MARKETING AS A SKIN TRADE:

A CRITICAL CHIASM FOR CHANGE

Joseph J. Pilotta
Jill Adair McCaughan

MYKOLAS ROMERIS UNIVERSITY

MYKOLAS ROMERIS UNIVERSITY

Joseph J. Pilotta
Jill Adair McCaughan

MARKETING AS A SKIN TRADE: A CRITICAL CHIASM FOR CHANGE

Research Study

Vilnius 2016

UDK 339.13
Pi78

Reviewers:

Prof. John W. Murphy, University of Miami, USA

Prof. Algis Mickunas, Ohio University, USA

Authors:

Prof. dr. Joseph J. Pilotta, Mykolas Romeris University, Lithuania

Prof. dr. Jill A. McCaughan, Mykolas Romeris University, Lithuania

Publishing was approved by:

Institute of Humanities of Mykolas Romeris University (22^{th} of January 2016, No. 1FHI-8).

Faculty of Politics and Management of Mykolas Romeris University (9^{th} of February 2016, No. 1PV-22).

Public Management Innovation Laboratory of Mykolas Romeris University (10^{th} of March 2016, No. VVIL-2).

Publication Review and Approval Commission of Mykolas Romeris University (25^{th} of March 2016, No. 2L-8)

The publishing of this research was funded by a grant (No. LEI-15031) from the Research Council of Lithuania. The authors also wants to express their appreciation to Mykolas Romeris University.

Research Council of Lithuania

ISBN 978-9955-19-788-1 (print)
ISBN 978-9955-19-787-4 (online)

CONTENTS

PREFACE

The present state of marketing is viewed with suspicion by the consumer. Advertising is viewed not with suspicion but as manipulation. Theories of consumer behavior and consumer environments by corporates and academics are essentially founded on the 17th Century principles of the sovereign consumer. Consequentially, mass media share the same assumptions.

Regardless of the manufacturers chastising of their advertisement agencies, and the harassment by marketers, the advertising agencies do what they say they do (on a good day) *advert* – turn a head toward something. It is easy to see why cynicism should prevail when marketing and advertising objectives are "attitude transformation" into behavior, in a word *persuasion*. Research has shown this doesn't work. Historically, advertising has not operated as a model of cognitive involvement, but rather, it *aims* at the non-cognitive level of the consumer body. So, how do we find the potential which may have a communication effect, which translates into a payoff for all: the marketer, the manufacturer, the agency and most importantly, the customers – their priorities and commitments?

For seven years, we have been involved with manufacturers, agency types, and independent market researchers concentrating on the retail markets. Today, mostly all of them are tech– or gadget-driven and suffer from cerebral hygiene – "If it's not made here, it doesn't count."

Manufacturing management and their agencies suffer from the syndrome that nobody ever got fired for hiring IBM, McKenzie, WPP, or Omnicom. But who does P&G talk to, other than themselves? Or who does DDB talk to other than themselves? They are organizational systems created by themselves, which they "enact." Even when the consumers are addressed, they are addressed monologically. The customer's meaning is translated into the usable format of a self-generating, "epistemological and ontological," self-fulfilling prophecy. This syndrome is more than the culture of the organization; it is the culture of their respective industries.

Yet, there is the potential for actionable results that currently exist which can change the malaise. That is through thoroughly critical work for academics and practitioners alike. A truly critical work is possible. That means critical theorizing is not a mere speculation or mere negation but a demonstration of *what is* and *what can be*– or what is in reach – *should the key players wish to actualize the possible.*

The words in our title, "Skin Trade," are borrowed from one of Pilotta's university professors, colleagues, and friends, John O'Neill, well-known Professor of Sociology, York University, Toronto, Ontario, Canada. In the following quotation, *we insert "marketing/advertising" in the place of "sociology" to convey our meaning:*

> [Marketing/advertising] is best thought of as a skintrade. This does not mean that [marketing/advertising] is not a profession or a science; it merely implies that [marketing/advertising] is obliged to claim the status of a science and a profession because that is the dilemma of the skintrade in the modern world. It suggests too that some of the scientific equipment of the [marketer/advertising person], like that of the dentist, cosmetician, and pharmacist, may be related to status management than the real nature of the task. [Directly altered from *Sociology as a Skin Trade,* (1972), p. 7]

Continuing our paraphrase of O'Neill, in our view, marketing/advertising is a symbiotic science. Its project is to give the people back what it takes from them. In brief, marketing – and its handmaiden advertising – is obliged to deliver *practical truth* (Directly altered from O'Neill, p. 7). In order to achieve the practical truth, we shall lay out the background which animates marketing and advertising: *expressivity.*

The plights of sociology (in the 1970s and 1980s) and marketing/advertising now are similar. Marketing/advertising have lost their compass, their ability to navigate the complexity, the accelerated tempo of the social and cultural domain today. They are perceived as manipulators and violators of choice. Today, advertisers deliver idealized constructions of *"how to live"* and marketing *invents* an exchange relationship *rather than a co-creation.*

Based on these thoughts from O'Neill, we start with looking at the evolving corporation and corporate social responsibility (CSR) – focusing on stakeholders, activists, academics, managers, and the general workforce**.** We suggest that CSR is *one* possible pathway to corporate change. We may call this pathway a pressure point for change. That is why CSR is a key feature for all structural aspects of the global corporation, marketing, advertising, brand, and brand strategy. If we agree with Charles Handy (2002), then corporations are obliged to do more:

> The purpose of a business…is not to make a profit, full stop. It is to make a profit so that the business can do something more or better. That "something" becomes the real justification for the business….It is a moral issue. To mistake the means for the end is to be turned in on oneself which Saint Augustine called one of the greatest sins….It is salutary to ask about any organization, "If it did not exist, would we invent it?" "Only if it could do something better or more useful than anyone else" would have to be the answer, and profit would be the means to the larger end. (pp. 49–55)

Another pressure point in marketing and advertising is based on an approach which has been tested out both in the academic and commercial world. It is not a consumer-centric model in the conventional way the industry conceives it. A consumer-centric model does not mean switching a focus from producers to consumers, but rather includes both sides: a dialogical model. One application of this model focuses on the media. The media are understood as manipulation tools in marketing and advertising. We do not equate manipulation with deception. But rather, manipulation is the *how* "to produce audience experience" through sound, sight, touch, and movement as the basic contextual elements of the media industry. „In fact, the media alters time, space, and movement before and around us "before the image" even appears.

We indulge in a more playful and risky orientation to the advertising brand theme. Brands have been described, and we think adequately, as engaging in "affective modulation" of a more technical oriented manner. We take this opportunity to complement the technical orientation with "Inter-Kinaffectivity" and the treating of brand as both a medium of communication at the symbolic level and a transformation medium at the level of effecting another pressure point.

The Achilles heel of all advertising, marketing, media, and brand is Marketing Mix Modeling (MMM). We supply methodological justification for a new way of looking at old things which are used in MMM. This is where the alchemy of success or failure is measured. We give a theoretical orientation which is conspicuously absent or unstated. One Chief Marketing

Officer stated the challenge: "Joe, you're probably right, but we all have invested so much money in what we have now."

A Note on Style

Our writing style could be characterized as non-linear, perhaps as a spiral, or as akin to the typology of a Klein Bottle. In this book, we try to demonstrate academic credentials as well as writing for the professor and the professional of marketing, advertising, and brand.

We did not run over old ground to prove we have served our appropriate apprenticeships. Instead, we lay out the *truisms* of contemporary theory and application.

The book consists of five themes: *Corporation* and *Branding* (in general), *Advertising* and *Marketing* (directly) and *Change*. We see these themes as having the possibility of a ludic function in the industry; change is disruptive in principle to those who resist as well as to those who affirm it … so let's continue the game.

November 2015

Joseph J. Pilotta, Ph.D.
Columbus, OH USA,
Mykolas Romeris University, Lithuania

Jill Adair McCaughan, Ph.D.
St. Joseph, MI USA,
Mykolas Romeris University, Lithuania

CHAPTER I

The Three Cs: Change, Communication, and Corporation

We are concerned with change — about it and of it…

Changing Things

Change is grasped by understanding the issues of structural contingency, mutability, and revisability. The conditions for change are simply learning and knowledge. We treat knowledge as expectations in as much as they generalize the anticipation of learning. This is true for the individual as well as for the systems of marketing and advertising.

One must know in order to be able to learn so as to know more. This requires an open combination of knowledge to be retained and knowledge to be changed. Only in such combinations are generalized cognitive expectations treated as knowledge.

Even the transformation of ignorance into knowledge falls under this concern of learning and knowledge. Therefore, the acquisition of knowledge where none existed before requires a restructuring of a pre-existing state of knowledge. For example, one didn't know beforehand that there were pomegranates. Now, the horizon of what is edible has been expanded, and one can learn that the local supermarket sells them. Knowledge is therefore the condition for and the regulation of the leaning process, more precisely, that of building learning possibilities into the existing structure of expectations. If learning possibilities are to be developed, then the situation of knowledge must be correspondingly prepared. It must implicitly or even explicitly take hold of its own changeability.

One can afford a readiness to learn only if one knows precisely the condition and the expectations that will have to change and in what direction. It must be possible to establish these conditions quickly and adequately for situations of surprise or disappointment. This requires an adequate knowledge of alternatives of the milieu and of comparisons – in short, a critical "mass" of that on which one can rely. All these are conditions of respecification, which make it possible to admit insecurity as the equivalent of security, and correspondingly, to generalize demands for security.

Structural change presupposes self-maintenance. It follows that change and preservation cannot be explained by different theories, but everything must deal with both. *What is new is that the problem does not lie at the level of a "whole" equipped with many qualities that are either preserved (or not), but on the level of relations among elemental events whose reproductions are continued (or not). This means that every situation contains a three-fold difference:*

(a.) A connective action (that is, relevance) within the framework of existing structures of expectations;

(b.) A connective action on the basis of deviant structures;

(c.) Cessation.

The difference between the above differences defines a matrix of structure which can be distributed or changed.

The above consideration can function as a very brief pedagogy of the conditions for change which can be applied to individuals, groups, organizations, and social/cultural systems, that is, determining the social of "knowledge" for the required change that is deemed necessary if feasible.

