this framework are discussed.

## **Value Co-creation as a Foundation for Market Theory**

“There is nothing more practical than a good theory” (Lewin 1952, p. 169). However, Vargo (2007) argues that the underlying problem with conventional marketing theories – why they are often unable to adequately address complex marketing issues – is that they have normative foundations, which are based on economic science and Adam Smith’s (1776) normative views on how to grow national wealth. According to Hunt (2002), good normative theories – those that help managers make better decisions – must be based on positive theories – those that explain the functions of a particular phenomenon. Recent calls for developing a theory of markets (e.g., Venkatesh et al. 2006; Vargo 2007) begin to address the issues associated with the normative foundations of marketing theories. To contribute to this effort, this present research aims to develop a positive theoretical framework for studying the nature of *markets*, to provide a more solid foundation for the development of normative *marketing* theories, from which better decisions can be made.

Vargo (2007, p. 57 emphasis in original) proposes S-D logic as a conceptual framework for developing a theory of markets and says that “a first critical step toward developing [a] foundational theory of the market involves understanding that *value creation*, rather than products, is the appropriate focus for analysis.” In addition, he provides several other steps for developing a theory of the market, including 1) eliminating the producer/consumer distinction, 2) moving to a network, rather than a dyadic perspective of exchange and value creation and 3) understanding that value is phenomenologically determined by the beneficiary. Based on this, I argue for the concept of value co-creation as a foundational concept for the development of a theory of the market in general, and a theory of market culture in particular. This view of value co-

creation is based on an S-D logic of markets and marketing, which is centered on the idea that the market is driven by service-for-service exchange, and provides an alternative perspective on value creation than traditional views, which are centered on production and consumption and value as created by firms.

In essence, S-D logic (Vargo and Lusch 2004; 2008) broadens the view of value creation in markets by considering all social and economic actors (e.g., customers, firms and other stakeholders) as resource integrators and active participants in value co-creation processes. Vargo et al. (2008) argue that the customer is always part of the value creation process because he or she derives and determines value through use, in the context of his or her life. Thus, firms cannot create value; rather they propose value and it is up to customers or other stakeholders to derive and determine value through the use or application of a particular offering or value proposition. The following sections elaborate the concept of value co-creation to provide a foundation for developing a theory of the market, and market culture, as discussed above.

### ***From “Production vs. Consumption” to “Resource Integration”***

The bifurcation between producers and consumers is rooted in the development of economics, and, thus, was inherited in the foundation of the marketing discipline (Vargo and Lusch 2004). This distinction between those who “produce” and those who “consume” underlies a powerful paradigm, which considers firms as “producers” or creators of value and customers as “consumers” or destroyers of that value. This dominant paradigm has been recognized as “goods-dominant (G-D) logic” (see Vargo and Lusch 2004 for details on G-D logic). However, a relatively recent shift in logic, toward a “service-dominant (S-D) logic” (Vargo and Lusch 2004; 2008) suggests that the

traditional (G-D logic) paradigm and its associated models and concepts may only capture part of the market, the portion that is focused on the manufacturing and distribution of goods. This limitation in traditional models of value creation is increasingly prevalent in the discourse regarding value co-creation, or collaboration that contributes to value creation (e.g., Norman 2001; Prahalad and Ramaswamy 2004).

Providing an alternative to the traditional G-D logic view, S-D logic argues for service – the application of resources for the benefit of another – as the basis of economic exchange. This perspective focuses on the primacy of intangible and dynamic (operant) resources (e.g., competencies) over tangible and static (operand) resources and argues that value is always co-created in exchange. That is, the customer (or service beneficiary) always contributes to the co-creation of value through the derivation and phenomenological determination of value, and the role of firms (or other service providers) is to propose value, because they cannot create it independently. Rather than focusing on one party as the “producer” of value, S-D logic considers all participants of exchange as *resource integrators*. That is, regardless of the type of actor (e.g., firm, customer, employee) all “social and economic actors are resource integrators” (Vargo and Lusch 2008). Within S-D logic, as actors integrate resources to create value for themselves, and for others, they engage in (direct and indirect) service-for-service exchange, and it is through the ongoing interconnectivity of exchange relationships that markets are formed and reformed.

### ***Systems of Value Co-creation***

S-D logic’ conceptualization of value co-creation further blurs the distinction between “producer” and “consumer” by emphasizing the complexity of exchange relationships. In

this view, service-for-service exchange is often masked by networks of relationships and resources with multiple participants interacting to create value for themselves and for others (Akaka, Vargo and Lusch 2012). S-D logic's emphasis on interaction among multiple stakeholders (Lusch and Webster 2011) broadens the scope of value co-creation processes beyond the firm/customer dyad to a network or constellation of value creation and social contexts through which value is derived (Chandler and Vargo 2011; Edvardsson, Tronvoll and Gruber 2010).

Recently, Vargo and Lusch (2011) have emphasized an ecosystems view for studying value co-creation in complex systems of service exchange. A service ecosystem is defined as “relatively self-contained self-adjusting systems of resource integrating actors connected by shared institutional logics and mutual value creation through service exchange” (Vargo and Lusch 2011b). These ecosystems have also been recognized as value networks (Akaka and Chandler 2011; Lusch, Vargo and Tanniru 2010) because they are driven by the practices and processes associated with value co-creation. The consideration of markets as service ecosystems suggests that value co-creation occurs through reciprocal relationships among various social and economic actors and is mediated by institutions, technology and language (Vargo and Lusch 2011a). Vargo (2009, p. 376) draws on new institutional economics to describe the nature of relationships in service ecosystems and suggests that exchange transactions are actually bounded relationships within “larger institutional structures set up for mutual value creation.” That is, a particular exchange encounter takes place in the context of numerous other relationships and interactions that influence and are perhaps influenced by a given exchange.

S-D logic provides a lens for which individual daily practices can be studied in the context of dyadic relationships as well as networks (Chandler and Vargo 2011). This view on value co-creation enables researchers to consider multiple levels of interaction simultaneously, and consider the interconnectedness of different levels. Importantly, S-D logic's conceptualization of "actor" views individuals (e.g., customers) in the same light as groups (e.g., firms), as resource integrators, and allows for a comparison of interaction across different levels of analysis (Vargo and Lusch 2011). This ecosystems view on value co-creation underscores the networked nature of markets and multiple viewpoints of phenomenological value.

### ***Phenomenological and Contextual Value***

As mentioned, S-D logic's service-oriented view of markets removes the producer/consumer distinction and sheds light on how value is created through use, in context. Vargo et al. (2008) discuss two measures of value that have deliberated since the time of Aristotle – value-in-exchange and value-in-use. Whereas value-in-exchange represents the nominal amount for which something can be exchanged, value-in-use represents the value derived through the use or application of an available resource (Smith 1776). Vargo et al. (2008) point toward the need for conceptualizing value-in-context, which they propose as an extension of value-in-use because it centers on value derived through use, but is influenced by a particular context (e.g., time, place and social setting). In this way, value is always contextual because it is based on a phenomenological viewpoint and influenced by time, place and social and cultural surroundings, as well as other environmental factors including access to other internal and external resources. This conceptualization of value co-creation draws on the views of



Prahalad and Ramaswamy (2004) who argue that value is created through a lived experience with a given offering.

S-D logic's view of value as phenomenologically determined by a service beneficiary (e.g., a customer, firm or country) suggests that value differs depending on context or circumstantial and social surroundings. Chandler and Vargo (2011) elaborate the service ecosystems view of value co-creation by considering the social contexts that "frame exchange." The authors apply a social network approach and define context as "a set of unique actors with unique reciprocal links among them" (2011, p. 40). They identify different levels of context – micro (dyad), meso (triad), and macro (network). In other words, value co-creation is framed by dyads, triads and networks of relationships, and the relationships vary in scope from micro, to meso, to macro, respectively. Chandler and Vargo (2011) also introduce a meta layer, which enables researchers to oscillate, or move among various perspectives, and provides a more comprehensive view of the social context that "frames" exchange and value co-creation.

Along a similar vein, Edvardsson et al. (2011, p. 333) argue, "social forces have a major impact on value co-creation, and how value is defined and perceived." The authors propose the consideration of "value-in-social-context," which "recognizes that an individual's value perceptions are, at least in part, dependent on the relative position of the individual within the wider social context." This view draws on S-D logic's emphasis on networks of relationships and elaborates the social influences that guide interaction and value co-creation. However, drawing on a social constructionist view, the authors also point out that the actions of firms and customers also contribute to the social construction of the context through which value is derived. In this way, actions and

interactions associated with value co-creation, not only draw on, but also contribute to the social context through which value is derived.

S-D logic it draws attention toward phenomenological and contextual value and the way in which markets are “contextualized” (Chandler and Vargo 2011) or socially constructed (Edvardsson et al. 21011) through the actions and interactions of multiple stakeholders. In this view, each actor is connected to a unique set of relationships and resources, and, thus, value co-creation is reoccurring and ecosystems are continually recontextualized. Although an S-D logic, service ecosystems view has begun to explore social contexts of value and has identified the connection between reciprocal relationships and institutional structures (Vargo and Lusch 2011), the current literature on S-D logic has not deeply explored the nature of these institutions or the cultural meanings that guide and are guided by value co-creation. The following sections draw on a cultural view of markets, based largely in consumer culture theory (CCT) (Arnould and Thompson 2005), to provide a more encompassing view of the cultural aspects of context and how they draw on and contribute to value co-creation.

### **From Social to Cultural Context: Components of Culture in Markets**

A growing body of literature has drawn attention toward social and cultural influences in markets and collaboratively created value, largely under the umbrella of “consumption.” Arnould and Thompson (2005) label the research dedicated to studying the cultural aspects of consumption “consumer culture theory” (CCT). This body of literature moves the study of context in markets beyond social aspects such as rules (norms) and relationships (Chandler and Vargo 2011; Edvardsson et al. 2011) to include additional cultural components, such as symbolic resources and meanings. Importantly, CCT

research applies a dynamic view of culture to the study of market-related contexts.

According to Arnould and Thompson (2005, p. 869)

Rather than viewing culture as a fairly homogeneous system of collectively shared meanings, ways of life and unifying values shared by a member of society (e.g., Americans share this kind of culture; Japanese share that kind of culture). CCT explores the heterogeneous distribution of meanings and the multiplicity of overlapping cultural groupings that exist within the broader sociohistoric frame of globalization and market capitalism.

In line with a social construction approach to markets and value co-creation (Edvardsson et al. 2010), this view of culture suggests that cultures are not pre-existing or static. Rather, within CCT, cultures are composed of heterogeneous meanings and multiple viewpoints, and are largely overlapping and continually evolving. Arnould and Thompson (2005) identify several major components of culture that are mediated through market interactions: 1) lived culture (i.e., practices), 2) social resources (i.e., norms), 3) (collective) meaningful ways of life, and 4) symbolic and material resources. These components of culture include the social structures mentioned by Edvardsson et al. (2011), but also emphasize the importance of signs and symbols (Venkatesh et al. 2006) in markets. According to Arnould and Thompson (2005) these components of culture are mediated by market exchange and, in this way, compose the cultural context through which value is co-created. The following sections elaborate different components of culture in markets and how they relate to the concept of value co-creation discussed above.

### ***Lived Culture***

One of the central avenues of CCT research focuses on how consumption practices “reconfigure cultural blueprints for action and interpretation, and vice versa” (Arnould

and Thompson 2005, p. 873). This dimension of culture in markets centers on the way in which cultures and value are continually created through the enactment of practices related to market exchange (Schau et al. 2009; Warde 2005). A number of studies emphasize the experiential nature of markets and the groups or cultures that form as consumers bond through common experiences, shared norms and collective meanings (e.g., Cova, Kozinets and Shankar 2007). These groups have been recognized as “consumer tribes” (Cova et al. 2007) as well as “subcultures of consumption” (Schouten and McAlexander 1995) and are identified as “a distinctive subgroup of society that self-selects on the basis of shared commitment to a particular product class, brand or consumption activity” (Schouten and McAlexander 1995, p. 43). In subcultures of consumption, structures are considered a reflection of the commitment of individual members to the ethos of that culture. These structures guide and are guided by the “consumption activities” or practices of consumers as they identify with certain objects or symbols, and through these activities and objects connect with other people.

Arnould and Thompson (2005) identify these subcultures as “marketplace cultures” and suggest that “the study of marketplace cultures addresses some of the most distinctive features of the marketplace-culture intersection” (p. 873). However, the study of marketplace cultures has been largely focused on the aspects of a marketplace associated with consumption. In general, this research has centered on the study of consumers as culture producers and the collective value created as consumers engage in value-creating practices with other consumers. Subcultures of consumption have been studied in a variety of contexts including “bikers” who form subcultures around the Harley Davidson brand (Schouten and McAlexander 1995), “mountain men” reenacting a

historic fur-trade (Belk and Costa 1998), an Apple Newton brand community (Muniz and Schau 2005), and various “tribes” of surfers, metropolitan men, and gothics as well as fans of Harry Potter, Star Trek, Hummer and other celebrities and brands (Cova et al. 2007).

Although some subcultures may be initiated by consumers, such as Harley Davidson’s brand community (Schouten and McAlexander 1995), in other cases marketers purposefully contribute to cultural production as well (Penaloza 2000). Thus, the study of firms, customers and other stakeholders is critical for developing a deeper understanding of how practices contribute to the formation of cultures, and markets. Schouten, Martin and McAlexander (2007, p. 74) argue that much of the past research in subcultures of consumption have been executed from a viewpoint that is “hegemonic, narrow, exclusive and contextual.” They explain that as they studied the changes in Harley Davidson’s brand community, they learned that “meaning is negotiated by all participants in the subculture, whether from the consumer side or the marketing side.” Importantly, the authors call for “a wider application of critical re-inquiry into the underlying assumptions and conclusions of the classics of consumer research.” The S-D logic, ecosystems view of value co-creation broadens the perspective of cultural production beyond the context of “consumption” practices and considers the actions and interactions of all social and economic actors that are driven through (service-for-service) exchange.

### ***Social Resources***

A second component of culture in markets explored through the CCT literature includes “the institutional and social structures that systematically influence consumption”

(Arnould and Thompson 2005, p. 874). This research points toward the importance of structures such as “class, community, ethnicity and gender” and suggests that consumer practices are driven by the social roles and positions they hold within a particular group or in specific exchange encounter. In addition, Holbrook (1999) argues that consumer evaluations are influenced by social standards, rules, criteria, norms or ideals. In this way, social norms and standards associated with particular groups of people (e.g., social hierarchies, gender, and ethnicity) drive interaction (e.g., Schouten and McAlexander 1995) as well as consumption decisions (e.g., Ward and Reingen 1990).

Although CCT research makes salient the influence of social structures in markets, this view often suggests that social structures are pre-existing and that the roles and positions of particular actors in a given social system are fixed. In particular, social structures have been recognized as a guiding force of consumption practices in “brand communities” (McAlexander, Schouten and Koenig 2002). Schouten and McAlexander (1995, p. 48) argue that “unifying consumption patterns are governed by a unique ethos or set of common values.” The delineation of “consumption” from “production” practices falls in line with the distinction between firms as “producers” and customers as “consumers.” This view suggests that firms have specific roles and positions in markets dedicated to “production” and the creation of value, whereas consumers’ roles and positions are focused on “consumption” or the destruction of value (Normann 2001).

Recently, however, Akaka and Chandler (2011) draw on a dynamic view of value co-creation to shed light on how social roles and positions not only influence, but can be influenced by the enactment of practices in networks of value co-creation. The authors argue that firms and customers (and other stakeholders) contribute to the (re)formation

(i.e., recontextualization) of value-creating networks by recombining roles (sets of practices). In their view, as actors enact different actions and engage in new interactions, including service exchange, they establish new positions and reconfigure markets. Thus, social roles and positions influence, but also can be influenced by, changes in value-creating practices of both firms and customers (and other stakeholders).

### ***Meaningful Ways of Life***

Arnould and Thompson (2005, p. 874) identify a third component of culture in markets by explaining that “consumer culture theory examines consumer ideology – systems of meaning that tend to channel and reproduce consumers’ thoughts and actions.” This cultural component underscores the importance of mass-mediated market place ideologies and the interpretive strategies consumers use to derive meaning from markets. The authors elaborate, “In this research program, consumers are conceived of as interpretive agents whose meaning-creating activities range from those that tacitly embrace the dominant representations of consumer identity and the life-style ideals portrayed in advertising and mass media to those that consciously deviate from these ideological instructions.” This view on consumer interpretations emphasizes the heterogeneous nature of value in markets, because although some consumers adapt the meanings firms propose, many interpret their own meanings and “deviate” from the “idealized” messages firms communicate. This is especially evident in the research regarding oppositional characteristics of consumer groups such as those dedicated to an abandoned brand (Muniz and Schau 2005); hedonic, savage or leisure activities (Canniford and Shankar 2007); and anti-market or corporate sentiments (Kozinets 2002; Thompson and Coskuner-Balli 2007).

Although consumer interpretations are a major area of study in a cultural approach to markets, the influence that this has on firms and their contribution to meaning-creation appears understudied. Moreover, meanings in markets change over time and previously rebellious activities and groups can later become part of mainstream and popular culture (Humphreys 2010a; Schouten et al. 2007; Thompson and Coskuner-Balli 2007). Often times this shift occurs through the interaction among customers (consumers) and markets (Schouten et al. 2007), and as marketers learn and adapt to consumers' cultures (Penaloza and Gilly 1999). In particular, Penaloza and Gilly (1999) argue that as marketers interact with consumers they learn from and "acculturate" to different cultural meanings. In this way, just as customers interpretations of a firm's proposition change the meaning of a product or brand for consumers, the value proposition of a firm is susceptible to change through the interaction of firms with customers. Moreover, the overall cultural meanings that guide the interpretation of "signs and symbols" (Venkatesh et al. 2006) are also influenced by the actions and interactions among firms, customers and other stakeholders.

### ***Symbolic and Material Resources***

A fourth component of culture, as described by Arnould and Thompson (2005, p. 871) relates to how "the marketplace has become a preeminent source of mythic and symbolic resources through which people, including those who lack resources to participate in the market as full-fledged consumers, constructive narratives of identity." Extending this view of symbolic resources, and underscoring the importance of meanings in markets, Venkatesh et al. (2006) argue for the consideration of the market as a sign system. In this view, "signs of all types are conceived and exchanged in markets and each (type of)



market is itself a category constructed in the context of a particular sign system” (p. 258). However, it is not the signs themselves that are most important in markets, but the meanings and values associated with them.

Along those lines, Holt (2004, p. 36) emphasizes the cultural nature of brands by suggesting that “a brand’s value resides in the specifics of the brand’s cultural expression: the particular cultural contents of the brand’s myth and the particular expression of these contents in the communication.” Making the connection between operand and operant resources, Holt (2004) argues that customers buy products to experience the stories or cultural contents of the brand. In this view, “the product is simply a conduit through which customers can experience the stories that the brand tells.” In a similar vein, Rosa et al. (1999) emphasize the social and cognitive aspects of “products” in markets. The authors suggest that both firms and customers influence the meaning of products in markets by using “their conceptual systems to enact meaning for the physical artifacts they encounter and to link the products to usage conditions and production or profit concerns” (Rosa et al. 1999, p. 67). In this way, practices and structures shape each other through the interactions among firms and customers (c.f. Giddens 1984).

Arnould, Price and Malshe (2006) integrate a CCT view of signs and symbols with S-D logic’s emphasis on the exchange and integration of resources. The authors shed light on the operant (immaterial and dynamic) and operand (material and static) resources of consumers and how consumers draw on both to create value for themselves. In their view, “consumer’s operand resources include a complement of material objects that vary in quantity and quality,” which influence their ability to meet goals as well as

engage in exchange-related behaviors (Arnould et al. 2006, p. 92). On the other hand, CCT theorists consider operant resources as “varying amounts and kinds of knowledge of cultural schemas, including specialized cultural capital, skills, and goals” (p. 94).

In this way, customers draw on and integrate a variety of operand and operant resources through their interactions with others – including firms. In line with S-D logic, CCT emphasizes both customers and firms as operant resources – those capable of acting on other resources to create value. Arnould et al. (2006) elaborate how firms are considered as operant resources from the view of the customer. In this view, firms are operant resources because they contribute to developing the signs and associated meanings, which consumers draw on to achieve “life projects” and perform roles. In line with S-D logic’s view of value co-creation, firms become resources that can be drawn upon as inputs in customers’ value-creating processes.

The components of culture emphasized in CCT, and related, literature provide a framework for exploring the cultural context through which value is derived in markets. This growing area of research sheds light on how value co-creation occurs and how the actions and interactions of multiple actors contribute to individual as well as collective forms of value (Penaloza and Mish 2011). In other words, as actors engage in value co-creation practices in their efforts to create value for themselves, they also draw on and contribute to collective forms of value(s), such as social norms and collective meanings (Holbrook 1999), as well. Based on this body of literature, four components of culture, mediated by markets, influence and are influenced by individual efforts to co-create value – practices (lived culture), norms and standards (social resources), collective meanings (meaningful ways of life) and resources (symbolic and material). These components

comprise the cultural context through which value is derived and provide a framework for developing a theory of market culture as discussed below.

### **Toward a Theory of Market Culture**

The study of value co-creation is a central feature in the research regarding S-D logic and a cultural view of consumption, particularly in CCT. Moreover, S-D logic and CCT have been recognized as complementary perspectives for studying value co-creation at micro, meso and macro levels (Penaloza and Mish 2011). The intersection of these growing areas of research provides a conceptual foundation, based on value co-creation, from which a theory of market culture can be built (Penaloza and Mish 2011). In particular, S-D logic focuses on the exchange of resources and relationships in value co-creation. This view centers on service as the basis of exchange and considers all social and economic actors (i.e., stakeholders) as resource integrators (Vargo and Lusch 2008). However, S-D logic's focus on mutually beneficial exchange relationships, operant resources, and phenomenological value has not yet elaborated on how social norms and collective meanings influence, and are influenced by, the co-creation of value.

Alternatively, CCT research focuses on the study of how value is created for individuals and groups of people by investigating interconnected practices and processes that form cultures and create multiple levels of value (e.g., Arnould and Thompson 2005; Penaloza and Mish 2011; Schau et al. 2009). However, CCT's main focus on consumer-created cultures and value limits the understanding of value co-creation to the perspective of the "consumer," which, at least partially, contradicts the essence of value co-creation; that in markets value is created through joint efforts of multiple stakeholders (e.g., firms,

customers and others) and driven by exchange (Vargo and Lusch 2004; 2008; Vargo et al. 2008).

Arnould (2007) points out that the term “consumer” poses some theoretical and practical problems from the view of value co-creation. He argues that CCT researchers should be at the forefront of the effort to expand the model of “consumption” beyond the perspective of individual consumers and consider the firm and its exchange partners as well. Penaloza and Mish (2011) further this stance by arguing for a shift from focusing on theories of consumer cultures to developing a market culture theory (MCT). Following the tradition of CCT, a development of MCT is proposed to draw attention toward the interaction among multiple market-related actors and their contributions to the co-creation of culturally embedded markets. Although CCT researchers have begun to shift their attention beyond consumption-focused practices and processes (e.g., Humphreys 2010b; Penaloza and Gilly 1999; Penaloza and Mish 2011), this transition requires the reconsideration of the “producer/consumer” divide and a renewed focus on the central practices and processes driving value co-creation and market (re)formation. S-D logic removes the distinction between producers and consumers by arguing that all social and economic actors are resource integrators and service providers (and beneficiaries), and draws attention toward the underlying mechanisms of markets with its focus on systems of service-for-service exchange. Thus, the integration of S-D logic and CCT-related research provides a more comprehensive framework for studying how value is co-created, which considers cultural contexts and various stakeholders in markets.

At this intersection of S-D logic and CCT, several critical concepts can be defined to further the development of a theory of market culture. Table 1.1 outlines four key concepts – value co-creation, cultural context, contextualization and market culture.

**Table 1.1 Concepts for Developing a Theory of Market Culture**

Concept	Definition	Sources
Value Co-creation	The processes by which value is jointly created through the enactment of practices and the integration and exchange of resources among multiple stakeholders, and derived through a particular context.	Schau et al. 2009; Vargo and Lusch 2004; 2008; Vargo et al. 2008
Cultural Context	A collection of practices, resources, norms and meanings that frame the co-creation of value and guide the evaluation of an experience.	Arnould and Thompson 2005; Chandler and Vargo 2011; Penaloza and Mish 2011
Contextualization	The process by which a particular context socially constructed.	Chandler and Vargo 2011; Edvardsson et al. 2011
Market Culture	A social system that is composed of overlapping, and possibly conflicting, cultural contexts and exchange-related relationships, which is (re)contextualized through the enactment of practices and intersecting value co-creation processes among multiple stakeholders.	Abolafia 1998; Arnould and Thompson 2005; Chandler and Vargo 2011; Penaloza and Mish 2011; Schau et al. 2009; Vargo and Lusch 2004; 2008; Vargo et al. 2008

The consideration of value co-creation and cultures in markets provides a foundation for developing a theory of market culture, which emphasizes the cultural contexts and mutually beneficial relationships among various stakeholders that are driven by exchange. This view provides insight to the cultural aspects of markets and how interaction among actors is influenced by cultural contexts that frame exchange and value co-creation (Chandler and Vargo 2011). Along these lines, Araujo, Finch and Kjellberg

(2010, p. 6) argue that “markets are practical outcomes of organizing efforts. As such, they are always ‘in the making’ rather than ‘ready-made’ (Latour 1987).” This is based on the idea that markets are performed through the enactment of “market practices.” The literature on practices in marketing and sociology helps to shed light on how market cultures are continually “performed” and further weaves together the research on value co-creation and components of culture in markets discussed above.

### ***Value Co-creation Practices***

The research on practices in sociology, and more recently marketing, is a collection of diverse perspectives that focus on how human actions contribute to the creation of society (e.g., Giddens 1984; Schatzki 1996; Reckwitz 2002) and markets (e.g., Kjellberg and Helgesson 2007; Araujo et al. 2010). However, these routine activities or “doings and sayings” are also driven by social influences and past actions as well (Reckwitz 2002; Warde 2005). Warde (2005) draws on Schatzki (1996) and Reckwitz (2002) to provide a practice-centered foundation for studying “consumption,” particularly within in the framework of CCT (Arnould and Thompson 2005). Schau et al. (2009) also draw on practice theory to study brand community practices among consumers and how they contribute to value creation. Schau et al. (2009, p. 31) argue,

...practices link behaviors, performances and representations through (1) procedures – explicit rules, principles, precepts and institutions, called ‘discursive knowledge’; (2) understandings – knowledge of what to say and do, skills and projects or know-how (i.e., tacit cultural templates for understanding and action; and engagements – ends and purposes that are emotionally charged insofar as people are committed to them (Duguid 2005; Warde 2005).

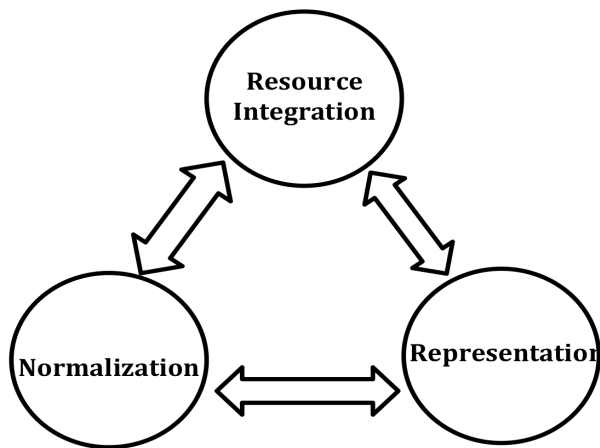
The authors refer to procedures, understandings and engagements as the common “anatomy” of practices. They also suggest that the anatomical components function cohesively and “work closely together as a process of collective value creation” (p. 35).

Kjellberg and Helgesson (2006) extend the study of practices beyond the actions and interactions of consumers to develop a framework for conceptualizing “market practice,” which includes three broad and interwoven categories of practice – exchange, normalizing and representational. Market practice is defined as “bundles of practices including material arrangements that contribute to perform markets” (Araujo, Kjellberg and Spencer 2008, p. 8). Exchange practices are those that are enacted to initiate or reciprocate exchange. Normalizing practice(s) are those that contribute to the establishment of rules or social norms. Representational practice(s) are those that depict what a market is and how it works. In line with Schau et al.’s (2009) view on practices in markets, Kjellberg and Helgesson (2006, p. 843) describe the relationship between the three market practice(s) using the concept of “translations.” The authors explain, “these three categories of practice are further conceived as being linked through chains of translations involving various intermediaries such as rules, tools, measures and measurements.” Thus, translations involve the processes that connect various practices across time and space.

Kjellberg and colleagues’ identification of market practices – exchange, normalizing and representation – contributes to the understanding of how markets are performed through exchange. However, as discussed above, S-D logic and its conceptualization of value co-creation emphasizes the embedded nature of exchange in social systems (Granovetter 1985), by focusing on value derived through use in complex

social contexts, or service ecosystems (Vargo and Lusch 2011). In this view, exchange encounters are nested within a variety of social interactions and the ongoing integration of resources among multiple actors. Korkman, Storbacka and Harald (2010) argue that resource integration is central to the enactment of practices in markets and suggest that as practices are enacted to create value, resources are integrated. This points toward resource integration as a central practice in value co-creation (Akaka and Chandler 2010; Vargo and Akaka 2012) and broadens the scope of interactions in markets to include practices such as sharing (Belk 2010); word-of-mouth (Brown and Reingen 1987) and gift-giving (Sherry 1983). Figure 1.1 depicts the relationship among value co-creation practices, which is adapted from Kjellberg and Helgesson's (2006) model of market practices and draws on Schau et al.'s (2009) discussion of the anatomy of practices.

**Figure 1.1 Value Co-creation Practices**



Although resource-integration practices are proposed here as a more appropriate way of conceptualizing practices that contribute to value co-creation, it is important to note that exchange practices are an essential practice in markets. This is because markets are driven by the exchange (Bagozzi 1975) – specifically, the exchange of service (Vargo and Lusch 2004; 2008). However, because this exchange is nested within a variety of



other interactions, relationships in markets include interactions that take place outside of a particular firm/customer transaction. The concept of value co-creation, and the practice of resource integration, provides a more comprehensive foundation for studying markets (Vargo 2007), and market cultures. Because people engage in exchange to better their circumstances or those of others (Lusch and Vargo 2006), markets are always changing.

### ***Contextualization***

The performative nature of markets discussed in the practice literature (Kjellberg and Helgesson 2006), draws attention toward the social construction (Edvardsson et al. 2011) or contextualization (Chandler and Vargo 2011) of market culture. Edvardsson et al. (2011) draw on a particular practice theory, structuration theory (Giddens 1984), for explicating the process by which contexts in markets are socially constructed. More specifically, structuration theory underscores the centrality of practices in the “reproduction” of social systems can help to further weave together an S-D logic view on value co-creation with the components of culture discussed in CCT, and provide a framework for studying the contextualization, or social construction, of market culture.

At the heart of structuration theory (Giddens 1984), is the *duality* of structure and the distinction between the concepts of structure(s), system(s) and structuration. Giddens (1984) defines *structure* as “recursively organized sets of rules and resources” that exist out of time and space; *system* as the reproduced relations among actors that are connected through organized practices, or “situated activities of human agents reproduced across time and space;” and *structuration* as the conditions that connect structures and systems and enable the reproduction of both. Importantly, in this view, it is the enactment of

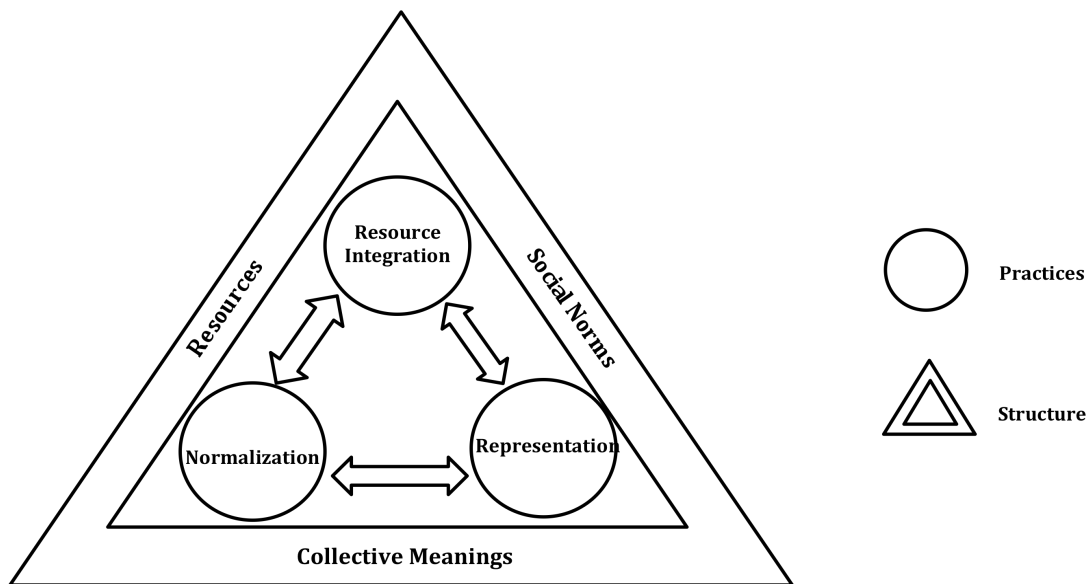
organized routine practices and interaction among actors that drive the reproduction of both structures and systems.

Giddens proposes, “the constitution of agents and structures are not two independently given sets of phenomena, a *dualism*, but represent a *duality*.” That is, rather than thinking about agents (humans) and structures (rules and resources) as separate sets of phenomena, as is done with a dualism view, Giddens argues that “the structural properties of social systems are both the medium and the outcome of the practices they recursively organize.” Structuration theory is very useful for integrating the concept of value co-creation with a cultural view of markets, as it makes a critical connection between interdependent relations (systems) and social rules and resources (structure). Importantly, sturcturation theory’s duality of structure suggests that structures (resources and rules – e.g., norms and meanings) and systems (interdependent relationships) are not independent constructs. Rather, both structures and systems are the means and the result of the interaction that arises as actors engage in practices and integrate resources in their efforts to create value for themselves and for others.

In this way, structuration theory helps to weave together the concept of value co-creation, as discussed in an S-D logic, service ecosystems view (Vargo and Lusch 2004; 2008; 2011) with components of culture in markets – practices, norms, meanings and resources – as discussed in CCT – and provides a framework for studying the (re)contextualization of market cultures. Importantly, the central component that ties together value co-creation and culture in markets is the enactment of practices, which can be considered as the means for both value co-creation and market (culture) formation. Giddens (1984) proposes three overlapping structural components of social systems –

domination, legitimation and signification – which guide and are guided by practices. These components of social systems arise from the value co-creation practices proposed above – resource integration, normalization and representation practices and fall in line with the components of cultural context – resources, norms and meanings, respectively. Figure 1.2 illustrates how the enactment of value co-creation practices (see Figure 1.1) contributes to the reproduction of structure – rules and resources – associated with markets.

**Figure 1.2 Cultural Context**



The importance of structures – rules and resources – has been discussed with regard to value co-creation as well as culture in markets (e.g., Arnould, Price and Malshe 2006; Vargo and Lusch 2004; 2008). However, structuration theory’s three variations of structure sheds light on how rules and resources comprise structure in social systems such as markets. Giddens (1984, p. 21) defines the “rules” of social life as “techniques or generalizable procedures applied in the enactment/reproduction of social practices.” That is, rules provide a general understanding for how to respond or behave in a range of

different social settings. Rules contribute to structures of legitimation and signification because they comprise the social norms and meanings that guide (and are guided by) interaction, respectively. Importantly, these forms of structure cannot be separated from each other and are both interconnected with structures of domination.

Giddens argues that structures of domination depend on the “mobilization” or dynamic integration of two types of resources – 1) allocative resources, or the capacity to transform tangible objects or materials (non-human resources) and 2) authoritative resources, or the capacity to transform or command other persons or actors (human resources). These resources contribute to the balance of power among actors, which are based on the transformative capacity to command or control objects or people. Giddens argues that resources – the ability to transform – are bound to the rules – codes (meanings) and normative sanctions (social norms) – that make up social structures.

In line with Giddens’ emphasis on the transformative and virtual nature of resources, Vargo and Lusch (2004; 2008) argue that value co-creation is driven by the application of operant resources – generally intangible resources with the capacity to act on other resources. Vargo and Lusch (2004; 2008) focus on operant (over operand) resources in value co-creation, but also recognize the importance of operand resources – those that require action taken upon them to create value such as goods and money – as well. Along those same lines, Giddens recognizes that some resources have material components, but emphasizes that “‘materiality’ does not affect the fact that such phenomena become resources...only when incorporated within the process of structuration.” Because of this, the “transformation character of resources is logically equivalent to, as well as inherently bound up with the instantiation of, that of codes and

normative sanctions” (p. 33). In other words, resources only become such because of the norms and meanings associated with them. Although Giddens refers to structure, and, thus resources, as “virtual,” Sewell (1992) extends Giddens’ views on structure and suggests that resources can be both virtual (intangible) and real (tangible) to account for the role of material resources in social systems.

Importantly, according to structuration theory, resources, norms and meanings only exist as the “medium” and “outcome” of interaction. According to Giddens (1984), systems differ from structures in that systems are composed of “reproduced practices in interaction settings” or “reproduced relations” among actors connected through common social practices. These systems are interwoven through the different types of integration, or the reciprocity of practices between actors. *Social integration* represents reciprocity between two actors who are co-present in time and space (e.g., face-to-face), whereas *system integration* represents the reciprocity between actors across time and space. Giddens (1984, p. 28) argues that “mechanisms of system integration certainly presuppose those of social integration, but such mechanisms are also distinct in some key respects from those involved in relations of co-presence.” In other words, interactions that travel across time and space are inevitably influenced by those that arise in a particular place and time, but they differ from those that occur in contexts of “co-presence.” Giddens’ identification of various forms of interaction suggests that value co-creation can occur both in situations of “co-presence” but also can occur across time and space. Because of this, value co-creation practices can contribute to both individual as well as collective forms of value in markets (Penaloza and Mish 2011).

### ***How Value Co-creation Drives (Re)Contextualization***

The literature on practices in marketing and sociology helps to elaborate the role of practices in value co-creation and markets. Kjellberg and Helgesson's (2006) model of market practices and Schau et al.'s (2009) anatomy of brand practices provides an important starting point for thinking about value co-creation practices. Drawing on this research and integrating an S-D logic view on value co-creation, three value co-creation practices have been identified – resource integration, representation and normalization – as the drivers of value co-creation and the (re)contextualization of market culture. As illustrated in Figure 1.1, these practices are not independent or mutually exclusive. Rather, as various stakeholders enact practices, they often engage in resource integration, representation and normalization simultaneously. According to structuration theory, these practices influence and are influenced by social structure – rules (social norms and meanings) and resources. Although structuration theory provides important insights to how practices contribute to the context through which value is derived, it pays less attention to the nature of value itself. Revisiting S-D logic and CCT provides added insight as to why resources are integrated and how value is co-created at individual and collective levels.