Communication and Exchange in Marketing

A particular communication does not communicate the world, it divides it. Like any operation of living or thinking, communication produces a caesura. It says what it says; it does not say what it does not say; it differentiates (Luhmann, 1994, p. 25). Communication and exchange are two major buzzwords used often unequivocally in management and marketing literature. It would seem, on the surface at least, that marketing represents activities to engineer exchanges through communication. The meaning of these concepts is often assumed to be straight forward and indisputable. Traditionally, the mechanistic notions of these concepts have dominated the business literature. In marketing texts, communication was predominantly explained via the "transmission" metaphor that was about a communicator who sends messages to an audience via a particular channel and gets feedback through another channel (Varey, 2000). Similarly, exchange was predominantly seen as transfers of tangible and intangible goods and services (Bagozzi, 1975; Vargo & Lusch, 2004). These simplistic notions have been criticized and put under scrutiny by many management and marketing thinkers (Bagozzi, 1975; Varey, 2000). Researchers have proposed a great number of alternative conceptualizations. One of the most important is the social systems perspective proposed by Niklas Luhmann.

Consumers' experiences and practices are important in defining the use and value of goods and services according to the consumer research (Holbrook, 1999; Holt, 2002; Thompson, Locander & Pollio, 1989). Researchers also suggest that exchanges are about meaning creation; that is, they embody symbolism (Holt, 1997; Levy, 1959; Stern, 1995). These perspectives indicate a common notion that exchange must be about a type of meaning negotiation in a marketplace. Here, Luhmann's theory contributes to the understanding: the general character of his social systems perspective allows the interpretation of marketing exchanges *as a play-space of meaning co-creation and negotiation.*

There can be two approaches to consummating exchanges: transactional and relational (Varey, 2002). The transactional approach posits that exchange ends with, and is only concerned with, the act of giving and receiving. Everything else that follows the exchange is defined as post-exchange. The relational approach takes a long-term perspective, arguing that exchanges are the outcome of human-to-human relationship processes; therefore, their development and essence extends beyond a single transaction.

Bagozzi (1975) defines marketing as the processes involved in the creation and resolution of exchange relationships. Examples from successful businesses show that exchanges go well beyond the definite point of good/service/money swaps (Gronroos, 1994). However, both approaches can be used as a business philosophy in real marketing situations. From Luhmann's perspective, the transactional approach to doing business is not communicative. A marketer hands over a product; in addition, he develops and directs a marketing mix in relation to this product but refuses and/or avoids participating in consumers' meaning-creation processes because of the transactional nature of the business. *The product and marketing mix (product characteristics, brand image, advertising, price decisions, and distribution channels) become a mere proposition, that is, triggers for creating understanding that is developed independently from the marketers.*

The product's meaning is created in use (Ballantyne & Varey, 2006); the locus of the marketer's participation is kept at minimum by choice. Moreover, understanding of any marketing mix element arises without the participation of the marketer. The marketing mix elements are split into the information (for example, low price levels) and the utterance (for example, sales promotions, discounting, and such) which may suggest negative meanings, such as the marketers' product is not of high quality, among many other similar meanings. The point here is that consumer communication, that is, meaning-creation, becomes unpredictable for the marketer. The marketer's actions become a simple trigger for proliferation of an unintended horizon of meanings with which consumers will have to deal.

For the marketer seeking to influence buying decisions, this is undesirable. In the marketing locus, goods and services play the role of a communicative medium (McLuhan, 1964). Products are meaningfully differentiated (Carpenter, Glazer & Nakamoto, 1994), so they propose particular meanings to consumers. The availability of the product in the marketplace is an invitation to communicate solutions to consumers' problems. But how and with whom? This question will be addressed later on in our discussion of marketing.

A Brief Introduction to Niklas Luhmann

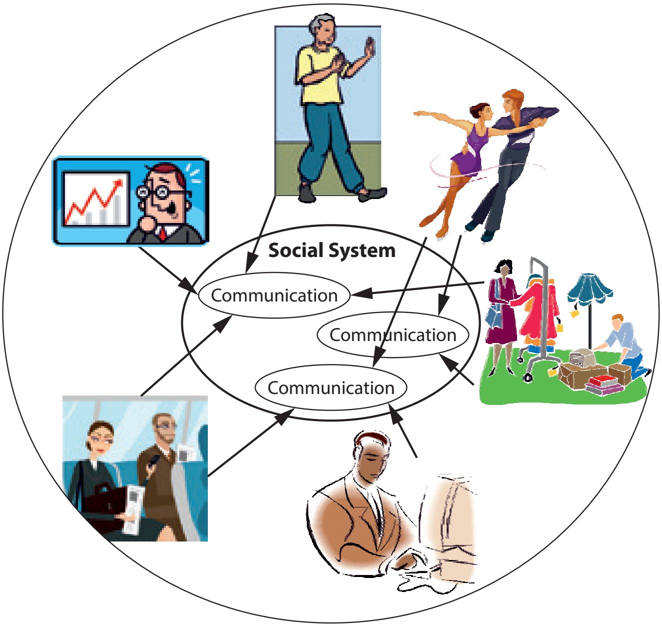
Niklas Luhmann, a sociologist of note on the topic of corporations, media, and advertising, has made an important contribution to the study of those topics – a theory of communication which is primarily an outgrowth of his systems-based assumptions, including the view of system characteristics, not as structural but as process. Concentrating upon the phenomenon of highly complex (differentiated) systems, Luhmann places a particular conceptualization of communication at the core of system generation and recreation. It will be useful to provide a summary statement of Luhmann's theory (See Figure 1.1.).

Complex social systems require an economic deployment of communication strategies/media/codes in order for the system to not only operate but also to re-create itself. In this context, communication includes all forms of meaning creation, co-creation, coordination, and manipulation. Communication enables the creation of a social reality – not arbitrarily – and in highly complex, or in Luhmann's words, highly differentiated, societies. These social systems require as a precondition the possibility of a symbolic order that is simultaneously a product of, yet abstracted from, the immediate here and now and from the historic past and present. Such an abstraction from the actual lived and historical circumstances of its

FIGURE 1.1

The Conventional Understanding: The Key Elements of Society are Individuals

A New Understanding: The Key Elements of a Society Are Communication



ontology releases a symbolic reality from the linear time (of an individual or group), as well as from the necessity of accounting for the idiosyncrasies of daily life. The ability to create such an abstracted social order/reality is itself predicated upon a form or forms of human communication that is/are not wholly (or even mostly) limited by temporal and physical immediacy.

Although systems theory is readily employed by a host of communication scholars in the examination of organizational, interpersonal, intercultural, and mass-mediated communication, the foregoing synopsis of Niklas Luhmann's application and modification of systems theory to the problem of marketing and advertising communication is unique. Its potential appeal to marketing and advertising scholars *resides in the formulation of communication as essential to the formation of social and cultural communication processes.*

Meaning Is the Driver of All Communication

Luhmann's perspective can be summarized as follows: For a number of reasons, including the limitations of human beings for coping with ever-present and increasing complexity in a direct (sensory) way, as well as the temporal contextual limitations of face-to-face interactions, it is convenient and possible to view the formation of systems as a response to the "problem" of environmental complexity. Social action systems, then, take shape in order to accomplish the reduction of complexity. That is, they simplify life, make it controllable, manageable, and comprehensible. In other words, social systems represent "islands of lower complexity within fields of higher complexity."

These social systems are constituted and operate through the communication of meaning. For Luhmann, systems involve not only great complexity, but they also respond to a high level of contingency (that is, things can be otherwise). This saturation of contingency, in turn, makes problematic the very survival of social systems, because those same social action systems are based upon the possibility of meaning and, therefore, of communication. As will be clarified shortly, communication is problematic for a system because communication employs symbols – language (Luhmann, 1982, p. 175).

For Luhmann, *meaning* is system-contained (or systems-driven). In this respect, his viewpoint can be regarded as the other side of the coin implicit in the early phenomenological viewpoint for Pilotta and Mickunas. This later viewpoint regards meaning as actor-determined, and it addresses the conditions for the possibility of *meaning*. For Luhmann, the object of analysis becomes the state of affairs for which *meaning* is the condition, or in other words, that which meaning makes possible. And, that which meaning makes possible is remarkably effective complexity-educing mechanisms.

As part of the requirements for the effective functioning of the social action system, there arises a need to communicate meaning that provides for the agreement between possible selections, ordering the alternatives (selections) available to the individuals within the system. Because the communication accomplishes this only through the employment of symbols, the situation is one of high contingency; this contingency further complicates selection. In high contingency situations, it is necessary to develop and employ some means for efficiently and effectively guiding the transference of selections (the guiding choice) from one social member to another.

Contingency is the key concept in Luhmann's theoretical framework because it underpins the relationship of communication and communication media to social action systems. It offers a possible explanation for how and why the creation of shared meaning enables the formation and functioning of social systems. Luhmann sees the regulation of contingency as critical to the existence of social systems.

Dialogical Communication

For the purpose of communicating meaning, namely, the guiding choice, the language code is insufficient, because, by its very nature, language contains both the possibility of affirmation (compliance) and negation (rejection), what Luhmann calls "double selectivity" ("dialogic"). The more complex the action system, the greater the need for a functional differentiation between the language code in general and special, symbolically generalized communication media (like power, truth, trust, or money), which serve to condition and regulate the motivation for accepting social selections. These devices greatly increase the efficiency of the system by creating generalized motivational reality constructs.

In part, generalized motivational reality constructs account for the way things are done for both the typical behavior and the deviations allowed to co-exist. It accounts for the thousand-and-one day-to-day actions in the conduct of business in a manner unassuming, reliable, and self-perpetuating. It is the stuff of the system, the living matter – like the cells in the body – and it renews itself, contains the pattern, and shares the blueprints for the entity's structure and functioning. It is composed of individual units, yet it supersedes mere collectivity, enabling growth and adaptation.

Codes and Media

These constructs also serve as the coding scheme for the text of the system, as the gatekeepers of an ever-present and constantly growing contingency. This task exhausts the utility of language, and so, specialized communication media develop so as to carry out these functions for the system of the organization. A communication medium is defined as a mechanism that communicates meaning in addition to, or as an element of, language; a code of generalized symbols guides the transmission of selections. Communication media also have a motivating function, which is to "urge the acceptance of (the other's) selections and make that acceptance the object of expectation." *When the manner of one partner's selection serves simultaneously as a motivating structure for the other, a communication medium can be said to be formulated. Such formulation is self-enforcing; it makes the following two assumptions:*

1. Media-guided communication processes bind partners who complete their own selections and know about this from each other;
2. The transference of selections means the reproduction of selections in simplified conditions abstracted from initial contexts.

The processes of simplification and abstraction presuppose symbol usage and the formulation of symbolically generalized codes. It can be said that communication codes secure possible chains of effects independent of the receiver against the receiver's will, but indifferently independent of that will are communication codes which are not causes, but rather catalysts accelerating events, thereby increasing the probability of the ratio of effective connections between the system and the environment.

In Luhmann's words, a communication code is an "opportunity to increase the probability of realizing improbable selection combinations"

(Luhmann, 1982, p. 167). This makes it possible to make a distinction between the code and the communication process. For example, *gender is not considered to be the possession of either an individual or a group – that is, it is not seen as an inherent attribute or as a characteristic.* Furthermore, the rules for gender attribution are themselves contained *in the media code.* The implicit and socially embedded nature of communication media make such a reflexive posture possible. This reflexivity greatly increases the efficiency of the system and also serves to aid in guaranteeing its future and continued effectiveness.

For example, to examine gender as a communication code is also a way of suggesting that communication between individuals can also be understood and examined by looking at those aspects of communication which transcend the here-and-now and the individuals involved. It is generally acknowledged that interaction patterns are basically socially conditioned. It does *not* mean that children repeat the interaction patterns of their parents. Then, there must be a consideration of how concrete, idiosyncratic events are translated/abstracted into what is required. Luhmann labels that which results from this abstracting process "communication media" or "communication codes" (Luhmann, 1982, p. 350).

For Luhmann, the existence of such codes enables the enormous complexity of modern society, and it is necessitated by the limitation of language, which he claims would be quickly overburdened and cannot explain the patterns (of expectation) carried by the codes. This seemingly sweeping dismissal of language requires further elaboration. It is easy to misread Luhmann's intent, regarding all conversation as irrelevant in any attempt to uncover these communication media/codes which so efficiently condense and impart interpretation, as well as motivational patterns of action. Communication media differ from conversation in the information-exchanging sense in that communication media or codes are not neutral in regard to action selection, nor are they sensory in an ordinary sense.

Codes do not carry any explicit sense of alternatives or choice; rather they carry a motivation which, for example, *"causes"* American drivers to stop at stop signs and red lights, regardless of the time of day or presence of traffic, and it extends to the presumed influence that both detergent packaging has on purchasing and the public directive to vote for a certain candidate has upon voting behavior. Luhmann suggests that the motivational power of the communication codes is partly a result of its embedding in the web of social conventions which constitute a society. What Luhmann is observing as real language would take at least one and possibly several lifetimes to explain all the *social conventions* and expectations that underlie both the daily activities and the pivotal life decisions faced by each member of a social system. This difficulty is magnified geometrically in the case of a highly complex and differentiated social system, within which individuals are often members of more than one subsystem, each in a variety of ways and in various degrees. If individuals were bound by linguistic explication, such crossovers of multiple subsystems memberships would be impossible. Likewise, if language (for example, natural language) were the only communication medium available, the development of social complexity would be restricted by its natural limitations.

Luhmann does not preclude the possibility that language might function in an adjunctive capacity or even in an elemental capacity to other communication codes. In looking to language as a code, adjunct is necessary so as to bear in mind the salient qualities of communication codes. Because they are condensed and motivational, these codes must be atemporal and ahistorical. In order to relieve the need for explication, the content of communication codes must be in a highly abstracted form, comprehensible instantly, as well as independent of the context of their origin. Talk, or verbal exchange, can in some regard be said to function as a model for all communication research. Often in communication, research language is largely taken for granted as a code. Communication researchers are frequently concerned with the content of that code, and occasionally with its surface structure (for example, the syntactic characterization by sentence type such as interrogative, imperative, and so forth), and they thereby focus on language as a noun. In seeking to examine language not only as a noun but also as a process, communication scholars must recognize and distinguish their approach from that of scholars of other interested disciplines currently cooperating under the rubric of cognitive science to examine language as a psychological or cognitive process; as a neurophysical, neurochemical, and neuroelectrical process; and as a mechanical process. Luhmann's communication codes provide one means of examining linguistic phenomena as a social process or social code. The examination of language as a social code would require a shift in focus from the now-predominant psychological and cognitive emphasis to those aspects of communication which transcend (yet encompass) individual use and divergent episodes/acts.

We will continue the work of Luhman in this section on corporations in crisis.The reason is quite simple but is often lost in the fields of marketing and advertising. Corporations of all kinds, local/global, large/small, deep pockets/shallow pockets, are at risk. Also, marketing and advertising companies are corporations themselves and most of these are owned by six transnational corporations who were effected by "the recent fiscal crisis."

Crisis – What Crisis?

In October 2008, much of this debate appeared in a different light, with exorbitant values being "wiped out"– as the stock market talk goes – at breathtaking speed. At the end of September 2008, the drama of a Federal Bailout program in the United States progressed on a breath-taking course, and its outcome has been anything but clear (Landler & Andrews, 2008). With each passing day, the hopes that the $700 billion injection would have a real effect have become dimmer. At the same time, the global dimensions of the credit crisis have become clearer, and attempts to address the crisis were being undertaken on a global level.

Yet, it is all too obvious that this extreme value destruction speaks to the similarly overwhelming, "irrationally exuberant" (Shiller, 2005) creation of value that marked the last two decades, albeit with some momentary interruptions (Stiglitz, 2003). In light of the securitization mania, which George Soros (2008) scandalized in his more recent book, the long-emerging impression that we were witnessing an irrevocable, fundamental shift from industrial to financial capitalism appears questionable now. A host of rescue teams is waiting on the sidelines, but where are these suggestions directing us? What would have appeared, just a few years ago, as at best an inopportune attempt at applying a purportedly outdated political economy approach to a host of economic processes that seemed to defy political regulation in the name of a boastingly triumphant market fundamentalism, might now be seen as able to critically inform a disparaged discourse over the future of financial market regulation. The latter is intricately intertwined with corporate governance. It is against this background that today's search into the "soul" (that is, the entrepreneurial spirit) of the market and the company is unfolding.

Financial Autonomy: What Are the Codes?

Corporations have differing temporal systems of operation. Time is an internal construction of a system generating functional specific distinctions between past and future expectations. Differing time systems vary by market as well as by legal and political systems. There is no superstructure that synchronizes and integrates these time systems (Luhmann, 1997, p. 768). This has been the problem for the political and legal authorities in coping with the dynamics of financial "innovation." Today, the leading question for the financial system is: "Is it a self-reproducing system in its own right?" The answer is "Yes." Empirical findings suggest that there are spatial/temporal flows of capital as well as observable changes in financial markets, their instruments, and institutions. From a conceptual point of view, our economic system itself has gradually emerged along *recursive* chains of monetary operations and the basic internal structure is heterarchial. This means all of the systems of operation are connected with the operation by myriad network structures.

For example, firms, households, and markets are linked by decentralized operations without central control units or hierarchial constellations. The central role of credit, as memorialized in Bretton-Wood, marked this shift. It is here that politics and economics come into play regarding how much each contributes to monetary policy. It does vary with time, but with the recent rise of the financial markets, there may be an increasing autonomy of the economic. However, the internal time structure increasingly offsets external references, such as the political and the extra-social. One central element of the operation of financial markets is the payment that anticipates the reproduction of payments through payments. The logic of recursive operation and observations on financial markets establishes a highly selective searchlight for the economic world, illuminating certain areas and leaving the rest in the dark. So, what has been addressed as the hyper-reality and uncoupling of finance might be rendered more accurately as the process of system differentiation in the economic system itself.

Research by Karin Knorr Cettina (2002) reveals the role of the computerized situation between traders for the consistency of global financial markets. Conceptual global financial markets are a:

> …field in which participants, although geographically distant, are oriented above all toward one another at the space-time, disengaged from local settings [and] are spanned and bound together by global microstructure – that is patterns of relatedness and coordination that are global in scope but micro-social in character and that assemble and link global domains. (p. 907)

The protocols of interactions between traders, which document offers and agreements, are not mediated by the computer screen. The "screen" simultaneously reduces and increases social complexity.

For the assortment of content and the observers (traders), social complexity is reduced to one number. Since such a number is a point of reference for subsequent transactions, the complexity of finance increases along recursive chains of communication. Today, technical analysts, in terms of valuing stock quotes and analyzing charts, study the effect of price movement compared to searching for external reasons for price movement. Today, mathematically-based models of financial analysis strongly influence the structure and dynamic of financial markets.

The performativity of economics brings us to the following question: "Does the practical use of models that are based on neoclassical finance theory change patterns of price toward greater compliance with these models?" (MacKenzie, 2004). For example, Don MacKenzie (2004) explored the impact of the Black-Scholles Model option pricing theory on the US options market. He found the effect of the option pricing model "was to shift both market conditions and patterns of prices toward those posited by theory" (310ff). MacKenzie also found counter performity where the adoption of a model undermines the preconditions of its own empirical validity.

While using the Black-Scholles Model became standard procedure in the 1980s, its large-scale adoption is today widely regarded as having exacerbated the stock market crash of 1987. The practical application of models in financial economics must be seen as an attempt to automate decisions about whether to pay or not to pay on financial markets.

United States General Accepted Accounting Practices (USGAAP) and International Financial Reporting Standards (IFRS) can supersede national accounting structure of financial information in terms of such epistemic values as generality, comparability, balance, coherence, and simplicity. These are the values that constrict financial communication across corporate branches of trade and economics:

> [I]nvestors systematically increased their scrutiny of individual firms and evaluated the prospects of firms on how financial markets would value them in the future. Firms became acutely aware of the norms for corporate governance that financial markets were developing. As a result, firms became increasingly sensitive to how low key actions in financial markets viewed and valued them. (Bouba-Olga, 2003, p. 20)

Should we think of this in a linear measure, a leveling force of finance in terms of similarity and homogeneity among standard-following organizations?