Penaloza and Mish (2011) draw on Holbrook's (1999) distinction between “value” (singular), which is considered the evaluation of an experience with a market offering, and “values” (plural), which are the social norms and collective meanings that influence (and are influenced by) the evaluation of a particular experience. CCT research provides a deeper understanding of the social and cultural values (plural) and the processes by which value (singular) is co-created. However, the creation of individual

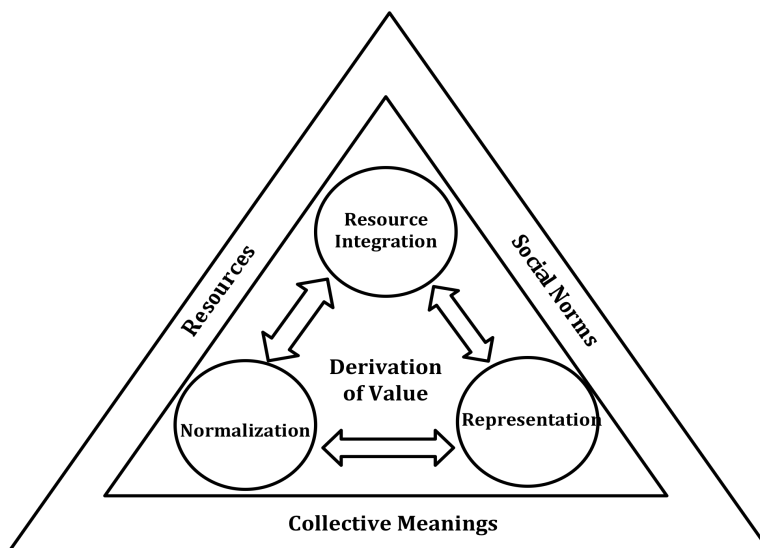
forms of value has been generally discussed with regard to the “consumer” and the role of firms in collective value creation has been largely overlooked (Penaloza and Mish 2011).

The S-D logic view on phenomenological and contextual value falls in line with the concept of value (singular) as discussed by Penaloza and Mish (2001) and Holbrook (1999) – value is always determined by the customer (Vargo 2004; 2008). Recently, however, Vargo and Lusch (2011) elaborate on their views on contextual value, from the viewpoint of a service ecosystem. The authors propose that, from this view, value can be considered as an increase in the viability or well being of a system. In this way, value can be both experiential and beneficial, but is always determined from a particular viewpoint. Thus, what might be considered valuable to a particular actor in a specific context may not be considered as such to a different actor or to the same actor in a different context. In this view, all parties of an exchange (e.g., firms and customers) are contributors as well as beneficiaries of value-creation processes, and, thus, customers always contribute to value creation through the derivation and phenomenological or experiential determination of value.

Giddens’ (1984) duality of structure, and recursive relationship between structures and systems, suggests that value co-creation is influenced by both structures and systems. In other words, value is derived through an evaluation of an experience, which is influenced by social norms and meanings (structures), but is also dependent upon the survivability of an actor or system, which is influenced by adaptability or integrability of an actor or system in its environment (systems) (Akaka et al. 2012; Vargo et al. 2008). These represent two different, but interrelated views on value, which may or may not be

congruent. Figure 1.3 portrays how value is derived through a cultural context, composed of practices, resources, norms and meanings. In this view, as practices are enacted, actors draw on and contribute to the structure (rules and resources) that influence the evaluation of an experience but also contribute to the viability of an actor or system. Thus, practices and structure (rules and resources) make up the cultural context through which value is derived. This is further elaborated in the discussion of (re)contextualization below.

**Figure 1.3 Derivation of Value in Cultural Context**

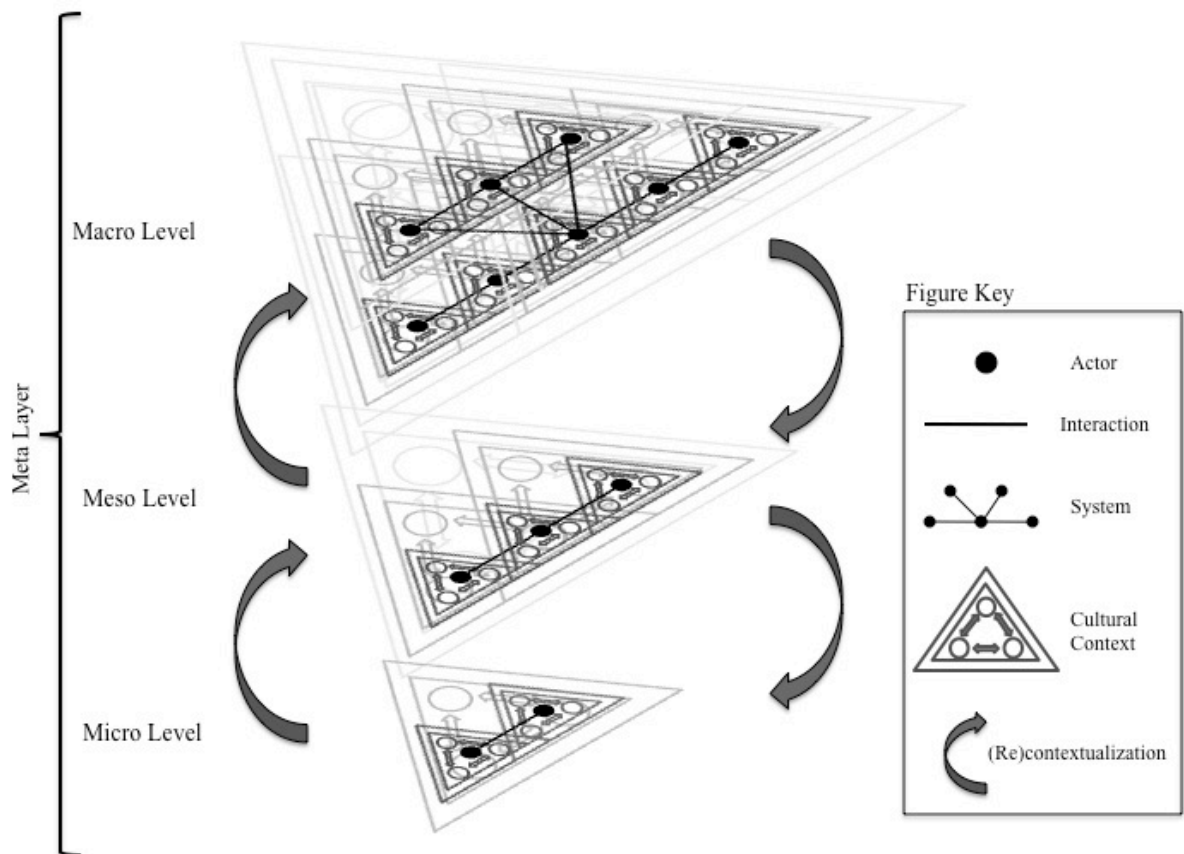


Importantly, value co-creation cannot occur in isolation, and, thus requires the interaction of two or more actors. Because of this, the cultural context framework can be scalable to any level of interaction and provides a comprehensive view for developing a theory of markets and market culture (Vargo 2007). According to Chandler and Vargo (2011), the social contexts through which value co-creation occurs must be considered from multiple levels. In line with CCT’s multiple views on value (Penaloza and Mish 2011), the context that frames exchange and value co-creation is reproduced or recontextualized at micro, meso and macro levels as well (Chandler and Vargo 2011). Chandler and Vargo (2011) specify that a meta-layer of analysis enables researchers to



oscillate among micro, meso and macro perspectives of interaction and gain a deeper understanding of the complex social systems that constitute markets. Thus, the framework for cultural context can aid in understanding micro, meso and macro levels of action and interaction and how they relate to and recontextualize each other. Figure 1.4 illustrates the micro, meso and macro levels of market culture, as well as a meta-layer for studying the recontextualization of the cultural context through which value is derived.

**Figure 1.4 (Re)Contextualization of Market Culture**



As suggested by Arnould and Thompson (2005, p. 869), this cultural context framework “conceptualizes culture as the very fabric of experience, meaning and action” and provides a comprehensive approach for studying how value (experience/viability) is created through interaction and derived through cultural contexts - structure (rules and

resources) and practices (action) – of individuals as well as groups of people. In addition, the consideration of networks of value co-creation and systems of reproduced relationships (Giddens 1984) also point toward the systems of exchange that are continually recontextualized by the enactment of value co-creation practices as well (see Edvardsson et al. 2011).

Figure 1.4 depicts the various viewpoints for considering how value co-creation drives the (re)contextualization of cultural context. At the micro level, value is determined through a dyadic interaction and the evaluation of a particular experience by each individual actor and viability is measured by the survivability of that relationship. At the meso level, value is again determined through separate evaluations of the same experience, but the viability of the system is measured by the duration or stability of the relationship among three or more actors. Meso levels are more complex than micro levels because they involve a greater variety of practices and structures, some of which are likely to conflict with others. At this level, care must be taken to consider not only the micro-level interactions, but also the macro-level (sociohistorical) contexts that influence and are influenced by meso-level interactions as well.

The complexity of context is multiplied at the macro-level, where a multitude of meso-level as well as micro-level cultural contexts intersect and overlap. Furthermore, because cultural contexts grow, shrink and change (e.g., globalization), recontextualization occurs across space and time as well. Thus, the configuration of actors in a particular sociocultural context (see Figure 1.4) is not static (as depicted in the model), but is continually changing over time and space. Because cultural context can be recontextualized at all, micro, meso and macro, levels, markets can be considered as

cultures at all three levels as well. However, it is the meso level of context that is often of the greatest concern to marketers who are trying to understand how their firms are nested between micro-level interactions with customers and broader macro-level sociohistoric contexts or frames.

This conceptualization of cultural context highlights multiple overlapping and intersecting structures (rules and resources) and heterogeneous viewpoints of any given experience. In this way, the cultural context framework proposed above can oscillate from a micro, to meso, to macro view and sheds light on the many levels of structure and system that are interconnected and overlapping in systems of service-for-service exchange. Although structuration theory has provided a framework for how value co-creation drives the (re)contextualization of market cultures, it is S-D logic's view on value co-creation and CCT's recognition of components of cultural context that explicate the interdependent and cultural aspects of social structures in general, and markets in particular. Thus, this integration and application of S-D logic and CCT also furthers the exploration of structuration theory in markets and marketing that has already begun (e.g., Edvardsson et al. 2011; Peters, Gassenheimer and Johnston 2009). The following section discusses several research propositions that can contribute to further developing research in this area and advancing a theory of market culture.

### **Research Propositions for Advancing a Theory of Market Culture**

Furthering the development of a theory of market culture requires additional investigation, including empirical studies, of how value is co-created in cultural context and how market cultures are (re)contextualized. Propositions and future research directions are proposed below to further develop of a theory of market culture, by

extending the investigation of value-in-context and contextualization. The first two propositions center on studying developing a deeper understanding of the nature of value that is co-created in cultural context, or value-in-cultural-context. The remaining (four) propositions identify different areas for furthering the study of (re)contextualization, or ongoing social construction, of market culture, which can aid in advancing a deeper understanding of how markets form and change (e.g., Humphreys 2010a).

### ***Value-in-Cultural-Context***

*Proposition 1: Value co-creation is mediated by cultural context – practices, resources, norms, and meanings.* The consideration of markets as cultures suggests that value co-creation is mediated by the practices, norms, meanings and resources associated with a particular exchange. That is, a cultural context influences the evaluation of a particular resource (value) applied by a certain person at a specific place, time and social setting. Thus, future research is needed to better understand differences as well as commonalities of cultural contexts – practices, resources, norms, and meanings – across market cultures and how they mediate value co-creation.

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

roles, particularly those related to co-production, or customer participation in the development of value propositions (Akaka and Chandler 2011). Furthermore, studies of brands in this market culture framework can shed light on how market meanings influence the value derived through co-creation and exchange. Finally, the consideration of resource integration as a central practice for value co-creation suggests that one of the critical factors of value co-creation is the ability to access, adapt and integrate resources (Akaka et al. 2012). Thus, empirical work is needed to classify particular attributes of cultural contexts that make resources more easily integrated in value co-creation processes.

*Proposition 2: Value derived through cultural context, is influenced by both structures and systems.* As mentioned, Holbrook (1999) defines value (singular) as the evaluation of an experience and values (plural) as the norms and meanings that influence evaluation. In this view, structures (resources, norms and meanings) influence value derived through the use of an offering. However, Vargo and Lusch (2011; see also Vargo et al. 2008) provide a systems view of value (singular), which incorporates evaluations as well as the viability of an actor or system within its environment. In this view, as value co-creation practices are enacted value is phenomenologically derived through the evaluation of an experience but is also dependent upon the viability of that actor based on the sustainability of relationships within a system or the network that comprises the system itself. Although individual viewpoints and evaluations may differ, the viability of an actor or system provides a measure of value for a system as a whole. However, because evaluations of an experience vary, maintaining the viability of a system at a micro level may jeopardize the viability of that same system in a wider context.

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

***(Re)Contextualization of Market Culture***

*Proposition 3: Market cultures are composed of both systems (reproduced relationships) and structure (rules and resources).* The proposed framework draws on a conceptualization of value co-creation that centers on the integration of multiple resources within a network of service providers and recipients, or service ecosystems. Vargo and Lusch (2011) discuss how institutions are an important factor in value co-creation because they both enable and restrain resource integration. CCT and its components of culture – practices, norms, meanings and resources – contribute to a deeper understanding of the social and cultural forces that guide and are guided by actions and interactions in markets. Structuration theory (Giddens 1984) weaves together these views on value co-creation and culture in markets and sheds light on two interrelated components of market culture – systems (reproduced relationships) and structure (rules and resources). Giddens' argument for the duality of structure stresses the

inseparable relationship between the systems and structure, and emphasizes the need to consider both relationships and rules (norms and meanings) in the study of markets.

Future research in this area can contribute to understanding how structures and systems are related. One way of studying this might be to look at change in market cultures over time and explore how reconfigurations of relationships influence changes in structure, or rules and resources. In particular, changes in the roles of customers and firms in value co-creation have been a major consideration in the study of value co-creation, or more specifically co-production – collaborative efforts to develop resources (Akaka and Chandler 2010). Future studies can be done to identify how changes in relationships among firms and customers (e.g., firms involve customers in more “production” processes) influence changes in structure, such as the social norms and meanings and the central resources integrated in markets.

*Proposition 4: The configuration of relationships and resources is a medium and an outcome of value co-creation.* In this framework, the co-creation of value also contributes to the reconfiguration of systems of reproduced relationships (Giddens 1984) that frame exchange (Chandler and Vargo 2011). Markets are driven by exchange relationships, but other associated relationships are critical to value co-creation as well (Vargo and Lusch 2010). The configuration of relationships is important to value co-creation because relationships are the key to accessing resources in markets (Vargo et al. 2012). This suggests that an actor’s position (set of relationships) in a particular system can influence, but are also influenced by the way in which value is created. This is because the configuration of value co-creation relationships enables access to certain

resources, which is a first and necessary step of resource integration, and, thus, value co-creation (Vargo et al. 2008).

Understanding how interaction and value co-creation influences the configuration of relationships will become increasingly important as actors become more interconnected and systems of reproduced relationships grow and change. However, based on this view of market culture and the duality of structure and system, this relationship between value co-creation and network configuration is recursive. Future research using social network analysis (Chandler and Wieland 2010) methods can help to identify how different relational positions might vary based on the ways in which resources are integrated and value is co-created in markets. The investigation of actors' positions and strength of their relationships may also shed light on different processes of value co-creation in markets. This research can potentially provide important insights to how value co-creation processes contributes to the (re)configurations of actors influence, which, in turn, influences the context through which value is derived (Chandler and Vargo 2011).

*Proposition 5: Market Cultures are (re)contextualized by the enactment of value co-creation practices – resource integration, normalization and representation.* The proposed framework points toward value co-creation practices as the drivers of market culture (re)formation. These practices include routine actions that contribute to the integration of resources as well as the development of social norms and collective meanings. The enactment of these practices draws on and contributes to structures of rules – norms and meanings – and resources (Giddens 1984). These value co-creation practices fall in line with Giddens' (1984) structures of domination, legitimization and



signification, respectively. In this way, the enactment of value co-creation practices not only drives the creation of individual forms of value (e.g., evaluation of value proposition), but also contributes to the formation and reformation of structures (as well as systems) and influences changes in power, norms and meanings in markets.

The exploration of how resources, norms and meanings in markets are (re)contextualized, or socially (re)constructed, through the enactment of practices is needed to advance a theory of market culture. As mentioned, the study of practices and structure in markets has made major strides in the area of “consumption.” However, less attention has been paid to firm practices and how they contribute to structure formation and change. Furthermore, much of this work centers on the study of structures at particular places and/or times and work is needed to understand how market cultures emerge and change over extended time and space dimensions. In addition, recent research has begun to study how the process of legitimization drives market (re)formation (Humphreys 2010). However, further work is needed to understand the particular normalization practices that contribute to the legitimization of markets as well as the resource integration and representation practices that influence structures of domination and signification, respectively.

*Proposition 6: Changes in one component – practices, norms, meanings and resources – or level – micro, meso and macro – of cultural context will influence changes in others.* Because the components and levels of cultural context are interrelated and overlapping, changes in one component and/or level will drive changes in one or more of the other components or levels. For example, as actors learn and improve their practices, expectations associated with a particular practice will evolve and the norms will change

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

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

## **Implications and Conclusion**

This research contributes to the development of a theory of market culture by developing the conceptualization of markets as cultures and a model for studying value co-creation in cultural context. Furthermore, this work integrates a service-centered view on value co-creation with a dynamic cultural approach (Arnould and Thompson 2005) to theorize about the (re)contextualization of market cultures. It contributes to the development of S-D logic as well as CCT, and provides insight to value co-creation practices and how they contribute to market (re)formation. In addition, the proposed framework extends prior literature that emphasizes social aspects of value-in-context (Chandler and Vargo 2011; Edvardsson et al. 2011) and the social processes and meanings that form markets (Humphreys 2010; Venkatesh et al. 2006).

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

Importantly, this framework provides a means for studying more than value co-creation; it establishes a foundation for exploring and potentially influencing market

(re)contextualization. In this view, markets are (re)contextualized through the enactment of value co-creation practices, but contextualization is also guided by changes in norms, meanings and resources as well. Based on this, the goal of marketing shifts from segmenting and targeting existing markets, to developing and co-creating new markets by contributing to the social construction or recontextualization of market cultures. Drawing on this framework, marketers can contribute to the co-creation of new markets by contributing to changes in the cultural contexts – practices, norms, meanings and resources – that frame value co-creation and exchange.

This research develops a framework for developing a positive theory of markets, as called for by Venkatesh et al. (2006) and Vargo (2007), which centers on value co-creation and considers the embedded nature of markets in dynamic social and cultural contexts. The framework proposed in this paper provides a starting point for thinking about and studying markets as cultures. Clearly, this is only a beginning step toward developing a theory of market culture. Empirical research is needed to further explore different components of cultural context and the relationships among them. The propositions provided above outline a possible roadmap for where to go from here. Ultimately, the aim of this research is to contribute to a more comprehensive understanding of markets so that marketing academics and practitioners can increase the potential for value to be (co)created through markets and marketing.

**ESSAY 2**

**THE (RE)CONTEXTUALIZATION OF A GLOBAL MARKET CULTURE**

## **The (Re)Contextualization of a Global Market Culture**

The surf culture that has formed concentric rings around the elemental act of riding a wave is a unique and strangely powerful phenomenon. It is a subculture that feeds on the experiences and truths gained in the ocean and on the waves, and it is a subculture that has enormous effects on the larger cultures of which it is a part. – Drew Kampion, 2003, p. 27

### **Introduction**

Subcultures are diverse cultural groups or social systems that can be found within or across traditional ethnic and geographical classifications of culture (Schouten and McAlexander 1995). The study of subcultures is important for understanding value creation because it emphasizes the micro-level practices (e.g., Schau, Muniz and Arnould 2009) and macro-level structures and systems that socially construct the context through which value is derived (e.g., Chandler and Vargo 2011; Edvardsson, Tronvoll and Gruber 2011; Humphreys 2010). However, the study of subcultures in marketing has been largely focused on the practices and perspectives of “consumers,” and limited attention has been paid toward the roles of firms and other stakeholders in these cultural groups (for exception see e.g., Penaloza and Gilly 1999; Penaloza 2000; Penaloza and Mish 2011). Furthermore, studies of subcultures in marketing are often based on a situated context (e.g., fixed time and space), and additional work is needed to better understand the way in which market-related subcultures emerge and change (Canniford and Karababa 2012; Schouten, Martin and McAlexander 2007).

This research explores how the actions and interactions of multiple stakeholders contribute to the (re)formation of subcultures to gain a better understanding of how markets are socially constructed over time and space through micro-level practices and influenced by macro-level structures (e.g., Chandler and Vargo 2011; Edvardsson, Tronvoll and Gruber 2011; Humphreys 2010a). Research regarding the reflexive nature

of marketers (Penaloza and Gilly 1999), and firms' contributions to value co-creation (e.g., Penaloza and Mish 2011) and market formation (Humphreys 2010) provide important insights to the contributions of multiple stakeholders in subcultures. However, attention toward the roles of firms and other market-related actors in subcultures has been limited, and additional work is needed to better understand how the practices and processes engaged by multiple stakeholders collectively contribute to both value co-creation and market formation. In other words, research is needed to understand how the practices and processes of multiple stakeholders work together to create value (Schau et al. 2009) and markets. To contribute to the understanding of value co-creation and market (re)formation, I argue for a conceptualization of markets as (sub)cultures, or *market cultures* (Abolafia 1998; Penaloza and Mish 2011), which is based on *value co-creation* as the central driver of interaction in markets (Vargo and Lusch 2004; 2008).

I draw on a view of value co-creation that emphasizes the contextual nature of value, or *value-in-context* (Vargo, Maglio and Akaka 2008), and points toward *(re)contextualization* as a process by which value co-creation drives the social (re)construction of markets (Chandler and Vargo 2011; Edvarsson et al. 2011). This view of collaboratively created value is part of a pivotal shift in marketing, which centers on service – the application of competencies for the benefit of others – as the basis of exchange (Vargo and Lusch 2004; 2008) and draws attention toward the signs and symbols that constitute markets (Venkatesh, Penaloza and Firat 2006). This view also aligns with recent research on the social processes that drive the formation of markets (e.g., Humphreys 2010a; Kjellberg and Helgesson 2006).

To study how value co-creation drives the (re)contextualization of market culture,

I draw on structuration theory (Giddens 1984), from the sociology literature, to provide a theoretical foundation for investigating the way in which the practices of multiple stakeholders contribute to the social construction of markets (Edvardsson et al. 2011). In addition, I extend Giddens' (1984) structuration theory with a discussion of the multiplicity, or variety and complexity, of structures – rules and resources (Giddens 1984; Sewell) – and practices – doing and sayings (Schatzki 1996) – in markets. To empirically investigate the complexity of market-related subcultures, I conduct an historical analysis and study the changes in the practices and structures as an ancient cultural practice is (re)contextualized into a global market culture. The findings of this study point toward several phases of the (re)contextualization of market culture, including 1) practice decontextualization, 2) market contextualization and 3) market recontextualization, and contributes to the development of a conceptual framework that can be used classify value co-creation practices (resource-integration, normalization and representation practices) and further theorize their relationship with structures.

The value co-creation perspective applied in this study of the (re)contextualization of a global market culture provides at least three contributions to marketing research. First, it proposes a conceptualization of markets as (sub)cultures to broaden the scope of studying subcultures beyond “consumers” and their practices (Schouten and McAlexander 1995) and investigate the way in which multiple stakeholders (e.g., firms, customers and other stakeholders) contribute to value co-creation and market (re)formation. Second, this research extends the literature on practices, as well as subcultures, in marketing (e.g., Kjellberg and Helgesson 2006; Schau et al. 2009; Warde 2005) by establishing a classification of value co-creation practices and studying how the



practices of multiple stakeholders contribute to the (re)contextualization of market cultures *across time and space*. Third, this study extends the discussion of the context that frames value co-creation, beyond social contexts (Chandler and Vargo 2011; Edvardson et al. 2010), centered on relationships and norms, to consider the signs and symbols, or resources and meanings, that also contribute to *cultural contexts* in markets. Before the theory, method and findings of this research are presented, a discussion of markets as (sub)cultures, based on value co-creation, is needed to transition from “subcultures of consumption” to the consideration of global market cultures.

### **From Subcultures of Consumption to Global Market Cultures**

The study of subcultures is one of the central areas of research in a growing body of literature called consumer culture theory (CCT) (Arnould and Thompson 2005). In marketing, subcultures have been discussed as “subcultures of consumption” (Schouten and McAlexander 1995), “marketplace cultures” (Arnould and Thompson 2005), “brand communities” (Muniz and O’Guinn 2001; Schau, Muniz and Arnould 2009), “microcultures” (Thompson and Troester 2002) and “global consumer cultures” (Alden, Steenkamp and Batra 1999). This research suggests that subcultures vary in size – from a particular marketplace (e.g., Sherry 1990; Penaloza 2000) to a world-wide culture (Alden et al. 1999) – as well as the members’ commitments to a particular ethos (Schouten and McAlexander 1995).

Thompson and Troester (2002, p. 553) argue that the study of subcultures in markets differs from other types of subcultures in cultural studies because “in comparison to a classic subculture, the symbolic boundaries of a consumption subculture are relatively permeable.” They elaborate on the relationships within subcultures of

consumption by suggesting they are “considerably less contingent on social commonalities” than other subcultures, and that the “marketplace place plays a more explicit (and socially accepted) role in mediating and sustaining these affiliations.” In other words, membership in market-related subcultures is often more flexible than other subcultures and interactions within these groups are generally mediated by market interactions and exchange. This discourse is important to marketing because it emphasizes the recursive processes through which particular (sub)cultures influence and are influenced by market-related practices and meanings (Schau et al. 2009; Warde 2005).

The study of “subcultures of consumption” (Schouten and McAlexander 1995) has provided an excellent means for understanding how individual practices influence and are influenced by the heterogeneous interpretations and meanings associated with market-related signs and symbols (e.g., brands and goods). However, prior work on the study of “consumers” and “consumption” in subcultures limits the understanding of the roles of other stakeholders in subcultures (e.g., firms) and provides limited insight to how market-related subcultures form and reform. Although attention toward firms’ roles in subcultures is growing (see Penaloza and Gilly 1999; Penaloza 2000; Penaloza and Mish 2011), the discussion of subcultures in marketing has been largely centered on consumers and their consumption practices. Moreover, most studies on subcultures examine perceptions and practices of consumers in pre-existing subcultures, often at a particular place or time, and little is known about how market-related subcultures emerge and change (Schouten, Martin and McAlexander 2007). Thus, work is needed to better understand the practices and perspectives of firms and other stakeholders and to

investigate the way in which market-related subcultures form and reform.

Because the goal of this research is to incorporate multiple perspectives and practices in the study of subcultures, the concept “market culture” (Abolafia 1998; Penaloza and Mish 2011) is used to better articulate the description of a subculture that (re)forms as various stakeholders interact to create value for themselves and for others. The study of “market culture” was proposed by Penaloza and Mish (2011, p. 27) as a means for examining the “cultural discourses, practices, agents and artifacts constituted in markets.” The authors argue that the development of a market culture theory (MCT) is needed because as CCT research overlaps with other areas of markets, “the designation of *consumer* becomes somewhat limiting” (emphasis in original).

Abolafia (1998, p. 69) provides added insight to a “market culture” approach by suggesting that the consideration of markets as cultures emphasizes that “as loci of repeated interaction/transaction, markets exhibit their own distinct set of mutual understandings.” He elaborates, “these understandings are both enabling and restraining...[they] emerge through interactions among *multiple stakeholders* but become institutionalized” (emphasis added). In other words, as various stakeholders interact and create value for themselves and for others, they draw on and contribute to common norms (institutions) and meanings (cultural schemas) that constitute markets. In this way, rather than taking a cultural approach to studying consumption, as is done with CCT, a market approach (one that considers the perspectives and practices of multiple stakeholders) to studying cultural (re)formation can potentially provide a more encompassing framework for studying the (re)formation of market-related subcultures, or market cultures.

The concept of value co-creation provides a foundation for theorizing about

market cultures because it posits that value is always co-created among multiple stakeholders. These processes involve the exchange and integration of resources and the derivation of value through the use of or experience with, a particular offering, in a specific context (e.g., time, place or social situation) (Vargo et al. 2008). In this value co-creation perspective, all parties of exchange, including, but not limited to, firms and customers, contribute to value creation, as well as market (re)formation. This concept of value co-creation is grounded in a service-dominant (S-D) logic, view of complex (eco)systems or dynamic networks of interaction among various social and economic actors (e.g., firms and customers) (Vargo and Lusch 2011). These interactions are driven by the integration and exchange of intangible and dynamic resources, such as knowledge and skills (i.e., service-for-service exchange) and include various forms of interaction such as sharing (Belk 2010); word-of-mouth (Brown and Reingen 1990); and gift-giving (Sherry 1990). Importantly, S-D logic's view of value co-creation emphasizes value-in-context – value derived and determined through use, in context – and suggests that the relationships among actors contribute to the *contextualization*, or social construction, of the context through which value is derived (Chandler and Vargo 2011; Edvardsson et al. 2011).

Chandler and Vargo (2011) argue that the social context that frames value co-creation and exchange can be viewed from multiple levels: micro, meso and macro. Furthermore, the authors suggest that markets can be considered as a macro-level of context, but are bound to micro- and meso-levels as well. Along these lines, the consideration of markets as subcultures suggests that markets also exist at meso-levels of context, especially because they are nested within broader macro-level contexts,

including countries, regions and other, larger markets. Edvardsson et al. (2011) argue for a view on value that focuses on “value-in-social-context” and emphasize the social construction of context by drawing on structuration theory (Giddens 1984). This view on value co-creation underscores a need for studying the social context, or the relationships and norms, through which value is derived. However, the emphasis of CCT literature and prior research on subcultures provides a view of context that highlights the cultural as well as social aspects of context. CCT draws attention toward signs and symbols as well as social relationships and norms in markets (Venkatesh, Penaloza and Firat 2006).

Based on these views on value and context, I argue for a conceptualization of markets as (sub)cultures, which are composed of various, interrelated and overlapping (and even sometimes conflicting) cultural contexts. In the same way that subcultures of consumption can range from local to global contexts, the study of market cultures can vary from particular marketplaces to world-wide cultural contexts. To explore the complexities and nuances of market cultures that cut across a variety of other (micro- and macro-level) contexts, the study of global market culture is particularly useful (Akaka and Vargo 2011).

In marketing, global cultures have been studied in international and cross-cultural literature as global consumer cultures (GCC) (Alden et al. 1999). According to Akaka and Alden (2010, p. 38), “GCC is a complex, evolving structure, comprising cultural similarities and differences, as well as global and local meanings, which is in a constant state of change.” In line with CCT (Arnould and Thompson 2005), this view centers on a cultural view of global consumption. Thus, to broaden the study of global cultures from consumption to value co-creation, the consideration of multiple practices and

perspectives is needed.

The research regarding subcultures of consumption (e.g., Schouten and McAlexander 1995) and value co-creation (Vargo and Lusch 2004; 2008), discussed above, provide complementary views for studying a global market culture. However, work is needed to explicate the processes by which the actions and interactions among multiple stakeholders draw on and contribute to the cultural contexts that constitute markets. In line with Edvardsson et al. (2011), I apply structuration theory (Giddens 1984) as a framework for conceptualizing *(re)contextualization*, or the process by which value co-creation contributes to the (re)formation of a (global) market culture. In this view, as various stakeholders (e.g., firms and customers) enact practices, they simultaneously reproduce the social structures – rules (norms and meanings) and resources – and systems – reproduced (exchange) relationships – that constitute the cultural contexts that frame market exchange (Chandler and Vargo 2011). Based on structuration theory, I argue that global market cultures are (re)contextualized through the enactment of practices and simultaneous reproduction of structure and systems – which are driven by individual efforts to co-create value for themselves and for others.

### **Theoretical Background: Structuration Theory**

The dynamics of market cultures are driven by ever-changing exchange relationships (Abolafia 1998) and the interaction among multiple actors with multiple perspectives for creating and determining value. On a global scale, the complexity of this phenomenon increases (Akaka and Vargo 2011) because global market cultures overlap a combination of local, national and regional cultures. Structuration theory, introduced by Anthony Giddens (1984), provides a theoretical framework for understanding how the

reproduction of structures and systems contribute to the recontextualization, or reformation, of market cultures. In particular, structuration theory provides a framework for studying the (re)contextualization of cultural contexts at micro, meso and macro levels, which is based on Giddens (1984) argument that the enactment of practices drives the reproduction of both structures (rules and resources) and systems (relationships).

At the heart of Giddens' (1984) structuration theory is the distinction between the concepts of structure(s), system(s) and structuration. Giddens defines structure as "recursively organized sets of rules and resources" (p. 25). To Giddens, structure is composed of social norms and meanings (rules) and "transformative capacity" (resources). It does not include human actors because it is "virtual" and is not confined to a particular time or space. Alternatively, Giddens defines a system as the "reproduced relations between actors or collectives, organized as regular social practices" (p. 25). In this way, systems are composed of humans and their actions (practices). According to Giddens, structures and systems are recursively related through structuration or "the conditions governing the continuity or transmutation of structures, and therefore the reproduction of social systems." In other words, structuration involves the practices and processes by which structures and systems contribute to reproducing each other.

Giddens makes an important distinction between "duality" and "dualism" of structure and argues for a duality perspective. He proposes that "the constitution of agents and structures are not two independently given sets of phenomena, a *dualism*, but represent a *duality*" (p. 25 emphasis added). That is, rather than thinking about "agents" (humans) and "structures" (rules and resources) as separate sets of phenomena, as is done with a dualism view, Giddens argues that "the structural properties of social systems are

both the medium and the outcome of the practices they recursively organize.” This is an important consideration with regard to value co-creation, because it suggests that value-creating practices (Schau et al. 2009) drive the reproduction of exchange relationships (systems), but are also the central factor in the shaping of social norms and collective meanings (structures).

With regard to structure, Giddens (p. 21) defines the “rules” of social life as “techniques or generalizable procedures applied in the enactment/reproduction of social practices.” That is, rules provide a general understanding for how to respond or behave in a range of different social settings, based on social norms and meanings. Giddens also identifies two types of resources related to structure – 1) *allocative resources*, or the capacity to transform tangible objects or materials (non-human resources) and 2) *authoritative resources*, or the capacity to transform or command other persons or actors (human resources). In both cases, Giddens refers to resources as the “transformative capacity” to command or control objects or people. He elaborates on the relationship between rules and resources in structure by explaining that “the transformation character of resources is logically equivalent to, as well as inherently bound up with the instantiation of, that of codes and normative sanctions” (p. 33). That is, resources – the ability to transform – are bound to the rules – codes and normative sanctions – that make up social structures. This view of resources also provides insight to understanding how value co-creation drives the (re)formation of market cultures. Giddens’ views on resources falls in line with Vargo and Lusch’s (2004; 2008) argument for the primacy of operant resources – generally intangible resources that are capable of acting upon other resources to create value – over operand resources – those resources that are static and



tangible, and require action take upon them to be valuable.

According to Giddens (1984), social systems differ from social structures in that systems are composed of “reproduced practices in interaction settings” or “reproduced relations” among actors that are connected through common social practices. These systems are interwoven through two types of integration, or the reciprocity of practices between actors. Whereas *social integration* represents reciprocity between actors who are co-present in time and space (e.g., face-to-face), *system integration* represents the reciprocity between actors across time and space. Giddens (1984, p. 28) argues that “mechanisms of system integration certainly presuppose those of social integration, but such mechanisms are also distinct in some key respects from those involved in relations of co-presence.” In other words, interactions that travel across time and space are inevitably influenced by those that arise in a particular place and time, but they differ from those that occur in contexts of “co-presence.” In this way, value co-creation can occur through direct interaction among actors, but it is also mediated through structures that contribute to value co-creation across time and space dimensions by influencing the norms and meanings that guide the derivation and determination of value.

Although the distinction is made between structure(s) and system(s), Giddens’ view of duality of structures suggests that structures and systems are not independent constructs. Rather, both structures and systems are reproduced and governed by one process, namely structuration. Giddens (1984, p. 19) proposes, “One of the main propositions of structuration theory is that the rules and resources drawn upon in the production and reproduction of social practices are at the same time the means of system reproduction (the duality of structure).” Thus, a closer look at structures (rules and

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

Structures and practices have been recognized as central constructs in studying subcultures in marketing literature (Schouten and McAlexander 1995; Schau et al. 2009) and, thus, are critical for understanding value co-creation and the (re)formation of market culture. Importantly, the question of how practices connect to structures (and systems) addresses both continuity and change. Sewell (1992, p. 16) extends Giddens' structuration theory by proposing "multiple, contingent, and fractured conception of society – and of structure." In his effort to better understand dynamic changes in structure, Sewell (1992) proposes five axioms in his theory of structures: 1) multiplicity of structures, 2) transposability of schemas, 3) unpredictability of resource accumulation, 4) polysemy of resources, and 5) intersection of structures.

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

remobilizations of resources that make the new structures recognizable as transformation of the old” (p. 27).

This issue of structural change is increasingly important as cultures converge across the globe (e.g., Appadurai 1990; Wilk 1995). If we are to gain a deeper understanding of the nature of global market cultures and how structures and systems are (re)contextualized, a deeper consideration of structural change is critical. Importantly, according to structuration theory, structures are continually reproduced through the enactment of practices, and, thus, changes in structure are interrelated with changes in practices as well. Thus, to better understand the dynamic nature of structures and structuration, the multiplicity of structures and practices are discussed below.

### ***Multiplicity of Structure***

The work of Giddens’ (1984) is often compared and discussed with that of Bourdieu (1980) with regard to *both* structuration theory and practice theory. Bourdieu is known for his “theory of practice,” which is elaborated in the section below and shares a similar starting point with Giddens’ structuration theory. The similarity between Giddens and Bourdieu is based on their view that society is composed of a recursive relationship between individual action and social order. That is, society is not simply a product of individual interests and, on the other hand, individual actions are not simply driven by society. In this way, both authors distinguish between structure and systems of agents (humans). However, Giddens and Bourdieu differ in their opinions of the level of influence that structure and individual agents have on each other.

Much of this difference stems from Giddens’ and Bourdieu’s alternative perspectives on the nature of structure. Giddens’ (1984) view proposes a balanced

relationship in the recursive reproduction of structure and agency. His view of humans as “knowledgeable agents” emphasizes the ability of individuals to influence the structure and system to which they are connected. Alternatively, Bourdieu’s view emphasizes the strength of structure with his concept of “habitus.” Bourdieu (1980, p. 53) argues,

The habitus, a product of history, produces individual and collective practices – more history – in accordance with the schemes generated by history. It ensures an active presence of past experiences, which, deposited in each organism in the form of schemes of perception, thought and action, tend to guarantee the ‘correctness’ of practices and their constancy over time, more reliably than all form rules and explicit norms.

Thus, in Bourdieu’s view, historically formed structures are so pervasive that even if actors associated with a particular structure engage in a variety of practices, the original structure will generally remain intact over time. According to Sewell (1992, p. 15) Bourdieu’s notion of habitus suggests that “even the most cunning or improvisational actions undertaken by agents necessarily reproduce the [same] structure.”

The views of Bourdieu and Giddens differ in at least two major ways. First, Bourdieu’s view acknowledges preexisting structures, such as social class, and emphasizes a hierarchical view of structure (Parker 2000). Second, it emphasizes the strength of structure over systems (of agents) because Bourdieu argues that as agents enact practices they are essentially reinforcing the structure that guides them. Alternatively, Giddens’ view of structure is “flat” (Parker 2000) because it doesn’t account for various levels of society and different levels of influence. Additionally, Giddens’ view weakens (but still acknowledges) the strength of structure by suggesting that individual actions can influence the reproduction of structure. However, it is important to note that Giddens’ (1984) view does not focus on humans as agents of purposeful change. Rather, he argues that structures (and systems) change as “the flow of

human action continually produces consequences which are unintended by actors, and these unintended consequences also may form unacknowledged conditions of action in a feedback fashion” (p. 27).