The interaction between systems is not causal. Inputs from the financial environment have to pass through the filters of the economic organization, and vice-versa. Crossing the borders, causality is fractured; both systems of finance and organization operate in a self-referencing (in terms of themselves) manner. The environmental world is not a taken-for-granted. They enact their own environments.

So, within the mirror of financial markets, they observe how they are being observed, evaluated, and compared by financial markets, banks and brokers, specialized journalists, and institutional and private investors. As of today, quantitative versions of game theory as well as chart analysis have been operative for the last dozen or so years. These models have had a hand in shaping our current crisis, which most scholars have traced to the 1997 Asian financial crisis with differing time systems with various speeds, accelerations, and so forth.

The Corporation Is Changing

The deafening noise of political contestation is likely to repeatedly point our attention to the "usual suspects" of interest carriers in and around the business corporation: managers, investors, unions, employees, creditors, and the infamous "society at large." Despite the embeddedness of the business corporation in historically evolved socio-economic contexts, it simultaneously lives in other worlds as well. The political economy of the firm is not all there is to its persisting regulatory conundrum as long as our analytical lens ("political economy") can only perceive the corporation as either a "legal personality" or as a "real" actor to which it then assesses attributes such as "private," "quasi-public," "political," or "hybrid." Both perspectives – the legal and a crude, sociological one – that merge in the political economy approach must be enlarged: the legal perspective must incorporate its greatest challenge, namely all that which is not law. Within the legal system, this suggests a burning tension between legal, illegal, and non-legal (Teubner, 2009). From that perspective, the concept of the corporation as a legal person must be deconstructed in order to question the relation between the legal and non-legal norms that govern corporate behavior. In light of the fast-growing body of self-regulatory norms, such an inquiry seems more than warranted. Second, with regard to the sociological struggle over naming the corporate beast, it seems no longer plausible to apply terms (private, public, political) and derivations thereof (quasi-public, hybrid) to describe entities that seem to evolve in defiance of the traditional concepts used to describe the relations between the state and the market.

What Managers Do, Depends on What They Know

When confronted with decision-making challenges in a global market, management faces a great degree of *uncertainty* and *risk*. Managers engage on a day-to-day basis in the negotiation of short-term and long-term perspectives in a context, that is both highly artificially constructed *with a view to the financial instruments, which management operates with, but it is also deeply embedded in an evolving transnational political economy.* This context is, on the one hand, marked by a radical decline in publicly available funding for central infrastructure needs – a decline recently aggravated by the draw of these funds from seriously undercapitalized banks involved in CDOs and other mortgage securitization instruments. On the other hand, this context is undergoing dramatic transformations with regard to its longstanding forms of political-legal regulation and market governance. As domestic welfare states are continuing to struggle with the aftermath and development prospects of privatization and deregulation politics since the late 1970s, Western nations have meanwhile been active in shaping the emerging economies in the East and the South.

At the same time, organizational and management theorists are pointing to the amorphous status of knowledge as a subject of scientific assessment and strategic exploitation: as knowledge begins to both transform and constantly reshape the global economy, the need arises for a sophisticated conceptual apparatus to assess this development. Needed are economics of knowledge (Foray, 2004) as well as a theory of knowledge management that does not isolate business knowledge from questions of governance under conditions of uncertainty.

As global companies struggle to maintain their position in the market, the need to transnationalize management becomes crucially felt. With the biggest U.S. multinationals either still being 95% run by Americans and/or losing their trained and groomed foreigners to aggressively poaching emerging-markets firms, the issues surrounding a volatile "market for management" tend to eclipse the important questions regarding the transformation of management today. What does management need to know? How is that information generated, processed and utilized? How is that information turned into quality knowledge that informs corporate management today? How have the issues arising from a transformation of global markets identified above – first, the arrival of the emerging economies' actors on the scene and, second, the erosion of financial markets and the need to revisit the foundations of the much-hailed financialization of corporate governance – begun to inform the scope of management responsibility?

Against this background, management must assess the emerging challenges to traditional concepts of a company's responsibilities from a different angle. *Corporate Social Responsibility [CSR] is today on the agenda of business leaders, policy makers and activists because it relates to questions of regulating corporate behavior in a time where it has become a formidable challenge to identify what it is that a company does – admittedly a necessary prerequisite for any proposal of how companies should be regulated, to whom they owe which kind of responsibilities.*

The defining mark of contemporary governance is its radical dependency on dispersed, fragmented societal knowledge. This leads to an important reconfiguration of the relations between the different actors within and outside of their organizational boundaries.

What Comes After Financial Capitalism?

Let us now turn to a brief examination of the financial paradigm for CSR. It provides for a different perspective by focusing on CSR as an integral element of any business decision taken by corporate management. Given the emphasis on the financial strategies that business corporations have been pursuing on global markets over the past, "The Financial Paradigm" offers important insights into the way in which the corporation has been transformed from a fairly straightforward investment, production and dissemination vehicle into a complex amalgamation of financial strategies, consuming every corporate asset and interest.

One element of this transformation is that financial decisions in the past have been driven almost exclusively with a short-term orientation in mind, as regards the maximization of shareholder value in response to highly volatile investor constituencies who, at any time, could "take their money elsewhere." In this light, the financial paradigm, however, already points to precisely that, which the strategies pursued by corporate management over the last two decades – in most cases – were not. Instead, our second paradigm shall help us better understand how strategies of corporate governance and corporate finance are intricately interlinked and intertwined. The meaning of the second paradigm is, hence, not to promote a return to a pre-financial capitalism model of corporate organization, but, instead, to embrace the potential of a highly diversified knowledge economy, which bears substantial potential to better synergize governance and finance strategies in a sustainable way.

The other element of the financial corporation as the key player in the transition from industrial to financial capitalism is the degree to which the claims held by various stakeholders of the firm against the corporation become themselves commodified. This is most discernible with regard to the dramatic expansion of financial instruments consuming all of a corporation's inside and outside relations.

Governments and corporations alike are dependent on increasingly fragmented societal knowledge, which leads to an important reconfiguration of the relations between the different actors within and outside of their organizational boundaries (Pestre, 2007). The state is the emblem of the political system in a functionally differentiated society without a center or pinnacle; we see this society emerging as a society that is complex and marked by "a multiplicity of independent and parallel regulations" (Pestre, 2007). The state, in its dependence on constantly updated information, is at the same time implicated in the production of that very information by creating rules and facilitating institutional growth for knowledge production and dissemination, which raises, again, far-reaching legitimacy problems that democratic and legal theory only insufficiently have been trying to address through enhanced "participation" models.

The degree to which the narrative of a transition from industrial to financial capitalism is replete with paradoxes, similar to those we identified under the first political economy paradigm, becomes obvious when we turn our attention to the evidence given in its support. Readers of the "Special Report on Globalization" in *The Economist* (2008) might have been struck by the display of complexity that appears to mark the contemporary wave of economic globalization. From the various accounts covered in the report, it seems clear that the continuing, undeterred rise of emerging market companies to economic success is likely only the tip of an iceberg of an indeed extremely multi-faceted story of marketization and global expansion.

Meanwhile, corporations, like other societal actors are involved in market identification, creation and consolidation, in investment and redistribution activities as well as in R&D and "knowledge management" (Bouba-Olga, 2003), face pressing governance challenges that in many ways mirror those of contemporary political governing bodies (Zumbansen, 2006). The dependence of the legitimacy problem of contemporary domestic and transnational decision-making bodies, management on expert knowledge, which is generated and communicated both in- and outside of the firm, has grown in correlation with the expanding reach of business activities and their impact. As in other areas of law, the notion of the "expert" has itself come under increased scrutiny. In corporate law, certainly, long-standing attempts to give workers a voice have since begun to inform important demands for more diversity in the boardroom, in particular with regard to gender and race (Dhir, 2009). With governments and corporations as knowledge actors, producers, and consumers, the pressure on law to facilitate and to enable these processes has grown exponentially. Not adequately captured as being situated in an exclusively public or private sphere, "political," "private," corporate actors are both authors and receivers of the rules that govern their behavior. This new view on the embeddedness of societal activity in a de-centralized, de-territorialized and de-hierarchized knowledge society suggests a paradigmatic move beyond distinctions based on institutional manifestation ("state"/"market") or political, normative demarcation ("public"/ "private"). *These questions must turn to "culture" and to the corporation's place and nature in the "coming society"* (Baecker, 2008, p. 115).

Due to the previous condition that we have pointed out, the use of models fosters financial crisis, the separation of the financial system from the economic system, the increasing fragmentation of knowledge, the need for both knowledge of the future and managing the future which is uncertain at best, as well as the demand for corporations to ethically "give back" to the "community" from which they drain all or some of their profits.

Summary

The problem facing corporations today is not merely one of crisis, but rather that crisis itself has almost become a normal situation. For corporations, the pursuit of *profitability* is only one goal in an agenda that requires multi-tasking (or poly-centricity) in their corporate behavior. While the combination of self-interest and survival has been the model of companies since the Enlightenment, survival will not hold now unless this necessary, significant change in the corporate model is made.

Change will not be a small thing. Rather, in poly-centric corporates there is more than one "corporate center" to be addressed.

Therefore, models of media, marketing and advertising are our access points for change. They have economic impact on the industries, just as the fiscal models have had global impact.

CHAPTER II

A Differing Response To Uncertainty: a Scan of Media, Advertising, and Marketing

"The future is already here – it is just not evenly distributed."
~William Gibson (2003)

A Response to Uncertainty

Bringing People Together

Customer-centric models are emerging as a *response to the growing uncertainty,* instead of dealing with uncertainty through tighter control. They seek to expand an opportunity for creativity by local participants dealing with immediate needs. To exploit the opportunities created by uncertainty, customer-centric models help people to come together and innovate in response to unanticipated events, drawing upon a growing array of highly specialized and distributed resources.

Expanding Choices

Rather than seeking to constrain the resources available to people, customer-centric models strive to continually expand the choices available, while simultaneously helping people to find the resources that are most relevant to them. Rather than seeking to dictate the actions that people make, customer-centric models seek to provide people on the periphery with the tools and resources (including connections to other people) required to take initiative and creatively address opportunities as they arise. For example, MIT offers courses on demand for free.

Creating Economic Value

By mastering the techniques required to make this new model work, companies will be well-positioned to create substantial economic value. Those who adhere rigidly to the old model will likely destroy significant economic value.