Sewell (1992) draws on the work of both Giddens (1984) and Bourdieu (1980) to propose a theory of structure and provide a deeper understanding of the multiplicity of structure and its capacity for change. Sewell (1992) argues that as practices are enacted, multiple structures form “which exist at different levels, operate in different modalities, and are themselves based on widely varying types of quantities of resources.” Although Sewell (1992) applies Giddens’ notion of structure as rules and resources in his theory of structure, he argues that Giddens’ discussion of rules and resources is vague and needs elaboration in order for his theory to be useful. In particular, Sewell (1992) argues that Giddens’ definition of structure as “virtual” is problematic, especially in its conceptualization of resources. Sewell (1992) proposes that rules (what he calls schema) can be considered a virtual aspect of structure. This schema is not static, but rather can move about and intersect with other schemas (or structures) as individual agents transpose them across a variety of circumstances.

With regard to resources, however, Sewell (1992) argues that Giddens’ consideration of resources as virtual is problematic because it does not account for the presence and role of material things in structuration. Sewell draws on Bourdieu’s relationship between “mental structures” and “the world of objects” and proposes that resources should be considered “actual” rather than virtual to account for their tangible characteristics and materiality. However, Sewell neglects to address Giddens’ comments on this very issue of “real” resources. Giddens argues that even material things require

the process of structuration to be transformed into resources. That is, unless something is deemed useful it is not considered a resource. Giddens (1984, p. 33) explains,

Some forms of allocative resources (such as raw materials, land, etc.) might seem to have a 'real existence' in a way which I have claimed that structural properties as a whole do not. In the sense of having a time-space 'presence', in a certain way such is obviously the case. But their 'materiality' does not affect the fact that such phenomena become resources, in the manner which I apply that term here, only when incorporated within the process of structuration.

Thus, it is not that Giddens ignores the materiality of resources or the role of material things in structuration. Rather, he emphasizes that resources, even material ones, are only deemed as such through their ability to be transformed into something useful. This ability to be transformed into something useful necessitates rules (norms and collective meanings) to guide the transformation.

In addition to raising the issue of materiality of resources, Sewell (1992) argues that in order to understand structural change, the unpredictability and polysemy (multiplicity of meaning) of resources should also be considered. He argues that because schemas or rules are transposable across structures, that the interaction of a schema and a particular resource is unpredictable. Similarly, because resources are inherently connected to cultural schemas, different resources mean different things to different people. These additional considerations regarding resources emphasize how the movement of resources can drive changes in structure. Sewell (1992) argues that one of the reasons that resources are able to move across structures and take on different meanings is because structures often overlap.

Based on these dynamic qualities of structures, Sewell (1992, p. 19) defines structures as "sets of mutually sustaining schemas and resources that empower and

constrain social action and that tend to be reproduced by social action.” However, he is quick to point out that the reproduction of structure is never a given. He argues that “structures are at risk, at least to some extent, in all of the social encounters they shape – because structures are multiple and intersecting, because schemas are transposable, and because resources are polysemic and accumulate unpredictability.”

Evidence of the multiplicity of structure has emerged in the marketing literature, particularly with regard to consumption-related cultures and practices. For example, Schouten and McAlexander (1995) identify hierarchies of commitment and authenticity within the structure of Harley Davidson’s subculture of consumption. From a global perspective, Kjeldgaard and Askegaard (2006) discuss multiple local and global layers of the structure of youth culture in Denmark and Greenland. These are among many studies of subcultures of consumption (e.g., Cova, Kozinets and Shankar 2007; Muniz and O’Guinn 2001; Schau et al. 2009), which suggest that structures of any particular subculture have multiple dimensions. However, the ways in which structures are maintained or change across time are less understood. Schouten, Martin and McAlexander (2007) reflect on the evolution of Harley Davidson’s subculture and recognize the need for more extensive studies, covering longer periods of time, to better understand the dynamics of subcultures and the market-related forces that drive change. Thus, in order to fully conceptualize how structures are reproduced and cultural contexts recontextualized, a deeper understanding of the social encounters that shape them is needed. The next section draws on additional practice theory literature to provide insight to the social encounters or actions that shape and reshape structure.

### ***Multiplicity of Practices***

As mentioned, Giddens' (1984) work on structuration theory has also been recognized as one of the seminal works with regard to practice theory, and Giddens is often considered as a practice theorist as well (Reckwitz 2002). As with Bourdieu's (1980) theory of practice, Giddens' view of social construction focuses on the enactment of routine practices to drive the reproduction of societies. The development of practice theory following the work of Giddens (1984) and Bourdieu (1980) provides added insight to the nature of practices and their relationship with structures and systems (Schatzki 1996; Reckwitz 2002). However, practice theory is not a cohesive body of literature, but more like a collection of diverse perspectives that focus on how human actions contribute to the creation of society but are also driven by the social influences created by past actions as well (Reckwitz 2002; Warde 2005).

Schatzki (1996) and Reckwitz (2002) are two well-known practice theorists who have been instrumental in piecing together different perspectives of practice theory (Warde 2005). Both Schatzki (1996) and Reckwitz (2002) distinguish between two conceptualizations of practice. Schatzki (1996) explains that practice is 1) a coordinated entity and 2) a performance (Warde 2005). The first conceptualization of practice is "temporally unfolding and spatially dispersed nexus of doings and sayings" (Schatzki 1996). Schatzki (1996) argues that these "doings and sayings" are linked through understandings and rules (similar to what Giddens calls structure) and "teloaffective" structures (similar to what Giddens calls systems). The second conceptualization of practice is the carrying out or performing of doings and sayings. Reckwitz (2002) explains this difference by referring to the first form of practice in the singular "practice"



and the latter in the plural “practices.” Warde (2005) explains the performance of practices (plural) presupposes the existence of a practice (singular).

In addition to different notions of practice (versus practices), Schatzki (1996) also distinguishes between two particular types of practice – dispersed and integrative. Dispersed practice(s) are those that can be found across many sectors of social life, which overlap different structures and systems and represent a general capacity of knowing how to do something. Integrative practice(s) are considered as more “complex practices,” which are found in specific areas of life such as farming, cooking or gardening.

Warde (2005) draws on the work of Schatzki (1996) and Reckwitz (2002) (as well as Bourdieu (1980) and Giddens (1984)) as to provide a practice-centered foundation for studying “consumption,” particularly within the framework of consumer culture theory (CCT) (Arnould and Thompson 2005). He argues that the study of integrative practices is particularly useful for studying market-related phenomena. Although practice theory has only recently emerged in marketing literature (e.g., Kjellberg and Helgesson 2006; Schau, Muniz and Arnould 2009; Warde 2005), it is clear that the practice(s) of interest in market-related research are complex. In particular, the discussion of practices in marketing has begun to draw attention toward the relationship between structure and practice in research regarding “consumption” (Schau et al. 2009; Warde 2005) as well as “exchange” (Kjellberg and Helgesson 2006). Warde (2005) emphasizes the multiplicity of practices in markets and marketing. He explains that the “pursuit of variety” is a common trend and that “wants are fulfilled only in practices, their satisfaction attributable to effective practical performances” (p. 142). Although the presence of practice theory in marketing literature is relatively recent, it is clear that practice(s) in

markets are dynamic and varying.

Kjellberg and Helgesson (2006) develop a framework for conceptualizing “market practice(s)” as “bundles of practices including material arrangements that contribute to perform markets” (Araujo, Kjellberg and Spencer 2008, p. 8). Market practices include three broad and interwoven categories: 1) exchange practice – those “concrete activities” that contribute to the execution of individual economic exchange, 2) normalizing practice – those practices that establish norms for interaction, and 3) representational practice – those practices that depict what a market is and how it works. In essence, according to Kjellberg and Helgesson (2006), market practice(s) include all efforts to shape markets.

Market practice(s) (Kjellberg and Helgesson 2006) represent the “sayings and doings” referred to by Schatzki (1996), or the concept of practice (singular) (Reckwitz 2002). They are not mutually exclusive or particularly appropriated to specific practices (plural) (e.g., making reservations at a restaurant can be considered normalizing as well as exchange practice(s)). Kjellberg and Helgesson (2006, p. 843) describe the relationship between three market practice(s) using the concept of “translations.” They explain, “these three categories of practice are further conceived as being linked through chains of translations involving various intermediaries such as rules, tools, measures and measurements” (p. 843). Thus, translations can be thought of as the processes that connect various practices across time and space.

Schau et al. (2009) also draw on practice theory (e.g., Schatzki 1996; Reckwitz 2002; Warde 2005) to study the brand community practices among consumers and how they contribute to value creation. Schau et al. (2009, p. 31) explain that “practices are

linked and explicit ways of saying and doing things.” Although the authors discuss practice(s) as “sayings and doings” (Schatzki 1996) they also empirically investigate the performance aspect of practices by studying the enactment of practices in a variety of brand communities (Muniz and O’Guinn 2001). Alternative to the market practice perspective (Kjellberg and Helgesson 2006), this study shifts the emphasis away from “exchange” practices in markets and focuses on understanding how actors engage in particular practices to derive and determine value from market offerings, namely brands, and interaction with other actors associated with those same offerings.

In line with the categories of market practice proposed by Kjellberg and Helgesson – normalizing, representational and exchange – Schau et al. (2009, p. 31) argue that “practices link behaviors, performances, and representations through (1) procedures – explicit rules, principles, precepts and instructions, called ‘discursive knowledge’; (2) understandings – knowledge of what to say and do, skills and projects or know-how (i.e., tacit cultural templates for understanding and action; and (3) engagements – ends and purposes that are emotionally charged insofar as people are committed to them (Duguid 2005; Warde 2005).” The authors refer to procedures, understandings and engagements as the common “anatomy” of practices.

Similar to Kjellberg and Helgesson’s (2006) concept of “translation,” Schau et al. (2009, p.35) also discuss the physiology of practices – how the anatomical components function cohesively – by suggesting that different practices “work closely together as a process of collective value creation.” In this study, it becomes clear that the routine actions and interactions mediated by market resources not only contribute to the formation of structures, but also to the co-creation of value as well. According to

Schatzki (1996), the study of practices is central to understanding all other aspects of the social world. Thus, the investigation of practices and their relationship with structure provides a particularly useful means for studying the dynamics of value co-creation and the (re)contextualization of a global market culture.

The aim of this research is to develop a deeper understanding of how global market cultures are (re)contextualized through the enactment of value co-creation practices. Structuration theory is reviewed above as a means for conceptualizing this (re)contextualization process. This view falls in line with Barley and Tolbert (1997), who discuss structuration theory as an ideal framework for exploring the way in which structures (or institutions) guide and are guided by human actions and interactions. Importantly, Barley and Tolbert (1997) argue that in order to study the process of structuration, the context of interest must be studied over time. Based on this, I apply a qualitative historical method, which has been recognized as an excellent means for identifying explanations of change over time (Smith and Lux 1993).

### **Data and Method**

In order to study the (re)contextualization of a global market culture, I chose to investigate the formation and reformation of surfing culture. Over the past 200 years surfing has evolved from an ancient Hawaiian practice to a global market culture, represented by an overarching, but multidimensional structure, or commitment to particular ethos (Schouten and McAlexander 1995). According to Arnould, Price and Moisio (2006), the selection of context is critical in developing and testing theories. The context of surfing was selected for this research because surfing provides a means for studying market culture on both local and global scales. Although the practice of surfing

has been recognized as a cultural activity indigenous to Hawaii and other Polynesian cultures (Finney and Houston 1996), over time, this traditional cultural practice of riding a wooden board across the face of a breaking wave has evolved into a world-wide, multi-billion dollar commercial industry. The global aspect of surfing culture provides insight to the complexity of market-related cultures, which can often be found within and across traditional geographical borders (Akaka and Alden 2010; Alden et al. 1999). Most importantly, prior studies on surfing provide evidence of a rich, culturally embedded structure and a collection of thriving local and global markets (e.g., Canniford 2005).

The structure (rules and resources) of surfing has been studied from various perspectives, which draw attention toward the multiplicity of its structure (Sewell 1992) and the notion that local and global cultures are connected to other smaller, larger and/or overlapping cultures (Appadurai 1990; Wilk 1995). Surfing has been represented by firms through various forms of media such as advertizing and movies, as a primitive, hedonic and rebellious practice (Canniford and Shankar 2007). Additionally, surfing has also been associated with a love for nature, outdoors and a healthy lifestyle (Ford and Brown 2006). Moreover, the adventure and romance of surfing has been used as a tourist attraction for many coastal areas, and surfers go to great lengths to travel the world to surf in foreign places with both luxurious and austere conditions (Buckley 2002).

Prior studies provide support for studying surfing as a global market culture because the subculture of surfing is made up of groups of people in various areas, around the world that share common practices, signs and symbols, value, norms and meanings. In its present form, the market culture of surfing is continually recontextualized both locally and globally. It is globally constructed by the promotion of world renowned

surfing competitions (e.g., Triple Crown) and celebrities (e.g., Kelly Slater) as well as global surf brands, such as Billabong, Quiksilver, and Hurley. Although the global aspects of surfing culture are inherently connected to local areas, local surfing subcultures have developed as well. Sometimes local surfing subcultures grow in response to foreign surfing travelers, and other times they grow as local residents travel abroad, discover surfing and make efforts to continue the practices in their home land.

A number of studies have been done to understand modern-day structures of surfing – social norms and collective meanings (rules) and the resources (e.g., human and social capital) that are drawn upon to engage in surfing and surfing culture (e.g., Beverland and Farrelly 2010; Canniford and Shankar 2007; Ford and Brown 2006; Schau 2008). In addition, historical accounts have been written about the evolution of cultural meanings over geographical space and time (e.g., Kampion 2003; Warshaw 2010). Moreover, the global and local nature of this culture has been recognized as well. Canniford (2005, p. 215) explains, “Surfing exists as a complex culture to be found between and within other complex cultures. It has metamorphosised into a structure of common difference where global and local are two sides of the same coin.” He argues that in studying such a complex and diverse culture, researchers should not limit themselves to one place or space and rely on a single method or source to collect data and develop theory. Because of this, I integrate a historical approach with ethnographic methods, which include archival data, non/participant observation, and in-depth interviews as well as photographs. The details of this approach are discussed below.

### ***A Historical Approach for Studying (Re)contextualization of Surfing***

The data I collected includes a variety of archival sources, such as newspaper and

magazine articles; photos, movies and other surfing-related videos; biographies and autobiographies of famous surfers; and oral and narrative histories – which are second-person accounts of particular people and events (Belk 1992). Table 2.1 provides an overview of the data used in this study.

**Table 2.1 Archival and Ethnographic Data Collection**

<b>Type of Data</b>	<b>Timeframe</b>	<b>Description</b>
<b>Archival</b>		
<i>Historical Narratives</i>	1778-2011	Includes historical narratives of surfing history from different viewpoints - photographs, surfboards, surfing culture, early documents from explorers and missionaries, Hawaiian documents or accounts of surfing
<i>Movies and Videos</i>	1954-2012	Movies that were instrumental in shaping surfing culture - e.g., Gidget, Endless Summer and others. Online videos, posted on YouTube, Facebook or other public sites. Video clips from Eric Jordan's interviews for the film, Paving the Wave.
<i>Articles</i>	1960-2011	Surfer, Surfing magazines, National (U.S.) and local (Hawaii) newspapers and magazines,
<b>Ethnographic</b>		
<i>Interviews</i>	Sept. 2009-Feb.2012	In-depth interviews with 19 informants (6 female, 13 male) with a variety of viewpoints in surfing. See Table 2.2 - Informant List.
<i>Observations</i>	Sept. 2009-Feb.2012	Participant: Surfing and Spending time with Surfers, volunteered at surfing competition, wrote articles for surfing magazine; Non-participant: observing surfers and surf shops, watching surfing contests, patronizing surf-related businesses such as restaurants, bars, retail stores, etc.
<i>Photographs</i>	Sept. 2009-Feb.2012	Took pictures of surfers, surfing contest, and interviewees
<i>Websites</i>	Sept. 2009-Feb.2012	Observed website postings and articles for sites such as surfermag.com, surfingmagazine.com as well as watching online interactions among surfers and surf-related media on Twitter and Facebook.

To identify archival sources and supplement the archival data, I conducted in-depth interviews and used other ethnographic methods, such as non/participant

observation and photography. As discussed above, the context selected for this study was surfing culture because it is a culturally rich market that has both local roots and a global presence. In particular, the central location of the data collection is Hawaii, because it has been recognized as the one of the original cultures to engage in the practice of surfing and is still considered to be the ‘heart’ of surfing and surfing culture (Finney and Houston 1996). Hawaii is unique in that the origins of surfing, and especially surfing culture, are often traced back to this particular island chain (Booth 2001). Moreover, personal connections with surfing and surf culture provided increased access to the global market culture.

In addition to the archival data collected for this study, I followed the methods outlined by Schouten and McAlexander (1995) and used semi-formal and informal interviews, non/participant observation and photography. I conducted in-depth interviews with 19 informants – all but two were audio taped and transcribed, and field notes were also taken. Additionally, photographs were used to capture visual images of the practices, rules and resources associated with surfing. Also based on the methods used by Schouten and McAlexander (1995), the selection of field sites and informants were based on an emergent design. However, to get a variety of stakeholders, the sample was also derived based on the recognition of different stakeholders in surfing. Thus, this sample was purposefully selected to gain a wide variety of viewpoints.

I interviewed 6 females and 13 males, which is representative of the male-dominated population of surfers, who ranged from recreational surfer to former pro-surfer, from salesperson to store manager, from politician to social entrepreneur, from contest organizer to surfboard shaper. The differences in occupation and gender provided



a variety of viewpoints and perspectives of surfing and the surfing industry, as well as the history of surfing. The informants were people who had been surfing or involved in the surfing industry for at least 5 years, but some had been surfing for over 50 years. I use the term surfer for those who actively and regularly surf *and* would consider themselves as members of surfing culture. Table 2.2 provides a list of my informants and details about their roles in surfing culture.

**Table 2.2 Informants for In-depth Interviews**

<b>Name</b>	<b>Gender</b>	<b>Age</b>	<b>Role(s) in Surfing Community</b>
David	Male	33	Surfer
Barbara	Female	37	Surfer, Former Manager at Surf Shop
Kristy	Female	30	Surfer
Jeff	Male	42	Surf Instructor
Amei	Female	28	Surfer, Former Competitive Surfer
Dennis*	Male	60	Surfer, Surfboard Shaper
Fred*	Male	65	Former Surfing World Champion, Founder of Major Surfing Competition
Tom*	Male	62	Surfer, Founder of Charitable Surfing Organization
Courtney	Female	25	Manager of Surf Coffee Shop
Kalei	Female	31	Surfer, Former Pro Surfer, Former Buyer for Surfshop, Former Representative for Surfbrands
Chris	Male	65	Surfer, Former Pro Surfer, Founder of Charitable Surfing Competition, Entrepreneur
Ernie*	Male	55	Surfer, Founder of Charitable Surfing Competition, Entrepreneur
Rick	Male	38	Manager of Surf Shop
Mark	Male	42	Publisher of a Surfing Magazine
Tim*	Male	53	Surfer, Surf Historian
Ronald	Male	48	Surfer, Former Surfing Contest Organizer
Kara	Female	23	Surfer, Manager of Surfbrand Store
Steve	Male	34	Surfer
John*	Male	65	Surfer, Surf Historian

\* Real names of notable people in surfing culture.

Following the guidelines of Smith and Lux (1993), I applied a historical approach for analyzing my archival and ethnographic data. I first analyzed my archival data by

identifying the relevant practices along surfing history's time line based on my interest in understanding how value co-creation drives the (re)contextualization of market culture. Importantly, I paid attention to the practices that were enacted both within the same time periods and across time. Additionally, I was guided by the idea that historical events do not necessarily influence other events in an evolutionary (Giddens 1984) or chronological manner (Smith and Lux 1993). Drawing on the prior literature on value co-creation and practices in marketing, I was able to identify several practices that contribute to value co-creation (Schau et al. 2009) and market (re)contextualization (Kjellberg and Helgesson 2006) – resource integration, normalization and representation, which cut across different time periods. These three practices extend existing frameworks on practices in marketing by broadening the scope from exchange to resource-integration practices (Kjellberg and Helgesson 2006; Vargo and Akaka 2011) and identifying how value-creating practices can be found among a variety of subcultures, outside of brand communities (Schau et al. 2009).

In addition to identifying various practices, I identified major shifts in the practices and structure of surfing that helped to shed light on possible triggers for change. These shifts occurred at both meso and macro levels of structure. That is, they were changes in the structure of surfing (meso-level) as well as the broader socio-historic framework (macro-level). The most significant changes in the subculture of surfing fell in line with major changes in the broader sociocultural contexts. This sociohistoric approach is critical to historical analysis, because whereas traditional consumer research centers on specific structural or contextual causes (e.g., those driven by changes in surfing itself), as well as individual motives, a historical analysis emphasizes the “complexity of a

multitude of causes at various levels and motives” (Smith and Lux 1993, p. 605). Based on this, I paid careful attention toward the macro shifts in the broader societal framework that may have influenced changes in surfing as well.

Finally, my concern for understanding globalization as well as the (re)contextualization of market culture caused me to pay special attention toward the spread of surfing from a local practice to a global market culture. I examined a variety of local surfing cultures via archival data such as videos, magazines and the Internet and conducted interviews with several people who were not originally from Hawaii to get a grasp of the interplay between local and global aspects of surfing. Through my analysis of the (re)contextualization of surfing as a market culture, it quickly became clear that the formation of surfing as a global market culture occurred in conjunction with the globalization of the practice of surfing. In other words, for surfing, the story of market (re)contextualization is also one of globalization. The two are interlinked and must be considered with regard to the other. The details of my findings are provided below.

### **Organizing Practices and Shaping Structure**

This study of the (re)contextualization of surfing centers on understanding how practices were (re)organized and structures (re)shaped as surfing transitioned from an ancient, ethnic practice to a global market culture (Giddens 1984). My findings help to integrate and extend prior literature on value co-creation and practices in marketing, particularly the work of Kjellberg and Helgesson (2006; 2007) and Schau et al. (2009). Drawing on S-D logic as a foundation for value co-creation (Vargo and Lusch 2004; 2008), I extend the frameworks of Kjellberg and Helgesson (2006) and Schau et al. (2009) to consider how practices contribute to value co-creation as well as exchange. The shift from

focusing on practices that drive exchange to those that drive value co-creation emphasizes the individual skills and abilities (Schau et al. 2009) that are drawn upon by all social and economic actors to create value for themselves, and for others. This shift points toward resource integration as a central practice in market (re)contextualization (Akaka and Chandler 2010; Chandler and Vargo 2011; Vargo and Akaka 2012)<sup>1</sup>.

In general, *resource integration* practices include those that draw on the application of skills and knowledge to generate, allocate, and apply resources (Akaka and Chandler 2010). *Normalization* practices are those that establish general understandings or social norms – the rules or guidelines for interaction and use of resources.

*Representation* practices are those that express the commitment of individuals to a particular ethos and help to identify or represent that ethos. Importantly, these value co-creation practices are not independent of each other and are largely overlapping. They can only be separated conceptually to help distinguish how practices work together and enable social systems (e.g., market cultures) to function (Giddens 1984). In reality, any action could be classified as two or three of these practices and inevitably influences subsequent actions and interactions. Table 2.3 shows the shift from thinking about market practices (Kjellberg and Helgesson 2006), which center on exchange, to value co-creation practices, which center on resource integration. Schau et al.'s (2009) discussion of the anatomy of value-creating practices in brand communities helps to support this transition.

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<sup>1</sup> The idea of “integrative practices” has been discussed by Dr. Stephen Vargo, which is a more encompassing view on practices that involves the integration of relationships as well as resources, than the conceptualization of resource-integration practices proposed here.

**Table 2.3 From Market to Value Co-creation Practices**

<b>Market Practices (Kjellberg and Helgesson 2006)</b>	<b>Anatomy of Value-creating Practices (Schau et al. 2009)</b>	<b>Value Co-creation Practices</b>
Exchange	Individual skills and abilities	Resource Integration
Normalizing	General understandings, Social norms	Normalization
Representation	Commitment to ethos expressed through actions and representations	Representation

In addition to identifying value co-creation practices, this research explores how structures in surfing changed over time, as practices were altered and/or added to the cultural context within which surfing was nested. As I analyzed the data, I was able to recognize three different structures, which aligned with distinct changes in practices over time. The contextualization – process by which context is socially constructed – of markets became a salient factor to the transition of surfing as a cultural practice to surfing as a global market culture. Chandler and Vargo (2011, p. 36) discuss contextualization as the process by which actors ‘come together’ and explore the way in which social networks (configurations of relationships) influence the derivation of value, or value-in-context. However, structuration theory (Giddens 1984) suggests that as actors enact practices and configure networks of relationships or “reproduce systems” they simultaneously shape social structure – rules and resources – as well. Thus, in this view, as actors ‘come together’ or reproduce relationships, markets are also contextualized and recontextualized through the (re)organization of practices that (re)shape structures. Based on this view, changes in surfing’s practices and structure were classified into three different phases: Practice Decontextualization (1779-1895), Market Contextualization (1896-1966) and Market Recontextualization (1967-2011).

The first phase of this historical analysis is the practice decontextualization phase, in which surfing's original cultural context, ancient Hawaii, was deconstructed as explorers and missionaries imposed their own norms and meanings on Hawaiian practices, including surfing. During my investigation of the history of surfing, I quickly realized that the practice of surfing was originally deeply embedded within the context of ancient Hawaiian culture. Thus, prior to its formation as a market culture, surfing was decontextualized from its original cultural context. Even before surfing was translated globally, the cultural context surrounding the ancient practice of surfing was deconstructed, and all ancient Hawaiian practices, including surfing, were reorganized with other foreign practices. However, as structuration theory suggests, practices are inherently bound with the norms and meanings that guide them. Thus, as the original cultural context of surfing deteriorated and the practice of surfing was reorganized with other non-local practices, surfing eventually became a central representation of an idealized version of Hawaiian culture and eventually the cornerstone for the contextualization of surfing market culture.

Surfing's practice decontextualization phase reflects the communal aspects of the practice of surfing in ancient Hawaiian culture and the conflict that arose as foreign beliefs invaded the Island chain. The second phase, market contextualization, centers on the formation of a market culture around the practice of surfing. Because one of the central features of a market is exchange, this phase begins with the first documented surf-related service provider. During this phase, a market based on the practice of surfing is formed, which draws on the original (Hawaiian) cultural context through which the practice of surfing emerged, but also includes a variety of practices that contribute to the

shaping of structure around surfing through both legitimization and imagination of surfing as a distinct market culture. The third phase, market recontextualization, begins with changes in the practice of surfing itself, as surfers began riding shorter boards and executing maneuvers never thought possible at the time. However, this phase also reflects a number of changes in structure, more specifically reproduction of surfing across the globe and the recombination of multiple norms and meanings that contribute to a complex and multidimensional ethos that surfing is now known for.

It is important to note that although practice decontextualization precedes market contextualization and recontextualization in surfing history, this does not mean that the decontextualization of a practice will necessarily lead to the formation of a market. According to structuration theory (Giddens 1984, p. 236-7) “Human history does not have an evolutionary ‘shape’, and positive harm can be done by attempting to compress it into one.” Thus, it cannot be assumed that a market will necessarily form out of a decontextualized cultural practice. In fact, many of the ancient Hawaiian practices were never fully revived or recovered. In addition, there is no guarantee that market recontextualization will occur once a market is formed. In other words, although the decontextualization of the practice surfing led to the contextualization and recontextualization of a global market culture, I do not assume a linear progression from cultural practice to global market culture or the inevitable evolution of market (re)contextualization. This is because the assumption that society or cultures “evolve” suggests that, over time, human-kind progresses and becomes superior based on their “adaptation” of particular traits and skills. However, even the history of surfing suggests that as different phases unfold over time, they reoccur and reproduce society.

Based on this view of history, I identified different phases in time that were delineated by specific events, which were instrumental in driving recognizable change (see Smith and Lux 1993 for details on historical analysis method). My analysis covered a period of over 200 years, within which surfing transformed from an ancient cultural practice to a global market culture. Table 2.4 provides an overview of the phases of market culture and the changes in practices and structure as surfing transitioned from an ancient cultural practice to a global market culture.

**Table 2.4 The (Re)Contextualization of Surfing as a Market Culture**

	<b>Practice Decontextualization (1778-1896)</b>	<b>Market Contextualization (1897-1966)</b>	<b>Market Recontextualization (1967-2011)</b>
<b>Practices</b>			
<i>Resource Integration</i>	Surfing, Resourcing, Sharing	Exchanging, Transporting, Improving	Reinventing, Replicating, Automating
<i>Normalization</i>	Staking*, Engaging, Serving	Welcoming*, Organizing, Value-proposing	Micro-specializing, Regulating, Reconnecting
<i>Representation</i>	Idolizing, Story-Telling, Documenting*	Symbolizing, Justifying*, Evangelizing*	Preserving, Reviving, Re-defining
<b>Structures</b>	Structures of Community and Conflict	Structures of Imagination and Legitimization	Structures of Reproduction and Recombination

\* (Identified as a brand community practice in Schau et al. 2009)

These phases reflect the multidimensional structures that transitioned over time and space: 1) structures of community and conflict (practice decontextualization phase), 2) structures of imagination and legitimization (market contextualization phase), and 3) structures of recombination and reproduction (market recontextulization phase).

However, it is very important to note that these structural changes were influenced not only by practices related to surfing, but also by events that occurred in the broader



sociohistoric context, within which surfing culture is embedded. Because of this, the structures reveal conflicting norms and beliefs as well as tensions within each time period.

The practices listed in Table 2.4 align with the 12 brand community practices identified by Schau et al. 2009 – welcoming, empathizing, governing, evangelizing, justifying, staking, milestone, badging, documenting, grooming, customizing and commoditizing. In particular, these community practices were found in the phases dominated by structures of community and conflict as well as imagination and legitimization, during the time the practice of surfing was decontextualized from its original cultural context and a market became contextualized around it. However, these practices do not constitute an exhaustive list of all the practices engaged during each time period or phase. Rather, they are representative of the dominant practices enacted during those specified time periods that contributed to (re)formation, or (re)contextualization, of surfing’s cultural context. Moreover, the phases identified above help to distinguish differences in practices over time, and how they relate to changes in structure. These phases and changes, and how they were impacted by broader cultural events, are discussed below. Examples from the data weave together the rich tapestry of surfing history and provide evidence of how practices and structure transitioned over time to (re)contextualize the ancient practice of surfing into a global market culture.

***Phase 1: Practice Decontextualization (1778-1896)***

Surfing is the act of riding across the face of a breaking wave. The actual origins of surfing are ancient, but most modern accounts recognize surfing as a practice that began in the Polynesian islands where variations of surfing, or “surfriding” as it was initially

referred to (Moser 2008), were witnessed in a number of island chains, including Tahiti, Samoa and Tonga. However, Hawaii has long been considered the “birthplace of surfing,” and some have even suggested that “surfing is Hawaii’s [greatest] gift to the world” (Fred Hemmings and Tom Bauer). According to Finney and Houston (1966, p. 13-4),

Throughout the Pacific, no island group developed surfing to the level of sophistication attained in Hawaii in pre-European times. The sport was bound up with religion, sexual practices and the system of social classes. Songs of surfing feats were sung and chanted. Board builders even had ritual chants to precede their tasks. Not only royalty, but all levels of society surfed, and they achieved a proficiency in the water than has only recently been matched.

Historical documents about the discovery of Hawaii indicate that the practice of surfing was central to the ancient culture and was embedded in religious beliefs as well as everyday life. Surfing was practiced as a means for enjoyment, a way to sustain life, and a medium for building relationships with others. However, it was also an instrumental part of worship, and the practice of surfing was laden with rich, spiritual meanings.

The arrival of explorers to the Hawaiian Islands in the late 1700s altered the local culture and separated the practice of surfing from the cultural context in which it was originally embedded. The decontextualization of the practice of surfing is reflected in the documentations of early explorers, as well as a few Hawaiians who eventually learned to write. Thus, this practice decontextualization phase sheds light on the social and cultural context from which the practice of surfing originated, and how communal aspects associated with surfing in its original cultural context were maintained and then changed as market contextualization occurred. It establishes a framework for understanding the context from which the practice of surfing emerged, and provides insight to the way in

which changes in practices reshape social norms and collective meanings and drive the contextualization of a market culture.

### *Resource-Integration Practices*

In the early writings and images of surfing in Hawaii, it is clear that the practice of surfing was central to ancient Hawaiian ways of life. Before it became decontextualized – demarcated from its original context – from ancient Hawaiian culture, surfing was first and foremost a communal activity. Hawaiians engaged in the practice of surfing to make connections with nature and with each other. In order to engage in surfing, early Hawaiians engaged in other resource-integrating practices such as resourcing (Lusch, Vargo and Wessels 2008) – practices that create, allocate and care for resources (grooming – Schau et al. 2009) and remove resistances – as well as sharing (Belk 2010) – practices that portioned the use of surfboards and other related resources, including waves, among local families and communities. During this phase, surfing was engaged mostly by Hawaiians and a few interested visitors. As the Hawaiian population diminished, due to the spread of diseases brought to Hawaii by explorers and missionaries, the number of surf-riders in the water decreased dramatically as well. The following resource-integration practices were engaged by the Hawaiians before the decontextualization of surfing from ancient Hawaiian culture. As will be discussed, they provide a foundation from which today's surfing market culture is built upon. The data are based on reflections and documentations of early visitors and missionaries, as well as several chants and stories that were orally passed down or later written by Hawaiians themselves.

*Surfing.* Surfing, or surfriding as it was originally called (Finney and Houston

1966), can be considered as an integrative or specialized practice, rather than a dispersed or generalized practice (Warde 2005; Schatzki 1996), because it is a complex practice, which is found in a specific area of life or is associated with a particular life-world (culture). The riding of waves is an integrative practice because it was unique to a particular culture. Even today, surfing is regularly practiced only by those who are associated with a particular subculture and is not a generalized practice. As mentioned, surfing was a central practice in ancient Hawaiian culture. At that time, wave-riding was done in a variety of ways - laying flat on short, light boards or standing on long, heavy boards, with multiple people in a canoe or without a board or boat at all. Surfing was also used in worshiping, playing, competing and gambling; in courting members of the opposite sex and in community gatherings; and in other daily activities such as fishing or gathering other types of food (Clark 2010). It is difficult to know exactly how surfing became a part of Hawaiian culture because prior to the documentation of explorers, Hawaiians had no written language and, in general, practices were orally passed down from generation to generation.

Although a few petroglyphs have been found (De La Vega 2011), written documentation of surfing began around 1778, when Captain James Cook first explored the Hawaiian Islands. Shortly after Hawaii was discovered by Cook, Christian missionaries ventured to the islands and wrote descriptive accounts of the “heathen” natives and their “sinful” practice of surfing. In 1822, a Christian missionary named William Ellis described the effort and skill required for surfing and the joy it seemed to bring to those who could accomplish, or even witness the task.

Each individual takes his board, and, while pushing it before him, swims perhaps a quarter of a mile or more out to sea. They do not attempt to go

over the billows which roll towards the shore, but watch their approach and dive under water, allowing the billow to pass over their heads.

When they reach the outside of the rocks where the first waves break, they adjust themselves on one end of the board lying flat on their bellies and watch the approach of the largest wave; they then poise themselves on its highest point, and paddling with their hands and feet, they ride the crest of the wave in the midst of the spray and foam until within a yard or two of the rocks or shore; and when the observers expect to see them dashed to pieces, they steer with great dexterity between the rocks or slide off their board in a moment, grab it by the middle, and dive under the water while the wave rolls and breaks among the rocks with a roaring noise, the effect of which is greatly heightened by the shouts and laughter of the natives in the water. (Ellis 1963, 266-267)

It is clear, even at this point in time that surfing was a practice that required great skill.

Although the Hawaiians appeared to engage in it with ease, it was obvious to foreigners that surfing took special skills and knowledge that the explorers and missionaries of the time did not have. In fact, in 1866 Mark Twain wrote, “None but the natives ever master that art of surf-bathing thoroughly.” And, thus, it wasn’t until the early 1900s that visitors to the islands would really attempt to master the practice of surfing.

*Resourcing.* Surfing is *the* central practice upon which modern-day surfing culture is built. However, it was not always clear that the resources required for surfing were even resources at all, especially by Hawaii’s early visitors. It was the practice of resourcing– identifying a potential resource and applying knowledge and skills to create and integrate it as a resource (Lusch et al. 2008) – that enabled the early Hawaiians to turn what foreigners considered as resistances into resources – particularly the ocean and waves. According to Moser (2008), whereas the Hawaiians saw the ocean and waves as blessings from their gods, the European tradition associated the ocean with disease and death. The ancient Hawaiians’ special relationship with nature underlined their understanding of particular natural elements as resources, which they drew on to enact

practices such as surfing as well as making and caring for, or grooming (Schau et al. 2009) their surfboards. In addition to their consideration of the ocean as a resource, Hawaiians also drew on other natural resources to engage in the practice of resourcing. An article by Thomas Thrum in the *Hawaiian Almanac and Annual for 1896* described the process of how surfboards were made at that time:

Upon selection of a suitable tree, a red fish called *kumu* was procured, which was placed at its trunk. The tree was then cut down, after which a hole was dug at its root and the fish placed therein, with a prayer, as an offering in payment therefore. After this ceremony was performed, then the tree trunk was chipped away from each side until reduced to a board approximately of the dimensions desired, when it was pulled down to the beach and placed in the halau (canoe house) or other suitable place convenient for its finishing work.

Before using the boards there were other rites or ceremonies to be performed, for its dedication. As before, these were disregarded by the common people, but among those who followed the making of surf boards as a trade, they were religiously observed. (1895, p. 108)

It is clear that the ocean was not just an obstacle for travel for the Hawaiians, and the making of a surfboard was not just a matter of building something to ride and stand on. Rather, to the Hawaiians, natural elements such as the ocean, waves and trees were blessings, and making of a surfboard was equally as important to surfing as the act of riding the wave. Although the practice of surfing was enjoyed by all Hawaiians (e.g., women, children, commoners and royalty) only a few had the necessary skills and knowledge to partake in crafting a board. Importantly, those who engaged in crafting surfboards not only knew how to build the boards, but also were well versed in the religious rituals that accompanied surfboard crafting. Because of these sacred meanings, surfboards themselves were significant resources in ancient Hawaiian culture. They were often labeled and conspicuously placed in a family's home so that others could take notice of a surfboard and to whom it belonged. They were well cared for and special efforts

were made to preserve and protect the valuable objects. Furthermore, they were shared among many family and other community members and, thus, sharing was also an integral practice in integrating resources at that time.

*Sharing.* The practice of sharing has been recognized as one of the most fundamental ways of allocating and distributing resources within human societies (Belk 2010). Thus, it is no surprise that sharing was clearly the dominant practice for providing access to resources among ancient Hawaiians. Carlos Andrade described the communal spirit that surrounded surfboards and surfing in his discussion of traditional practices on the Hawaiian island of Niihau.