A Transformation of the Media Landscape

Media Consolidation

Over the past decade, we have witnessed a transformation of the media landscape. On the one hand, mass media is becoming more concentrated in terms of ownership, as audiences and revenue sources slowly decline. In 1976, the biggest owners of radio and television stations were companies like ABC, NBC, and CBS. Each of them owned 14 radio stations (7 AM and 7 FM) and 7 television stations. In 2006, Clear Channel alone owned over 1200 radio stations, along with television stations and outdoor billboards all over the world.

The Development of Niche Content

On the other hand, we are witnessing a blossoming of niche content, aided by converging developments. These include: the development of low-cost and easily accessible content-creation tools; the spread of the internet as an infrastructure for content distribution; the growth of new forms of access devices; and the emergence of a type of distribution business which facilitates the transition to consumption-driven models of content distribution.

Digitization

Anything that can be digitized, can be accessed and distributed on the internet. While bandwidth has increased and compression algorithms have improved, we have seen a migration from text-based content to music, and now to video in terms of using the internet as a platform for access and distribution. At the same time, more powerful, compact and mobile access devices – like MP3 players and digital video recorders like TiVo – are making it easier to search for, find, and connect with relevant content. In fact, through their search technologies, Google and Yahoo are making it easier to match interests of a practical nature with content. Such is the goal of the Semantic Web.

Social Networking Media

Perhaps the area that has recently received the most attention is the rise of social networking media. Social media tools provide everyone with the capability of quickly "publishing" their perspectives and creative content, like music, photos, and video, making it broadly available to others.

The Democratization of Media Production

These social media tools are further augmented by the increasing number of inexpensive but even more powerful digital content creation tools, reaching from digital still cameras and video cameras (often embedded in mobile phones for even more rapid transmission to the internet) to digital music creation and remixing platforms. Media production is no longer the exclusive provenance of professionals – talented "pro-ams" are harnessing these new tools to make their voices heard and their creative products seen. Consumer-generated media, such as that found on YouTube, Facebook, and MySpace, have developed with great rapidity, allowing self-expression to rule. Millions of people use these sites which did not even exist a few years ago.

The Democratization of Editorializing

Social media also enable everyone to become an "editor," pulling together the content of others, remixing it in creative ways, and adding one's own commentary. The informal, highly personal style of social media also provides interesting new ways for readers to get a better sense of the persona behind the work, allowing them to "read" the content offered on the blog, thereby providing a much richer context.

The Development of New Distribution Businesses

They are aided in this task by new distribution businesses that are breaking down the "shelf space" constraints of traditional distribution channels, radically expanding the range of content that is available, and providing robust tools to help customers find the content that is most relevant to them. Sometimes, these new businesses look like more conventional retailers in the sense of providing a single point of access to broad assortments of media (for example, Amazon or Netflix). They provide new ways of sampling media before buying (for example, Rhapsody). But others are quite different, ranging from eBay – where the closest analogue is the local flea market – to peer-to-peer networks that lack any central hub at all, enabling owners of content to pull from each other directly.

Customizing Trends

But the changes to the media business are not restricted to distribution. Customer-centric approaches are also emerging among media production, leading to a further proliferation of media choices. At the most basic level, customers are increasingly customizing media to better suit their individual needs.

What All This Means to Us

With all these changes, we need to lay out the specific transition points in advertising, marketing, media, and consumer research to fields of connective action.

Stages in Advertising History

Over the course of its history, the field of advertising has experienced three distinct stages, and we are now embarking on a fourth stage.

Stage 1: Making Customers

Common knowledge in the field of economics supposes that the surplus value that is generated in production depends on the consumption of goods and services. For Thorstein Veblen (1912), an early economist, this process depended on the "fabrication of customers." That meant transforming "unproductive" workers into productive workers who had to exchange their wages for the same goods that they had just produced. For Veblen, this also meant that workers' needs had to be restructured and expanded so as to conform to the production of commodities that were created to satisfy their needs. Because the market remained uncertain, it was incumbent upon corporations and advertising agencies to reduce the consumer's autonomy of choice and to "induce" consumption.

Stage 2: The Reduction of Uncertainty

With the Great Depression, there arose an entire folklore – as well as academic studies – that spoke to the artful practice of *inducing consumption*. While academics may have been consumed with this concept, for the practical work of advertising, inducing consumption was really a second-order question. Rather, the immediate concern was the *reduction of* *uncertainty in selling*. During this time period, selling was accomplished on a personal basis: through the salesman.

Stage 3: The Addition of Science to Advertising

A. Advertising Substitutes for the Salesman

First, the actual work of the advertising agency came to involve more and more activities which did not directly contact consumers. In the early 1970s, advertising was seen as a mere mechanical substitute for a personal salesman.

B. The Value of Understanding Human Nature

Second, underlying this assumption about salesmanship was the belief that "an understanding of human nature" is a necessary "basis for all advertising" (J. Walter Thompson Company, 1909). As the complexity of society increased, the development of sophisticated models for measuring advertising effectiveness took hold. Sales were considered the bottom line of success, but the sales variable needed to be anticipated.

C. Enter Psychological Research

Psychological research was deployed so as to control the variable of contact and what resulted from it. The ultimate aim of the research was to construct coherence around the product and the corresponding advertisement. With a conceptual and statistical framework, the effectiveness of past achievements was used as a means of generating an assessment model that could predict the form of coherence. The construction of an advertisement has, as the immediate material of work, a series of effects, a potentially infinite set of differences, and the work of constructing the ad is shaped out of that material, as it might be available in any given database.

D. The Idea That Successful Advertising Need Not Be Believable

With the implementation of psychologically-driven research, changes occurred in regard to the way that "success" was viewed. While the effectiveness of advertising may or may not have been believable – while an advertisement may or may not have changed people's minds – *believability* was not seen as a criterion for success:

> Imagine a room with a large window that looks out on a beautiful countryside. On the wall opposite the window are three mirrors. The first mirror is uneven, spotted, and dirty looking. The second mirror is clean and neat, and in addition is framed by a

> beautiful ornamental engraving. The third mirror has no frames or ornament, and is nothing but a plain, but perfectly flawless mirror. Now an observer (critic or client) is taken into the room and his guide points to the first mirror and says, "What do you see?" The observer says, "I see a bad mirror." His guide points to the second mirror and asks again, "What do you see?" The observer says, "I see a beautiful mirror." Finally, his guide points to the third mirror and says, "What do you see?" The observer says, "I see a beautiful scene out of an open window." (Politz qtd. in Maloney, qtd. in Watkins, 1992, p. 172)

The Problem of "Misindexing"

The three "mirrors" differ in that the necessary *codes* have been eliminated in their construction. Thus, the connection that should be linking the message and the product is accidentally transmitted to something other than the intended product. That is, an advertisement can be *"misindexed."* To the extent that the construction of an advertisement permits misindexing, it also enables the entrance of "random variables."

Effectiveness

"Effectiveness" depends upon the degree to which the coherence of message and the code reduce the number of random variables as they appear in the construction of the ad. In the 1950s and 1960s, the technique of the 1920s was modified to include specialized, research field tests. This modification transformed simple advertising psychology into "lifestyle analysis" and "psychographics." This enabled advertising professionals to analyze a potential target marketing group and develop a statistical profile of consumers' psychological predispositions based on their past buying behavior.

The Concept of Framing

In the 1970s, *framing* became an important issue. Frames could identify the boundaries of coherence. The frame could locate where the patterns of predictability and coherence would take place. *So arose the problem-solution formula that holds sway in advertising today. Simply put, one can determine the solution if one can isolate the problem.* Thus, *frames, coherence, and predictability* became the key components of a strategy for reducing market uncertainty.

The Potentially Infinite Effects of Advertising

The current assumption is that advertising has potentially infinite effects which emerge from consumer desires and needs as they become visible in the marketplace. The power of a conceptual framework is measured by its ability to isolate a set of variables that can be linked to each other in a predictable pattern or structure. A more effective model enables advertisers to link any given pattern to any given product. This means "being in the right place at the right time."

The Cost of These Assumptions

These assumptions do not come without a cost. As the model reduces uncertainty, it also generates failure on a large scale. Consumers are quite smart, and advertising is transparent. It is not easy to trick the consumer into consumption. In fact, at this point, what we now depend upon to reduce uncertainty is merely the myth of ever-expanding markets.

Summary of the First Three Stages

Based upon the above description, we can summarize that advertising started out with personal salesmen connecting production to consumption (or connecting A to B). In its revised form, advertising connects consumption to production (or B to A) – but not easily; this is a lumpy road. The problem begins not in the increased productivity of manufacturing, but in the uncertainty generated by a market of diverse consumers. The work of advertising has transformed the material of consumer difference into a series of multiple questions, each seeking to determine where to locate A – the product of manufacturing.

The New Stage of Advertising: Cultural Production as the Mediator between A and B

The common assumption is that there is a straight connection between A (production) and B (consumption), but there is actually a mediating factor, A^1 (prime), which is an apparatus of cultural production. By inserting A^1 into the equation, A and B are also altered. That is, it is not simply manufactured goods or services that are being consumed, but rather *the construction of the advertising itself is being consumed*. Therefore, the goods or services and the advertising do not need to be identical. *On the other hand, consumers can buy a manufactured good or service without buying into the advertising construction in its entirety.*

The Game Has Changed

Outdated Assumption 1: The Passive Predictable Model of the Consumer

The passive predictable model does not assume such spending to be completely constant. It has times of disruption built in – such as war and inflationary times, and it takes into account other circumstances as well, for instance swings in auto purchases might occur due to high costs or fears of gasoline shortages. However, during the normal course of things, the passive predictable model argues that, no matter how intense the wants may be, consumers cannot buy more unless they have more income to make a purchase. Of course, credit and borrowing on accumulated savings may provide a burst in spending, but the effect of that will be limited.

Outdated Assumption 2: Assumptions about Consumers & Producers

The whole market system is built on the assumptions that individuals are calculatively rational as well as acquisitive, and that they have roughly accurate information about the market. Without current or adequate information, consumers cannot make correct purchasing decisions. Typically, however, it has been assumed that consumers do not have adequate information. They are guided by hearsay, or they are susceptible to advertising. Their lack of information can be remedied up to a point, but to remedy that lack of information will cost money and/or time. This has been the conventional wisdom of advertising.

Outdated Assumption 3: The Consumer Is Irrational

Few of us have the patience or resources to completely research every item we buy. *In fact, for a consumer to pursue complete information would probably not be rational.* Consequently, a certain amount of ignorance will always remain in all markets, causing prices or quantities to differ from what they would be if consumers did have complete information. Therefore, the market *per se* is based on faulty assumptions about consumers' propensities.

The Producer Is Rational

How is this problem typically solved? The solution of the market problem is to propose that the consumer is not rational. Instead, rationality is considered as only existing on the production side of the equation, as a model of technical efficiency. *Therefore, what is real – is what is rational, and that is the production/producer/supplier.*

New Assumption 1: Consumption is Both Imagined & Real

The act of consuming can be viewed as being as much an act of the imagination (that is, a fictitious act) as it can be seen as a real act. Therefore, a consumer can have metaphorical experiences, such as feeling joy in every mouthful of a particular food, or happiness in every perusal of a purchased object. Then, at the same time, there are also metaphorical experiences, such as one's feeling the joy of consuming every object and every action.

The Blurry Boundary Between Real & Imagined Consumption

This dual nature of the consumer's experience of consumption would not matter if consumption were not typically accepted as something reliable, sound, and devoid of illusion. However, there are no natural frontiers separating imaginary – that is, the subject of publicity – and real consumption. One might say that there exists a fluid frontier between the two, and it is always overstepped, and the division can only be fixed in theory. Consumer goods are not only glorified as being "good"; rather, the idea of consumption itself is related to this symbolic idea of "goodness," not just to the specific products themselves. That is to say, just the very act of consuming something makes the consumer feel good.

What Does "Consumptive Passivity" Mean?

Things are not valued for their use value. Rather, they continue to change – mutating, expanding, and self-destructing. We consumers were and are cognizant of our passivity and our non-knowledge of the technical constitution of things as we use them – of their nutritional contents, and so forth. Everyday life was largely a spectacle of things. In short, "we did not watch television in order to see things; we watched things in order to watch television. This is at the heart of consumptive passivity. The more we watch ourselves, the less we see or want to see; thus, we turn to watching things outside of us" (O'Neill, 2004).

New Assumption 2: The Market Doesn't Simply Exist

The foundational concept of economic resources as "purchasing power" can usefully be translated into "What you are doing (here) buying stuff." The power at issue is a sort of a code that identifies somebody as doing these things: going to work/or not, buying stuff /or not, selling stuff/ or not. These are practices of an individual for whom these activities help make sense of daily experience. Economic resources in these terms are not aggregate units of possession– such as income, house, car, and so on – that can be differentiated across numerical indices by a "poverty line" or income brackets. Rather, purchasing power is dependent on the work of constructing the market by individuals and customers (people who buy stuff).

Game Change in Advertising

Few people will dispute that the advertising media landscape has changed dramatically over the past decade or so. There are five major changes that have taken place, affecting the advertising media landscape:

1. Wireless, electronic media and digital applications have grown, exponentially in some cases.
2. Traditional media forms have fragmented and splintered.
3. Audiences have shifted their attention and interest to a broad variety of new information and entertainment alternatives and venues.
4. Consumers are increasingly using TiVo and other commercial-suppression or commercial-bypass systems.
5. The economic life-chances of individuals have radically changed.

What Hasn't Changed?

In short, almost everything in the media advertising arena has changed except one thing: the industry's basic assumptions of "how media advertising works." Those assumptions drive all media planning, buying, and implementation for what is now a multi-billion dollar industry.

Theories on how advertising works seem to be caught in a time warp, based on concepts that were developed 60-plus years ago. And, while these old theories have been challenged over the years, they continue to survive and still provide the basis for almost every media advertising decision made by marketers, advertising agencies, and by the media themselves.

Time Warp: The Four P's of Marketing

The basic media advertising model is closely aligned with the "four Ps" marketing mantra, which espouses the importance of position, place, price, and promotion. That concept, developed in the 1950s (and perhaps even earlier), assumes that the marketer and the media control the commercial marketplace. The premise is that the marketing firm makes all of the decisions regarding products and services: what they will be, how they will be packaged, priced, and distributed, and most of all, how to communicate and advertise those products to potential consumers. However, marketing with its 4 Ps now becomes a co-extensive with advertising and remains a core feature of marketing and Marketing Mix Modeling (MMM).

Time Warp: Promotion and the Transportation Model of Communication

When it comes to the fourth P – promotion – the marketing organization develops the messages and then contacts various media organizations to distribute them. It is clearly an outbound, monologic, mass-communication-driven, efficiency-based approach that assumes that distributing more messages is always in the firm's best interest. Thus, the current thinking of "how media advertising works" is based on a communication model which was critiqued by Peter Drucker in 1939 when it was called the "Command Communication Model." In fact, the Command Model is the prototype of monologic models, and it was the style of most 19th-Century advertising, yet its residue is still with us.

Time Warp: The Hierarchy of Effects

Underlying these traditional message distribution models is another set of assumptions: that "media advertising works" through the creation of some type of attitudinal change among the consumers who are exposed to those messages. That basic assumption has resulted in the development of various types of "Hierarchy of Effects" advertising models that present consumers as moving through some type of mental decision-making process that starts with awareness of the product/service and ends with purchasing behavior. It further assumes that media advertising messages, when delivered (or at least distributed) to prospective consumers, have the power to move them through the decision-making process over the course of time, through a series of attitudinal steps or stages. The most common of those models can be traced to the unproven hypotheses developed by Lavidge & Steiner (1961) in the early 1960s.With this as their basis, most media advertising concepts are linear in nature, always outbound, monologic, and based on a message tonnage approach that is generally modeled as a sigmoid or learning curve. According to this view, "media advertising works" by moving consumers up or along the attitudinal change path on the way to a purchase (Schultz & Pilotta, 2004).

Where the Hierarchy Stops Short

It is important to note that most of the Hierarchy of Effects models stop short of the ultimate consumer response: purchase behavior. These models are focused only on what are called *"communication effects."* The argument for this lack is that the marketplace presents too many intervening variables for an actual connection to be predicted between media advertising and sales. Consequently, current assumptions about "how media advertising works" generally only apply to the idea of *influencing* or *changing attitudes* held by consumers as a result of exposure to media advertising messages. This, then, leads to the vague notion that the attitude change (or reinforcement) will eventually impact consumer purchase behaviors on behalf of the advertised product or service.

Why Has the Hierarchy Not Crumbled?

Numerous unsuccessful challenges to the Hierarchy of Effects model have been leveled over time, but no one has yet been able to entirely replace it with a better model. So many players have so much invested in the model – despite its flaws. Media owners love the hierarchy model because it almost always calls for greater advertising frequency, and that means more income for them. Advertising agencies – particularly when they are paid a commission – love the hierarchy because it suggests the purchasing of more advertising, and that means more income for them as well. Finally, researchers love the hierarchy because it makes possible a whole series of measurement and evaluation tools – all of which are tied to tracking consumer-stated awareness and understanding of the advertising messages over time. In short, it provides an annuity model for those who conduct the tracking of media advertising effects.

The Effect of the Hierarchy of Effects Model

In keeping with this approach, other assumptions are made about "how media advertising works."

The Emphasis on Efficiency

Since the focus is on message tonnage, the goal is the efficient distribution of messages – that is, sending out the most messages for the lowest cost. This is consistent with the prevailing psychological research on communication effects.

The Focus on Delivery through a Single Medium

However, there is another compounding factor. Most media measurement systems have developed around estimating or calculating the distribution of messages through a single media form. Measures of media value are based on the number of eyes or ears exposed to the media advertising or the number of times the messages are distributed or repeated. Because the basic concept is an outgrowth of the low-involvement model, each advertising delivery form is measured and valued separately and independently. Any type of media coordination or identification of media synergy, therefore, is relegated to a minor role in the overall understanding of "how media advertising works."

An Out-Dated Production-Side Model

In short, one could summarize the basic industry assumptions and approaches to "how media advertising works" as being a product/producer/supplier model, mirroring the concepts developed in the early 1900s regarding the ways marketers can best approach the marketplace. In a supply-chain approach – consistent with the "marketer in control" (that is, Command) model of "how media advertising works" – the goal is simply to make the entire process more cost-efficient through technology.

So, What's the Problem?

In the new media landscape of the 21st century, this Command-model approach to "how media advertising works" is badly outdated. Since the basic premises of marketing and marketing communication were developed over 70 years ago, media consumers have changed – radically. The media forms have changed. The marketplace has changed. Yet, the basic concepts and assumptions being used to explain or illustrate or plan "how media advertising works" have remained stuck in the middle of the 1950s.

Summary: A Bunch of Bad Assumptions

Clearly, advertising agencies and the media themselves assume their audience to be made up of interested, involved, single-medium-using consumers who process ads through an internal pattern that approximates the Hierarchy of Effects. They also make the assumption that each media form works *separately* and independently of any others. So, they ignore or dismiss any effects of a combination between media forms. They also assume that any media advertising competition occurs only within that media form. So, various magazine titles compete only with other magazines, television stations compete only with other television stations, and so on. Such a mindset reinforces the current system of measuring each medium separately and independently. As a result, each advertising media form is considered *additive* in terms of the basic number of messages being distributed. And, since the efficient delivery of messages is key, the goal of adding messages to be delivered through multiple forms of media – whether they are called "exposures," "opportunities-to-see," or whatever – underlies most media advertising concepts.

Overturning the Advertising Time Warp: Two Marketplace Observations

Two observations about the current marketplace serve as our basis for subverting the existing concepts, models, and common industry wisdom of "how media advertising works." They also serve as the basis for our development of a new model of "how media advertising works." These observations have arisen from three relatively new streams of research and understanding. We will identify these observations – along with supporting concepts – and then we will show how these observations can yield *a new model of "how media advertising works" for today, not for yesterday.*

1. Simultaneous Media Interactions/Usage

First, a large portion of today's media consumers neither access nor use advertising media singly or individually. Instead, they multi-task, using various forms of media in combination with each other. We call this "simultaneous media usage." We have come to this conclusion based on research we have conducted over the past several years (Pilotta & Schultz, 2005).