[On Ni‘ihau] all boards had names and pictures painted on them, each associated with certain riders and certain families. In fact, a song containing all the names of the boards was composed and is sung as part of the [annual surfing] celebration. As the verse is sung in which the name of a certain board is mentioned, all family members related to the board or its riders, little children with change as well as adults, are expected to come forward and donate money to the common fund which is used to put on next year’s pa’ina [party]. The song would be sung continuously until an appropriate sum had been raised. (Andrade, p. 9)

This particular passage emphasizes the idea that more often than not, a single surfboard belonged to a family and had multiple riders. Because certain Hawaiians were specialized in the craft of board-making, it is very likely, if not inevitable, that resources were exchanged to attain or access a surfboard. However, it is clear, that a dominant driver of accessing resources was sharing, and community engagement was a central aspect of surfing. In this way, surfboards were a central resource, not only for engaging in the practice of surfing, but also in congregating and celebrating among Hawaiian communities.

### Normalization Practices

Based on early documentation of surfing in the late 18<sup>th</sup> to early 19<sup>th</sup> centuries, it is clear that surfing was an integral part of Hawaiian culture. In addition to enabling Hawaiians to make connections with nature and their divine beings, the practice of surfing provided a means for relating with each other as well. The Hawaiians enacted several normalization practices that were related to surfing, including 1) staking – practices that establish or reflect variance within a community (Schau et al. 2009); 2) engaging – practices that establish relationships, including empathizing (Schau et al. 2009); and 3) serving – practices by which one or more community members applies knowledge and skills to provide resources and benefit for others. These practices overlap the social networking and community engagement practices that were identified by Schau et al. 2009 in their study of brand communities, and underscore the importance of relationship formation in processes of value co-creation and contextualization.

*Staking.* Surfing was used as a way of recognizing social status because although everyone surfed, only certain members of the Hawaiian community, royalty in particular, surfed on certain types of boards and in certain areas. According to Finney and Houston (1966, p. 44), “Of all the Hawaiians who surfed, it was the *ali‘i* or chiefly class, who claimed the highest reputation for dedicated proficiency with board and wave.” The authors draw on the writings of Ellis in the early 1800s and elaborate how the Hawaiian class system was reflected in surfing,

In addition to personal chants the ancient *ali‘i* may have enjoyed special rights to certain areas, excluding commoners by using the system of *kapu* (taboo). In one account, Ellis describes some chiefs frolicking where ocean waves met the mouth of a river, and forbidding all commoners to approach. Yet in the same narrative he speaks of chiefs and commoners surfing together. Other accounts also refer to this inter-class mixing in the



ocean. Since most of these accounts, however, date after the abandonment of the taboo system in 1819, they may not accurately reflect the pre-European situation. By contrast, at least one early legend supports the probability of ali'i surfing privileges. It concerns a special surf at Waikiki that was taboo to everyone but the Queen. For riding to shore on one of the royal lady's waves, one young man was severely beaten and nearly put to death. (Finney and Houston 1966, p. 46)

Although there is evidence to suggest that Hawaiian royalty often surfed with different boards and, perhaps, in different areas, it is clear that all levels of social class engaged in surfing and often times, it was done as a group for recreation or even developing romantic relationships.

*Engaging.* According to June Gutmanis (1983, p. 101), "Surfing has been one of the most popular sports in Hawaii from ancient times. At times entire villages would leave home and work when hearing the call, 'Uapi'imai ka nalu!' 'Surf's up!'" Thus, ancient Hawaiians used surfing as a means for gathering as a large community and as a way of enjoyment and recreation in ancient Hawaiian times. In 1844, Charles Wilkes, a U.S. Naval Officer visiting the islands wrote,

Playing in the surf was another of [the Hawaiians'] amusements, and is still much practiced. It is a beautiful sight to see them coming in on top a heavy roller, borne along with increasing rapidity until they suddenly disappear. What we should look upon as the most dangerous surf, is that they most delight in... They play for hours in this way, never seeming to tire; and the time to see a Hawaiian happy, is while he is gamboling and frolicking in the surf. (Moser 2008, p. 69)

For Hawaiians, the ocean was a source of life and surfing was part of living. In addition to enjoying time with community members, Hawaiians also used surfing as a means for flirting or courting one another in a sensual or romantic way.

If one surfed to flirt, then this is how it was done. The men put on a red *malo* dyed in *noni* and wrapped it tightly around the waist without flaps like warriors did in those times [past]. The women wore red sarongs dyed in *noni*, and they would all go surfing together, the men mixing with the

women. When they surfed, the men and women surfed the same waves. When the men and women caught the same wave, this was called flirting. The end result was a love affair. (Translated in Clark 2011, p. 51, from *Ka Nupepa Kuoloa*, Dec. 23, 1865, p. 1)

In many ways, surfing seemed to consume the lives of Hawaiians. In addition to building relationships, the natives participated in surfing to compete and gamble among themselves. An anonymous writer in the *Hawaiian Almanac and Annual for 1896* stated,

Surf riding was one of the favorite Hawaiian sports, in which chiefs, men, women, and youth, took a lively interest. Much valuable time was spent by them in this practice throughout the day. Necessary work for the maintenance of the family, such as farming, fishing, mat and kapa [cloth] making and such other household duties required of them and needing attention, by either head of the family, was often neglected for the prosecution of the sport. Betting was made an accompaniment thereof, both by the chiefs and the common people, as was done in all other games, such as wrestling, foot racing, quoits, checkers, holua, and several others known only to the old Hawaiians. Canoes, nets, fishing lines, kapa, swine, poultry and all other property were staked, and in some instances life itself was put up as wagers, the property changing hands, and personal liberty, or even life itself, sacrificed according to the outcome of the match, the winners carrying off their riches and the losers and their families passing to life of poverty or servitude. (Moser 2008, p. 126)

It is clear that Hawaiians often prioritized surfing above other chores and responsibilities. Although the Hawaiians could empathize (Schau et al. 2009) with one another about the sacrifices made in the name of surfing, many of the early documentations of explorers and missionaries depicted surfing as a frivolous, dangerous and sinful. According to Moser (2008), the negative perceptions of surfing generally stemmed from 1) the fact that the Europeans were unable to associate the practice of surfing with a wider belief system and 2) the perception of the ocean as dangerous and dirty. Early visitors also had difficulty understanding that as an island nation, the livelihoods of Hawaiians depended on their ability to draw on the ocean for survival. In

addition, foreigners did not understand the spiritual significance of such an act. Thus, although the practice of surfing was an integral part of Hawaiian culture, and was indeed enjoyed by those who engaged in it, the foreigners who came to the Islands saw it as a sinful waste of time.

*Serving.* Much of the documentation of early Hawaiian surfing is based on the viewpoint of foreigners who focus on the playful and sometimes sensual aspects of the practice. However, surfriding (riding waves), including surfing (riding waves on a board), was an important part of sustaining life in the islands as well. Although, the documentation of surfing as a means for the provision of service is left out of many of the Western accounts of surfing, Clark (2011) explains that “Hawaiians also used *alaia* surfboards as paddleboards for more utilitarian activities, such as nearshore fishing.” In his book, Clark (pp. 39-40) includes a narrative from Kahu (Reverend) William Kaina that describes surfing as a form of service, such as gathering food for a family or community, which was passed down from generation to generation. According to Kahu Kaina,

My family didn't have a canoe in *Kalamana*, and other families didn't either, so we all used surfboards to fish offshore. Dad oftentimes would go by himself, but if I was around he would take me with him...My father would say, “If you're not lazy, you won't starve.”...Almost all the families that had children had surfboards and fished from them. A lot of families depended on fishing for food, but they were selective about what they caught. If a fish was too small, they threw it back. If they caught more fish than they needed, they gave fish to the *kūpuna*, the elders, who couldn't fish for themselves. The community had a real tradition of sharing.

This passage makes salient the idea that, for Hawaiians, surfing was more than just a means for play, but it was also a way of life. Moreover, Kahu Kaina emphasizes the importance of sharing resources within Hawaiian culture and how surfing enabled the

communities to survive. What the foreigners thought to be acts of laziness and sin were actually acts associated with staking, engaging and serving. In addition, surfing was a central aspect of the religious beliefs of the Hawaiian people. This was evident in the Hawaiians' resource-integration practices of surfing and resourcing, as discussed above, but can also be seen in the Hawaiians' efforts to depict and pass down their values to future generations as well as foreigners' efforts to document and report the image of surfing for others.

### *Representation Practices*

It is clear that the practice of surfing was intertwined with the social norms and guidelines for behavior among ancient Hawaiians. However, equally important are the representation practices that reflect the commitment of Hawaiians to a particular ethos. As discussed, surfing provided a way for Hawaiians to connect with nature and their divine beings. Thus, idolizing – the practice of revering or worshiping a number of gods – was also a central practice in Hawaiian culture, which was closely related to surfing. In addition to, and often in conjunction with idolizing, early Hawaiians engaged in story-telling – the practice of narrating and often fabricating stories in an entertaining manner – to preserve, remember and tell others about the cultural and spiritual meanings of surfing. Early visitors to the islands also engaged in telling others about surfing and began using images of surfing in the stories (e.g., novels) they told. However, the first visitors were less interested in depicting surfing as adventurous and mysterious, and spent most of their efforts documenting (Schau et al. 2009) – the practice of detailing events and observations in a more informative tone. It wasn't until the end of the 19<sup>th</sup> century that foreigners really began to engage in the practice of surfing and then wrote about their

thrilling experiences as well.

*Idolizing.* The Hawaiians believed that different gods were responsible for various aspects of life. According to Finney and Houston (1966, p.54), surfing was an important “part in the annual three-month celebration the Hawaiians called *Makahiki*. The great god *Lono* was the patron deity of those festivities. From mid-October through mid-January the Hawaiians stopped work, relaxed, and passed much of their time dancing, feasting and participating in sports. Thousands gathered to watch the famous tournaments, which always included surfing; and a special god of sport (*akua pa’ani*) presided over each contest.” In addition to festivals of worship, the Hawaiians sang chants to the gods to pray for resources, such as waves, rain, etc. The following chant was translated by T.K. Robert of *Ho’okena* in 1887 (Clark 2011, p. 41-2).

*Ku mai, ku mai*  
*Ka nalu nui mai kahiki mai*  
*Popo’ Ikai uli*  
*Kai ko’oloa*  
*Ho a’e iluna*  
*Ho a’e iluna*

Come on, come on  
Great surf from Kahiki  
Roll over, deep sea  
Great breaker  
Rise higher  
Rise higher

This chant reflects ancient Hawaiian beliefs that gods, such as *Kahiki*, are in control of natural forces, such as the size of waves. Although chants were part of ancient Hawaiian idolizing practices and reflected the spiritual aspect of surfing, they were also used to tell stories about surfing and pass down traditions from one generation to the next. In the same way chants were used to tell stories among the Hawaiians, story-telling was a

means for foreigners to pass along their own experiences with the practice of surfing.

*Story-telling.* Telling stories was one of the major forms of sharing the experience of surfing and passing the practice, and its associated meanings, down to future generations. Hawaiians documented events and traditions by singing chants or “*meles*” and by telling myths and legends. These stories about surfing were centered on love and desire, seduction and danger, and often honored the chiefs and kings and paid homage to different gods and goddesses (Moser 2008). Below is an excerpt from a well-known Hawaiian legend, “*Kelea-nui-noho-‘ana-‘api‘api*”, written in 1865 by Samuel Manaiakalani Kamakau (Moser 2008, p. 19):

Kelea-hui-noho-‘ana-‘api‘api was a beautiful chiefess with clear skin and sparkling eyes. Her hair fluttered like wings of the ka’upu bird, and so she was called Kelea-nui-noho-‘ana-api’api, Great-Kelea-Who-Flutters. She was the sister of Kawaokaohele [Kawaokaohele], the mō‘ī of Maui. Surfing was her greatest pleasure. She lived at Hamakua-poko and Kekaha and at Wailulu, surf riding with all the chiefs.

When Lō Lale was the chief of Līhu‘e on O‘ahu, he sent some chiefs on a search for a wife for himself. The canoe expedition in search of a wife set out from Wai‘alua, circled Moloka‘i without finding a wife, circled Lanai without finding a wife, and set out to circle Maui in search of a wife. When the chiefs reached Hana, they heard of Kelea, the beautiful chiefess who was the sister of Kawaokaohele. She was living at Hamakuapoko because of the surf riding there, reveling in the curling breakers of the midmorning when the sea was smooth and even. She enjoyed surfing so much that at night she dwelt upon the morrow’s surfing and awakened to the murmuring of the sea to take up her board. The early morning, too, was delightful because of its coolness, and so she might go at dawn.

This story reveals the importance surfing for the Hawaiian people. It is associated with beauty and grace, strength and power (chiefess). However, it is also clear that Hawaiians, just as surfers in modern day, made choices about where they live based on their ability to surf and catch good waves. To the Hawaiians, surfing was more than a recreational practice, it was embedded in their daily lives and those who were able to surf well were

respected, even revered. By telling stories, such as legends, myths and *meles* from generation to generation, the meaning of surfing was perpetuated within the Hawaiian community.

In addition to Hawaiians, the foreigners who visited during this time also told stories about surfing. Herman Melville (1849) was one of the first authors to incorporate surfing into Western fiction. According to Moser (2008, p. 101), Melville “removes surfing from a missionary context and begins a long tradition of popular writing that casts surfing into plots of adventure and romance for Western audience.” In addition to telling stories, foreign visitors had a different means for passing information along. Explorers, missionaries and other travelers spent a lot of time and effort documenting their observations, which others would later use as a means for studying Hawaii and the origins of surfing and other traditional practices.

*Documenting.* The earliest forms of documenting surfing by Westerners included drawings of the Hawaiians engaged in surfing, as well as written journals of eye-witness accounts of surfing. One of the first written accounts of surfing was made by Captain James Cook on his third voyage to Hawaii in 1779. He wrote about the practice of surfing and indicated his amazement at the skill and speed of the sport.

As soon as they have made their way out by [many] repeated efforts and arrived at the smooth water beyond the surf, they lay themselves at length on their boards and prepare for their return. As the surf consists of a number of waves, of which every third is remarked to be always much larger than the others, and to flow higher on the shore...their first object is to place themselves on the summit of the largest surge, by which they are driven along with amazing speed toward the shore. (Cook. *A Voyage to the Pacific Ocean*, Vo. 3 pp. 145-147)

Written accounts contributed not only to documenting, but also to the reporting of surfing that occurred in the Hawaiian Islands. In addition to written accounts, drawings were one

of the early forms of documenting the practice of surfing.

The drawing below is one of the early illustrations of Hawaiian surfing, sketched in 1851 by a missionary, Henry T. Cheever (DeLaVega 2011, p. 17). When the early explorers and missionaries visited the Hawaiian Islands and documenting surfing, it was clear that surfing was a communal practice, engaged by all and enacted in a variety of different ways. This sketch reflects visitors' perceptions of surfing and the ways in which waves were ridden by Hawaiians. It shows the native men and women standing and lying prone (flat on their bellies) and how the waves were shared among many.

**Figure 2.1 Life in the Sandwich Islands**



As increasing numbers of visitors arrived in the islands, Hawaii quickly became publicized as an exotic destination and images of surfing were not only sketched to document but also represent the beauty and uniqueness of the Islands. In addition to drawings, a few photographs were taken in the late 1800s, which were also used to document and promote surfing activities. Photographs would also later be used in the 1900s as a means for attracting visitors to the Islands, initially through the use of



postcards (DeLaVega 2011).

### *Structures of Community and Conflict*

The main practices associated with surfing in ancient Hawaii were driven by the interaction of Hawaiians among themselves and with the supernatural beings in which they believed. Thus, community norms and spiritual meanings dominated the practice of surfing, and its related practices (e.g., resourcing, sharing, staking, engaging and serving as well as idolizing and story-telling), in ancient Hawaiian culture. However, upon their arrival, early visitors to Hawaii condemned the practice of surfing and promoted opposing religious views. On one hand, structures of community (including collective spiritual meanings) guided the enactment of surfing and related practices among the Hawaiian people. However, on the other hand, westerners, for the most part, did not engage in the practice of surfing during this time and had a different set of religious beliefs. They did not fully appreciate the skills required to ride the ocean waves or the spiritual aspect of surfing and could not comprehend how central surfing was to the survival and wellbeing of Hawaiian culture and community. Because early views of Western explorers and missionaries perceived surfing as sinful and unproductive, structures of conflict emerged and dominated this time period as well.

Because of this, the influence of Western values and beliefs, as well as diseases, brought to Hawaii by early explores and missionaries nearly wiped out the practice of surfing along with a number of other ancient Hawaiian traditions (Clark 2011; Moser 2008). According to Warshaw (2010, p. 34), “Most of the decline was from imported sickness and disease. After centuries of mid-Pacific isolation, the Hawaiian immune system was all but defenseless against the assorted germs, pathogens and viruses brought

by the Westerners.” However, it was more than diseases that brought surfing to the brink of extinction in Hawaiian waters. Clark (2011) includes in his book a passage from Hiram Bingham, which sheds light on how Western influences greatly contributed to the decline of surfing as well.

The adoption of our costume greatly diminishes their practice of swimming and sporting in the surf, for it is less convenient to wear it in the water than the native girdle, and less decorous and save to lay it entirely off on every occasion they find for a plunge or swim or surf-board race.

The decline or discontinuance of the use of the surf-board, as civilization advances, may be accounted for by the increase of modesty, industry or religion, without supposing, as some have affected to believe, that missionaries caused oppressive enactments against it. (Bingham 1847, p. 137)

The intention of missionaries in Hawaii was to turn the Hawaiians away from “sinful” activities, such as surfing. However, their reports about surfing eventually served to entice others to visit the islands and witness the practice themselves. Thus, although it appeared that surfing was heading toward extinction due to the influence of Western missionaries toward the end of the 19<sup>th</sup> century, surfing had begun to represent an image of Hawaii as a “destination.” By the start of the 20<sup>th</sup> century increasing numbers of foreigners were arriving in Hawaii and learning to surf and enjoy it for themselves.

During the practice decontextualization phase, in which the cultural context surrounding surfing eroded, surfing-related practices were generally enacted by locals and observed by others. In this way, decontextualization does not necessarily require the literal removal and transport of a practice “out” of a cultural context. Rather, the history of surfing suggests that a particular practice can become decontextualized either by transporting a practice from one culture to another (which would occur in later phases), or by encountering changes in its original cultural context. Foreign perceptions on surfing

shifted toward the end of this phase, from condemnation to admiration. Surfing was first documented from the viewpoint of early explorers and missionaries who perceived surfing as sinful and unproductive and then by the views of visitors who fell in love with the practice. It was the latter viewpoint that would help to “revive” the practice of surfing and contribute to the contextualization or formation of surfing as a global market culture.

***Phase 2: Market Contextualization (1897-1966)***

The practice decontextualization phase of surfing was driven by the deterioration of ancient Hawaiian culture. However, the original culture from which the practice of surfing emerged would eventually provide a cultural seed for surfing to become a distinct market culture. The market contextualization years of surfing started with a shift from sharing to exchanging as a dominant practice for integrating resources, as well as welcoming “others” to participate in the practice of surfing. Using the emergence of economic exchange as a basis for identifying the start of market interaction, this phase begins with the organizing of a rental service, for which visitors to the Islands could pay local expert canoe paddlers to experience surf-riding in a canoe.

The contextualization or formation of a market culture continued with the promoting of surfing, first within Hawaii and then around the world. Although it was a foreigner, Alexander Hume Ford, who was instrumental in preserving and promoting the practice of surfing in Hawaii, the main exposure of surfing outside of the Hawaiian Islands occurred through an Olympic swimmer from Hawaii, Duke Kahanamoku. It was through Kahanamoku’s travels from the west to east coasts of the United States, and then to Australia, that the world began to take notice of surfing, particularly in Hawaii. Once the opportunity to surf became open to the general public, foreigners were then able to

engage in the practice of surfing and could begin to more fully appreciate the skill required to engage in the practice and the thrilling experience of riding a wave.

The contextualization years of surfing as a market culture were initiated with the revival or resurgence and spread of surfing. This is because in many ways, the rejuvenation of surfing, led largely by foreigners who were fascinated by the practice, guided the contextualization of surfing as a market – contributed to the development of resources, norms and meanings, as well as boundaries associated with a market for surfing – and later led to the spread of surfing around the world. Although the practice of surfing is rooted in ancient Hawaiian culture and maintains some of the norms and meanings embedded in that culture, much of what is recognized as modern surfing culture was developed during the first half of the 20<sup>th</sup> century through movies, magazines and the movement of the practice to other coastal areas. In addition to improving access to surfing culture (e.g., manufacturing, and retailing), as well as the resources themselves (e.g., new board shapes and materials), surfers and non-surfers began to carve out their own meanings based on idealized views of surfing, as well as Hawaii.

My findings suggest that surfing was developed into a market through the addition of particular resource-integration practices such as exchanging, improving and replicating, but was also influenced by the addition of several normalization and representation practices as well. The enactment of practices such as welcoming, organizing and value-proposing (normalizing practices) as well as symbolizing, evangelizing and justifying (representation practices) shaped norms and meanings that dominated surfing the 1950s and 1960s. However, this addition of new practices does not mean that the early practices (or norms and meanings) disappeared. On the contrary, the

practices enacted in the decontextualization phase (e.g., sharing, resourcing, and serving) remained important fixtures as surfing separated from its original cultural context and recontextualized to a (market) cultural context of its own. In this way, the practices associated with the decontextualization phase are augmented by the practices that emerged in the market contextualization phase, and together establish the foundational structure from which surfing later transitioned into the global market culture it is today.

### *Resource-Integration Practices*

Because exchange is central to markets (Bagozzi 1975), the shift from surfing as a cultural community practice (Wenger 1997) to a market culture begins with the introduction of economic exchanging practices related to surfing (Kjellberg and Helgesson 2006). Thus, the initiation of the market contextualization phase is marked with the earliest recorded “business” entity in surfing, and the shift from sharing to exchanging as the dominant resource-integration practice. Although this phase acknowledges a shift from sharing to exchanging, it is important to note that sharing remains a central aspect of interaction in markets (Belk 2010). This continues to be evident in today’s surfing culture, and is especially true for the first half of the market contextualization phase. However, as surfing became contextualized as a market culture, the communal aspects of surfing became less and less widespread. By the middle of the 20<sup>th</sup> century, structures of community were represented in smaller pockets or groups of surfers, but surfing as a broader subculture became a distinct market, driven by (economic) exchanging and improving practices. At that time, surfing had also begun its global movement, transporting and translating (Kjellberg and Helgesson 2007)) the practice of surfing in different contexts, around the world.

*Exchanging.* According to Clark (2011) the first organized surfing service provider, a group of Hawaiians, who called themselves *Hui Pakaka Nalu*, began offering surfing service(s) in 1897 to meet the demands of the growing number of visitors along the shores of Waikiki. This is the earliest documentation of commoditizing – “distancing/approaching the marketplace” (Schau et al. 2009) – surfing. Below is an article published in 1897 in a local Hawaiian newspaper, which provides evidence of this as the first organized surfing service and outlines the guidelines of the service provided:

The pleasures of canoe surfriding have been confined almost exclusively to the occupants of beach residences and their friends; tourists have had an opportunity to enjoy the excitement only when invited to join parties of local canoe owners. But this has been changed; the native canoe owners have formed themselves into an organization known as “*Hui Pakakanalu*” [canoe surfing club], and W. W. Diamond is acting as their manager.

The *hui* has a sufficient number of canoes and experts to handle them, so that almost at a moment’s notice parties may be accommodated, the starting point being from any of the popular bathing resorts or private residences. This arrangement makes it possible for anyone to have a canoe ride, and more exhilarating sport cannot be had in Honolulu.

Mr. Diamond, while having no financial interest in the affair, is anxious to see the natives make a success of it. He has cautioned the men to have in their *hui* only capable men to handle the paddles. The organization will be governed by the following rules:

Tickets for surfriding at a cost of \$1 per hour may be had of W. W. Diamond or at any of the popular beach resorts.

Arrangements for parties must be made with those from whom tickets are bought. These will be issued on authority of the agent.

Direct engagements may be made through W.W. Diamond, by telephone 56 during the week or 924 on Sunday.

Tickets are void, if transferred, and must be used within the time named on the ticket.

Canoes are provided with expert canoeists, but no responsibility is assumed against accident.

Mr. Diamond stated yesterday that the natives feel encouraged over the prospects. (*Pacific Commercial Advertiser*, May 10, 1897, p.2)

This passage indicates that prior to the establishment of *Hui Pakaka Nalu*, it was difficult for non-Hawaiians and visitors to experience surfing, or surfriding of any kind.

Although there had been a few foreigners who tried it, including Mark Twain in 1866, surfing was not widely practiced by anyone other than Hawaiians. The service of *Hui Pakaka Nalu* enabled those who did not have the skills required to catch and ride waves to experience the thrill of surfing with a canoe. Surfing on a canoe was a necessary step in exposing foreigners to riding waves on the ocean because surfing on a board required a set of skills and knowledge that many believed were unique to Hawaiian natives. According to Clark (2010, p. 71-2), “The presence of commercial canoe surfing in Waikiki in the 1890s not only supported the visitor industry, but undoubtedly helped to stimulate the revival of board surfing then and in the next decade, the early 1900s.” As foreigners became more familiar and even more fascinated with the practice of surfing they eventually learned to surf on surfboards, and, thus, the demand for surfboards became a part of the surfing market as well. Among others, Olympic swimmer and the “father of modern surfing,” Duke Kahanamoku, would shape surfboards along the shores of Waikiki and sell them to make a living (Crowe 2007).

*Improving.* At the turn of the century, surfing began to increase in popularity both in Hawaii and around the world. Duke Kahanamoku is one of the most famous surfers in the world, and has been recognized for introducing the practice of surfing across the United States and in Australia. In addition, Kahanamoku and his fellow surfing comrades, who have become known as the “beachboys” were instrumental in improving both the practice of surfing and the surfboard itself. Early improvements to surfing equipment were generally centered on “customizing” (Schau et al. 2009) – altering resources to fit individual or group needs – surfboards and related equipment. In her story about *Duke Kahanamoku: Surfer of the Century*, Crowe (2007) describes,

Duke and his friends worked on building bigger surfboards with sleeker lines and better balance. Duke developed a huge, 16-foot, 114-pound board that handled well. In Waikiki's rolling waves, the beachboys worked on new surfing maneuvers: standing on a board backward, stepping from board to board, sliding left and right with the waves, doing headstands, and riding tandem with another person, usually a pretty girl, on the surfer's shoulders.

Although the ancient Hawaiian methods for making boards included religious rituals and different types of wood, the practice of crafting boards was soon replaced with different, less traditional methods, and new materials. Improvements to surfing and surfboards increased as more and more people became interested in surfing, and the practice spread to California and other parts of the continental U.S., as well as Australia. In 1924, one of the early innovators of surfboards Tom Blake moved to Hawaii and developed a "hollow board", which was lighter and faster than those the Hawaiians and others had been riding for hundreds of years. According to Drew Kampion, former editor of *Surfer Magazine* and author of *Stoked! A History of Surf Culture*,

Lighter, more buoyant, and easier to maneuver, Blake's hollow board also made surfing accessible to greater numbers of people. Manufactured first by Thomas N. Rogers Company of Venice, California, and later by the Los Angeles Latter Company, this was the first "production" surfboard in the world. (Kampion 2003, p. 43)

Although Blake's hollow boards reflected improvement to the board (faster and lighter) and increased the efficiency of the processes by which boards could be made and distributed (manufactured and retailed), it was the introduction of foam in the 1950s that made the most substantial improvement in the making and distributing of surfboards. During that time, Hobie Alter, a California surfer, began experimenting with making foam boards with Gordon Clark. In 1958, Alter and Clark opened up a foam surfboard making shop and by the 1960s surfboards were mostly made of foam.



Foam boards were cheaper, lighter and easier to maneuver, and wooden boards became a rare sight in the water. Although some of the older surfers still preferred their old, wooden boards, it was clear that the majority of surfers did not. According to Clark (2011, p. 28), “The huge demand for foam boards led to the first retail surf shops in Hawaii.” In his interview, John Clark talks about the importance of this transition to developing a market around surfing:

...[Surfing] went from all of these heavy wood boards and even the hollows were heavier and the hollows were not maneuverable ... but as soon as foam came onto the scene and they worked out the foam fiberglass and they got that together, right now we're about early '50s mid-1950s, that's where the commercial boom just goes, it just takes off. And that's where you got guys like Hobie and Velzy and Dave Sweed, you know all these California guys, they start commercializing the manufacturing of surfboards, they set up the factories, they set up the assembly lines, they're just like the Henry Fords of the surfing world you know. Ford did the same thing with automobiles, the assembly line, just cranking um out. And to me, that's where the explosion is right there, it's right at that transition.

As Clark mentioned, shortly after foam boards entered the scene, Hobie Alter and his friend Dick Metz moved to Hawaii and opened one of the first retail surf shops. In a video interview with Eric Jordan for the making of the film, *For the Love of Surfing*, Dick Metz recalls,

...as I got outta school I surfed all the time and started working with Hobie by I was patching surfboards at first and later on he said we should go to Honolulu and open a store. So we flew to Honolulu and opened really what was later to become the first retail surfboard store where they weren't made in that store. Up until then there were shops but it was all where Velzy or Hobie had made um in the shop an sold um themselves. This was the first retail outlet where you just had finished surfboards and all you sold were surfboards and a little resin and fiberglass. And there were no clothes in those days and that was it. (Uploaded on YouTube by Surfheritage, 3/24/2011).

The opening of retail stores suggests that it was not only the practice of surfing and the crafting of surfboards that was improving, but also the means through which surfing

resources were accessed – e.g., boards, resin and fiberglass – improved as well. In addition, during this time, improving practices were also revealed in the appearance of surfing accessories such as the fin (Tom Blake), wetsuit (Jack O’Neill), and boardshorts (Duke Boyd). Thus, improving practices ultimately enabled the practice of surfing to be more accessible to more people, because the necessary resources were more readily available and surfing was more enjoyable. Moreover, access to surfing and its associated resources was no longer limited to the Hawaiian Islands; surfing was beginning to gain in popularity, especially in California and Australia.

*Transporting.* Although people began to find out about surfing since the discovery of surfing by the Western world, the transporting of surfing to other parts of the world, outside of Hawaii, did not really begin until the 20<sup>th</sup> century. In the early 1900s, traveling became a central aspect to the spread of surfing and recontextualization of surfing into a global market culture. The transportation of the practice of surfing around the world was driven by 1) the traveling of tourists and visitors to the Hawaiian Islands, 2) the traveling of Hawaiians who promoted surfing in other places, and eventually 3) the traveling of surfers to find the perfect wave. Thus, the transporting practice was engaged by tourists, performers, and surfers, and became an important way for surfers and non-surfers to discover, observe and enact the practice of surfing in different places around the world.

Early documentations of the Hawaiian Islands eventually led to a flow of visitors who were anxious to see the tropical island and the cultural traditions they had read about. However, at the same time tourists were beginning to visit the Islands, several native Hawaiians began traveling abroad as well. A part-Hawaiian surfer named George Freeth was one of the early travelers to the continental U.S. Although he was not the first

to surf in North America, Freeth moved from Hawaii to California with the main purpose of introducing and promoting surfing on the mainland (Warshaw 2010). Freeth was hired by Henry E. Huntington to help publicize his new Los-Angeles-Redondo Beach rail service. However, it wasn't until Duke Kahanamoku, the Olympian swimmer discussed above, began traveling across the U.S. and to other parts of the world (e.g., Australia) that surfing became of interest to broader audiences. Kampion (2003, p. 39) describes Kahanamoku's impact on the spread of surfing,

During this time (1912-1916) Duke revealed the sport of surf-riding to the crowds on the beaches of Atlantic City and Nassau (New York), and Corona Del Mar and other California Beaches. The impact of Kahanamoku, following on the heels of Freeth, was electric, as new enthusiasts took up the sport where Duke showed audiences how to walk on water.

The transporting of surfing in the early part of the 20<sup>th</sup> century contributed to the promotion of Hawaii as a destination and surfing as a legitimate activity or sport. Remnants of surfing's original cultural context could be found during the early days of surfing in California. Warshaw (2010, p. 80) discusses how the practice of surfing was transported along with its structure (rules and resources) from Hawaii to California, and by the 1930s – 1940s, surfing in California resembled many of the communal aspects of Hawaiian culture,

It was probably the sport's communal high point. Boards were placed in long informal rows just about the high tide line, while surfers hunkered down shoulder to shoulder around the firepit. Clams, halibut, bass and abalone were brought up, cleaned and filleted, dumped into a huge cook pot, and served to all by the bowlful. Everyone threw their arms around each other and pressed together when a folding pocket camera was aimed their way. A particular surfer look took shape, borrowing heavily from Hawaii. A palm-frond hut was built in front of the San Onofre parking lot, and anyone who played guitar bought a ukulele and learned the chord progression for "My Little Grass Shack" and a half dozen other Waikiki beachboy standards. "Hawaii to us was like what heaven is for religious

people,” one of San Onofre’s original surfers recalled. “Nobody had actually been, but we all hoped we’d get there sometime and the next best thing was to sing about it.”

The transportation of the practice of surfing first retained remnants of the structure (rules and resources) from the cultural context from which it emerged. Moreover, Hawaiian culture became an idealized representation of what surfing and its associated cultural norms and meanings should be. However, shifts in the cultural backdrop of the United States, especially the beginning and end of World War II, influenced the contextualization of surfing as a market, and the norms and, especially meanings, surrounding the practice of surfing began to change.

Following the war, surfers began to realize that there were so many waves around the world that were being “wasted” or going un-surfed. Dick Metz, one of the pioneering surf travelers, was the first person to surf in a place called Jeffery’s Bay in South Africa. He was influential in the making of the movie *Endless Summer*, which premiered in 1964 and shows a couple of surfers traveling to different parts of the world in search of “the perfect wave,”

... I went around the world and surfed in Africa and was gone for three years and came back and showed my pictures to Hobie and Bruce Brown and other guys and said this is where you wanna go cause there its fabulous beaches there. So Bruce then when off and made the Endless Summer and took, what took me three years to do, he did it in two months and followed my trip around and met and stayed in with a lot of the people that I lived with on my trip and as a result (Dick Metz in an interview with Eric Jordan, *For the Love of Surfing*, posted 3/24/2011)

The *Endless Summer* paved the way for a new generation of surfers to explore surfing beyond the shores of Hawaii and coasts of the U.S. and Australia. However, the contextualization of surfing as a market culture involved more than practices to integrate resources. Surfing was also contextualized as a market culture through the enactment of

several normalization practices – those that shaped the rules or norms in surfing culture.

### Normalization Practices

The contextualization of a market culture requires the establishment of social norms to guide interaction, including exchange. One of the main practices that led to the establishment and growth of surfing as a market culture was the practice of *welcoming*, or inviting and encouraging people to participate in the practice of surfing (Schau et al. 2009). However, according to Schau et al. (2009) welcoming can also be negative, because it can discourage participation in a particular practice, such as surfing, as well. In this phase of surfing history, both Hawaiians and non-Hawaiians put forth efforts to invite and encourage others to participate in the practice of surfing. This was done through the *organizing* of different entities such as canoe rentals and surfing clubs, as well as performances and promotion tours.

However, the market aspect of this contextualization phase is made most salient by the practice of *value-proposing* (Lusch et al. 2008), through which, in conjunction with welcoming and organizing, one party proposes value through the offering of a service with the hope that one or more parties will engage in exchange. What makes the practice of proposing value distinct from serving (see Practice Decontextualization section) is the presence of a value proposition, and the effort of one party to appropriate and negotiate the value of a service to another. This recognition of value propositions and service as the basis of exchange is based on the concept of value co-creation and supports an S-D logic view of markets and marketing (Lusch et al. 2008).

*Welcoming.* The practice of welcoming – “greeting new members, beckoning them into the fold” (Schau et al. 2009, p. 43) – contributed to the growth and spread of

surfing beyond a local cultural practice to a full-fledged global market. The emergence of surfing as a market was fueled by Westerners' desires to experience the thrill of riding a way and to learn how to surf. More specifically, Americans wanted to learn to surf in Hawaii because of the stories that had been written about surfing in the late 1800s and early 1900s. Moser (2008, p. 148-150) published an article written in 1908 by Alexander Hume Ford, one of the earliest promoters of surfing who made great efforts welcoming others to experience the thrill of surfing in Hawaii. Ford (1908) discussed how the practice of surfing was near extinction and describes his experiences learning to surf and why Hawaii is the ideal location to learn and engage in surfing:

Riding the surf-board threatened to become a lost art, but today there are probably more people than ever before who can balance themselves on the incoming waves at Waikiki. I had always been taught, from childhood, that only Hawaiians born could ever expect to master the surf-board. Mark Twain came to Waikiki, made a single attempt, and gave up in despair. Six months ago, however, a new comer, seventy years of age, came to Waikiki, and with the third attempt, came in standing upon his surf-board. He declared that it was easier to ride standing on a board than to balance one's self on a log in a rushing stream, at which he was adept... Anyone can learn to ride the surf-board at Waikiki. It is doubtful if the beginner would ever learn in any other surf in the world. The surf at Waikiki seems to be created by Divine Providence for the special purpose of permitting the beginner to learn the art of first starting his surf-board and then standing upon it... In Samoa, and in Fiji, as well as Tahiti, there are those who ride upon the surf-board but they do not stand. I once tried to show the natives of Fiji how it was done, and discovered, to my dismay, that neither the waves nor the coral were suitable to the sport of standing on the board. It is only in Hawaii, where the reefs are far out, and between them and the shore is a lot stretch of sand, that the billows roll so evenly and so far, that this king of sports can be indulged in to perfection. I came to Hawaii for a day and lingered until the months rolled into years and I could stand upon my board and enjoy the sport that has no counterpart or equal in any part of the globe.

Ford was instrumental in promoting surfing during its "revival" in the early 1900s. He organized the Outrigger Canoe Club in 1908, which he says increased the numbers of

“boys and girls” who wanted to surf. Although Ford spent most of his efforts welcoming people to surf along the shores of Waikiki, people across the United States and around the world were encouraged to engage in surfing through stories (e.g., novels) and reports, as well as demonstrations by famous surfers such as George Freeth and Duke Kahanamoku, and later through music, movies and magazines. These are further discussed in the following sections as they greatly overlap with organizing and value-proposing practices.

*Organizing.* As discussed above, this market contextualization phase of surfing began with the organizing of *Hui Pakaka Nalu* in 1897, a surfriding service that provided canoe-surfing rides for \$1 per hour along the shores of Waikiki. However, this was not the only form of organizing that took place at that time and contributed to the contextualization of surfing as a market culture. As mentioned, in 1908, Alexander Hume Ford established the Outrigger Canoe Club (OCC) as a “place where surfboards may be revived and those who live away from the water front may keep their surfboards...to make Waikiki always the House of the Surfers” (DeLaVega 2011, p.45 quoting a letter sent out to the community promoting the OCC at that time). Tom Blake (1935) described the OCC as “the center of surfriding at Waikiki.” He elaborated,

At the club is to be found a row of some two hundred upright surfboard lockers, filled with boards of all sizes, shades and colors; the average being ten feet long, twenty-three inches wide, three inches thick; quite flat on top and bottom, with edges rounded and weighing up to seventy-five pounds.

The original OCC was located along the shores of Waikiki beach and became an important part of the development of surfing as a market. It provided surfers with a place to socialize and to store their boards and a place for visitors to learn to surf. The photo below was taken in 1908 and shows a number of surfers with various forms of surfing

equipment (Delavega 2011, p. 45).

**Figure 2.2 Outrigger Canoe Club**



Although the Hawaiians had been surfing for hundreds of years, they did not have an organized club until several years after the OCC was established. According to Finney and Houston,

The Outrigger Club was mainly for Caucasians of Honolulu. Three years after its foundation, a second surfing club was formed. The *Hui Nalu* (Surfing Club), which began informally around 1905, and was officially organized in 1911 to promote the sport among the Hawaiians. In this way the Hawaiians eventually regained their place on the beach, and with their renewed participation and the friendly rivalry between the two clubs, the sport began to recover its status as an important part of Hawaii's life. (1966, p. 71)

The informal organization of the *Hui Nalu* in 1905 is significant, because although the OCC receives much of the credit for the "revival" of surfing with its establishment in 1907, the organization of *Hui Nalu*, as well as the *Hui Pakaka Nalu* suggests that the Hawaiians were instrumental in reviving or, perhaps more accurately, perpetuating the practice of surfing in its altered cultural context.

During the 20<sup>th</sup> century, organizing practices contributed to the development of a



number of different surfing-related entities, which provided a variety of services. These organized entities ranged from the providers of surfing rides and lessons to producers of magazines and movies. However, much of the organizing during this time occurred in a trial-and-error fashion. For example, the movie “Endless Summer” was produced in 1964 and has been recognized as one of the major contributions to establishing surfing as a legitimate sport and market. However, Bruce Brown, the producer of the movie had no real “training.” In his interview with Eric Jordan for *The Love of Surfing*, Brown recalls,

I had no formal training making movies, fortunately, because I always thought well, if I make enough money maybe I’ll go to SC or something to the cinema department and learn how to make movies. Well, about the time I finally could afford it, I got a call from SC saying “Can you come and talk to the cinema students?” So, they were just cracking up they go well, “What did you use for a work print?” I go, “We just showed the original film.” “Well, how’d you edit it?” Well we just had a little viewer and we’d just crank it through.” I would close my eyes and just visualize the cut and crank to the next one and visualize it and you know, cut it....so every question they asked me that I’d answer they’d start laughing...and it dawned on me that fortunately I didn’t go to cinema school cause I would have learned I couldn’t do what I had already been doing for the past 5 or 6 or 7 years. (Posted on pavingthewave.com)

In a similar fashion, one of surfing’s oldest and most notable magazines, *Surfer*, began as a pamphlet to promote a movie. In a recent feature story on John Severson, founder of *Surfer Magazine*, Patterson writes,

After being discharged [from the military] in 1958, [John Severson] returned to California and started on his second film, Surf Safari. After each showing, surfers would pay \$1 a piece for high-contrast, grainy black-and-white prints from the film. To capitalize on the demand, in 1960 Severson made a horizontally oriented 36-page booklet titled *The Surfer* and ordered 10,000 copies...before he knew it, Severson was a publisher. (*Surfer*, March 2012, p.96)

This market contextualization phase of surfing’s history included the organizing of various forms of businesses and media (e.g., movies and magazines), as well as a

number of surfing contests, including the World Surfing Championships. However, organizing practices not only contributed to the organization of entities, but also the organization of surfing culture as a whole. In other words, the organizing practices, governing practices in particular, helped to articulate the expectations of members of the surfing community (Schau et al. 2009). Although the context surrounding surfing had become more “organized” the essence of surfing still remained very playful. A particular group of Hawaiian surfers, many of whom belonged to the *Hui Nalu*, made their livings entertaining tourists. The “Waikiki Beach Boys” or “beachboys” as they were called, earned money by teaching tourists how to surf and including involving them in local customs and activities. The beachboys spent most of their days and nights at the beach and epitomized what would be later known as surfing culture for the rest of the world.

*Value-proposing.* Although the organization of firms was clearly underway during this phase, most of the surfers involved in developing a market around surfing never thought of their efforts as “working.” They loved surfing and wanted to make a living by doing what they loved and sharing it with others. Thus, the term “value-proposing” is more appropriate than “working” because 1) it supports the idea that, in markets, value is proposed by one party and derived and determined by another (Vargo and Lusch 2004; 2008) and 2) it better represents the attitude of surfers toward their “work.” A helpful and often playful attitude was clear in the value-proposing efforts of the beachboys. These Hawaiian surfers were in the business of entertaining visitors, but it was often difficult to tell who was more entertained – the beachboys or the tourists. According to surfing historian, Matt Warshaw (2010, p. 53),

The beachboys walked a fine line between entertainment and indignity...Alcoholism and a high divorce rate were beachboy specialties,

as were the inevitable embarrassments that come from a life based in perpetual adolescence...

For better and worse, the beachboys of Waikiki established the particular value system that surfing became known for. Style counted for a lot. Beachboys as a rule wore the finest coconut-button silk aloha shirts and the sharpest-creased pants in Waikiki. Money wasn't very important, except when it could be flaunted; more often than not, a beachboy on the receiving end of a "hundred-dollar handshake" from a grateful departing hotel guest would turn up at the bar that night and blow the better part of his windfall on a round for the house. Beachboys often made no great distinction between work and free time. A circle of uke-strumming beachboys happily playing for themselves in the afternoon would invariably perform the same songs with the same enthusiasm, for dinner crowd tips later that night.

Surfing was as important to these barefoot troubadours as their sexed-up, easygoing, empty pocket deviancy. By combining the two, beachboys laid a foundation for what would later be called the surfing lifestyle.

It is clear from this passage that the only thing that really distinguished serving from value-proposing is the addition of an economic exchange component. However, for many surfers, the beachboys in particular, whether or not someone would accept their propositions and agree to an exchange was of little consequence to them, and they would engage in many of the same practices with or without pay. Through their value-proposing efforts, the Waikiki Beach Boys became the quintessential embodiment of surfing culture. Although many beachboys would never dream of leaving the shores of Waikiki, one beachboy moved his value-proposing efforts beyond the Hawaiian waters and performed for audiences all over the world. After Duke Kahanamoku won three Olympic gold medals as a swimmer, he traveled around the world evangelizing the sport of surfing and Hawaii as a destination. Kahanamoku, was instrumental in growing the sport of surfing and is now recognized as the "Ambassador of Aloha" and, as mentioned, fondly remembered by many as the "Father of Modern Surfing" (Crowe 2007).

### Representation Practices

Growing interest in “consumer cultures” (Arnould and Thompson 2005) underscores the importance of signs and symbols in markets. Venkatesh et al. (2006, p. 257) argue for conceptualizing the market as a “sign system” and suggests that “what distinguishes one product from another is the image and the symbolism built into it.” In other words, market offerings are made distinct by the signs and symbols (e.g., brands) to which they are associated. Because of this, it is clear that representation practices play a critical role in the contextualization of surfing as a market, or market culture. Several representation practices helped to contextualize surfing as a market during this phase: 1) symbolizing – the practice by which surfing and surfers are associated with particular signs and symbols, 2) evangelizing – the practice by which characterizations, signs and symbols are used gain admiration or propose value for surfing and its related resources and 3) justifying – the practice by which surfers justified their roles and lifestyle, especially in the media.

*Symbolizing.* The contextualization of surfing into a market culture is just as much of a story of signs as symbols as it is about organizations and exchange. At the turn of the 19<sup>th</sup> century, many famous American writers were telling stories about surfing in Hawaii. According to Moser (2008, p. 137), Jack “London drew on his extensive skills as a fiction writer in the following account to transform the Hawaiian surfrider into the god Mercury,”

And suddenly out there where a big smoker lifts skyward, rising like a sea god from out of the welter of spume and churning white, on the giddy, toppling, overhanging and downfalling, precarious crest appears the dark head of a man. Swiftly he rises through the rushing white. His black shoulders, his chest, his loins, his limbs – all is abruptly projected on one’s vision. Where but the moment before was only the ocean’s wide

desolation and invincible roar is now a man, erect, full-statured, not struggling frantically in that wild movement, not buried and crushed and buffeted by those mighty monsters, but standing above them all, calm and superb, poised on the giddy summit, his feet buried in the churning foam, the salt smoke rising to his knees, and all the rest of his in the free air and flashing sunlight, and he is flying through the air, flying forward, flying fast, as the surge on which he stands. He is a Mercury – a black Mercury. His heels are winged, and in them is the swiftness of the sea. (Jack London 1907)

These literary symbols developed an air of mystique around surfing that lured visitors to the Hawaiian Islands and intrigued people around the world. Although the work of authors like Jack London portrayed surfing as a god-like activity or the “Sport of Kings,” by the 1960s, the most salient symbols of surfing were characterizations of the early Waikiki beachboys and legendary surfers, such as Duke Kahanamoku. Surfers themselves became symbols of a particular lifestyle – surf, sun and fun – which some admired and others detested (see *Evangelizing* below). However, surfing symbols eventually best became known through the conspicuous use of one of the most currently used symbols of today’s time - logos.

The screen-print surf logo t-shirt is an iconic piece of surfwear that became a major fashion trend, even for non-surfers, especially teens. Surf logos started as a means for surfboard makers (i.e., shapers) to identify (i.e., brand) their surfboards. However, as surfboard stores became retail stores, they became populated with T-shirts that depicted the surf-shop’s logo, and, thus brand. Warshaw (2010, p. 174) says that

...by 1962, every surfshop in the land had at least one garment rack holding a neat row of bright white, all cotton, no-pocket, \$1.99 plus tax T-shirts, sizes S to XL, each with a two-color company logo screened large across the back. Like trunks, T-shirts were another way to claim wave-riding status in public, and a surfer wore the T-shirt of his favorite board make with the casual pride of a varsity ballplayer wearing a letterman jacket.

As clothing began entering the surfing market, logos became more than a means for identifying a surfboard shaper, it became a way for growing the style and scope of surfing. Hang Ten was one of the first surfing brands that was not associated with a surfboard maker or shaper. Duke Boyd, co-founder of Hang Ten clothing company, talked about how he came up with the Hang Ten logo and how it, and other surfing brands, helped to reflect and symbolize surfing.

...we came up with the name Hang Ten and agreed upon it. I went home and basically painted up the two feet because it was obvious. It was like, you know, unless I was to draw someone actually hanging ten, which didn't come to my mind, I just basically said this would be good, I'll try that. So I put two feet on a yellow background, and it was supposed to be sultan colors, you know, on a sunset. That type of a situation. And the loose draw – writing was basically based upon the kind of writing that you'd found at Malibu where you would do the graffiti on the walls like, you know, 'Dora can't surf' and things like that. And I would – I wrote it in that particular fashion so it didn't have a store bought type look to it. It had a real rustic look to it, which is basically even the way they're coming back to it now. Like Quiksilver's an example of, instead of store bought type, a Quiksilver look is basically a graffiti look. (Interview with Maureen Cavanaugh, KPBS, 9/30/2009)

Although the symbolization of surfing shifted from symbolic language to logos, it is clear that the formation of surfing as a market culture was heavily influenced by the practice of symbolizing. Even before surfing became a regulated sport and billion-dollar industry, it was formed through the symbolization of a practice, as well as type of person and lifestyle.

*Evangelizing.* During this phase of market contextualization, the carefree image of surfing became prevalent in a plethora of market offerings, from the clothing to movies and everything in between. Surfers began to use other methods for evangelizing surfing and “inspiring others” to become part of the culture (Schau et al. 2009). Boyd, Co-founder of Hang Ten, explains how he was able to position his clothing for the “youth”.

[Clothing stores] didn't have a youth area. They had boys' and they had men's but there were no young men's. So when surfing came about, they established a whole new area of merchandising which were the young men. So when they say surfers, what you're really saying are young men. Where almost like a teen girl magazine, it's the counterpart of that. They didn't have a teen boy magazine until surfing came along. And so what you're really seeing is surfer boys or young men disguised as surfers who basically pick up that kind of fashion. (Interview with Maureen Cavanaugh, KPBS, 9/30/2009)

The youthful qualities of surfing and surfers contributed to establishing early boundaries that represented surfing as a market. However, equally, if not more, central to the image of surfers that emerged during this era was the beach-bum lifestyle. This style was clearly a way-of-life for the Waikiki beachboys, but quickly became the image of surfers everywhere, which was desirable for some and appalling for others. Moser (2008, p. 155) recognizes Tom Blake as one of the main contributors to the "beach bum" or care-free image of surfers,

It's hard to overestimate Blake's importance for the popular image of surfers today. Describing his idyllic life at Waikiki in the 1920s and 1930s, Blake acted as a transitional figure between Hawaiian and *haole* [foreigner] surf cultures: he adopted an idealized version of the beachboy life and provided the most direct antecedent for the white, antiestablishment, "beach bum" surfer upon whom are based nearly all popular representations of surfers, beginning with Kahuna in the 1959 movie *Gidget*.

As surfing gained in popularity and mystique, other entities began to capitalize on the beach-bum image as a way for symbolizing surfing and surfers. The movie *Gidget*, which was released in 1959 and is mentioned by Moser in the passage above, was recognized as one of the most influential movies on surfing during this formative era. In the movie, the character "Kahuna" or "chief surfer" discusses his lifestyle with *Gidget*, an impressionable teen girl,

Kahuna: I'm a surf bum, you know, ride the waves, eat sleep, not a care in

the world...

Gidget: Well uh, it may be awfully naive of me, but uh when do you work?

Kahuna: Oh yea, well I tried that once, but there were too many hours and rules and regulations no one ever consulted me about what flight I was in the mood for, when that Korean bit was over, there was one thing I knew I didn't wanted, change...

Gidget: And the others, they are all bums too?

Kahuna: No, no, no they just like to surf. For them it's a summer romance, for me it's a full time passion.

Gidget: What'll happen to your future? I mean doesn't everybody have to have a goal or something?

Kahuna: Who said? There's your answer little one, who said? The swells are getting pretty big, I'll see you later.

What makes the “bum” image more salient, is that the end of the movie shows Kahuna getting a job and returning to the “real world.” This suggests that his “surf bum” lifestyle could not be sustained and, like the others, surfing turned out to be a summer romance for Kahuna as well. This portrayal of surfers as beach bums became the dominant image of surfers in the 1950s and remains a prevalent image of surfers today. However, these perceptions were/are often placed upon surfers by those who did/do not surf. Thus, it is the surfers themselves who have made great strides in legitimizing surfing as a market by “justifying” and promoting the sport from the inside out.

*Justifying.* As surfing became more organized and recognized as a distinct subculture, many capitalized on the beachboy images of youth and beach- or surf- “bum.” Many of the dominant images of surfing in the mid-1900s generally portrayed surfers as lazy bums who cared only about surfing all day and partying all night. These images emerged out of the lifestyle portrayed by Hawaiian surfers, especially the Waikiki beachboys, who first promoted surfing in Hawaii at beginning of 20th century. However,



as surfing culture grew and spread outside of Hawaii, it transformed from a way-of-life in Hawaii to a distinct lifestyle, that could be found along the shores of California and an increasing number of coastal areas. As surfing grew in popularity, surfers began justifying their lifestyles and proving that being a surfer and being “productive” were not mutually exclusive (Schau et al. 2009). During the contextualization of surfing as a market, surfers began renting, making and selling boards and other surf-related clothing and accessories; engaged in other services conducive for their lifestyle, such as singing, performing, and taking pictures; and began promoting their love of surfing by writing articles, making movies and publishing magazines.

In addition to engaging in a variety of surfing-related activities to earn money, such as teaching surfing and entertaining, it was the surfers themselves who made a conscious effort to legitimize the practice of surfing as a serious sport as well as a desirable (and marketable) lifestyle. *The Surfer* magazine was first published in 1960 by John Severson, a surfer and photographer from California. According to former editor Drew Kampion (2003, p. 80), at the launch of the magazine, “Surfer wanted the public to see a kinder, gentler side of surfing...It was a just a good, clean, healthy sport.” In an interview with *Surfer Magazine*, Severson said “beaches were getting shut down to surfers, and I felt responsible to help improve things. And I think we did make a difference” (Surfer March 2012, p. 98). In the same way, the movie *Endless Summer* was produced to portray surfers in a more positive light. Dick Metz, discussed how the making of this film helped to change perceptions on surfers,

Hobie was instrumental in suggesting to Bruce that the surfing image was so poor at that time that making this movie, should be, make an extra effort to show surfers in a good light. So Bruce left the Los Angeles LAX in a coat and tie and Mike Hensen and Robert August were in a blue

blazers and all buffed out and that whole movie was made with the thought of upgrading the image of surfing. And it was not long after and Bruce came home and that move was so totally successful that the rest of the world saw what surfing was all about. And I think it became, right instantly got, getting a better image because of that movie. And so kids that got interested in surfing from the east coast and the Midwest then saw surfers in a different light and I think that was the beginning of changing the whole culture and image of surfing. (Interview with Eric Jordan, *For the Love of Surfing*)

As surfing became more adapted into popular culture in the U.S., surfing retail shops began growing in numbers and expanding the variety of merchandise they sold. Duke Boyd explained the effort it took to sell merchandise other than surfing equipment in surfshops,

The surf shops were sort of like the nut to crack because they really didn't have any sense of that type of thing. They only made surfboards and they didn't even have wax at the time. They fixed dings. They would – You'd buy your wax paraffin from the grocery store. So it was really no one in the surfing business had any idea how to merchandise anything else besides the surfboards. (Interview with Maureen Cavanaugh, KPBS, 9/30/2009)

In his interview with Maureen Cavanah, Boyd added,

Boyd: I remember that when I first tried to sell a famous surf shop called Dewey Weber, and I had – and he and I ended up becoming very good friends, but during the course of that time he was a very tough customer. He wouldn't buy me. So eventually he said, he says, okay, I'll tell you what, I'll buy a dozen. And I said, okay. And he says, but here's the deal, I want them all white and I want them in size 30 so in case they don't sell, I can wear them.

Cavanah: Did you do it?

Boyd: Oh, of course, yeah. And it ended up being, you know, once you landed in the surf shop, you basically were grounded after that and you were acceptable – accepted in the – and that's really basically what it is. It's a very close knit culture and you just can't be a shoulder hopper and come into the surfing world and start selling things. You have to – there's a whole series of steps that you have to go through to be accepted.

To increase the legitimacy of Hang Ten as a surfing brand, Boyd was one of the first clothing companies to advertize in *The Surfer* magazine. This launched an “industry within an industry” and the market for surfing apparel, which made a surfing “lifestyle”

even more accessible for those who lived away from the ocean and did not surf.

### *Structures of Legitimization and Imagination*

The contextualization of surfing as a market culture was driven by resource-integration practices such as exchanging, transporting and improving as well as normalization practices such as welcoming, organizing and value-proposing. The organization of such practices made surfing more accessible and adaptable to a wider audience, through a variety of organizations, such as canoe rides, surfboard rentals, and surf-shops, as well as through different forms of media such as magazines and movies. These practices contributed to early efforts to legitimize surfing as a viable way-of-life not only to surfers, but also to people outside of surfing culture. Legitimization has recently been recognized as an important factor in market formation (Humphries 2010). However, the market contextualization of surfing was also driven by a number of representation practices, such as symbolizing, evangelizing, and justifying which suggest that it is not only legitimization that constitutes markets, but also imagination as well.

The early 1900s have been recognized as the “revival” years for surfing (Kampion 2003; Warshaw 2010). During this time surfing was, in a sense, taken out of its original context of ancient Hawaii and practiced in the context of a different, post-discovery Hawaii as well as mainstream America. Prior to WWII, surfing was reproduced, largely in Hawaii as well as California, with many of the same community-centered norms and meanings that it had been associated with its original cultural context. However, after the war ended in 1945, surfing took on a different meaning. Veterans returning from war were looking for adventure in their mundane lives and, thus, surfing became a means for escaping from reality.

As surfing grew in popularity, and practices were enacted to accommodate the growth in interest, the cultural context surrounding surfing began to change. By the time Gidget was released in 1959, surfers were seen by the general American public as “bums” who only cared about surfing. Surfers began responding to this image by increasing their efforts to justify, or legitimize surfing. First through movies and magazines, and then through other evangelizing practices. In doing so, they, almost incidentally, established a "surfing" way-of-life or lifestyle, which included a number of ways for surfers to make a living. In his interview with Maureen Cavanaugh, Jim Kempton, President of the *Surf California Museum*, discusses what it was like to be part of the pioneering years of surfing as a market, or what has been called the “Golden Era,”

I think anytime you have the pioneering age, everything is being discovered and discovery is such a, you know, such a great, exciting experience to have. And everything was being invented at that time. You know, surfboard design was being invented and surf clothing was being invented, surf culture in general. The whole language that we used to describe the things that were being done that had never been done before, you had to give them a name. And so there's – the whole culture of surfing developed during that era and still today is, you know, the great hold, I think, on people's fascination about the sport and the lifestyle.

This passage emphasizes this phase in surfing's history as a period of new development.

Thus, although it is clear that surfing has much deeper cultural roots as an ancient practice in Hawaii (as well as other parts of Polynesia), the contextualization of surfing as a market largely took place during the early-mid 1900s.

This analysis of surfing's history makes salient the importance of signs and symbols in market contextualization. Although there is no denying the normalizing practices, such as welcoming, organizing and value-proposing, helped to legitimize surfing within a broader societal context, it is also important to recognize that this phase

of market contextualization was saturated with symbols and meanings as well. In many ways, it was the imaginations of surfers who imitated the lifestyle of surfers in Hawaii and discovered creative ways to make a living, that enabled surfing to grow and thrive. This organization of practices, as well as entities, enabled the cultural context surrounding surfing to transition to a viable market. The representation practices engaged by members of surfing culture helped to establish a general ethos, from which a variety of symbols and meanings have since emerged. Although these meanings have changed over time, the early-mid 1900s established a cultural context from which surfers could begin to define who they were and what they represented.

Structures of legitimization and imagination shifted surfing from a community of practice (Wenger 1998) to a practice-centered market, which was rooted in an ancient cultural practice and bound to parts of that original culture. In many ways, surfing as a practice did not change much during this market contextualization phase. However the social and cultural movements surrounding the practice did indeed shift the ancient cultural practice to a distinct market culture. According to Moser (2008, p. 1),

Surfriding has not changed much over the centuries. A surfer paddles aboard out to the waves and rides back toward shore. Then does it again...What have changed substantially over centuries are the images – in the broad sense of representations – that have introduced this Oceanic sport to primarily Western audiences. First documented in the journals of Captain Cook’s mariners, later in sketches that accompanied travel narratives to the Pacific, ultimately in photographs and film, surfriding has undergone transformations as diverse and complex as the cultures in whose records it appears. These surfriding images typically reveal more about the culture imagining (or imaging) than the culture imagined (or imaged).

The imagination of surfers continues to drive innovation and market reformation around the globe. However, during its formative years, between the early-mid 1900s, the surfing was contextualized as a market primarily in Hawaii and the United States. Thus,

surfing's most iconic and lasting representations are based on the events that occurred in these areas and during those times. However, although the formation of surfing as a market culture had been largely dominated by the enactment of surfing (and related practices) by surfers in Hawaii and California, a number of Australian surfers were fully engaged in the practice of surfing by the early 1960s and were developing a surfing culture of their own. The Australians would soon become major players in the recontextualization of surfing, both within the United States and around the world.

### ***Phase 3: Market Recontextualization (1966-2011)***

The contextualization of surfing as a market culture occurred through the introduction of a number of resource-integration, normalization and representation practices. In particular, the emergence of exchanging, organizing and value-proposing established new norms and meanings that contextualized a market rooted in the originally community-oriented practice of surfing. Although it is clear that a sense of community was maintained as surfing became a market culture, the social and cultural context around surfing transformed through micro-level actions, such as exchanging service and organizing entities, which drew on macro-level norms and meanings (from Hawaiian and American culture). By the mid-1960s surfing was contextualized as a legitimate market, with a number of stores and other business entities offering a variety of value propositions for those who surfed, as well as those who aspired to live a surfing lifestyle. John Severson, founder of Surfer Magazine, recently received the 2011 Surfer Poll Lifetime Achievement Award. In his recognition video, Severson recalls, “In the middle of my tenure with Surfer, mid-60s, the whole world was changing. It was war and peace, and love and protest and social awareness and social consciousness.”

It was clear that the macro-level, cultural context within which surfing culture is embedded had a significant impact on surfing at that time. However, the recontextualization of surfing involved more than macro-level influences. A number of changes occurred within surfing culture as well, including a change in the practice of surfing from riding the “nose” of a surfboard to riding the “curl” of a wave, the invention of a shorter, lighter and faster surfboard, the automation and offshore outsourcing of surfboard-making, and the introduction of professional surfing. These are just a few of the many changes in resources and norms in surfing during this phase. This recontextualization phase begins with what has been recognized as one of the major transitions in surfing culture, the “shortboard revolution.” This “revolution” in surfing culture began around 1967 and reflects a shift, not only in the practice of surfing and the resources being integrated, but also a change in norms and meanings as well. Since then, several other major adaptations in the practice of surfing and its related resources have been born out of surfing culture – boogieboarding, tow-in surfing and stand-up paddle boarding, to name a few.

However, one of the most remarkable transitions in surfing is the growth of the market itself and the shift from surfing as a counter-culture, rebellious activity, to a mainstream, popular-culture market. In addition, the number of places where surfing is practiced has multiplied and surfers can now be found in some of the most remote and unlikely places. But perhaps what is most telling about this recontextualization phase is the multiplicity of structure in today’s surfing culture, which is composed of organizations ranging from billion-dollar, publicly traded companies to those aimed at bringing surfing to impoverished countries and coast-lines in order to give hope and help

to those in need. This phase of surfing culture is driven by efforts to reinvent and reproduce surfing in many different ways. These changes have greatly impacted the spread of surfing around the world, which in many ways opened the doors for developing of a host of new norms and meanings, as well as markets.

### *Resource-Integration Practices*

The market recontextualization phase of surfing is driven by resource-integration practices that include both reinventing – practices by which new resources are developed – and replicating – practices by which resources are copied and/or duplicated. In addition, as the surfing market grew, actors began automating – practices by which roles in markets are made or done by a machine or computer – jobs such as board-making. During this phase, changes in resources, such as surfboards and the knowledge of surfing itself, not only influenced the introduction of several related practices and markets – big-wave surfing, boogie boarding and stand-up paddle boarding – but was also influenced by related practices, such as skateboarding. The combination of reinventing and replicating resources and automating roles led to the expansion of surfing as a multi-billion dollar market, which now enables surfers to live a variety of “lifestyles” in a growing number of locations around the world.

*Reinventing.* In 1967, John Witzig, an Australian surf journalist, wrote an article that was published in *Surfer Magazine* titled “We’re Tops Now.” According to surf historian, Tim DeLaVega, this article marked the launch of the last major change in surfing history, the “shortboard revolution.” Witzig’s article proclaimed that “It appears to me that a largely false set of values has been created in California surfing.” He elaborated, “Those of us who were conversant with the present trend of surfing in



Australia were astonished at the corresponding lack of development in this direction in the United States. Probably nothing has had such a profound influence in leading California surfing out on a limb than has the nose riding fixation.” Witzing was writing about how American surfers and surf-writers were centered on the dominant surfing style during the 1950s and early 1960s – “nose riding” or standing on the nose of the surfboard while riding a wave – and were essentially ignoring the new and “improved” way of riding waves that was coming out of Australia. He referred to a recent 1966 World Surfing Championship win by Australian surfer, Nat Young, and the revolutionary board that Young was riding, which was made by Bob McTavish, also an Australian surfer. Young beat a Hawaiian favorite who was known for his nose-riding ability, David Nuuhiwa, and, until this article was published, the American media seemed to ignore the defeat of Nuuhiwa and the introduction of new surfing maneuvers and equipment. The main purpose of Witzig’s article was to recognize that the future of surfing would not be to stand on the nose of a board. In his article, Witzig writes about how the institutionalization of American surfing and their associated contests limited innovation (see “regulating” in normalization practices below) and the advancement of the practice of surfing:

I cannot state that there are no good surfers in California. I cannot state that David Nuuhiwa cannot surf well according to the standards which I seek to establish. I do state that the “system” has created a standard of surfing, a pattern of riding, that does not allow surfers to perform to the full extent of their ability. Nuuhiwa is simply a product of the system.

A contest system should work to draw from the competing surfers their best. When the surfers have to work for, to surf for the system, then the system has defeated its purpose. The Huntington contest is a prime example of a restricted wave contest. Through Australian eyes, this was the most tedious and uninteresting contest that I have ever seen. Even the stupidity of the mass public enthusiasm for nose work did little to arouse interest. The surfers, restricted and confined to the system, did not

attempt anything which would constitute chance. Indeed they could not.  
(Witzig 1967)

The reason that this article was so monumental in the surfing world was not because it was the first to introduce the surfing population to a shorter, faster surfing style – Young’s winning in 1966 showed off this different way of surfing and the need for a new type of surf board. Rather, this article was a major turning point in the shift in surfing because it was the first article to publicly recognize the presence of newer, shorter surfboards by a major American surf media outlet, namely *Surfer Magazine*. For about one year prior, from 1966-1967, surfboard manufacturers and retailers had been putting pressure, by way of threatening advertising dollars, on magazine publisher John Severson not to publish any articles or photos of the shorter boards because they needed to sell off their existing inventory of longboards. However, once this new form of surfing began gaining attention from broader surfing audiences, longboards and nose riding quickly became a thing of the past.

This reinventing of the surfboard – to what is now called a shortboard – and the practice of surfing – from riding the nose of a board, to riding “curl” of a wave – coincided with major changes in American culture. It was ultimately the combination of changes in the practice of surfing, the equipment needed, and the broader sociocultural movements that drove the “revolution” of surfing. A well-known surfboard shaper (maker) in Hawaii, Dennis Pang, explains how the shortboard revolution was a culmination of changes in norms, meanings and resources, including the way surfers looked at the wave:

Dennis: The shortboard revolution started about ‘67ish, the shortboard, mini-guns, they called um were being made by Brewer and this Australian guy named Bob McTavish and up to that point everybody was riding longboards. Then the

shortboard thing came along and changed everything really rapidly. It was a real tumultuous time in surfing and actually in life because the shortboard revolution started in '67, but '65 and '66 was really a crazy time in the world. There was Vietnam, and a lot of anti-war and anti-Vietnam sentiment going on in college campuses and in the United States. And music was really changing. Really revolutionary time of life and when the shortboard thing came along; just coincided with what was going on in the world and the consciousness of the youth at the time. So it was really ripe for surfing to change the equipment at that time. And it was a really, very exciting time period in surfing. That would be one of the major points of change in surfing, in '67, '68 when the boards just switched from longboards to shortboards and within a year the surfshops couldn't get rid of longboards cause nobody wanted to buy them.

Interviewer: Why do you think that is?

Dennis: Because it was just like, it was a new way of surfing. You know. The youth represented change and the way you looked at a wave and how you approached it and surfed the wave was different then you would on a longboard, it was fresh it was new. You know it was the latest thing to do was to ride a short board instead of a longboard and by today's standards they weren't that short but, from a long board to a 7'6 or 8'6, 8'0 that was a major difference, and the shapes of the boards were absolutely different. They were the same material, it was just the shape of the board.

Interviewer: What were they made of at that time?

Dennis: It was foam and fiber. Same thing. The same exact, you know composition of materials as it is now. I mean the quality is better now, it's lighter, not necessarily stronger but it's lighter. And you know, it was just the equipment change, the design change that was so different. And that allowed the surfers to surf a different way and look at the wave and surf it differently than on a longboard. Back then, it was on a longboard you were noseriding a lot, it was the biggest thing was noseriding you know, David Nuuiwa was the trend setter he was the guy, the god at the time '66 and '65 and then when the shortboard came in, the approach to riding the wave wasn't the nose anymore, it was high performance turning you know, turning the board and riding in the pocket, tighter to the curl. You know, not like today, but you just look at the wave differently, faster, way faster.

The reinventing of a new ways of surfing and new equipment was not limited to the shortboard revolution, as can be seen by the variety of surfing equipment and surfing practices (tow-in surfing, paddleboarding, boogieboarding, stand-up paddle boarding).

These changes began with the shortboard revolution, but continued as other market cultures overlapped with surfing. John Clark, surf historian, recalled how in the '60s and '70s a number of industries emerged along side surfing, "Surfers [were] skateboarding, skaters [were] surfing. Surfers [were] snowboarding, snowboarders [were] surfing. So all this stuff [was] running parallel and as it's being commercialized it's pulling surfing with it. It's all supporting surfing." He also commented on how the influence of skateboarding and other related practices have contributed to how surfing is practiced today:

The stuff guys are doing on surfboards now is phenomenal, it's amazing! They're doing the gymnastics on surfboards that we only used to imagine when we were kids. I mean we're out there riding a 10' foam board just trying to do a floater and these guys are catching airs and doing aerial maneuvers, it's insane. So that's how I see the progression and I just see shortboards flowing out of all that stuff that's running parallel to surfing.

In this way, the practice of reinventing has resulted in the development of new practice, but those "new" practices also contributed to back changes in surfing itself. However, even with all the changes that have happened within and in relation to surfing in recent years, the shortboard revolution and the institutions – norms – and meanings that emerged in the late 1960s remain some of the most influential aspects and representations of surfing culture today.

*Replicating.* The Australians are often recognized for reinventing surfing and surfboards by being the first to design shorter and faster surfboards, specifically engineered to maneuver across a wave and get as close as possible to, or ideally inside, the "curl" or "barrel." However, once other surfers saw what could be done on a wave they got busy replicating, as well as improving, the practice of surfing and their own versions of the "shortboard" as well. According to Marcus (2007, p. 150), following the 1966 World Championships and the 1967 "We're tops now!" article,

...the future of shorter surfboards fell into the hands of two men on opposite sides of the Pacific: In this corner, shaping for the Americans, was Dick Brewer; on the other corner of the Big Water, Bob McTavish was the Man, aided and abetted by American semi-pat George Greenough. Over the next few years, these two sides would meet in swift collision all around the world, and that clash would forge the modern shortboard.

In this way, the invention of the modern shortboard might be attributed to Bob McTavish, but it was really the co-production between two competing surfboard makers, and undoubtedly others, that drove the innovation of what is known as a “shortboard” today. Obviously, the replication of surfboards did not begin in this recontextualization phase. However, the distinction of this practice during this particular phase is important because it was the number of surfers that began engaging in the practice that drove major changes and growth in surfing. Prior to this phase, there were only a few people with the knowledge and skills to make or shape foam surfboards. However, as interest in surfing grew and more and more people engaged in the practice, the number of people replicating surfboards and other surf-related resources (equipment, clothing, etc.) increased the size of the market and multiplicity of its structure (Sewell 1992). Dennis Pang recalls how he began replicating surfboards by learning from Gerry Lopez, a world-renowned surfer and shaper, and from others who had learned from Dick Brewer:

...all the hot shortboarders from Hawaii used to get Brewer's [boards] because he started the whole thing. So at that time when he was on Maui and when he was working at Surfline, Gerry [Lopez] used to watch him shape. Gerry was living in New Valley a couple blocks away from me and he would shape surfboards in his garage at this parents' house and I used to watch him shape boards in his garage using a jack plane. Not an electric planer but a jack plane, which is just a hand plane that's a big hand plane with a blade on it, manual, not electric. And that's how we started, he started shaping and then eventually he bought a scale one-hundred planer and he started shaping and then he was glassing them there, so I as a kid he was like a lot older than me, he was three years older than me, at that time, big difference in age. I used to watch him and then I would watch him shape and I'd watch him glass and he was then my friends wanted

boards. We started stripping boards, stripping longboards, started, you know, he gave me some templates and I just started shaping and glassing them myself. For my friends, just for fun. You know we were kids, we didn't have money and we just bought uh the resin, we already had the blank because we'd strip our old boards and they'd give it to me and we just made it whatever, you know real crude stuff and we were just laughing the whole time. And then go ride um, you know and uh, they were the ugliest thing you've ever seen but, we didn't know, and we knew they were ugly but we didn't care, we were just kids just having fun.

In addition to describing the practice of replicating that was occurring during this time, this passage makes salient the informal way in which many professionals in the surfing industry got started in their respective fields. Furthermore, the statements regarding the switch from a jack plane to an electric planer is also telling about how changes in technology that enabled the increase of replicating practices helped to reshape and recontextualize the market of surfing.

*Automating.* In his interview, Dennis Pang also talked about how the introduction of computer-programmed shaping became the “downfall” of the surfing industry:

It started about '96, '97, that computer cutting thing, CAD [computer-aided design] program deal, that was one of the things that was the downfall of the surf industry. Because now you got simple economics, you got surplus exceeding the demand. Prior to that was hand shaping, surfing was a big fad, you couldn't meet the demand so they needed guys because you couldn't make them fast enough by hand. Which was a good thing because that kept the prices high and kept people wanting boards and uh, there wasn't an abundance of supply, supply didn't exceed the demand. The balance was in the favor of the manufacturer. That was the one thing, the demise of the surf industry.

Additionally, it is somewhat ironic that the introduction of computer software, something that should help to make a surfboard shaper's work easier, and something Dennis relies on in his work as well, enables the making of a surfboard to be split into so many specializations that being specialized at board shaping actually becomes less valuable. He explains how the CAD program reduced the involvement of shapers in actually shaping

or crafting a board and introduced a new role, “go shaper”:

Dennis: Because everything was computerized at that time, all you had to do was have good programs and “go-shapers,” which is what a lot of guys did, you know you get the computer, the thing cuts um out, you hand it to the go-shaper, the guy who hires the go-shaper just signs it.

Interviewer: What’s a go-shaper?

Dennis: “Go shaper” means you get the computer-shaped blank, it’s 70% done and all the guy does, we call them “go-shapers” or “scrubbers” and he scrubs down the lines, smooths, puts the rails on it and you know, makes it look like the shapers look, and then the shaper will sign it, so the actual shaper is not even touching the board. So all the boards around here you see that’s [a renowned shaper], he didn’t shape um, he just make the program, hires out a scrubber and he scrubs um, pays um 25 bucks, 20 bucks, and it’s a fraud.

Thus, the introduction of CAD enabled surfboard manufacturers to micro-specialize (Vargo and Lusch 2006) the making of surfboards, so much so that that the production of surfboards can be outsourced now to people in other countries, many of whom have never surfed and may not even know what surfing is.

### Normalization Practices

Changes in the way surfers and other members of the growing surfing market integrated resources were directly connected with the way in which they interacted with others. For example, practices such as replicating and automating led to the emergence of micro-specializing (Vargo and Lusch 2006) – practices by which the roles of service providers were “unbundled” and smaller tasks were allocated among more people or “rebundled” into different roles, or collections of practices (Akaka and Chandler 2011; Normann 2001). Other normalization practices that emerge during this phase are closely related to earlier practices such as value-proposing and organizing (see Market Contextualization phase). However, what makes this phase distinct is the way in which surfing has

expanded and became reproduced as structures of common difference around the world (Wilk 1995). Normalization practices that emerged in surfing's market recontextualization phase such as regulating – practices that formally establish or abolish rules and/or guidelines related to surfing and surfing culture – and reconnecting – practices that members of surfing culture use to engage with its community- and nature-centered origins – played a major role in the expansion of surfing to a global market culture.

*Micro-Specializing.* In addition to computer-assisted manufacturing and design, Dennis also recognizes micro-specializing, in the form of off-shore outsourcing, as one of the major influences in surfing, which had a major impact on the accessibility of surfing equipment, but also changed a number of norms in the surfing market. Following up on his comment about how the introduction of CAD changed the surfing market, Dennis said,

The second thing was the boards being made overseas, in conjunction with the computer, CAD programs, which they can do over in China at labor costs that are less than half of what you would pay here, minus all the regulations, like OSHA [occupational safety and health administration] and all this kind of stuff in a factory that's in the United States. To get a board landed here is way less than a wholesale price of a board that's being made nationally. So you not only have a supply that's a lot, you also have a price-point that is way cheaper than a national-made board, you know, made in the United States. So it screws up the whole market, it's great for the consumer if they want to buy a board made from China, which at first the quality was shitty, but now you got a lot of manufacturers that are all made offshore and they go over there and teach all their factory guys how to make a good board and just bring up the quality too. If a board was made in the United States, and now the quality is just as good as in the United States, you know brands and they come here and they are landing them for cheap, they're wholesaling them for cheap and their retailing them for cheap. You got one that's made in the United States and one made in China, which is just as good quality just a hundred bucks less, what are you gonna pick? And so, the surf industry in the United States has diminished now. If you talk to anybody in the



industry, the surfboard industry is declining. Now what's keeping everybody afloat or certain guys that got into it is the stand-up thing.