Current Developments in Cognitive System Research

Cognitive science has now embraced the concept of embodiment. A person is one big brain and sensory organs which extends beyond itself to encompass its environment. This shifts media thinking outside the province of the psychological to eco-logical thinking about human cognition (Luhmann, 1986; Varela, 1991; D'Amasio, 1994).

2. Multiple Interactions Create Synergy – Not Addition

Synergy occurs among and between media forms. Simply put, when advertising messages are delivered on behalf of the same product or service, the impact of those messages is not simply additive. It is more likely synergistic.

An Example

For example, each time a consumer sees another T.V. ad for the same car company, a meaning-making process occurs which is not simply equivalent to the repetition of the message. Let's say this happens six times. All those viewings work together to create a new perspective and perhaps a new medium – not just an image that is six times stronger than the original idea formed by *attending* to the first ad. Adding media messages from another source, let's say the internet, will color still more this perspective regarding the car.

A Double-Edged Sword

Synergy can be a double-edged sword, working for the coveted sale – or working against it. Some combinations of media forms and messages may well be destructive in terms of their overall impact on consumers. Later, we will introduce some recently developed analytical concepts that can help one to determine what kind of media synergy can be created.

The Economic Code

Marketing is tied to advertising, and advertising is an economy unto itself, with advertising tied to the media system. The logic of market is the following: Marketing is based on the very primary action of making marks (marking), which in turn, means making distinction or difference, even inclusion/exclusion. Hence, mark(et)s are both distinctive and different "from." Marketing is the "process of making distinctions" – that is, what's in, what's out, who's in, who's out. Hence, markets can be viewed as places but only because markets set boundaries from non-markets (Schultz, Block, et al, 2009). This is a rudimentary distinction, but it is obtained through the marketing system and the branding system which will be discussed toward the end of the book. In fact, we can view this process as does the marketing system: as "in/out," fashion/non-fashion.

The system of the economy enlivens and reproduces the differences between form (payment) and medium (money) at all times controlling or conditioning the difference by means of prices (signals for expectations of payments). Price fluctuation is never purely arbitrary. The very idea of valuation includes the possibility of observing former payments.

The continual production and reproduction of the economic system is about the organization and generalizations of the difference between paying and not paying, guaranteeing the economy's reproduction. The economy does not simply concatenate payments. It must have access to itself as a distinction that makes a difference between payment and non-payment.

The quantitative expression of prices is extremely abstract and generalized. Quantity restructures everything that plays a role in economic transaction. Hence, price as form, and thus distinction, is about the *difference between more or less*. The very best predictor of sales is a constant monitoring of *spend more, same, or less (monthly)* per product category and by specific product. Why? Because modern economies do not only form around expectations of price, but a considerable dynamic formation centers around expectations in the change of price. In addition, "more-same-less" comparatives are easy abstractions for customers to deal with. This more-same-less comparative spending model is the easiest code for customers to use.

What Do Markets Do?

The markets arise on the background of primitive societies and the differentiation of the economic social system. Markets were a new form of utilizing surplus and unmet needs. Markets rest upon the introduction of legal negatability into the relation between persons and things (Luhmann, 1998, p.198). This negatability underlies the sense of risk that is linked with the economic system. Negatability has to do with the *relations* and not with the person or thing by itself.

The market places potential buyers and sellers together but also creates a mode of comparison of things and their buyers and sellers. The differentiation of markets remains the principle underlying the differential of economy. The economy becomes thematic when large enterprises become independent of the production and consumption of the household.

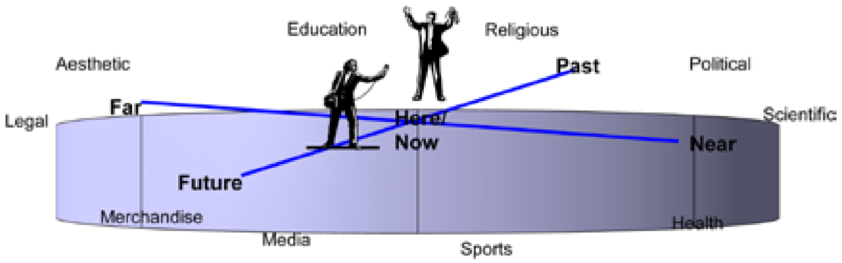
Today the market is the environment of the economic system. The environments of the market are values as realized by decisions. Decisions are taken by means of organization, as markets can be defined as horizons of decisions calculi. There are both economic and non-economic markets. We may say again that markets are not only inner environments of the organized economy but markets are also the inner environments of organization.

According to Luhmann (1997), we can identify ten distinctive markets:

1. Political
2. Legal
3. Religious
4. Sports
5. Health
6. Economic
7. Aesthetic
8. Scientific
9. Educational
10. Media (See also Figure 2.1.)

FIGURE 2.1

Markets as Horizons or Boundaries



Economic observations:

1. Shortage does not precede economic communication;
2. Shortage occurs as a result of the binary division of the world into haves/have nots producing the probability of an economy of scarce resources;
3. These are further translated into other problems of shortage: competence, food, good will, or meaning – in other words, intangibles.

Economically speaking, the have/have not code becomes something *either* one has *or* does not have. If this were not the case, how would the consumer observe the world of goods and services? These codes are reflexivity institutionalized. The codes are key to understanding. They are simultaneously institutionalized codes and functions such as pay/not pay. Either pay or not pay is a two-valued logic. In turn, pay/not pay is reflexively viewed by the consumer as that which is in my reach: I can or I cannot pay. This brings us to commitment and expectation: *economic, social, cultural, and emotional.* We will return to this in the next chapter.

CHAPTER 3:

The Affective Orientation…

Deconstruct: The Hierarchy of Effects

In the 1960s, the Hierarchy of Effects model of advertising's impact on customer purchasing behavior was developed.

- Originally, it was cast as: Awareness > Interest > Desire > Action (AIDA).
- Later, it was recast in cognitive psychology terms: Cognition > Affect > Behavior (CAB):
  - Cognition: "the market process of becoming aware of some solution to a need;"
  - Affect: "the process of becoming emotionally engaged in the buying activity;"
  - Behavior: "the payoff, or the making of the actual purchase."
- The model has institutional shelf life, not because of its accuracy or predictability, but because it is now a part of industry lore. Corporations have made huge investments in the notion of affective engagement as the driver of purchasing behavior.

In order to explain the impact of ad messages, the Hierarchy of Effects model introduced a theory of unconscious learning developed out of Freudian principles. "The unconscious" has become a convenient conceptual tool, used in the industry to justify almost anything.

What "The Unconscious" Really Means

The term "unconscious" should be understood within its own framework–the unconscious is not a "place" or a "container," but rather a part of the very fabric of consciousness. Consciousness and unconsciousness are relational; to be conscious of the unconscious is to be conscious. If it requires an expert to identify the truth about the association of words emanating from the unconscious, then the expert is creating an artifact of an experiment, not a reading of some divine customer insight from "a hidden place." It is like someone telling you that you are really unhappy and you just don't know it. To do so requires a great deal of arrogance. The unconscious as the mind's dark side works as a justification for 99% of all advertising. This is shamanism at its best.

Zaltman and the Reconstructive Theory of Memory (R.T.M.)

While Gerald Zaltman is not trying to rehabilitate the Hierarchy of Effects model in *How Customers Think* (2003), his Reconstructive Theory of Memory (R.T.M.) falls within a neurophysiological version of the Hierarchy of Effects model. In personal discussion with A. Mickunas (2009), we have isolated at least seven aspects of Zaltman's Reconstructive Theory of Memory (Braun-Latour & Zaltman, 2006) that we consider to be problematic.

A. Mickunas, personal discussion, 2009 (R.T.M)

1. The Reconstructive Theory of Memory mixes numerous incompatible theories, from brain physiology through outdated psychiatry. Such a mixture leads to irreconcilable inconsistencies. According to modern psychiatry, the unconscious contains what is suppressed as traumatic, and this emerges not in the memory, but in dreams and fables. Memory, on the other hand, presents what has actually happened.
2. Brain physiology follows what is known as a "constancy hypothesis," assuming a one-to-one correlation between an external input and its location in the brain. This hypothesis then posits that a method exists, wherein each input can be decomposed into its smallest components, not that anyone has ever experienced such a decomposed perception. Borrowing this unprovable theory, researchers who employ Reconstructive Memory Theory presume that they can decompose and add into its smallest components, in turn analyzing a memory equally in terms of its smallest components. From this point of view, if one remembers one's mother, then one must be able to articulate the sum of the details of that memory.
3. In contrast to Reconstructive Memory Theory, we suggest that temporal locations are external additions on memory. For example, when a person says, "I remember the good times we had together," he might not even be able to tell when those good times occurred, needing to either search or even be told by others "when" these good times actually took place. Memory "images" do not come with temporal signs attached to them.
4. Reconstructive Memory theorists do not explain why they use emotional terms. An example would be their caveat that an advertisement

should have an enduring "emotional" impact. What does that mean? Does a viewer of an ad become moved emotionally when remembering the contents of the ad? In truth, if a person buys a car that she has seen advertised, she may say that "the price is right" or "the mileage per gallon is decent," but she does not go floating away on a cloud of emotions as she drives it off the lot.

5. We all know that recollections change, but that does not mean that the changes are accountable because people do not notice such changes. There are three reasons that memories change:

- First, the "field" changes in perception; that is, the background of a given memory is affected by the situation in the present;
- Second, the "future" (which the Reconstructive Memory researchers do not even mention) is the selective horizon of what is relevant from the past;
- Third, the past and future "overlap" in such a way that one is not given without the other. One might think, "I hope that they will show the ad I saw yesterday because I did not catch the mileage that the car gets." It is a daily and unavoidable experience: We look for something (in the future) that we saw here yesterday (in the past). This also means that even the "present" – during which the "customer" is asked questions by a researcher – is not a given; it is indeterminate. Does "the present" refer to today, this protracted hour, or this "moment," which is colored by expectations and selections of what is relevant from the past?