This passage emphasizes how the micro-specialization of surfboard making led to off-shore outsourcing. Although, micro-specialization doesn't necessarily involve moving manufacturing processes abroad (see Automating section), moving the making of surfboards away from the places where surfing takes place has major impacts on the surfing market as a whole. The off-shore production of surfboards sky rocketed since 2005, when Clark Foam, the primary distributor of foam blanks went out of business. Rizzo (2010) discusses the modern-day process of crafting or shaping boards by skilled shapers and compares it with the micro-specialized production of surfboards over seas:

Somewhere in California, Florida or Hawaii someone is painstakingly sculpting a block of polyurethane foam into one of the most unique products the United States has ever produced: a surfboard. Using knowledge handed down from "shapers" and surfers over hundreds of years, the craftsman sands here and there along the blank until, eventually, it takes shape as a one-of-a-kind product. Each surfboard takes about 16 days to go from blank to finished product, including shaping, fibreglassing, sanding and painting. The eventual cost at a surfshop for all that craftsmanship is \$400-\$600, on average, depending on what type of board.

On the other side of the globe dozens of workers, many of whom were raised on farms and may have never seen the sea, are engaged in the same activity – almost. Trained by shapers from Australia and the United States, these Asian workers produce dozens of boards a day for \$2.50 an hour plus lodging in a crowded dormitory. Many of them have no idea what a surfboard is used for; it's just another toy bound for Western markets and for people who have the time and standard of living to afford a hobby.

Although micro-specialization is clearly evident in the progression of board making, it can be found with the emergence of other surf-related professions as well, especially the introduction of the professional surfer. Surfing grew as a profession over the past 40 years and surfers can now make millions of dollars a year in sponsorships and prize

money. However, much of the development of this micro-specialized profession is directly related to another practice that dominates surfing today, regulating.

*Regulating.* Although competitions date back to ancient Hawaiian culture, the introduction of professional surfing – the ability for people to make a living by surfing – really began with the developing of surfing into a professional sport. This effort was largely headed by former pro-surfer Fred Hemmings. In 1968 Hemmings was the “first modern-day Hawaiian surfer” to win the Surfing World Championships in Puerto Rico. After his win, Hemmings decided to stop surfing competitively in order to focus on develop a surfing as a professional sport. In an interview, Hemmings describes his efforts to launch surfing as a sport:

I started in 1971 the first Pipeline masters and in 1976 surfing was catching on professionally around the world. There were enough events so that in 1976 so, along with Randy Rarick was just starting out to be my contest director, we started the first world circuit, and then in the 80s we had events all through television networks and I started the triple crown. So that’s the evolution of that. And then of course, it took off since then, and it really was in many ways advantageous.

Hemmings believes that by regulating surfing as a sport, surfing competitions have contributed to bettering the image of surfing. Below, he discusses how regulated surfing has improved the image of surfers, especially with the help of the worlds most famous pro-surfer, 11-time World Champion, Kelly Slater. Hemmings argues that Slater is not only “the greatest athlete in the world” but also a good role model for setting an example for surfers.

One of the other things that I used to lament was that surfing in the 60s when I was in my hayday was viewed by some as an anti-establishment sport. It was like surf-bums were sononymous with ski-bums and people that were that you know, really anti-establishment and this kind of negative connotation and I’m quite proud to say with few exceptions, most of the pro-surfers now a days, most especially the greatest athlete in

the world, Kelly Slater, are not only great athletes but they are great people. Kelly Slater is probably the greatest role-model in sports now for any young girl or boy growing up. So I'm very proud of the small role I played in the early days of the sport and getting it going.

One of the historically controversial issues in regulating (or not) surfing has been related the use of drugs by sponsored athletes. Hemmings was also an early, and quite vocal proponent of drug-free surfing. This was a very different view of surfing than the norms and meanings of surfing that flowed out of the anti-establishment sentiment of the 1960s and 1970s. It was met with a lot of resistance when he first brought it forward as a major issue in the 1980s. However, as surfing has since made increased its regulating efforts, with the hopes of becoming a more legitimate sport, and the Association of Surfing Professionals (ASP), the current organization running the surfing's world tour, recently announced that drug testing would begin for its athletes in 2012. According to Wilson (2012), "the new ASP Anti-Doping Policy will bring professional surfing into line with other international sporting bodies by involving standards prescribed by the World Anti-Doping Agency (WADA) Code and Prohibited List with any testing performed implemented at International Standards." This effort to regulate surfing is reflective of the changes in the norms associated with surfing during this market recontextualization phase. Although surfing was once largely associated with counter-culture, anti-establishment and rebellion, in this recontextualization phase a different set of meanings emerged – many of which return to its community-centered origins.

*Reconnecting.* One of the main ways that surfing has returned to its communal roots and "reconnected" with local as well as global communities is through the development and support of a growing number of philanthropic organizations centered on surfing. According to Tom Bauer, founder of a humanitarian organization called Surfing

the Nations (STN),

Surfers are an untapped resource to give back, and I'm capitalizing 'GIVE BACK' to the communities locally and internationally, they're an untapped resource...[Surfers] will go they'll go anywhere, they'll sleep anywhere, they already have in their DNA travel, and they hang out with people so they're in villages and their primarily going to poor remote places. So they're this incredible breed of people that in their DNA, so it is a subculture, you know so then what's happened now.

His view is one of many who draw on surfing in practices aimed at (re)connecting surfers with the broader communities within which they are part. Interestingly, Bauer made the connection between surfers giving back to communities and surfing's communal origins in ancient Hawaii. According to Bauer, the goal of STN is to "go to all the surfable nations and to introduce surfing into the culture for the purpose of showing the good side of surfing." In STN's documentary about introducing surfing to Bangladesh, *Gum for my Boat*, one of the volunteers talks about how surfing can help to develop the economy of this impoverished area:

We believe that surfing is going to provide jobs for these guys. We believe that is going to be just as effective as being a rickshaw driver. They can rent out surfboards for really cheap and they can rent out bodyboards and the tourists are gonna love it.

In the movie, Bauer adds,

These kids all of a sudden they're beginning to think, they're going oh, we can start surf lessons, we can start swim lessons, we can rent boards, so all of a sudden there's this excitement to be able to further their cause so they can live a good life here in Bangladesh

In this way, the market of surfing is becoming recontextualized through the efforts of surfers to connect with its now global (and other local) communities. However, these global connections contribute to more than economic development, and surfers are committed to increasing world peace as well. In 2007, Kelly Slater, who is recognized as the world's best surfer, went to Tel Aviv, Israel to teach the locals how to surf and

promote peace with an organization called “Surfing for Peace” (Surfermag.com).

Although increasing efforts are being made to contribute to surfing’s global community, surfers have been well known to give back to their local communities as well. This effort is particularly evident in Hawaii, with ample access to waves and a plethora of talented surfers. However, reconnecting with local Hawaiian communities is not limited to charitable causes, and there is also an effort to reconnect the global surfing community with its Hawaiian roots as well.

### *Representation Practices*

The recontextualization of the market surrounding the practice of surfing has been greatly impacted by the cultural changes in American history since the 1960s as well as the spread of the practice of surfing across different cultures and countries. The growth of surfing, driven by changes in resource-integration practices and efforts to reconnect with broader cultural contexts (e.g., local and global communities) has influenced the meanings of surfing and how surfers are remembering and remaking their cultural context. In addition to resource-integration and normalization practices, several representation practices were particularly prevalent during this phase, and have had an important role in the recontextualization of surfing as a market culture. These practices include preserving – practices such as milestoneing and badging (Schau et al. 2009), which distinguish major events, people and places in surfing history and symbolize them; reviving – practices that bring back former practices and resources; and re-defining – practices that re-introduce or re-interpret surfing in or as a different context. As with the other practices discussed above, it is not that these practices only occurred in this phase of market recontextualization – they undoubtedly can be found in prior phases. However,

preserving, reviving, and re-defining emerged as the prevailing practices during this phase that contributed to reshaping the structure – rules and resources (Giddens 1984) – of surfing.

*Preserving.* One of the main distinguishing practices, that separates the market recontextualization phase from earlier phases are increasing efforts toward preserving the history of surfing. These preserving practices are enacted in multiple ways – from collecting, writing and recording historical accounts of the origins and progressions of surfing, to collecting and displaying surfing memorabilia both for personal use and public display, and to recognizing important people and places in surfing history. This research draws on a number of written and recorded historical narratives regarding surfing’s rich cultural history. The viewpoints of these narratives include early drawings and photographs of explorers and missionaries, an anthology of surf-writing, a collection of articles in native Hawaiian language that discuss surfing during its decontextualization phase, general overviews of the history of surfing, surfboards and surfing culture, and personal accounts, memoirs and auto/biographies of renowned surfers and other members of surfing culture. In addition, there have been a number of museums and foundations established to preserve and promote surfing as a sport. However, somewhat ironically, surfers from Hawaii have not been heavily involved in preserving and promoting surfing and its Hawaiian origins. According to former Hawaii State Senator Fred Hemmings,

We founded pro-surfing here in Hawaii, we started the world’s first pro-surfing circuit, but since then, because of problems here in Hawaii, surfing [in Hawaii] has lost its leadership role...pro surfing is now headquartered in Australia, the major amateur association is in California...I was asked by some world surfing leaders to introduce legislation to create a, this last legislative session I was in, 2010, to create a surfing reserves. And the bill went through everything, but [because of some opposition from the local community] we ended up with the just say no syndrome that Hawaii has...

so I got the governor to make an executive order, but it lost its luster and the whole world, the surfing world kinda laughed at Hawaii. So it really is, in spite of all the greatness of surfing that originally emanated from Hawaii, we've lost the leadership position in the world of surfing. And it's our fault. So that's my strife.

The findings of this study reveal that the global market of surfing is indeed rooted in an ancient cultural practice. Although historical records suggest that surfing took place at other areas of Polynesia prior to the discovery of the Hawaiian Islands, it is clear that the contextualization of surfing into a market culture is based on how surfing was practiced in Hawaii and the cultural context within in which it was originally embedded. Although Hawaii is often recognized as the “heart” of surfing, efforts to preserve the history of surfing in Hawaii are relatively recent. Furthermore, local resistances to preserving surfing in Hawaii may limit the global recognition of Hawaii as the birthplace of surfing. However, one practice that may help to preserve the history of surfing in Hawaii, is the practice of *reviving*, which is bringing back historical aspects of surfing culture – especially practices and resources – into surfing's current cultural context.

*Reviving.* Although the shortboard revolution essentially wiped out the market for longer, nose-riding boards in the late 1960s, longboards made a comeback in the surfing market around the 1980s in the form of the “modern longboard.” Dennis Pang recalls,

I think in the early 80s, the longboard thing, the modern-longboard thing came because guys were getting older and you know, they couldn't ride a shortboard and they couldn't paddle a shortboard you know. And um the guys that started surfing in the early 80s, most of um started in the longboard era, so they wanted to get a board they could paddle and catch waves, and easier for them, they're not struggling you know, they're mid-30s, 40s, 50s, you know they're not surfing every day, they've moved on from surfing every day to a career and so, they started making longboards for those kinda guys, with today's material and making the boards light and maneuverable, not the big heavy cumbersome longboards of the past. And it was fun, you know you could surf it like a surfboard not just ride it like a longboard, that's when it started to happen. And then they started having longboard events and it kind of took off from there. [Ben] Aipa and

[Donald] Takayama were probably responsible for the resurgence of the longboards but in the modern form.

Along with the return of the longboard came the return of nose riding as well.

Although the introduction of the shortboard focused on surfing across the wave and in the “curl,” the practice of nose riding eventually returned. Ernie Maxilom, a former surfshop manager, discusses his role in reviving nose riding in Hawaii in the 1990s and starting the first modern longboard nose-riding contest, with the help of Donald Takayama, in 1995,

Ernie: I really feel me and [my friend] had a big part in making the round-nose boards [in Hawaii] you know, because we went to California to go look for boards to buy and in California all the boards had round noses. Then we came back to Hawaii and all the Hawaii boards had pointed noses. We thought, oh pointed-nose longboard looks ugly, I mean in California [the big thing] was to noseride.

Interviewer: So noseriding in Hawaii originated out of California?

Ernie: Yea, it was back from 1966 and Donald Takayama was part of it, he was actually entered in the original noseriding contest, so there is a lot of history behind what we did. We went to California...and we bring [a nose-riding longboard] back to Hawaii and then that's when our contest format started. We took the dimensions off of that board because that board was painted black in the front and then the board. So where the black was painted, is where people had to walk and hang ten.

Interviewer: So was anyone noseriding in Hawaii before you started your contest?

Ernie: Here in Hawaii? No! Nobody! The noses of the boards were like this too [making a point with his two hands].

Interviewer: So you had to get specially made boards?

Ernie: That's where me and [and my friend] had the most fun! We were designing boards for [a surfshop] with round noses! ... back then me and [and my friend] could actually design our own boards that we would carry. All the boards, we would write up a design sheet for it. We want this, we want that, and then we wanted them to make up round. So I think that's where a big part of it started, cause the main shaper back then was Ben Aipa and then he was like noseriding boards are ugly according to Hawaii's type. We were like, this is where it's at you know! So one thing led to another, first we made round, round, had some pointed and then all of a sudden, I look at our shop over here [pointing to his former surfshop].



We would carry 40 longboards yea, all of them are round. And it was a trip, it was a trip.

The revival of nose riding in Hawaii in the 1990s contributes to the recontextualization of surfing by bringing back a “forgotten” practice as well as the norms and meanings associated with which it is associated. Although the shortboard revolution triggered the recontextualization of the surfing market, practices such as reconnecting, reviving and re-defining (see section below) brought the communal aspects of surfing back to the forefront of surfing culture.

*Re-defining.* In 1994 Bruce Brown produced *Endless Summer II*, the sequel to his original monumental movie, *Endless Summer* (discussed in the Market Contextualization phase above). At the beginning of his movie he spotlights how much the practice of surfing has spread since the making of his first film.

When I made my last film in 1964 there were only four countries in the world where people surfed. Today surfers are riding waves in virtually every country in the world that has a coastline, and on almost every island in every ocean. If you went searching for your perfect wave and went to every spot in every country where people now surf and stayed one day you'd be gone for 50 years.

There is certainly evidence of the recontextualization of the surfing market in Hawaii and California from the late 1960s. However, the most significant recontextualization of surfing is the shift to a global market culture. Although the discovery of surfing and its initial market contextualization phase included the movement of surfing into “international” contexts, the globalization of surfing – and the re-defining of surfing all over the world – is a much more dominant factor in the recontextualization of the surfing market. It is important to note that the re-defining practice is more than the transporting (see Market Contextualization phase) of surfing to different places. It involves the re-interpretation of surfing to adapt to and integrate with the norms and

meanings of a particular area. In addition, as re-inventing practices took place during this time and new practices and resources were added to surfing, the boundaries of what surfing is and is not became refined and redefined. Thus, re-defining requires a purposeful effort or value proposing practices on the part of the party that is introducing the practice of surfing to a particular area or a new way of engaging in surfing.

With regard to redefining surfing around the globe, *Surfing the Nation's* (STN) documentary, *Gum for My Boat*, tells a true story about how the first surfer in Bangladesh, Jafar, bought a surfboard from an Australian visitor and was the first and only person to surf in Bangladesh for 10 years before STN visited the area. In the film, Pro-surfer Kahana Kalama journeys with STN to Bangladesh to teach the natives how to surf. He explains,

When Jafar bought his surfboard he had no idea that you were even supposed to stand up, he thought you were supposed to ride that thing on your stomach all the way to the beach. It wasn't until he saw it on TV that he realized that you're supposed to stand up...Jafar sent Tom [Bauer] an email that said, "Hey Tom, I need gum for my boat." What he was actually saying was I need some wax for my surfboard...but it just goes to show how bizarre the idea of surfing is over there, that they would call a surfboard a boat and wax gum.

This passage sheds light on what can happen if resources (such as surfboards) are transported to a different context without any guidance as to how to enact the practice with which it is associated. In addition to establishing opportunities for developing a market for surfing in poor nations, STN is also influencing the broader cultural context by bringing surfing to areas like Bangladesh. In my interview with Tom Bauer, Tom talked a lot about how the introduction of surfing is influencing cultural norms in less privileged or impoverished countries that limit human well-being.

We were in Qatar and so when we were there they had like a wave pool, you know a wave machine, and so there was kids coming from Saudi

Arabia across the border and they were bodyboarding in this stand up wave. And to my amazement they have a thing called burqini, so it's a woman's burqa, but they call it a burqini so it's actually, I think it's made by Billabong, you know and it's like a rashguard material to introduce or to allow Muslim women the opportunity to surf. So from a surfing marketing point of view you got the whole Muslim world that wants to surf because in Islam, basically they don't go out, you know past the break, like in the movie [Gum for my Boat], so you got millions you know all these coastal places that the water has been taboo, now we're breaking the taboo.

In this statement Tom is referring to the cultural taboos that limit people from going out into the ocean past a certain point. In *Gum for my Boat*, Kahana elaborates,

The ocean is really a foreign thing. Unless you're a fisherman you really never ventured out past like knee deep of water. So to have a handful of kids all like breaking that cultural barrier of just staying on the beach and actually getting out in the ocean is crazy. I mean these kids couldn't even swim and they're surfing.

Kahana also talks about how different the practice of surfing itself is in this area and how the "rules" or norms of surfing don't seem to apply there.

They're dropping in on each other they're taking late drops and falling, they're breaking every single rule in surfing etiquette ever and no one seems to care cause all they're doing is just having a blast. At the end of the day they're just a regular group of kids you know, like a surf club they share boards and just hang out with each other and the crazy thing about it is it exists in a place that has no idea what surfing is.

This may seem like an extreme example of the re-definition of surfing in a different cultural context, however similar stories have been told about multiple surfing areas around the world – Japan, Taiwan and Finland, to name a few. As surfers re-define the practice and market of surfing across multiple cultures, around the world, surfing takes on new norms and meanings. Although the market for surfing may be "declining" in some respects, as noted by several interviewees, the central act of riding a board across the face of a breaking wave is being reproduced and recombined in different ways. This often occurs with different cultures, but can also be seen as the practice of surfing and the

market culture that frames it becomes re-invented and re-defined. According to surf journalist, Sam George, “Longboard, shortboard, bodyboard, bodysurf, tandem, towboard, kayak, surfski – doesn’t matter, if it’s not what they’re riding, you’re not welcome...Surfers can work up hate for just about every variation of their own kind” (supthemag.com, 10-21-2012). Because the surfing is continually being redefined, the market culture of surfing continues to be recontextualized in new and innovative ways.

### *Structures of Reproduction and Recombination*

The “shortboard revolution,” was the first and arguably most drastic movement away from the norms and standards that were developed during surfing’s market contextualization phase. According to Moser (2008, p. 191), Bob “McTavish’s description of this new surfing – ‘to place yourself in a critical position, under, in, over, and around the curl, quite often in contact with it’ – essentially serves as the core of pro surfing judging criteria today.” In other words, since this major “revolution,” it seems that the practice of surfing, and the way in which it is formally regulated or judged has largely remained the same. Thus, it seems that throughout this time frame, the practice of surfing remained centered on maneuvering on a wave and getting as close as possible inside the “curl” or “barrel.”

Thus, it is clear that through this market recontextualization phase, the practice of surfing has been reproduced, so much so that it seems that, until recent years, changes in the practice of surfing have been minimal. However, this statement or suggestion that the main purpose of surfing is riding “inside the curl” or the center of a barreling wave, ignores a number of other ways in which surfers not only enjoy, but are also formally judged in wave-riding. As mentioned, although the shortboard revolution essentially

wiped out longboards and nose riding during the late 1960s, the revival of the modern longboard and the practice, as well as competitions, of surfing centered on noseriding suggests that there are other ways that people enjoy surfing today.

Since the shortboard revolution, surfing has been recontextualized in a number of ways, including changes in practices and resources as well as norms and meanings. In many ways it is the reproduction of surfing that enabled its recombination with a number of other contexts. That is, in order for a practice or resource to be recombined it must first be made accessible to a wider population. In general, making things more accessible requires the ability to unbundle and rebundle the necessary ingredients (Normann 2001). For surfing, accessibility increased as replicating, automating and micro-specializing practices were enacted. In particular, micro-specialization in surfing contributed to the separation between the production of surfboards and the use of surfboards – to the point where those who make surfboards today, particularly in offshore factories, may not even have any idea what they are used for. Although this situation appears problematic for the surfing market, it is not unexpected. According to a blog written by Surfboard manufacturer and Strategy Professor Jim Richardson,

The shifting of production to low-cost countries is a well-understood phenomenon. When labor costs are a significant share of product cost, and the manufacturing technology is easy to transfer, the allure of low-wage countries is overwhelming. Surfboard manufacturing has both—high labor content and simple technology. What is surprising is that this didn't happen sooner. The possibility of making boards in Asia or Mexico was available decades ago, and companies surely knew of that option, but it didn't happen. Market acceptance was the reason. (Posted on Surflines.com 8/8/2010)

Based on this statement, the real question with surfing is not “Why did automating and micro-specializing enter the surfing market?” After all, based on the

general progression of technology in general, the move toward automation and micro-specialization seems inevitable. Rather, the real question is “Why did it take so long?” One argument could be that surfers were too sophisticated to “buy” into strange inventions. Kampion (2003, p. 88) explains that a number of inventions coming out of the 1960s failed because of the sophistication of surfers,

As the surf market grew, so did the industry, and by 1962 the sport had its own trade show – the Surf-O-Rama, held at the Santa Monica Civic Auditorium. Surfboard builders were experimenting with new manufacturing techniques to increase production and efficiency. Using molds, shaping machines, chopped-glass appliers, and other techniques, mass produced surfboards (“pop-outs”) began to appear in the market, and though no real surfer would be caught dead with one, many novices didn’t know the difference. But the market was surprisingly sophisticated (thanks to the magazines), and the pop-out companies quickly failed. So did the intrepid soul who developed and marketed a motorized surfboard – one of sever ‘60s gimmicks that were doomed to the trash heap (or the museum of curiosities) from the moment of invention.

It is interesting to note that Kampion makes a direct connection between customer sophistication and the information provided by magazines. In addition, Richardson also comments on the important role of the media in developing more “sophisticated” or knowledgeable customers.

The surf media has an important role in creating a more sophisticated and demanding group of surfer/customers who are open to innovation. Seeing it in print still conveys greater objectivity and credibility. Local surfboard makers need the media to communicate and inform surfers about innovations and the potential advantages of locally made and custom boards. Surfboard makers can advertise of course, if they can afford it (most cannot). But far more effective are articles that inform us about innovations and compare technologies and products. Informative articles that deepen our understanding about these things are far too rare in the surf media. The level of technical communication in the surf media is pretty superficial. (Posted 10/16/2010)

However, Richardson also suggests that resistance to change in surfing is most closely related to relationships as well as norms and standards, or market acceptance:

Surfing is an unusual sport. Surfers were used to getting hand-crafted, often custom-made, boards from board makers they knew. Many surfers had a relationship with their shaper and the board they made especially for you really did make surfing more fun... So serious surfers wouldn't even consider buying a mass produced board from a factory in China. How could it possibly have the latest fine-tuned shape and glass job? How could it possibly be as much fun to ride? And the serious surfers seem to influence everyone else to buy local as well.

So, what happened? What changed? Well, the simple answer is market acceptance. A growing share of surfers will buy a mass produced board from Asia or Mexico, and be satisfied. (Posted on Surflines.com 8/8/2010)

In this current phase of market recontextualization, it seems that surfing is at a crossroad. It is being pulled toward becoming a main-stream sport, such as tennis or basketball, by way of regulation (e.g., drug testing) and integration with other, more main-stream brands (e.g., co-branding of Quiksilver with NFL teams on boardshorts). However, surfing is also rediscovering its communal roots and central experiential appeal in places like Bangladesh and Qatar. Thus, this recontextualization phase is dominated by structures of reproduction and recombination because it is driven by practices that both replicate and reinvent surfing on a variety of different levels – micro, meso and macro. Surfing is at a critical point regarding the health and longevity of the sport. According to Richardson, in order for surfing to survive and thrive in this innovative environment, the market requires 1) innovative companies, 2) sophisticated and demanding customers and 3) communication between them. In other words, the surfing market requires active and fruitful participation and collaboration (value co-creation) from multiple stakeholders in order to survive and thrive in the years ahead.

## **Discussion**

This study of the (re)contextualization of surfing as a global market culture provides insight to the value co-creation practices that drive changes in structure and contribute to

the formation of markets. The findings presented above provide insight to several important areas of marketing and related research. First, the three phases identified above (practice decontextualization, market contextualization and market recontextualization) suggest that market cultures are formed through the decontextualization of a practice from a former, often broader, cultural context. That is, market cultures are formed out of community practices. This extends the work of Schau et al. (2009) by suggesting that the value-creating practices they identified within brand communities can also be found in broader subculture, and, perhaps more importantly, appear to change over time.

It is important to note that the time component studied here, does not reflect a linear evolution of markets or market cultures. In other words, the shifts from practice decontextualization to market contextualization and recontextualization is not inevitable. Rather, these findings suggest that time is one of many variables that contribute to changes in the contextualization or recontextualization of markets. As evidenced in the case of surfing, the practices that emerge from one cultural context are interrelated with the structure – rules and resources – associated with the context from which it came. In surfing, the original ancient Hawaiian cultural context was foundational in the contextualization of surfing as a market. The formative years of the surfing market established a structure for surfing, which was never completely abandoned the original cultural context, even during the revolutionary years. These findings suggest that the multiplicity of market structures is both enabled and restricted by the initial contextualization of a market. In other words, the formative years of any market can be critical for establishing a foundational structure with which other contexts can be integrated or new contexts can be generated from.



The second important take-away from this research is that practices overlap and influence each other (Schau et al. 2009), and can be separated and recombined with other practices. Thus, sometimes it is the combination of practices that contributes to the contextualization or recontextualization of a market culture, not necessarily a change in a particular practice by itself. For example, the practice of fishing and providing fish to others can be considered a service in any of the three phases. However, when providing the service of fishing is combined with the practice of value-proposing, then the practice exchanging also occurs and the context begins to shift from a community-centered structure to a market-centered structure. Furthermore, if the practice of automating or micro-specializing is added to the practice of fishing, the practice of fishing may take on a completely different aspect, such raising fish in farms rather than catching them in the open ocean. Thus, although these findings identify different practices associated with different phases of the (re)contextualization of surfing culture, the specific practices themselves are overlapping and often unbundled and rebundled (Normann 2001) in different phases.

The third lesson to learn from the findings of this research, which is in large part related to the first two, is the strength of institutions. The initial resistance toward shortboards and the style of surfing promoted by the Australians, was an outcome of the institutionalization that took place during surfing's market contextualization phase. The norms and standards that established surfing's foundational market institutions or "rules of the game" (Williamson 2000) included how the practice of surfing was enacted (e.g., nose riding) and the types of boards (e.g., longboards) constituted a resource. However, this institution had deeper roots in the practices and resources relied on by ancient

Hawaiians. Although the shortboard revolution indicates that major changes in structure can be made (Sewell 1992), the resistance toward change in the late 1960s and the lack of change in the practice of surfing since that time highlights the strength of structure (Bourdieu 1980), as well as those who had influence or power (Giddens 1984) in shaping the structure of surfing culture at that time. Ultimately, this suggests that knowledge about what works and how it works, what is and is not useful, how to surf and how not to surf, is largely a product of contextualization – what we are socialized to think and believe.

The fourth major finding, which is closely related to the influence of structure, is the idea that when major shifts in structure do occur, they often require changes in practices within a particular market culture as well as the influence of external or exogenous events as well. What seems to be required for major change to take place is a “perfect” storm of changes at micro-, meso- and macro- levels of context. That is, individual actors need to be doing things differently (e.g., improving, innovating, reinventing), there needs to be a change in relationships (e.g., sharing to exchange or the rapid increase in online connectivity), and there needs to be a shift in commitment to a particular ethos or set of values (e.g., anti-establishment, anti-war sentiment). It seems that when major changes are taking place at multiple levels, a shift in the cultural context is inevitable. This can occur when major changes in a particular context are taking place (e.g., American in the 1960s), but it can also occur when new micro-level practices form new meso-level relationships and bring in new macro-level meanings (e.g., STN introducing surfing to Bangladesh). Along these lines, it is also important to reiterate that all meso-level market cultures are subcultures in other, macro-level cultures. Because

macro-level cultures are based on micro-level practices, meso-level contexts, such as market cultures, are bounded to other macro- and micro-, as well as meso-level actions and interactions (Chandler and Vargo 2011).

Finally, in line with the paragraphs above, these findings have important implications for globalization. The multiplicity of structure is clearly an important factor in studying global contexts (Appadurai 1990). In fact, the five scapes – mediascapes, finanscapes, technoscapes, ideoscapes, and ethnocapes – proposed by Appadurai (1990) were clearly influential in the market (re)contextualization and globalization of surfing. The globalization literature provides insight on the movement of structures and how the multiplicity of structures is composed of both commonalities and differences (Wilk 1995). However, less attention is paid toward the systems of individual actors, the practices in which they engage and the relationships they forge overseas. The history of surfing is just as much a story of globalization as it is of market (re)contextualization. However, by overlooking the actors and their actions a lot of understanding is lost for how structures move across and interact with other larger and smaller structures. The historical analysis conducted above would have been much less informative if the important names and events were overlooked and attention had only been paid to the structures that transitioned over time. It was by looking at the practices of individuals and groups of individuals – systems (Giddens 1984) that a deeper understanding of structural change came about.

## **Conclusion**

The discussion of these events in surfing history only scratches the surface of the culturally rich and multifaceted nature of surfing. However, the findings presented above

provide insight to how the value co-creation – resource-integration, normalization and representation – practices among multiple stakeholders contribute to the creation and re-creation of resources, norms and meanings, or the recontextualization of market culture. By drawing on structuration theory as a way for weaving together the fabric of surfing history, the findings of this research suggest that as value co-creation practices are recombined with other practices, the community surrounding surfing, the social structure and system of surfing are reproduced across time and space.

It is important to note that the review of the practices and social structures associated with surfing history point toward a dynamic, recursive history, rather than a linear evolution or continual progression. Thus, the practices and structures identified as the dominant components of a particular context or time period are not confined to that phase. Furthermore, the history of surfing and formation of surfing as a global market culture have been largely dependent on particular actors who were resourceful, innovative and passionate about surfing. Although it is outside the scope of this paper to provide a full discussion of those who contributed to the formation and reformation of surfing, it is clear that actors and the roles they play(ed) are central to the transformation of surfing as an ancient cultural practice to a global market culture. The changes in surfing culture could not be explained without acknowledging the particular actors who contributed to those changes.

One of the major limitations of this study is that there are undoubtedly a number of practices or perspectives left out of this study of value co-creation. Although judicious effort has been made to include a variety of viewpoints and classify a comprehensive list practices, there are certainly many viewpoints and contributions are still unstudied or

unreported here. Moreover, the extended historical analysis made it difficult to adequately describe particular phases of surfing culture and the rich cultural nuances that developed and changed during each time period. Because the emphasis of this paper was to identify the changes in practices and structure as a local, ethnic practice transitioned to a global market culture, many of the more local norms and meanings were overlooked. Further research into the cultural contexts associated with particular times and/or places or specific components (e.g., language) of cultural context, and how they change over time, will provide richer insights to the multiplicity and dynamics of the practices and structures of surfing and the recontextualization of a global market culture.

Perhaps the most striking limitation of this study is the lack of discussion on the driver of value co-creation and market (re)contextualization – experiential value. It seems that a study on surfing and, arguably value co-creation, cannot be complete without addressing the question “why?” For surfers it’s simple. Based on my historical analysis, my interviews, and my own personal experience, people surf today for the same reasons they surfed hundreds of years ago. According to Clark (2011, p. 14), “Surfing was a way of life, a vital part of their everyday lives, one just as important as any other. Modern surfers call it “surf fever” or “surf stoke,” but whatever the name, it is a way of life that centers on the love of surfing, and it is a way of life that called to traditional Hawaiian surfers just as it calls to surfers today.” Although today’s global market culture of surfing is composed with a multitude of practices, resources, norms and meanings, the essential experiential element of surfing, from which relationships and resources are formed, remains the same – it’s all about the ride.

**ESSAY 3**

**FROM SEGMENTATION TO (RE)CONTEXTUALIZATION:  
A VALUE CO-CREATION APPROACH FOR IDENTIFYING MARKETS**

## **From Segmentation to (Re)Contextualization: A Value Co-creation Approach for Identifying Markets**

### **Introduction**

The identification of distinct markets is important to marketing because it enables the coordination of heterogeneous resources and demand (Hunt and Arnett 2004). However, market identification has been largely conducted through segmentation research and strategies, which focus on segmenting, targeting and “marketing to” customers. These conventional approaches to segmentation are based on a traditional view of markets, which assumes that markets are pre-existing and customers are passive participants in value creation (Lusch and Webster 2011). Furthermore, recent research in segmentation suggests that, “the context dependent nature of segmentation” and “dynamic interaction between products, customers and the marketplace” often limit the effectiveness of this strategic approach (Palmer and Miller 2004, p. 779). Thus, an alternative approach to identifying markets is needed, which accounts for the dynamic aspects of markets and the context-specific and interdependent nature of value creation.

Recent research on the formation (e.g., Humphreys 2010a) and “performativity” (Kjellberg and Helgesson 2007) of markets suggests that markets are interactive social systems that continually (re)form through interactions among multiple stakeholders (Vargo and Lusch 2011a). This dynamic view of markets aligns with a growing body of literature focused on the study of value co-creation, or the processes by which value is created through interaction and derived and determined in context (Chandler and Vargo 2011; Edvardsson, Tronvoll and Gruber 2010; Vargo, Maglio and Akaka 2008). This view on collaboratively and contextually created value is a central feature in the transition toward a service-dominant (S-D) logic for marketing (Vargo and Lusch 2004;

2008; Lusch and Webster 2011). The ongoing evolution of S-D logic and growth of research in this area (see Vargo et al. 2010) has contributed to a deeper understanding of value co-creation, which emphasizes the contextual nature of value, *value-in-context*, as well as the *contextualization*, or social construction, of the context through which value is created (e.g., Akaka et al. 2012; Chandler and Vargo 2011; Edvardsson et al. 2010).

Growing attention toward the concepts of value co-creation and value-in-context represents an important shift from thinking about “marketing to” to “marketing with” customers, which is currently taking place in the marketing discipline (Lusch and Vargo 2006). To contribute to the movement toward “marketing with” customers, this research provides an alternative, value co-creation, approach to identifying markets, by focusing on contextual differences and considering dynamic interactions among various stakeholders. Importantly, Chandler and Vargo (2011) argue that “the dynamic and living fluidity of markets is framed, or formed, because of context...contexts give markets form and function in time and space, whereas markets themselves transcend time and space...” In general, this research provides a model for *framing*, rather than *segmenting*, markets that can potentially guide firms in their efforts to contribute to value co-creation and the (re)contextualization, or social construction (Chandler and Vargo 2011; Edvardsson et al. 2011), of new and emerging markets.

The purpose of this research is to propose and test a model, based on value co-creation and value-in-context, that can be used for identifying and potentially (re)contextualizing markets. The proposed model is developed from a conceptualization of markets as cultures, or *market cultures*, (Abolafia 1998; Penaloza and Mish 2011) and the consideration of how multiple components of cultural context – practices, resources,



norms and meanings – constitute markets. The conceptual framework for market culture is grounded in two bodies of literature in marketing that center on the study of collaboratively created value – S-D logic and consumer culture theory (CCT) (Arnould and Thompson 2005). S-D logic and CCT have been recognized as “natural allies” (Arnould 2007) for the conceptualization of value co-creation and the study of multiple levels of value in markets (Penaloza and Mish 2011). In particular, both S-D logic and CCT draw attention toward the contextual nature of value and emphasize the way in which dynamic interactions drive value co-creation and the contextualization of markets, or market cultures.

The intersection of these research streams establishes a framework for studying cultural contexts, which can potentially guide managers in their efforts to contribute to the contextualization, or social construction, of the cultural contexts that frame value co-creation and exchange (i.e., markets). Essentially, rather than segmenting customers, as is done in traditional segmentation approaches, this framework focuses on identifying differences in contexts that frame markets. In particular, this cultural context framework can be used to identify practices, resources, norms and meanings associated with particular groups of people, which can help to discover, as well as develop, new and emerging markets. This research contributes to marketing theory and practice because it moves the identification of markets beyond a customer-centric, static view of exchange relationships, to a context-oriented, dynamic view of value co-creation, and contributes to developing a “stakeholder-unifying, cocreation philosophy for marketing” (Lusch and Webster 2011). Within this value co-creation viewpoint, the central question of market identification shifts from “How can firms segment customers and target (position

themselves for) existing markets?” to “How can firms identify cultural contexts that frame markets, and contribute to the co-creation of value and (re)contextualization of new markets?”

This paper is organized in the following manner. First, existing literature on segmentation, which focuses on identifying differences among customers in pre-existing markets, is discussed and contrasted with a value co-creation approach to identifying markets. This view focuses on the identification of differences in cultural context and the (re)contextualization of markets. Second, the multi-method approach to this research is presented, which describes the processes by which qualitative and quantitative methods are used to identify differences across cultural contexts – practices, resources, norms and meanings – of an emerging market and the market culture from which it emerged. The findings of the qualitative analysis are presented to establish expectations of significant differences across cultural contexts, which are tested in the quantitative analysis that follows. Then, the findings of the quantitative analysis are presented and discussed. This paper concludes with a discussion of important implications and suggestions for furthering this research.

### **Segmentation vs. (Re)Contextualization: “Marketing To” vs. “Marketing With”**

The study and practice of segmentation reflects a critical shift in marketing from focusing on production and manufacturing to focusing on understanding differences in customers and their preferences (Lusch and Webster 2011). Smith (1956) discusses how the movement from strategic emphases on product differentiation to segmentation reflects the recognition of imperfect, rather than perfect, market competition and a change in focus from product supply to customer demand. He argues that strategies centered on product

differentiation are “concerned with the bending of demand to the will of supply” and those that focus on segmentation represent “a rational and more precise adjustment of product and marketing effort to consumer or user requirements” (p. 5). This shift toward a customer-orientation in marketing is reflected by a change in focus from value-in-exchange (e.g., measured by price) to value-in-use (e.g., determined through the use of an offering) (Lusch and Webster 2011).

However, a more recent transition in the underlying logic of marketing, toward an S-D logic, further broadens the view of exchange relationships beyond the dyad of a firm and customer, to consider systems of interconnected and dynamic stakeholders (e.g., Chandler and Vargo 2011; Vargo and Lusch 2011). This view is articulated in recent developments in the concept of value co-creation (e.g., Akaka et al. 2012) and the shift from “marketing to” to “marketing with” customers (Lusch and Vargo 2006; Lusch and Webster 2011). In general, I argue that this view of value co-creation provides an alternative, more dynamic framework for identifying markets because it shifts the focus away from segmenting *customers* to demarcating *contexts*, and from *targeting* to *contextualizing* markets. In the sections below, traditional views on segmentation are compared and contrasted with a value co-creation approach to identifying markets, and a model of cultural context is proposed.

### ***“Marketing To” – Segmenting Customers***

In marketing, segmentation has been largely centered on the study of customer differences and the effort to classify or categorize customers into groups so that firms can position their offerings or develop new offerings to meet heterogeneous demand (Smith 1956; Wind and Bell 2000). As mentioned, market segmentation was introduced as an

alternative approach to the product differentiation strategy in marketing (Smith 1956). Smith (1956) argued for segmentation as a more customer-oriented marketing strategy, which focused on understanding differences in demand and would enable marketers to gain a greater depth of market share. He suggested, “the differentiator seeks to secure a layer of the market cake, whereas one who employs market segmentation strives to secure one or more wedge-shaped pieces” (p. 5). Since the 1960s, the body of literature regarding segmentation has grown extensively and the number of ways to segment customers has multiplied (Wind 2000).

According to Wind (2000), market segments are based on identifying differences among individual as well as industry customers, and include external (socioeconomic, political, technological etc.), organizational (industry type, size, geographic location, etc.), buying centre (size, buying process, relations with suppliers, etc.) and individual (demographic, psychographic, geographic, etc.) segments. It is clear that segmentation of customer characteristics has been extensively studied in marketing literature and a plethora of segmentation variables have been identified (Wind 2000; Yankelovic and Meer 2006). However, the abundance of information readily available about customers makes strategic decision making particularly challenging (Tonks 2009; Yankelovic and Meer 2006). Furthermore, recent research suggests that grouping customers into segments is not enough to inform managers on how to make complex strategic decisions (Bailey et al. 2009; Yankelovich and Meer 2006).

Palmer and Millier (2004) suggest that one of the major reasons the segmentation of customer groups often provides limited insight to managers is because segmenting decisions are context-specific. They argue, “Generalised and prescriptive guidelines may

be inappropriate in specific circumstances and conditions. Simply adding more criteria to reflect the complexity observed does not simplify the task for the manager concerned” (p. 781). Moreover, the authors recognize the interactive relationships between suppliers and buyers, particularly in industrial marketing, and propose that because of the iterative nature of these relationships, “the application of complex, linear and step-by-step guidelines may be inappropriate.” Along the same lines, Yankelovic and Meer (2006, p. 2) argue that “psychographics may capture some truth about real people’s lifestyles, attitudes, self-image, and aspirations, but it is very weak at predicting what any of these people is likely to purchase in any given product category.” This is because customers make different buying decisions based on context, and what might be valuable for one customer at one place and time may be different for the same customer at a different place and/or different time (Akaka and Chandler 2010).

Recent literature regarding segmentation in markets aims to help managers make better decisions about how to segment customers by identifying the more important or relevant variables (Yankelovic and Meer 2006) and applying the most appropriate methods for segmentation (Tonks 2009). In addition, Palmer and Miller (2004) suggest that “managerial intuition” can yield the best results when it comes to making segmenting decisions. Although this work begins to address major managerial concerns with segmenting customers, it is still focused on answering the question “How can customers best be segmented, targeted and *marketed to*?” This view continues to provide limited insight to understanding the multitude of contexts that compose markets and the dynamic interactions among firms, customers and other stakeholders that hinder managers’ abilities to make strategic decisions (Palmer and Miller 2004).

Segmentation continues to play an important role in marketing research and strategy because it helps managers identify differences among customers and make connections between heterogeneous resources and demand (Hunt and Arnett 2004). Current marketing textbooks use segmentation as a major component of the formula prescribed for developing, distributing, pricing and positioning offerings (i.e., the 4Ps) for particular sets of customers (e.g., Kotler and Keller 2009). However, as mentioned, this customer-oriented view of segmentation assumes that markets are pre-existing and treats customers as passive, rather than active, participants in value creation. This view limits the understanding of how interaction influences value creation and how markets form and reform. In the following section, I propose an alternative approach to identifying markets, based on value co-creation, which contributes to the shift in marketing from “marketing to” to “marketing with” customers by considering interactions among multiple stakeholders and providing a means for framing and (re)contextualizing, rather than segmenting and targeting, markets.

### ***“Marketing With” – (Re)contextualizing Markets***

Although the introduction of the marketing concept and segmentation has drawn attention toward the needs of customers, this emphasis maintains a distinction between firms as “producers” or “creators” of value and customers as “consumers” or “destroyers” of value (Normann 2001). Thus, even this customer-oriented perspective continues to limit the understanding of markets and marketing because it assumes that customers are passive participants in value creation, which are segmented, targeted and “marketed to” (Lusch and Vargo 2006; Lusch and Webster 2011). According to Yankelovich and Meer (2006, p. 2, emphasis added), the purpose of segmentation is for managers to “identify

the groups most worth pursuing” and to “tell companies what products to place before the most *susceptible* consumers.” This is not to say that traditional methods for segmenting customer differences are not important; they are. Identifying differences among customer groups can help managers classify potential users of their value propositions. However, because the value derived through the use of a value proposition varies by context (Vargo et al. 2008), merely identifying differences among customers limits the understanding of the contexts through which value is derived and the interactive roles of multiple stakeholders in the co-creation of value.

Value co-creation broadens the scope of value creation beyond the firm and/or the customer and emphasizes the processes by which value is jointly created through the interaction among various firms, customers and other stakeholders. This viewpoint moves the identification of markets away from the segmentation of customer characteristics, toward the demarcation of unique contexts that frame value creation as well as the dynamic social interactions that constitute those contexts (Chandler and Vargo 2011; Edvardsson et al. 2010; Lusch and Webster 2011). In this way, a value co-creation approach may better represent the identification of distinct markets, because it considers the participation and perspectives of all market stakeholders and centers on the context that frames value co-creation and exchange (i.e., markets).

The concept of value co-creation is gaining attention in the marketing literature as customers increasingly take on roles that have been “traditionally” enacted by firms (Akaka and Chandler 2011; Zwick, Bonsu and Darmody 2008). Importantly, value co-creation is also a central feature in the evolution toward an S-D logic (Vargo and Lusch 2004; 2008) for marketing, as well as the research dedicated to the collaborative creation

of value among “consumers” in CCT (Arnould and Thompson 2005). As mentioned, S-D logic and CCT have been recognized as complementary viewpoints that center on the importance of context and interaction in value creation.

In particular, S-D logic posits that value is always co-created by the customer because it is derived and determined through the use of an offering, in a particular context – value-in-context (Vargo et al. 2008). This view of value co-creation is based on the central idea that service – the application of knowledge and skills for the benefit of another – is the basis of all exchange. Within S-D logic, all social and economic actors exchange and integrate resources to create value for themselves and for others. S-D logic’s emphasis on service as the basis of exchange draws attention toward the primacy of *operant resources* – those that are capable of acting on other resources to contribute to value creation – rather than *operand resources* – those that require action taken upon them to be valuable (Constantin and Lusch 1994; Vargo and Lusch 2004). It is important to note that within S-D logic, customers are considered as operant resources that are not only capable of, but are required for, the co-creation of value. Thus, from an S-D logic view, firms cannot create value on their own, they can only propose value and contribute to the creation of value *with* customers (Vargo and Lusch 2004; 2008).

On the other hand, CCT research provides a cultural approach to studying how value is jointly created among “consumers” through their “consumption” practices. This body of literature points toward several dimensions of culture in markets – 1) lived culture (practices), 2) symbolic and material resources (resources), 3) social resources (norms), 4) meaningful ways of life (meanings) (Arnould and Thompson 2005). The study of lived culture centers on how cultures and value are continually co-created



through the practices enacted by groups of consumers (e.g., Schau et al. 2009; Warde 2005). In line with S-D logic's emphasis on dynamic and intangible resources, CCT research investigates how symbolic and material resources contribute to value creation and the social construction of markets (e.g., Venkatesh, Penaloza and Firat 2006), as well as identity (Schau and Gilly 2009). CCT research also emphasizes the importance of social resources, or norms, which guide interactions in cultural groups (Schouten and McAlexander 1995). Finally, CCT studies center on understanding market-related meanings or "systems of meaning that tend to channel and reproduce consumers' thoughts and actions" (Arnould and Thompson 2005, p. 874). These dimensions provide insight to cultural aspects of value creation, and establish a framework for the *cultural context* – practices, resources, norms and meanings – through which value is co-created.

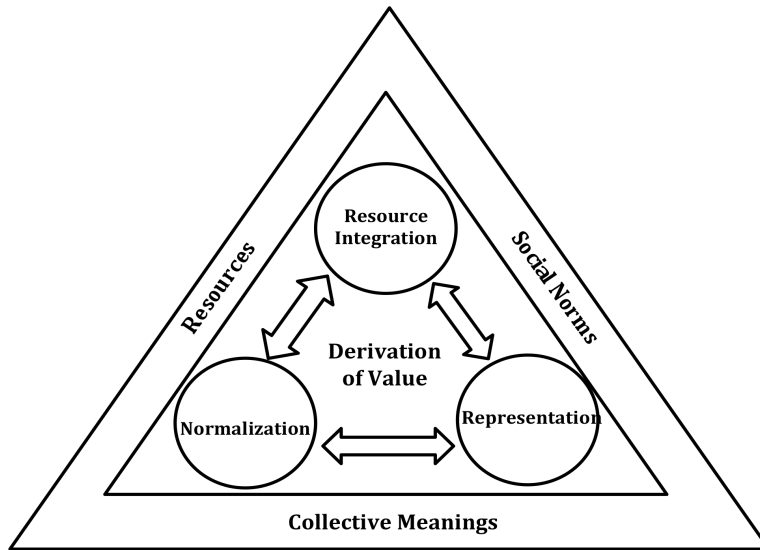
Whereas S-D logic centers on the integration and exchange of dynamic and intangible resources and the co-creation of phenomenological and contextual value (Vargo and Lusch 2008), CCT focuses on the collective production of culture and how heterogeneous practices, resources, norms and meanings contribute to the creation of multiple levels of value in markets (Arnould and Thompson 2005; Penaloza and Mish 2011). Although, S-D logic provides a balanced and more systems-oriented view on value co-creation, research in this area has not yet elaborated the cultural aspects of contextually created value. Alternatively, although CCT emphasizes cultural components in value co-creation, its general focus on the study of "consumers" and their "consumption" activities limits its contributions to the study of markets. Penaloza and Mish (2011) integrate S-D logic and CCT in their study on multiple levels of value and

argue that a market culture theory (MCT) is needed to better integrate the two perspectives and to further the study of collectively created and value in markets.

Based on this intersection of the literature, *market culture* is defined as “a social system that is composed of overlapping, and possibly conflicting, cultural contexts – practices, resources norms and meanings – and exchange-related relationships, which is (re)contextualized through the enactment of practices and intersectinve value co-creation processes among multiple stakeholders.” Schau et al. (2009) make the connection between cultural context and value co-creation more salient with a study on how practices contribute to the creation of collective value in brand communities. The authors find that the enactment of particular practices drive value co-creation across different brand communities, and that each of these practices share a common anatomy that is composed of 1) individual skills and abilities (i.e., resources), 2) general understandings (i.e., norms) and 3) commitment to a particular ethos (i.e., meanings).

In line with this research on practices in markets, Kjellberg and Helgesson (2006) also identify several “market practices,” which include exchange, normalizing and representation practices. The consideration of value co-creation moves the focus of practices in markets beyond “exchange,” to encompass all “resource integration” practices (Akaka and Chandler 2010; Vargo and Akaka 2012), including sharing (Belk 2010), word-of-mouth (Ward and Reingen 1990) and gift-giving (Sherry 1983), as well as those engaged in brand communities (Schau et al. 2009). Figure 3.1 illustrates the way in which value co-creation practices influence and are influenced by the resources, norms and meanings that constitute market cultures.

**Figure 3.1 Derivation of Value in Cultural Context**



In this framework, the enactment of practices associated with value co-creation – resource integration, normalization, and representation practices – draw on and contribute to the symbolic and material resources, social norms and collective meanings that constitute markets. Thus, this model of cultural context – practices, resources, norms and meanings – provides a means for identifying distinct markets, not just customer groups, based on context. It establishes a value co-creation approach for framing markets, which centers on understanding differences (as well as similarities) in contextual aspects of markets and dynamic interactions among multiple stakeholders.

Rather than pointing toward differences across particular customer characteristics, as is done with traditional segmentation methods, this model establishes a means for framing markets that is based on the cultural context through which value is derived. This model can be used to demarcate cultural contexts, which can help managers to identify markets and make decisions about how to contribute to the contextualization of new or emerging markets. Table 3.1 compares the alternative views on market identification and interaction.

**Table 3.1 From Segmentation to (Re)contextualization**

	Segmentation ( <i>Marketing To</i> )	(Re)Contextualization ( <i>Marketing With</i> )
Value as...	Created by firms and “consumed” or “destroyed” by customers	Co-created among firms, customers and other stakeholders
Customers as...	Operand resources	Operant resources
Markets as...	Pre-existing	Continually (re)contextualized
Central research question...	How can firms segment and target (position themselves to) customers?”	How can firms frame markets and contribute to the co-creation of value and (re)contextualization of markets?
Markets defined by...	Customer characteristics, behaviors and preferences	Cultural context – practices, resources, norms and meanings
Goal of identifying markets...	For firms to identify and position themselves to target new or existing customers	For firms to identify and contribute to the contextualization of new or emerging markets

When we make the shift from “marketing to” to “marketing with” and embrace a value co-creation approach to market identification, several things occur. First, we transition from a customer orientation to a stakeholder orientation (Lusch and Webster 2011), which considers the perspectives and practices of firms, customers and others in value co-creation. Second, we consider customers as operant, rather than operand resources. That is, customers are considered as active participants in value creation. Third, we shift from a view of markets as pre-existing, to a view of markets “becoming” (Kjellberg et al. 2011) or continually being (re)contextualized (socially reconstructed) (Chandler and Vargo 2011; Edvardsson et al. 2011).

From this dynamic view of markets, we can then begin to address questions that deal with understanding the complex contexts through which value is created and derived. Rather than segmenting customer characteristics to target existing markets, using the framework proposed above, managers might identify cultural contexts – practices, resources, norms and meanings – and draw on this information to frame, and subsequently guide the contextualization of new or emerging markets. In general, this value co-creation framework offers a broader and more integrative approach to market identification by drawing on a cultural view of markets and focusing on the actions and interactions of multiple stakeholders (marketing with customers) in markets (Lusch and Vargo 2006). This model of cultural context can help managers better understand the complex contexts and dynamic interactions that frame markets. The following sections describe the methods used identify differences in complex cultural contexts and frame a global market culture – surfing.

### **Data and Method**

This study empirically explores and tests the cultural context model proposed above by framing distinct markets based on differences in cultural context. Ultimately, the purpose of this process is to provide insight to firms as to how they can contribute to the co-creation of value and markets. That is, this value co-creation approach provides managers with a means for identifying particular practices, resources, norms and meanings that are (or are not) associated with a particular cultural context. The demarcation of particular aspects of cultural context can potentially inform managers in making decisions as to how to contribute to the contextualization, or social construction, of a particular market.

This research provides an alternative approach to market identification, which includes the consideration of various perspectives of multiple actors and the contexts that frame value creation and exchange. Moreover, this work further theorizes value co-creation by empirically studying a model that is based on the conceptual development of the concept (e.g., Akaka et al. 2012; Chandler and Vargo 2011; Vargo et al. 2008). The context of surfing was selected to investigate how the model of cultural context can be used to identify differences in cultural contexts because it is a culturally rich market that has been connected with the emergence of several other markets – e.g., skateboarding, snowboarding, etc. (Quester, Beverland and Farrelly 2006). The model of cultural context is applied here to identify an emerging market in surfing in order to shed light on how the identification of an emerging cultural context can be used to frame and further contextualize new markets.

To this end, this research employs a multi-method approach for 1) identifying new or emerging cultural contexts (qualitative analysis) and 2) testing to see if there are significant differences across the cultural contexts that would indicate the emergence and explicate the differences of a new market culture (quantitative analysis). In addition, the qualitative analysis is used to establish testable expectations across cultural contexts, which are subsequently tested in the quantitative portion of the study. The details of the data collected and methods used are discussed below.

### ***Qualitative Methods***

The qualitative portion of this study was conducted to investigate the cultural context of the surfing market and to identify and classify any recent and notable changes. Following the methods of Schouten and McAlexander (1995), and their study of subcultures, I

conducted in-depth interviews with a variety of people who surf or are associated with the surfing industry. This data collection took place between late-2009 to early-2012 and resulted 18 in-depth interviews, averaging 1-1.5 hours (see Table 1 below). I also engaged in both participant and non-participant observation and photographed my informants and field sites when possible. In addition, I collected data from various forms of media such as books, movies, magazines, newspapers and websites. These data helped to provide alternative perspectives for studying surfing as a practice, as well as a market.

**Table 3.2 Informants for In-depth Interviews**

Name	Gender	Age	Role(s) in Surfing Community
David	Male	33	Surfer
Barbara	Female	37	Surfer, Former Manager at Surf Shop
Kristy	Female	30	Surfer
Jeff	Male	42	Surf Instructor
Amei	Female	28	Surfer, Former Competitive Surfer
Dennis*	Male	60	Surfer, Surfboard Shaper
Fred*	Male	65	Former Surfing World Champion, Founder of Major Surfing Competition
Tom*	Male	62	Surfer, Founder of Charitable Surfing Organization
Courtney	Female	25	Manager of Surf Coffee Shop
Kalei	Female	31	Surfer, Former Pro Surfer, Former Buyer for Surfshop, Former Representative for Surf Brands
Chris	Male	65	Surfer, Former Pro Surfer, Founder of Charitable Surfing Competition, Entrepreneur
Ernie*	Male	55	Surfer, Founder of Charitable Surfing Competition, Entrepreneur
Rick	Male	38	Manager of Surf Shop
Mark	Male	42	Publisher of a Surfing Magazine
Tim*	Male	53	Surfer, Surf Historian
Ronald	Male	48	Surfer, Former Surfing Contest Organizer
Kara	Female	23	Surfer, Manager of Surf-Brand Store
Steve	Male	34	Surfer
John*	Male	65	Surfer, Surf Historian

\* Real names of notable people in surfing culture.

Briefly, my qualitative analysis revealed that one of the major, recent changes in surfing was the emergence of stand-up paddle boarding (SUP). Whereas traditional surfing requires a person to paddle lying prone (on his/her belly) and standing erect only to ride a wave, SUP requires a person to continuously stand and paddle (and sometimes catch waves) in an up-right position. I had seen people engaging in SUP during my initial observations. However, it was only when I began asking people what the most recent change in surfing was, and began to see a pattern in the responses I received, that I identified SUP as being an important change in the industry. At first, I assumed that SUP was based on an incremental product and practice innovation – adding a paddle to a surfboard and standing straight up to paddle. Basically it seemed to be a new type of surfboard or novel way of surfing. However, as I spoke with more informants and asked questions specifically related to the emergence of SUP, I began to think that SUP was not just a new form of surfing; rather it appeared to be a new practice, and potentially market.

As I continued to collect data for my qualitative analysis, I began to ask specific questions related to the distinction between surfing and SUP. I was particularly interested in whether my informants felt that SUP was part of the surfing market or a separate market. It was important that I collected a variety of viewpoints in order to gain the perspectives of multiple stakeholders, which is critical for studying value co-creation. Interestingly, I received varying responses on whether SUP was a part of the surfing market or not, which will be discussed in more detail in the report of my findings below. Although, in general, the results of the qualitative analysis suggests that SUP is not the same market as surfing, I felt additional evidence was needed to support my findings. The quantitative analysis is discussed in the following section.



### ***Quantitative Content Analysis***

A quantitative, automated content analysis was conducted to see if there are indeed significant differences between the cultural contexts (practices, resources, norms and meanings) of surfing and SUP. More specifically, a comparison was made between the language used in articles published on a major surfing website (surfermag.com) and a major SUP website (supthemag.com). The websites surfermag.com and supthemag.com were selected because they are each associated with well-known magazines, *Surfer Magazine* and *SUP Magazine*, respectively. In addition, they have been active websites for at least three years and publish/post new articles on a regular, if not daily, basis. The content analysis included all articles published in 2011 that were central features on the home page of each website. Photo and video captions were also included and articles that were less than 50 words were removed.

The automated content analysis was conducted using a software called, Linguistic Inquiry and Word Count (LIWC) (Humphreys 2010a; Pennebaker, Francis and Booth 2007). A custom surf dictionary was developed through a three-step process. First, the operationalization of the components of cultural context was conducted using the qualitative analysis described above. Second, once the particular practice, resource, roles (norms) and brands (meanings) were identified, additional analysis was conducted on the qualitative data to identify the words that could describe 1) the enactment of the surfing practice, 2) a wave or parts of a wave, 3) professional roles in surfing, and 4) the major surf brands. Third, the words that described the first three components of cultural context – surfing, wave and professional roles – were judged by two professionals in the surf industry – a surf historian and a surfboard shaper (crafter).

Per the suggestion of one the judges, these concepts were then verified using Matt Warshaw’s (2005) *Encyclopedia of Surfing* to verify questionable concepts and double check the spelling of words. This procedure is similar that employed by Humphreys 2010a,b (and recommended by Pennebaker et al. 2007), who cross-checked the development of her dictionary across three judges, except that the development of this dictionary involved the use of two judges and one outside source. The last component of cultural context, meanings or brands, was decided based on identifying the major sponsors of the Association of Surfing Professional’s (ASP) World Tour. Because there is clearly some overlap between surfing and SUP – SUP emerged out of surfing – I wanted to see whether the major surf brands would be as dominant in SUP as they are in surfing. Thus, rather than compiling a list of all available surf brands, I only included those brands that are considered to be the largest and most representative of the global surfing culture. The operationalization of cultural context in surfing context and the words that are used to represent the constructs are listed in Table 3.3.

**Table 3.3 Surfing Context Dictionary**

<b>Cultural Context</b>	<b>Surfing Context</b>	<b>Words in Dictionary</b>
Practices	Surfing	surfing, aerial, backside, bail out, barreled, bottom turn, cutback, drop-in, duck dive, floater, frontside, noseriding, off-the-lip, over-the-falls, pearl, prone-out, stall, takeoff, tube-ride, wipeout (20 words/phrases)
Resources	Waves	wave, barrel, backdoor, beach break, closeout, crest, curl, lineup, onshore, overhead, point break, reef break, section, set, shore break, swell, tube (17 words/phrases)
Norms	Professional Roles	air brush artist, buffer, CEO, competitor, designer, glasser, manager, photographer, professional surfer, promoter, representative, sander, shaper, sponsor, trainer, coach (16 words/phrases)
Meanings	Surfing Brands	Quiksilver, Billabong, Hurley, O’Neill, Rip Curl, Vans, Volcom (8 words/phrases)

The custom dictionary coded the articles based on what were identified in the qualitative analysis as *the* central practice and main resource in surfing – surfing and waves, respectively. Based on the findings from the qualitative data, the discussion of surfing and waves should be less prevalent in the SUP literature. Furthermore, the results of my qualitative analysis suggest that surfing is a mature market with well-established professional roles and brands and SUP is an emerging market that is being shaped by the emergence of professional roles and different brands. Thus, the articles were also content analyzed to see whether professional roles associated with surfing (e.g., shaper, manager, professional surfer) and major surfing brands (those that sponsor major events) would also be found in the discourse regarding SUP. The results of this quantitative analysis support the findings of the qualitative analysis and suggest that SUP is indeed a distinct market culture and not just an extension within surfing. The results of these qualitative and quantitative findings are detailed and discussed in the sections below.

### **Framing Market Culture: Surfing vs. Stand-up Paddle Boarding**

The cultural context framework presented above suggests that as actors enact particular practices to create value for themselves and for others, they draw on and contribute to common resources, norms and meanings. This suggests that the enactment of practices is the driving force in value co-creation and the (re)contextualization of market cultures (c.f. Giddens 1984). Thus, the first aim of this qualitative research was to identify the practice(s) most central to surfing. Not surprisingly, the findings revealed that the surfing market is grounded in the practice of surfing. This sentiment was best captured by surf journalist and former *Surfer Magazine* editor, Drew Kampion (2003, p. 27) who said,

The surf culture that has formed concentric rings around the elemental act of riding a wave is a unique and strangely powerful phenomenon. It is a

subculture that feeds on the experiences and truths gained in the ocean and on the waves, and it is a subculture that has enormous effects on the larger cultures of which it is part.

What surprised me during my interviews was the number of variations – e.g., boogieboarding, bodysurfing, shortboarding, longboarding – of riding a wave that many surfers considered as surfing. This extension of the practice of surfing, beyond riding a particular board in a particular manner, pointed toward the second central component of surfing culture, the wave. It quickly became clear that the central resource for surfing was a wave, and, perhaps more importantly, the ability to ride it.

Although distinctions between the central practice and resource in surfing are foundational to distinguishing the market of surfing from other markets, one might argue that these differences in practices and resources do not necessarily reflect a difference in the structure of markets associated with surfing and SUP. Thus, to gain a better understanding of more market-oriented aspects of the market culture of surfing, I studied the prominent professional roles (norms) and surf brands (meanings) that are central drivers of the surfing market.

When I began this research in 2009, I started by asking informants the question, “What has changed the most in surfing over the past 10-20 years?” My first few respondents all told me the same thing; that the biggest change in recent years was the presence and growth of SUP. In my effort to find out more about SUP I spoke with Ronald, a publisher of an SUP magazine who was formerly a coordinator and promoter for surfing events. Ronald was quite adamant in telling me, “SUP is not surfing.” He explained that SUP is about fitness and a healthy lifestyle, not about surfing or catching waves. However, after several other interviews, it was clear that the introduction of SUP

has clearly changed the dynamics of surfing as well. In fact, when I asked Ronald if he still surfs, he said that he does, but only on his SUP. It was interesting that although he promotes SUP as a flat-water activity, he still surfs on an SUP board.

The growth of SUP has resulted in some tension in the surfing industry. Although surfers have enacted the practice of SUP since as early as the 1940s (Rath 2010), the recent explosion of people engaging in SUP has made an impact on the surfing community. According to Barbara, a long-time surfer/longboarder,

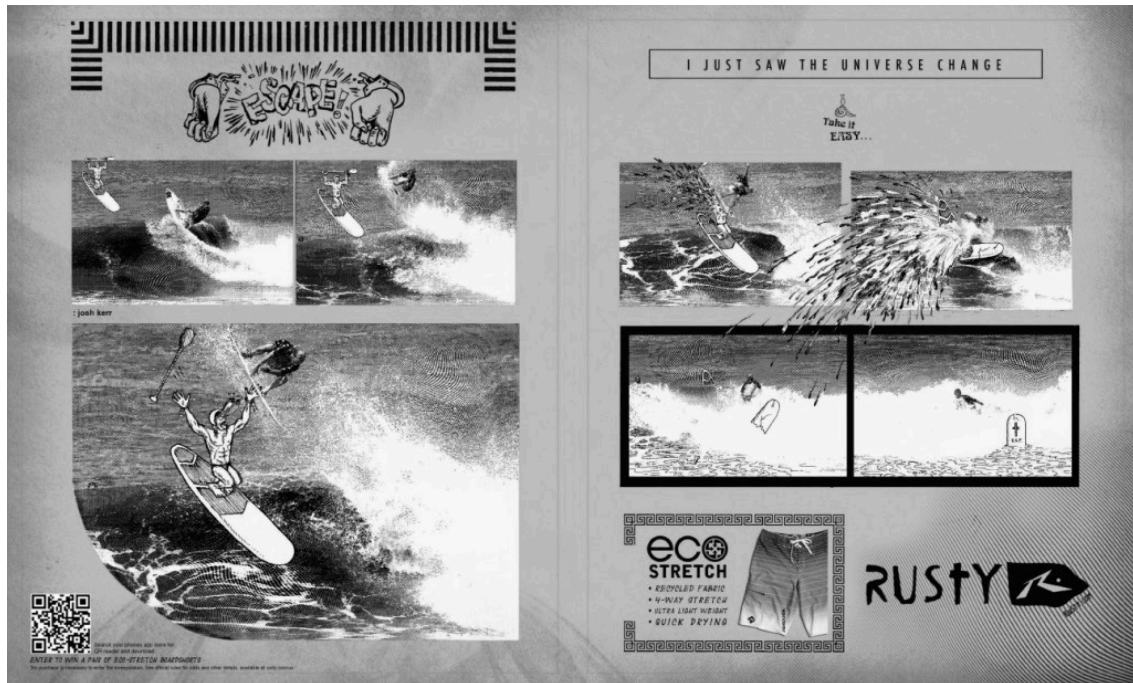
If [the SUP boarders] are really good they can catch about every single fricken wave. So now I know how a shortboarder feels. Shortboarders will be like, aw, damn longboarders are here and you know they're cursing us cause can catch every wave, just about. And now I'm cursing those damn paddle boarders because they can catch every wave.

This statement reflects the tension that has risen with the growth of SUP. However, there are two sides to this story. The first side points toward SUP as a part of surfing because it was born out of this market culture. Although the practice itself has been around for decades, SUP recently became popularized by famous surfers. These “surfers” would engage in SUP as a way for having fun and staying in shape when there were no waves (Hamilton 2008). However, as interest in SUP grew, people started developing boards and other equipment specifically designed for SUP, not just for stand-up paddle boarding, but also for surfing.

As people riding SUP boards began showing up in the “line-up” and catching all the waves, tensions rose. Thus, the other side of the SUP story is that surfers have begun to criticize and ostracize SUP riders. This animosity toward different types of “surfers” is not new to surfing. According to surf journalist Sam George, “Surfers can work up hate for just about every variation of their own kind” (posted 10-21-2011, supthemag.com). However, even surf brands are beginning to exploit this tension, further differentiating

themselves from SUP. The advertisement below reflects some of the sentiment that surfers feel toward SUP.

**Figure 3.2 Rusty Advertisement in Surfer Magazine**



This tension between surfing and SUP provides an interesting platform for studying the differences across cultural context and identifying unique market cultures. For firms debating whether to participate in the development of the SUP market, understanding the differences and even similarities across cultural contexts can help them to make more informed decisions about whether they should participate in the contextualization of the SUP market, and if so, how. The following sections identify particular practice(s), resource(s), norm(s) and meaning(s) that can help to frame surfing as a distinct market culture, based on cultural context, and identify whether SUP and surfing are the same or different market cultures.

## *Practices*

It was easy to identify the central practice of the surfing market as *surfing*. In the practice theory literature, this practice would be considered an “integrative” practice (Schatzki 1996) because it is a complex practice that is found in a specific area of life, rather than a dispersed practice, which is found across many sectors of social life and overlap a multitude of social structures. Warde (2005) suggests that it is the study of integrative practice(s) that can best contribute to a deeper understanding of cultures in markets. Thus, the focus on the practice of surfing is appropriate here for gaining insight to surfing as a market culture.

Although surfing is quite obviously the foundational integrative practice of the market culture of surfing, there are variations in viewpoints on what the practice of surfing entails. Today, the word “surfing” often refers to a specific act of standing and riding a surfboard down the face of a breaking wave (Moser 2008). However, others offer a more general view of surfing, what Moser (2008) calls “surfriding,” which includes any type of wave riding. Moser (2008, p. 10) explains that the term “surfriding” is an “archaic” word that characterizes “the general act of riding waves with a board in any position: prone, kneeling, standing, or any combination of these.” He contrasts the term “surfriding” with the more modern term “surfing” to make a distinction between the practice of surfing and other forms of wave- or surf-riding:

[The terms] surfing and surfer [first] appear only in the twentieth century and – when the terms are used by themselves – indicate the act of standing on a surfboard, or one who stands on a surfboard. Any other positions on a board today either have different names (kneeboarding, kneeboarder; boogieboarding, boogie boarder) or are somehow qualified: windsurfer, kite-surfer, tow-in surfer. (Moser 2008, p. 11)

Moser's (2008) description of the term "surfing" provides a narrow definition of the practice of surfing and suggests that broader views on surfing as wave-riding are "archaic". However, a number of my informants had an alternative view. Several of them suggested that any act of riding a wave is considered surfing, even with or without a board. In an interview with surf historian John Clark, a different view of modern-day surfing was revealed:

Interviewer: What do you think about the different types of surfing out there?

John: To me, the word surfing means riding a wave. If you have to have a board then bodysurfing, body "surfing," is not surfing. And I think everybody would agree that bodysurfing is a surfing sport. In fact that would have been the very beginning of surfing was just somebody bodysurfing a wave, and then the boards follow after that. So to me, surfing generically is anyway you ride a wave, whether you're in a [kayak], on a stand-up board, you're body surfing, hand-boarding, you know all of those, all of the above, that's all surfing. Then you have board-surfing, bodysurfing, you know, paipo [prone] board-riding, body-boarding, whatever, that's how I see it.

Interviewer: So what do you think about stand-up paddle boarding?

John: It's both [for flat-water and surfing]. It's like if you have a surfboard, you have flat-water surfboard races, right? That's not a surf sport but you use surfing equipment so you can use the equipment for different things, but when you catch a wave, when you catch a wave with a stand-up board, you are surfing, it's a surf sport. So yea, stand-up is a flat-water sport, stand-up surfing is a surf sport. That's how I see it. I mean look at just about every piece of equipment you can use for surfing, you can use in flat water too. Whether it's a canoe or a surfboard, whatever. It can go either way. A kickboard in the pool; that's your body board. Even hand-boards, guys bodysurf with hand-boards, but you can use that in a pool. Guys use that to train, right? So anyway, I wouldn't discriminate and just say that surfing is only when you are standing up on a surfboard, I don't think so.

In general, these findings suggest that although the term "surfing" may mean different things to different people, the act of riding a wave, regardless of how it is being ridden, is foundational to the practice of surfing. This distinction between surfing as



riding a particular type of board vs. surfing as riding a wave is an important distinction for identifying SUP as a distinct market culture from surfing. This is because according to Ronald, an SUP magazine publisher, SUP is different from surfing because SUP is a flat-water sport. Thus, although an SUP board can be used for surfing, as mentioned by John, if the central practice of the SUP market does not involve riding a wave, then SUP can be identified as a distinct market, from surfing.

If SUP is indeed a “flat-water sport,” as suggested by Ronald, it should not have the same emphasis on wave riding that surfing does. Additional research suggests that although surfing can be done with an SUP board, the central practice in SUP is stand-up paddling, not surfing. It can then be expected that the words used to describe riding waves (see Table 2) will be less prominent in the SUP discourse. This finding overlaps with the next component of cultural context, and points toward the identification of the central resource in surfing – the wave.

### ***Resources***

The integration of resources has been recognized as a central practice in value co-creation (Akaka and Chandler 2010; Korkman, Storbacka and Harald 2010). Thus, resources are intertwined with the practices that draw upon them. In the initial stages of this research, I was first drawn toward the surfboard as the central resource of surfing. However, I quickly realized that the need for a surfboard fell behind the need for a *wave*, as well as the *ability* to ride one. The centrality of waves as a resource in surfing is inherently bound to the foundational, resource-integration practice of riding a wave, or surfing itself, as discussed above. The importance of waves in surfing was made salient in one of my first interviews with a surfer from Taiwan, Amei. Amei explained that after she learned to surf

she wanted to learn to snowboard to see if she might like that equally or more. After spending some time in Japan, she decided that although there were some similarities between surfing and snowboarding, she preferred surfing because of the uniqueness of each and every wave. She explained,

Each wave is really different. I can never say ‘I do it well.’ I can never say, ‘Oh this wave, I will rip it.’ Because every time you think you get it, you can get wiped out. I think that’s the most fun part of it for me because you can’t be proud of yourself like ‘oh, I’m so good.’ You have to paddle for everything; you have to predict where the wave will be. You have to engage with so many thinking activities.

In a recent article on an SUP website, surf and SUP journalist, Sam George, explained that much of the tensions between surfing and SUP stems from the scarcity of this central resource. He explains, “surfers are the most possessive sportsmen because their medium is most precious.” George elaborates,

...the root of all surfing evil [lies in] the fact that an ocean wave, after traveling thousands of trackless miles to reach some distant shore, breaks only once. Surfers, through years of dedication, sacrifice and physical effort—or sometimes just dumb luck—occasionally find themselves in perfect position to participate in this miracle of cosmic coincidence, this fragile moment when that singular band of energy briefly becomes visible, never to appear again. (posted 10-21-2011 on supthmag.com)

Although presence of a wave is clearly a requirement to engage in the practice of surfing, the ability to surf is equally, if not more, important. Jeff, a surf instructor, says that the main purpose of surf lessons is to teach people how to stand up and ride a wave. He said the success rate of these lessons is quite high, in that “99% of people will catch a wave during their lesson.” However, he also acknowledges that the ability for a person to stand on a wave does not mean that they have the knowledge to surf on their own.

When I asked other surfers how they learned to surf, many of them had a difficult time explaining that process. David, a long-time surfer, explained, “The way I learned

was when [I first paddled out and] the first guy yelled at me and I said sorry, it won't happen again. I was like why is this guy yelling at me? Okay, I understand now. I'm dangerous. I'm getting out of here." David said it took a while for him to figure out the rules, but eventually he learned how to surf. When I asked him what the rules for surfing were he replied, "It's just something that you know when you go out, you're like okay, you just dropped in on that guy, you're not supposed to do that. He had the right of way, Why? Because he's on the inside of you." The "rule" of "not dropping in" on other surfers was recognized throughout all my interviewees as the one of the most important understandings of surfing. This rule clearly applied to anyone who wanted to catch a wave. Sam George provides some advice to "standup paddle surfers" when they are trying to surf with "lay-down" surfers. He simply says, "don't be a prick first...Be courteous and don't steal waves" (posted 10-21-2011 on supthmag.com).

Waves (and the ability to ride them) are the central resource(s) in surfing. Based on this, it can be expected that if SUP is indeed a distinct, "flat-water sport" the discussion of waves (or various parts of waves) will be much less prevalent in the SUP literature. These findings also suggest that although SUP does not require the act of riding a wave (as discussed above), when stand-up paddlers do ride waves or engage in surfing, they are expected to follow the same rules of surfing that "lay-down surfers" follow. Thus, in the ocean and on the waves, interactions are guided by similar norms. However, to gain deeper insight to the norms of surfing (and SUP) out of the water and investigate a more market-perspective, I investigated social norms, professional roles in particular, to gain a better understanding surfing's cultural context.

### *Norms*

Social roles have been recognized as an important factor in value co-creation, which help to establish and guide the expectations for interaction among various stakeholders (Akaka and Chandler 2010). In addition, the roles of “consumers” in the co-creation of culture have been discussed in CCT and related literature, which recognize a variation between “hard core” or “soft core” members (e.g., Schouten and McAlexander 1995). Although there was ample evidence of variation among surfers (see also Quester et al. 2006) and their commitment to the ethos of surfing, I was particularly interested in understanding the roles that contribute to the (re)contextualization of the industry or market of surfing. Thus, my study of social roles is focused on the types of professional roles that drive the surfing industry. As I interviewed different surfers, I realized that a number of surfers take on these professional roles as a way for staying “within” the surfing culture. In this way, there is often no real distinction between surfers as “producers” or “consumers” in the market.

For example, Kalei, a former professional surfer, had a number of different jobs within the surfing industry before developing her career as a hair stylist. Kalei went from being a pro-surfer, to a surf shop buyer, to a surf brand representative and then an employee at a surf school. She recalls, “I was surfing my whole life, my dad was a professional, my brother is a professional surfer, so at first I wanted to stay in the surf industry and do something.” Kalei’s employment in the surfing industry points toward a number of retail-oriented jobs and a variety of surf-related service providers that compose the surfing market.

Whereas some surfers make efforts to gain employment within the surfing

industry to maintain their ties to surfing, other surfers believe they will engage in surf-related jobs for a short while, and end up making a career in the industry. Dennis Pang, a renowned surfboard maker/shaper, started making/shaping boards out of his garage for himself and his friends and then took a job in a local factory as a way to get through college. Over the years, what he thought would be a temporary way to make money morphed into his life-long career.

Although the profession of surfboard shaper developed out of the need to have access to surf-related resources, a number of professions grew out of the increased interest in surfing and the effort to develop surfing into a market. One of the early professions that emerged along side the development of the surf industry was surf photography. John Clark talked about the influence of one of the first surf photographers, Clarence Maki, who was not only an avid surfer, but an important part of the growth of the market as well:

Clarence Maki started off in 1950 and shooting surfing photography in Waikiki primarily until 2005. He's out there taking pictures of surfers in Waikiki for 55 years. In the 1950s when he starts, he's working at the Outrigger Canoe Club, they have a beach service there.... he's shooting the stars that come to the Royal Hawaiian and the Moana, the politicians, you name it, T.V. stars, he shoots them all. And he's sitting out there on his surfboard in the water taking pictures of them and then he goes home at night, he develops his photos and he brings them back in the morning and gives them to all these prominent people. They're taking his photos back to California, back to Hollywood, wherever they live, Washington D. C. and they're promoting surfing through photography. So the photography industry is huge and that's another one of these parallel things that is promoting the sport.

The growth of the surfing industry was fueled by the development of surfing competitions, which of course, resulted in the development of the profession of surfing itself. However, the development of surfing as a profession required the integration of other professional sporting roles as well. In other cases, professional roles are integrated

into surfing specifically to further develop the practice and/or sport of surfing itself.

According to Dennis,

Many amateur surfers are utilizing surfing coaches in the last 2-3 years. They are provided by the sponsors of these surfers or their parents are hiring them individually. The big pros pay surfing coaches and trainers to travel with them and train and coach them up between contests. There is a big push to maximize their talent potential with either a coach and /or a trainer as they see if you make it to the top than there is big bucks ahead in terms of a lucrative sponsorship program.

In addition to the interviews discussed above, I also spoke with the publisher of a surf magazine, several conference coordinators, entrepreneurs, and philanthropists. Some surfers took on more than one of these roles, whereas others only wore one hat in the surfing industry. However, through this research it became clear that the professional roles of surfing were a central feature in the (re)contextualization of surfing as a market culture. Although I was able to speak with a few people who had professional roles related to SUP, the stage of commercialism and professionalism of SUP as a market appeared far less developed. In another article on the SUP website, Sam George describes the short-lived history of the “sport” of SUP and how it is still in the making:

Because it’s only been nine years since Laird shot the Malibu Pier with that American flax affixed to his specially built standup paddle. Less than a decade, during which Ron House shaped that first standup board, freeing us from tandems... Can you call it history when the sport’s progression – the sport of stand up paddling, not simply the act of standup paddling – hasn’t paused for even a moment in the past nine years? ... There is not history of standup paddling. Not yet. Because we’re all still busy making it, one stroke at a time. (posted 8-3-2011, supthemag.com)

This passage makes salient the emergence of SUP from surfing with reference to “tandem” surfboards as being the first make-shift “SUP” boards, and also highlights the short time-frame of “less than a decade” that stand-up paddle boarders have been

organizing SUP as a sport and market. Based on this, it can be expected that the professional roles in SUP will not be as fully developed as those found in surfing, and that the discussion of such roles will be more dominant in the surfing-related literature. The number of professional roles that can be found in the market culture of surfing is reflective of the level of commercialization and growth of the industry. Another telling sign of this market development is the growth and globalization of surf brands and their meanings.

### ***Meanings***

Brands have been recognized as a central source of signs, symbols and meanings in markets (e.g., Holt 2002). In particular, increased attention is being paid to customers' relationships with brands (Fournier 1998) and the customer communities that are co-created around them (e.g., Muniz and O'Guinn 2001; Schau et al. 2009). Brands are particularly important to the cultural context of surfing because they represent the surfing "lifestyle" and enable customers connect their core own values to those of surfing culture (Quester et al. 2006). In my interviews and observations, I found that different surf brands have different meanings and can also mean different things to different people.

For example Barbara, a surfer, talked about the surf brands she likes and why:

I love the Quiksilver/Roxy line, Quiksilver for men I like the style. I think they have great marketing actually, they communicate a certain lifestyle and that lifestyle fits in with what I aspire my lifestyle to be or the way that I feel. More relaxed, like those other brands like Split and Hurley that are more hip or edgy, and that's not me. But that's some people. But Quiksilver and Roxy are kinda of like, chill. I think I'm a kind of a chill kind of a person. I also buy the brand because I like the materials that they use, I like the cuts; I like the style.

Although, some make associations between surf brands and the lifestyle they represent. Others rely on particular surf brands because of quality rather than style. Amei,

the surfer from Taiwan, talked about how Roxy and Quiksilver are big global surf brands in Taiwan, but she would never buy a surfboard from them because the quality is terrible. She said that because people don't know much about surfing in Taiwan surf brands can get away with cheaply made products because most of the surfers there do not know the difference in quality.

Although surf brands clearly relay important meanings on an individual customer level, their importance can also be found at a broader, systems level as well. According to Kalei, a former pro-surfer, brands are important to the surfing industry because they "keep contests going." Because surfing competitions were a major driver in the growth and formation of surfing as a market (Kampion 2003; Warshaw 2010), this aspect of surf brands runs parallel in importance with the meanings they represent. Evidence of the importance of brands, and the firms behind them, can be found in the recently held, 2011 Triple Crown, one of surfing's largest and most famous contests. Prior to the 2011 competition, the Triple Crown included a women's surfing division. However, largely due to the economic downturn in the surfing industry, there was no one willing to take the lead sponsorships for the women's events in 2001. Thus, the 2011 Triple Crown, was a men-only event, with the exception of an invitation for the women's world champion to participate in the men's competition. Because of the role brands play in competitive surfing, brands also have particular meanings for professional surfers or those striving to develop a surfing career.

Throughout the development of surfing, several brands have risen to the top in terms of global reach and status. The surf brands that sponsor the Association of Surfing Professional's (ASP) 2012 World Tour are *Quiksilver*, *Rip Curl*, *Billabong*, *Volcom*,



*Hurley* and *O'neill* (aspworldtour.com). Although some surfers, especially “hard core” surfers may view these brands as more “mainstream” (Quester et al. 2006), they represent the most dominant brands in the surfing industry. Because of this, they are interconnected with a number of surfers, through sponsorship, as well as other entities, such as magazines, movies, surf events, etc. In this case, if SUP were not a distinct market from surfing, it would be expected that these brands would also dominate SUP-related events as well. However, this is not the case. The Standup World Tour, which launched in 2009, is not sponsored by any of the major sponsors in surfing. Rather, the 2012 Standup World Tour sponsors are *Starboard*, *Naish*, *Rogue*, *Imagine Surf*, *Coreban*, *JP Australia* and *Mistral* (standupworldtour.com). Based on this, it can be expected that the major surf brands will be mentioned significantly less in the discourse on SUP than surfing.

### ***Discussion***

The cultural context of surfing can be identified as a distinct market based on its central practice of surfing, resource of waves (and the ability to ride them), particular professional roles (norms), and surf brands (meanings). The findings above suggest that SUP can be identified as a separate market culture because it is not based on the practice of surfing and does not require the resource of waves. Furthermore, the emergence of SUP as a market is relatively recent (within the last 10 years), and thus, the professional roles found in surfing may not yet be fully developed in SUP. Finally, it appears that the major surf brands are not actively participating in the development of SUP, since they are not major sponsors of the Standup World Tour.

The recognition of differences in cultural context provides an alternative approach to identifying markets that can help managers to make strategic decision, not only about

which markets they want to engage, but how. The identification across customer differences might help managers to better understand customer tastes and preferences associated with those who surf versus those who stand-up paddle. However, this information would provide limited insight to the nature of surfing and SUP. This is especially true because there are a number of people who surf and stand-up paddle, and, thus, identifying differences across customers may not always reveal surfing and SUP as distinct markets. Moreover, the identification of differences among customers would neglect to shed light on the differences across other important aspects of the surfing and SUP markets – particularly, differences across practices, resources, norms and meanings that vary between surfing and SUP.

Alternatively, this value co-creation approach to identifying markets, based on differences in cultural context, provides insight to several important differences between the market cultures of surfing and SUP. This assessment of the cultural context suggests that surfing and SUP can be identified as separate markets, and provides insight to how managers can make decisions about whether or not to participate in one or both markets. For example, a clothing manufacturer who is interested in entering either the surfing or SUP market can assess the stage of market development for each market culture and decide whether to enter an established market (surfing) or a developing market (SUP). Furthermore, the firm's managers can consider whether the competences and values of the firm best align with the practices of wave-riding or stand-up paddle boarding, or if it is able to serve both markets based on commonalities between the two.

Importantly, the findings of this qualitative analysis also enable the operationalization of concepts for further studying the cultural context of surfing, by

identifying the specific practice(s), resource(s), norm(s) and meaning(s) that contribute to value co-creation and the (re)contextualization of surfing as a new market culture. To support these findings and verify that there are significant differences across the cultural contexts of surfing and SUP, I conducted a quantitative content analysis of two major surfing and SUP websites. The results of the quantitative study are presented and discussed below.

### **Significant Differences across Cultural Contexts**

To further investigate differences across the cultural contexts of surfing and SUP, a logistic regression was conducted to analyze the content coded from two websites - surfermag.com (surfing website) and supthemag.com (SUP website). The main question guiding this portion of the research is, “Are there significant differences between the cultural contexts of surfing and SUP?” Because surfing is the more established market, the cultural context of surfing was used as a baseline comparison to see if SUP is indeed a distinct market culture, or not. As discussed above, the automated content analysis identified the proportion of words in each article that was used to describe or discuss central aspects of surfing’s cultural context including 1) the practice of surfing (practice), 2) a wave or waves (resource), 3) professional roles in the surfing market (norms), and 3) dominant surf brands (meanings).

Essentially, the cultural context framework presented above is used to predict differences across SUP and surfing. The practice(s), resource(s), norm(s) and meaning(s) identified in the qualitative analysis establish the predictor variables in this logistic regression. Based on the results of the analysis, and the low proportion of technical language used in regular discourse (Humphreys 2010b), the unit of analysis for the mean

and standard deviation of each predictor variable is 1%. The descriptive statistics are reported in Table 3.4, which include the average proportion of words per article that represents a given component of surfing’s cultural context (see Table 3.3 for word list).

**Table 3.4 Summary of Descriptive Statistics**

<i><b>Component of Cultural Context</b></i>	<i><b>Surfermag.com</b></i> <i>Mean (SD)</i>	<i><b>Supthemag.com</b></i> <i>Mean (SD)</i>
Practices (Surfing)	.46 (.50)	.18 (.37)
Resources (Waves)	.39 (.50)	.19 (.45)
Norms (Professional Roles)	.15 (.30)	.27 (.47)
Meanings (Surf Brands)	.23 (.61)	.08 (.40)
<i><b>Other</b></i>		
<i>Number of Articles</i>	269	257
<i>Average Words/Article</i>	664	404

*The unit of analysis is 1% for the mean and standard deviation.*

The model used in this analysis predicts the odds that an article with particular surfing-related words (see Table 2) will (or will not) be featured on the SUP website. In addition, this model assesses the ability for the four components of cultural context (practices, resources, norms and meanings) to contribute to a correct prediction of the website (SUP or surfing) on which a particular article will be featured. The articles from the two websites were dummy coded so that SUP = 1 and surfing = 0. Initially, a model was tested to investigate the main effects as well as the interaction effects of the four components of cultural context. However, the model that included the interactions was inconclusive because of the nature of the data and the number of articles that did not contain any of the language associated with one or more (up to four) of the constructs. Thus, only the main effects of the components of cultural context – practices, resources, norms and meanings – were included in the final model. The results of the logistic regression are briefly presented in the following paragraphs and elaborated in the discussion section below.

The results of the analysis reveal statistically significant differences between featured articles on the surfing and SUP websites in the overall model (-2 log likelihood  $\chi^2 = 99.734$ ,  $df=4$  [ $p \leq .0001$ ]) as well as each component of cultural context (see Table 3.5). These outcomes support the findings from the qualitative research, which suggest that surfing and SUP are distinct markets, based on differences in practices, resources, norms and meanings (cultural context). More specifically, these results indicate that there is a significant difference in the odds that an article using particular surfing-related language will (or will not) be featured on the SUP versus the surfing website.

Table 3.5 presents the main effects of each of the components of cultural context (practices, resources, norms and meanings) as well as the effect of the constant. As expected, the words used to describe the practice of surfing ( $\beta_1 = -1.681$ ,  $df=1$  [ $p \leq .0001$ ]) and the central resource of surfing, a wave ( $\beta_2 = -.753$ ,  $df=1$  [ $p \leq .001$ ]), were significantly less likely to be found on the SUP website. More specifically, in the population of articles represented by the sample, for an additional 1% in words related to or describing the practice of surfing, the odds of an article being featured on the SUP website decreases by least 67.5% and at most 89.3%. In the same way, for an additional 1% of words that describe a wave or parts of a wave, the odds of an article being featured on the SUP website decreases by at least 27% and at most 69.6%.

Also as expected, the words used to describe the market of surfing such as the professional roles in surfing (norms) ( $\beta_3 = .959$ ,  $df=1$  [ $p \leq .01$ ]) and the dominant surf brands (meanings) ( $\beta_4 = -1.240$ ,  $df=1$  [ $p \leq .0001$ ]) were found to be significantly different across the two websites. However, it is interesting to note that the odds of an article appearing with words regarding professional roles in the surfing market increases, rather

than decreases, for the SUP website. In other words, for an additional 1% of words that describe the professional roles related to surfing, the odds of an article being found on the SUP website actually increases by at least 1.365 times and at most 4.99 times. On the other hand, for an additional 1% of words associated with dominant surf brands, or the brand names themselves, the odds of an article being found on the SUP website decreases by at least 44.5% and at most 84.9%.

Although the means presented in the descriptive statistics indicate very small proportions of words associated with a given component of cultural context in surfing, these findings suggests that small increases in the number of words can reflect significant differences in the odds that an article will (or will not) appear on the SUP website. In addition to the significant differences in the components of cultural context (practices, resources, norms and meanings) it is important to note the significance of the constant in this model ( $\alpha=.627$ ,  $df=1$  [ $p \leq .0001$ ]). Out of the 526 articles examined, about 83 (15.8%) contained no word in any of the four categories. The odds of such an article being feature on the SUP website was estimated to be 1.87 and, thus, the probability is 0.652 ( $p \leq .0001$ , 2-tail).

**Table 3.5 Logistic Regression**

<i>Variable</i>	<i>Parameter Estimate (SE)</i>	<i>Odds Ratio/ Probability</i>	<i>95% CL (lower – upper)</i>
Practices (Surfing)	-1.681 (.284)	.186***	.107 - .325
Resources (Waves)	-.753 (.223)	.471**	.304 - .730
Norms (Professional Roles)	.959 (.331)	2.610*	1.365 - 4.990
Meanings (Surf Brands)	-1.240 (.333)	.290***	.151 - .556
Constant	.627 (.148)	.652***	----

*Odds ratio is reported for the variables; Probability is reported for the constant.*

\* $p \leq .01$ , \*\* $p \leq .001$ , \*\*\* $p \leq .0001$

This model correctly classifies 73.6% of the articles from the SUP and surfing websites. Although this suggests that just over 25% of articles are incorrectly assigned, this model tests only one of many practices and one of many resources drawn on in both surfing and SUP. Furthermore, this type of content analysis conventionally reflects only a small portion of “technical” words that are used in the English language to communicate any number of messages related to surfing or SUP (Humphreys 2010b). Thus, there are a number of other words, as well as other topics, that can be found on either website that do not refer to the practice, resource, norms and meanings used in this study. Because of this, the model’s ability to correctly classify 73.6% of the articles suggests that this model is indeed helpful for identifying differences between different markets.

There are several limitations with this quantitative analysis. These include the lack of knowledge and inability to distinguish between the different authors of the online articles and the uncertainty of the context within which each word is used. Although the consideration of the authors is a potentially important factor in the outcome of this analysis, many of the articles were anonymously written and, thus this variable cannot be included in the model. With regard to the context of the words included in the content analysis, care was taken during the dictionary development not to include words that would be used too generally (e.g., “air” as a way of enacting the practice of surfing). Moreover, the aim of this analysis was to gain insight to the dominant emphases of the cultural contexts of SUP versus surfing. Thus, even if words were used in a positive or negative tone (e.g., I like surfing versus I don’t like surfing) they would still contribute to the overall emphasis of the word (surfing) on a particular website.

Finally, the Hosmer and Lemeshow test for goodness-of-fit was significant ( $\chi^2 = 54.684$ ,  $df=8$  [ $p \leq .0001$ ]), which suggests that there may be a difference between the observed and predicted values. However, the validity of this particular test depends on having a large number of expected frequencies in all cells (Cohen et al. 2003). Thus, the large number of cells with 0 in this dataset may influence the validity of this test. To further validate the overall accuracy of the model, a discriminant analysis was also conducted on the same set of data and similar findings were revealed. In this case, 70.7% of the articles from the original groups were correctly classified, and the predictive capability of the words representing the cultural components (surfing, waves, professional roles and surf brands) were significant as well. In future research, additional cross-validation studies can be done to further test the predictive model on additional datasets to support the validity of the model and fit with this type of data.

### ***Discussion***

The results of this quantitative analysis support the qualitative findings presented above. In general, significant differences were found across surfing and SUP based on the content coded from the two websites, surfmag.com and supthemag.com. The expectations developed from the qualitative research were confirmed for three of the four components of cultural context. As predicted, words associated with the practice of surfing, a wave (or parts of a wave), and the names of surf brands were significantly less likely to be found in articles posted on the SUP website. This suggests that the practice of surfing is not the dominant practice in SUP and the resource of a wave is not as central. Thus, Ronald's comment that "SUP is not surfing" is validated by this study, most likely



because the central practice of SUP is stand-up paddling and the central resource is water, but not necessarily water with waves.

One of the more interesting, and surprising findings of the quantitative analysis was the effect found with regard to surfing-related norms, or the presence of professional roles in surfing. Because of the relatively recent emergence of the SUP market, I expected to find a significant decrease in the proportion of words regarding professional roles in surfing in articles on the SUP website. However, the opposite effect was revealed. Instead, the articles found on the SUP website contained significantly higher proportions of words regarding professional surf-related roles than the articles on the surfing website. After reanalyzing the qualitative data, it seems that this could be the case because many of the surfers that are contributing to developing the SUP market initially held professional roles in surfing. In other words, the formation of the SUP market did not start from scratch, and it is based on many of the norms (at least the professional roles) found in surfing. This could be why the development of the SUP market occurred so quickly, as referenced by Sam George in his statement about the short but rapidly-developing history of SUP and the similar comments made by a number of informants that SUP industry is “blowing up” or “getting huge” relative to the current growth of the surfing industry.

The increased use of the words associated with professional roles may also be attributed to the effort to “legitimize” (Humphreys 2010a) the SUP industry. This is an important consideration for those who are contributing the development of SUP as an industry. These findings suggest that the professional roles in surfing have provided an infrastructure for the development of SUP as its own, distinct market. Thus, although

SUP can be identified as a separate market, based on differences in practices, resources and meanings, it remains interconnected with surfing because the professional roles that contribute to the (re)contextualization, or social construction, of surfing and the actors who participate in both surfing and SUP. In this way, market cultures represent structures of common difference (Wilk 1995) because although cultural contexts may differ across some components of culture (e.g., practices, resources and meanings) they can maintain similarities across other components of cultural context (e.g., norms).

### **Implications and Conclusion**

This research contributes to the marketing literature by providing an alternative framework for identifying markets, which shifts the focus from segmenting toward (re)contextualizing markets, and further develops the concepts of value co-creation and value-in-context. The findings from this study suggest that identifying differences across cultural contexts – practices, resources, norms and meanings – can provide insight to differences as well as commonalities across markets. Furthermore, the shift from focusing on “customers” to “context” enables firms to refocus from “targeting” existing markets to “(re)contextualizing” new or emerging markets. Using this approach to identifying markets, can help managers develop strategies aimed at creating new markets, rather than vying for a portion of an old market. In other words, rather than fighting for a piece of the market pie (Smith 1956), by applying this framework, firms can gain insight as to how to co-create or contextualize new market pies.

This approach to market (re)contextualization provides a framework that centers on identifying differences, as well as commonalities, in context, and considers the dynamic interaction of multiple stakeholders. Understanding both similarities and

differences across markets can help managers make decisions as to how they can contribute to the development of new markets by drawing on existing roles and competences. This points toward the replication or reproduction of institutions or “rules of the game” (Williams 2000) as a central aspect of market (re)contextualization and highlights the importance of norms, especially social roles, which guide the expectations and enactment of practices in markets (Akaka and Chandler 2011). However, the findings of this research also suggest that it is also important for managers to recognize differences across contexts, especially those related to practices, resources and meanings. Understanding differences across cultural contexts provides managers with insight as to how the practices, resources, norms and meanings (cultural context) associated with a particular firm can align with those of a broader cultural context and can contribute to the contextualization, or further social construction, of a particular market culture.

It is important to note that this view of cultural context can help to identify markets at various levels – micro, meso and macro – because it provides a framework for oscillating among viewpoints by considering the practices, resources, norms and meanings that constitute any relationship or system of relationships – from dyads, to triads, to networks (see Akaka et al. 2012; Chandler and Vargo 2011 for details on how networks of relationships contribute to context). In other words, this framework can be used to identify differences (and similarities) in cultural context between two or more firms (micro-level), subcultures (meso-level) or even nations (macro-level). Thus, although this particular study was conducted at a meso-level (e.g., subculture) of cultural context, this framework can also be used to identify differences in context at micro and macro levels as well (Chandler and Vargo 2011). This can further help managers with

strategic issues that deal with identifying differences in local versus global contexts. In addition, the application of this cultural context framework can help to identify cultural contexts that are nested within markets such as surfing – e.g., those associated with particular brand communities or variations of surfing such as longboarding or shortboarding – as well as identify broader markets that overlap both surfing and SUP, such as those associated with “sports” or “ocean activities.”

Furthermore, this framework for cultural context can be applied to identify new or emerging market cultures and provide insight as to how firms can contribute to the (re)contextualization of those markets. In the case for SUP and surfing, many professionals in the surfing industry are trying to figure out if and/or how they should contribute to the SUP market. This decision requires careful consideration of whether or not a firm can or wants to contribute to a market that is not based on riding waves. Additionally, this framework can also help to make decisions about how to interact within a particular market by shedding light on the social norms that guide interaction and the brands that dominate a particular cultural context.

As with traditional segmentation issues, one of the major concerns with the use of this framework is identifying the particular components of cultural context that most accurately or effectively represent a particular market culture and can best inform a specific decision. The multi-method approach applied here is an important factor in the use of this framework. Meaningful significant differences across cultural contexts can only be assessed after an in-depth analysis of the cultural context(s) of interest. Even in the case of surfing, there are numerous other practices, roles, norms and meanings that this market-identification process could have included. Again, as with traditional approaches

to segmentation, care must be taken to match the needs of the firm or manager with the purpose and desired outcome of the research.

This research provides a framework for the study of market identification that is based on value co-creation. Although traditional approaches to segmentation can aid managers with understanding differences among customers and gain a larger portion of the “market pie,” this approach to market identification can help managers to strategically co-create or contextualize new markets. Thus, this approach will be most helpful for those managers or firms that seek to establish or develop new or emerging markets. However, it is important to note that this value co-creation approach to market identification is only part of a larger, more fundamental movement. This shift toward a focus on understanding differences among *contexts*, rather than *customers*, and *contextualizing*, rather than *targeting*, markets, is based on the reconsideration of service as the basis of exchange (Vargo and Lusch 2004) and the importance of signs and symbols in markets (Venkatesh et al. 2006). This work contributes to the ongoing evolution toward a new, (service) dominant logic for marketing by further developing the concepts of value co-creation and value-in-context, and provides a model for studying markets as cultures. Additional research and testing of this model will help to further develop a theory of market culture, which will potentially enable firms to innovate more compelling value propositions and, thus, more effectively contribute to value co-creation as well as market (re)formation.

## CONCLUSION

The study of value co-creation has grown substantially in marketing and related fields. However, there is a long road ahead in understanding, and then (re)developing, the practices and processes that drive the collaborative creation of value, and markets. This is because the dominant thinking about markets and marketing is grounded in a logic that centers on the production and distribution of goods, and the study of unidirectional, dyadic exchange relationships. I was recently reminded of how pervasive the goods-dominant (G-D) paradigm remains (Vargo 2007; Vargo and Lusch 2004). In two casual conversations, I was confronted with the reality that the current, dominant way of thinking about business in general, and marketing in particular, differs drastically from my own. These brief encounters caused me to reflect on the research I have presented here and why it matters to both marketing theory and practice.

My first conversation was with an MBA student who said he “hates marketing” because “marketing is about just about lying to people.” I politely responded by agreeing that many of the traditional marketing tools and tactics seem to be about manipulating people into buying things they do not need. After all, this was my initial reaction to traditional marketing models as well. I went on, however, to talk about the changes that are happening in the discipline and how it is becoming increasingly clear that marketing is not just about selling stuff to people, but about helping people to create value in their own lives.

The second conversation I had, coincidentally in the same morning, was with a businessman who explicitly told me, “the only purpose of a firm is to make a profit.” He apparently works for a toy company that “doesn’t care about the happiness their toys

bring people, but only cares about its profit margins.” I argued that although that might be the case for his company (although I am very doubtful about that), there are clearly a number of firms that care about more than just making money and do pay attention toward customer needs. He responded by saying that I was wrong and that I should do some “real research” to better understand what doing business is about. I responded, not as politely, by telling him that is exactly what motivated my research in the first place. Both conversations reminded me about why the study of value co-creation is so important for marketing, and for me.

My ongoing effort to study collaboratively created value in markets has been largely driven by my initial discomfort with models that focus on firms as “producers” or creators of value, and customers as “consumers” or destroyers of that value (Normann 2001). To better understand what value is and how it is created in markets, I have explored the nature of value (Vargo, Maglio and Akaka 2008) and the interdependent relationships that drive value creation as well as market formation (Akaka, Vargo and Lusch 2012). As I spent more time studying value and value creation in markets, I became increasingly certain that value is not solely, or even centrally, based on monetary or “exchange” value.

It is important to note that I do believe that profit is an important measurement of a firm’s success, as well as its ability to contribute to value-creation processes (Lusch and Vargo 2006). Furthermore, profits are required for a firm to survive and thrive and, thus, I am fully aware of the needs for an organization to be “profitable.” However, as important as profits are, they represent a nominal measure of value, and even Adam

Smith (1776), the “father” of economics, argued that “real value” is that which is determined through the use or “value-in-use” of a particular resource.

This present research contributes to a growing body of literature that centers on understanding “real” or “use” value and how interconnected efforts to (co-)create this type of value also drives the formation of markets. Both S-D logic (Vargo and Lusch 2004; 2008) and CCT (Arnould and Thompson 2005) provide important insights to how value is created through use, in context, and the way in which various forms of interaction contribute to value co-creation. Practice theory (Schatzki 1996; Reckwitz 2002) in general, and structuration theory (Giddens 1984) in particular, sheds additional light on how the actions and interactions of individual actors, which are driven by their efforts to create value for themselves and for others, contribute to the social construction of markets. The intersection of these bodies of literature underscores the contextual nature of value and the processes by which value co-creation drives the (re)contextualization, or social construction, of the cultural contexts that comprise markets.

The consideration of markets as cultures and the cultural context framework proposed and developed in this research suggests that as individual actors enact practices to create value for themselves and for others, they draw on and contribute to common symbolic and material resources, social norms and collective meanings. The practices, resources, norms and meanings that influence and are influenced by value co-creation socially construct the cultural context through which value is derived. In this consideration of markets as cultures, ongoing efforts to co-create value through interdependent relationships drive the (re)contextualization of markets, or market



cultures. This framework contributes to a movement away from the linear and unidirectional models I was taught as a marketing undergraduate.

Although conventional models continue to dominate marketing classrooms and textbooks, there is clearly a shift in the marketing discipline toward studying complex interactions and collaboration in value creation, as well as market formation (e.g., Arnould and Thompson 2005; Humphreys 2010a; Lusch and Webster 2011; Penaloza and Gilly 1999; Read et al. 2010; Schau et al. 2009; Vargo and Lusch 2004; 2008). I believe that further theorizing the concept of value co-creation, and how it provides a foundation for the (re)contextualization of market cultures, will be instrumental in developing a deeper and more enlightening understanding of markets and advancing the marketing discipline.

It is not that the conventional marketing models that have been developed are not useful; they are. Traditional marketing research remains very useful for understanding customer groups and making connections between heterogeneous resources and demand (e.g., Smith 1956). However, the view of markets and marketing centered on the production and distribution of goods, and even the segmentation of unique customer groups, provides a narrow view of markets. In light of my recent conversations, this view of markets often limits peoples' perspectives on marketing to sales and promotions, and constrains managers from making effective, perhaps even ethical, long-term decisions. The main lesson I learned through this study of a global market culture is that markets are enablers of value creation. They provide a means for people to access resources, forge relationships, and experience life in plethora of unique and phenomenological ways.

However, markets are not pre-existing and it is the very people that are benefiting from the market that are helping to co-construct it as well.

My study of surfing has revealed that markets are vibrant, meaningful, and dynamic social structures and systems that are continually (re)formed, or (re)contextualized, as the needs and wants of people change over time and space. Some could argue, perhaps, that surfing is special. That it is a unique market, with unique culturally rich qualities. But I would have to disagree. As I sip my *Starbucks* and write on my *MacBook*, I am reconfirmed that there are countless of other markets that are driven by value co-creation and composed of the same cultural components – practices, resources, norms and meanings – as surfing. I believe that by studying markets and marketing from this market-culture view, we can begin to gain a better understanding of the beauty of markets and the importance of marketing.

Although this research has begun to answer questions about *how* value is co-created and how markets (re)form, there is much to be done to better understand *why* this all occurs. It is simple to say that we engage in value co-creation in order to create value for ourselves and for others, but what does that really mean? Why do various stakeholders enact practices and processes associated with value co-creation? What does it mean to create *real* value, and how can we do it better? Since our traditional and dominant views on value in markets and marketing are generally focused on nominal measures of value such as profits, marketers remain limited in their understanding of how to contribute to value creation for individuals, as well as society. This is why the study of experiential and phenomenological value, or value-in-context, is so important for advancing marketing and related disciplines and improving overall societal wellbeing.

I realize that this idealistic view on markets is not the dominant view, and, of course, that it overlooks the dark side of markets as well (I am well aware that there is one). However, my recent conversations provide evidence that marketing needs to be re-branded, so we are not all thought of as “liars” and so that more people will be able to consider markets as a means for benefiting society, rather than destroying it. However, the re-branding of marketing requires more than a fancy campaign. It requires a reconsideration of the core competence of marketing and marketers, and how that competence can be applied to serve, and help to create value for and with, others. It requires a fundamental shift in the way people – marketers, managers, customers, etc. – view markets, and value.

Because markets themselves are an understudied phenomenon (e.g., Venkatesh et al. 2006; Vargo 2007a), there is much work to be done in developing a theory or theories of markets. Furthermore, in order for this re-defining and re-branding of marketing to take place, the dominant, production- and goods-centered paradigm must be replaced by a new value co-creation and service-centered world-view. However, paradigms are pervasive and difficult to change, and the G-D logic of business in general, and marketing in particular, is no exception (Vargo 2007b). Vargo (2007, p. 106) argues that S-D logic, in its present state is not a paradigm, because it is not yet a “worldview.” He explains that “worldviews are determined bottom up rather than top down and, thus, it is the discipline that will make this determination, over time.” Judging from my recent conversations, it is clear that the business paradigm (world-view) remains largely goods-dominant.

This present research helps to chip away at the gargantuan task of developing a grand theory of the market, from which better normative marketing theories can be built

(Vargo 2007a;b). As I was made painfully aware in my recent encounters, a shift in the world-view of marketing will undoubtedly take time. It will require the effort of a community of scholars, as well as practitioners, committed to “reconstructing” new marketing theories, based on a more in-depth understanding of “markets” and value (Vargo 2007a; Penaloza and Venkatesh 2006; Venkatesh et al. 2006). According to Khun (1996), “a new theory, however special its range of application, is seldom or never just an increment to what is already known. Its assimilation requires the reconstruction of prior theory and the re-evaluation of prior fact, an intrinsically revolutionary process that is seldom completed by a single man and never overnight.” Thus, developing a theory of the market, based on value co-creation will take time, collaboration and re-evaluation. I hope that this research will contribute toward this worthy endeavor and the development of general or grand theory of markets will indeed spur a revolution, and re-branding, for *marketing* theory and practice.

## APPENDIX A: References for Qualitative Data

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## APPENDIX B: Selected Surfing Words

- Aerial – Skateboard-influenced surfing maneuver where the rider launches off the wave crest into one of an ever-growing number of board- and body-torquing airborne variations, then lands back on the face of the wave.\* (p. 5)
- Air brush artist – A person who engages in a surfboard-coloring method using water solvable acrylic paints sprayed in a mist through a handheld, air-pressurized nozzle.\* (p. 9)
- Backdoor – To begin a tuberide from behind an already-dropping tube section, that is, a section breaking ahead of the curl line, but not so far ahead as to render the wave unmakeable.\* (p. 34)
- Backside – Riding so the heels, butt, and back are facing the wave.\* (p. 34)
- Bail out – Abandoning the surfboard.\* (p. 35)
- Barrel – see Tube
- Barreled – see Tube-ride
- Beachbreak – The type of surf break that takes shape over a sandy beach.\* (p. 49)
- Bottom turn – The fundamental surfing turn, performed along the wave’s trough or “bottom”; a cornering maneuver thought of as both a discrete entity – particularly in bigger surf – as well as preference to tube riding or any of a variety of off-the-top maneuvers.\* (p. 76)
- Buffer – A person who buffs surfboards after they have been sanded.
- Closeout – A wave that folds over all at once, without a “shoulder,” or declining crest line, that allows a rider to angle across the wave face.\* (p. 125)
- Coach – A person who teaches and trains a person how to surf competitively.
- Competitor – A person who competes in surfing competitions as an amateur or professional.
- Crest – The top portion of a wave just as it’s about to break or beginning to break.\* (p. 141)
- Curl – The crest of the wave as it loops over and drops toward the trough.\* (p. 142)
- Cutback – A maneuver that takes a surfer from the wave’s shoulder – the non-cresting area ahead of the curl – back to the steeper, more critical and powerful part of the wave.\* (p. 146)
- Designer – A person who designs surfing-related equipment.



Drop-in – The act of taking off on a wave in front of another surfer who is closer to the curl, and thus thought of as having first claim to the wave.\* (p. 165)

Duck dive – Method of burrowing through or beneath an incoming wave that is either cresting or already broken.\* (p. 169)

Floater – Hovering, neutral-edged maneuver, where the surfer distributes his weight evenly across the center of the board and “floats” laterally across the crown of whitewater – or on top of the curl as it pitches over – before dropping back down the wave face.\* (p. 206)

Frontside – A riding stance where the toes, kneecaps, chest, and face – the surfer’s front side – are facing the wave.

Glasser – A person who applies fiberglass to a surfboard after it is sanded and buffed.

Lineup – Area just behind the surf zone where surfers wait for waves.\* (p. 338)

Manager – A person who manages a surfshop or other surf-related organization.

Noseriding – Surfing maneuver in which the rider moves to the front of the board while angling across the wave face, and assumes one of a half-dozen or so positions.\* (P. 419)

Off-the-lip – Catchall phrase for virtually any kind of nonaerial cornering maneuver performed on or near the wave crest.\* (p. 431)

Onshore – A light to moderate wind that puts a ruffle on the water surface, makes the wave crest break unevenly.\* (p. 432)

Over-the-falls – A type of wipeout, or stage in a wipe-out, in which the surfer is embedded in the crest as it hooks over and drops into the trough.\* (p. 437)

Overhead – A wave that is slightly bigger than the height of a surfer, or roughly six to 10 feet from trough to crest.\* (p. 437)

Pearl – When the nose of the surfboard dips underwater, checking or completely stopping the board’s forward motion; usually the result of the rider putting too much weight on the front of the board\* (p. 452)

Photographer – A person who takes pictures of surfers for a living.

Point break – Type of wave that breaks around a point of land.\*(P. 467)

Professional surfer – A person who surfs professionally, usually earning money through sponsorship(s) and contest winnings.

Promoter – A person who promotes surfing events or the sport of surfing itself.

Prone-out – Escape maneuver generally performed on a medium-size or larger closeout wave, in which the surfer aims for shore, drops to his stomach, grips the board's rails, and tries to ride out the whitewater explosion.\* (p. 480)

Reef break – type of surf break centered around a permanent high spot in the underwater topography – a reef – almost always formed by either rock or coral.\* (p. 498)

Representative – A person who sells and distributes a specific surf brand or brands, often in a particular geographic area.

Sander – A person who sands down a board after the foam blank has been cut.

Section – A portion of a breaking wave that drops ahead of the primary curl line; common to all surf breaks, including the best formed waves in the world.\* (p. 528)

Set – A group of larger-than-average waves, usually numbering between two to five, but sometimes up to 10 or 15.\* (p. 530)

Shaper – A person who hand-crafts surfboards.

Shore break – Any wave that breaks close to shore.\* (p. 537)

Sponsor – A firm who supports a particular surfer or surf event in order to promote its brand.

Stall – Catchall term for any kind of board-sliding maneuver. The stall is generally used to keep the rider in the steep section of the wave, adjacent to the curl.\* (p. 559)

Swell – The entire output of waves generated by a storm, or combination of storms; also used to describe a single unbroken wave.\* (p. 617)

Takeoff – Ride-opening maneuver in which the surfer quits paddling, pushes up into a standing position, and begins to drop down the wave face.\* (p. 628)

Tube – Hollow interior formed as a wave crest arcs over and down to the trough.\* (p. 653)

Tube-ride – Riding through the hollow area of the wave formed as the curl arcs out and down into the trough; regarded since the late 1950s as the ultimate surfing maneuver.\* (p. 654)

Trainer – A person who works with a surfer to be in top physical condition to perform better in surfing competitions.

Wipeout – A ride-ending mishap that can assume any one of a dozen or more variations, from benign to deadly.\* (p. 701)

*\*Definitions taken from the Matt Warshaw's (2005) Encyclopedia of Surfing*

### APPENDIX C: Selected Hawaiian Words

*Noni* – small tree or shrub in the coffee family

*Kahu* – honored attendant, guardian; pastor, minister, reverend, or preacher of a church

*Alaia* – small thin surfboard, as of breadfruit or koa wood

*Holua* – sled, especially the ancient sled used on grassy slopes

*Kapa* – cloth made from the bark of the Wauke tree

*Malo* – male's loincloth; chant in praise of a chief's loincloth

*Nalu* – wave, surf; full of waves

*He'e* – to slide, surf, slip flee

*Mele* – song, anthem, or chant of any kind

*Hui* – club, association, society, corporation, company, institution, organization

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