6. A further problem with the theory is its basis in the 17th-Century speculation that humans have "belief systems." Prior to beliefs, values, and all the rest of the assumed baggage that the Reconstructive Memory theorists claim exists, there lies experience, just as time is secondary to memory and expectation. The first question that anyone should ask is "Beliefs in *what?* Valuing *what?"* One does not believe without a subject matter for the belief. It is like assuming that when a child is crying, we can analyze her crying. The first thing we ask is, "What are you crying *about*?" Or, "What are you sad *about*?" The child does not walk around with a system of crying, sadness, desperation, fears, and so forth. The same thing holds true for memory. Memory is not a state in some location in the brain or in the unconscious, but it is constantly and primarily "memory about *something*," and that *something* is what we have

to investigate. That *something* is "in the world," and we look to that world to determine where it belongs and how it relates to other "somethings." After all, the world is populated by a complex of entities, events, relations, cultural products, and symbols – for some of which people are willing to kill and even to die. Such a complex cannot be decomposed into analytic parts and then reassembled later to discover "the belief system." How could physiology and/or the unconscious account for such sundry pronouncements as, "Remember your god (or his mother) and what he expects of you." What is a person supposed to remember here? Yet, so many pronouncements such as this are intertwined with many people's worlds.

7. Furthermore, the assumption of a dualism between an "internal" system of states and an "external reality" is at best unworkable, and at worst, nonsense. When we ask the customer to "remember," we are asking that she remember something in her world, not as past, but as an aspect in the overlapping temporal field where one image points to other images, and the latter points to others, once again composing a complex world in which both the subject and the objects belong – all of this prior to any difference between "inner" and "outer."

Theorists often tend to assert the existence of worldless subjects and abstract objects or images (separated from their world), and then they pretend to discover some "pure" data. Even if this abstractive procedure could tell us something, it would not tell whether, upon "recalling" the images, one will buy the product, and if so, when. Will it be after it is one year old and the price has gone down? After it has been improved? Or, before the price goes up?

Construct: Standing the Hierarchy of Effects on Its Head

Products, goods, or services can be grasped from a number of perspectives, such as an economic one, or one which relates the affective qualities of a thing. *Affective qualities are the desirable, lovable, pleasing, valuable, good characteristics of things. These characteristics attract or repel, are useful or harmful, good or bad, and so forth, to the individual.*

The Affective Perspective

The affective perspective, as distinct from the cognitive perspective, is a matter of the individual's relationship to things in terms of such value-laden characteristics. Things either draw us towards them or push us away from them. The attributes of a thing that have this effect can be designated as "expressive" qualities. Affectivity is a particular mode in which *one is affected by something*. We can say that the individual relates to a world of things and is motivated by them – if we look at this from an affective perspective. One is attracted or repelled in terms of how it affects one's practical life.

Desire

Desire is an example of the affective perspective. Desire is not just a subjective state. Rather, it is an orientation in that the individual is open to all the affective characteristics of things, which in this case, attract an individual. It is this attraction, as a quality of the good or service, which is a correlate of desire. Desire is *practical* mediation (whereas perception is *cognitive* mediation).

The Role of Cognition in Desire

Desire is a movement in a direction *toward* the desired "thing." The "toward" indicates the oriented and elective characteristics of desire. This aspect of desire – taken as desire *of this* or *that* – can be articulated by the individual's cognitive capabilities. The aim of human desire is illuminated through the perception of the *absent* thing: *How can it be reached or obtained?* Imagination, for example, not only anticipates perceptual implications, but it also anticipates the obstacles, the sadness or joy, the pleasure or pain, of being joined to or separated from the desired thing. Desire is a correlate of the attractive or the good characteristics of things.

Self-Understanding in Desire

In the same way as perceptual activity, the activity of desiring is an expression of the individual from a particular perspective: A desiring individual may express that desire through action as a way of uniting himself with the desired thing. Yet, the way in which the individual acts while approaching the desired thing depends upon how he interprets or understands himself. This self-understanding in terms of the desire for things is a *cognitive* understanding, a process of self-interpretation of what is good for oneself; to will the desired is to will for oneself what is good; this is self-love.

Construct: Knowing and Feeling

Feeling appears in a "reciprocal genesis" of knowing and feeling. That is, feeling and knowing spring into being *together.*

The Role of Knowledge

Viewed from the position of feeling, knowledge, by structuring itself in terms of *things*, causes feelings to become definite; knowledge helps us to defeat any confusion we might have in regard to our feelings. Viewed from the side of knowledge, feeling gives us impetus – the agreeableness of the known thing.

The Role of Feeling

Feeling is always feeling *about something*: the lovable thing, or the hateful thing. Yet, it is different from cognition (or thinking) in that it reaches the qualities of things or people. It depends on the person who is affected. Affective qualities, as given in feelings, require the perceived things. Feelings are "born" at the same time as thoughts.

The Difference Between Knowing & Feeling

It must be clear that the priority of perception is foundational. The individual must think about things he desires in order to be affected by the affective qualities at the same time. There is, nevertheless, an important distinction between thinking and feeling. In knowing, there is a relationship and an opposition between the individual and the thing. Feeling expresses the individual's concrete relationship to the world of things.

Feeling gives subjective roots to cognition. Feeling co-determines the aim of our action, therefore adding a new aspect to cognition – that of anchoring the individual's relationship to the world of things as gained by the cognitive process.

The Antidote to the Hierarchy of Effects Model

Change Takes Place through Learning

Changing attitudes or changing behavior is a challenge of the earlier 20th Century psychology of behavior. The link between the two is problematic at best, and hopeless at worst. Modern cognitive science has demonstrated that behavioral changes are accomplished by learning through information, not by changing emotions. In fact, our whole educational system – including this book, the Association of National Advertisers (ANA) reports on accountability and the Advertising Research Foundation (ARF) initiation on Rethinking – is driven by *the learning pedagogy model of changing expectations through choice.*

Information is a Process

Learning stands for "structural changes" (whether they be individual or organizational) induced by information. In contrast to the common view, information is not an "input," but rather a *process constituted* by "a difference making a difference" (Bateson, 1972). The difference which is made is a difference of expectations. The difference which it makes is one that comes from expectations.

The Role of Expectations in Learning

Learning occurs when a difference between expectations confronts decisions and an actual decision produces differences in expectations, which confront further decisions. This is no different with individuals when they are making choices regarding future purchases. Future purchases are expectations that cannot be met until further notice. For example, if one learns about one's unemployment, that information can make a "difference" in what one expects to buy in the future.

What This Means for Management and Marketing Practices

The types of marketing practices that are derived from this orientation to learning include:

1. The fact that the decisions that individuals make must take into account the effects of those decisions on future decisions.
2. When decisions occur, their effects on the relationship between the individual and the environment must be taken into account.

Determining the Causes of Learning

In short, marketing/management research must determine the "causes" of individual and organizational learning by learning about expectations in order to introduce information which makes enough of a "difference" to cause deviation from, or to reinforce, expectations. Of course, information – if it is to work – must make a difference in a self-referential manner to the individual. This is exactly the case that managers and marketers face when introducing anything that is "different" to the public, or to their company, or to their client. Change agents and researchers face this situation as well.

Product Differentiation

Let's take a prominent theme from brand management – product differentiation. Differentiation is critical to making a difference between brands. Hence, perceptible difference is a necessary precondition for product-related behavior (not involvement). The selection of one product and its particular usage is based on information. A perceptible difference enables an *observer* to distinguish an option, not merely from another option, but from against a landscape of possible merchandise categories of brand/non-brand options, for example, mouthwash: Listerine, Act, Scope, or the store's "generic" brand. There is a complex constellation of health codes operating as well. For example, the meaning of "good breath" carries with it a history of "good talk," "speaking well," and being "healthy."

Coherent Reality Construction

A product brand has to be a part of a *coherent reality construction* (relevance) in order for the customer to perceive it as a meaningful object. This applies to its functional properties as well as its formal qualities, for example, a certain style of utility, a problem that is solved or addressed by the product, and so on. To make sense of a product, the customer must be able to integrate it into his/her individual model of the world.

The Important Meaning of a Product Is Co-Created

Not every meaning that a designer, marketer, or manager may have in mind is relevant to this process – since the user does not select the product according to the *meaning* developed by the producer per se. But the product has already been assigned a meaning by the customer. The meaning of the producer is embodied in the very aesthetics of the good or service. A customer's action only makes sense in the context of communication – if it is a coherent, inter-social pattern of product-related behavior, which either corresponds to what one needs or questions, or it does not. Coherent patterns of choice and usage make up the specific structure that accounts for these selections. Again, coherence does not require compliance with a suggested meaning; it must merely “fit” with the existing structure of social context. This means that the product must be “up to the expected job” and/or fit the inter-social pattern of the customer’s lifestyle and socio-economic choices.

“Customer-Centric” Means Selection or Choice

“Customer-centric” means to be presented with a choice. The *presentational style* must share at least the values of an economic democracy, and convince me as to *how my life would be better off with your product.* Or, put another way, the customers point out, “Do not try to manipulate us. You have tried it before. We are street smart; we are suspicious and cynical. We don’t watch your ads; we know the game. You don’t own us or our minds” (Anonymous).

Deconstruct: New Flows of Media Create New Forms of Consumption

How T.V. Works

Following McLuhan and Fiore’s (1967) line of thought, one would think that “T.V. babies” could make sense of what seems to be a disconnected flow of sights and sounds. Experiences like this make it necessary for us to look at the whole assembly of interacting electronic media sources and their content as they work together – *synergistically.* The way that media users receive this multi-media flow must be seen as different than what we saw in the past.

Differences Between Print Media and T.V.

Unlike a newspaper, where a person looks at a page, with television, images are projected at the viewer. A special relationship develops between the viewer and the screen. The images wrap around the viewer, drawing the viewer into the experience. One can think of this in terms of a painting, and the viewer becomes the “vanishing point” in the scene.

Although there is the concept that every commercial tells a story, no matter how short and fragmented in its presentation, commercials have no time for the elongated narrative that we find in the print media. Every extra second costs more money and provides an opportunity for the viewer to "tune out" and stop paying attention.

T.V. Appeals to All of the Senses, Not Just Sight and Sound

One could say that television completes the cycle of the human collection of five senses. It fills in all that is missing between the hearing ear and the seeing eye. A well-made commercial for cinnamon buns can conjure up the smell of the baking treats, the taste of the sweet icing, and the sticky, gooey feeling that a viewer's fingers would experience if the cinnamon bun were actually being held and eaten. All of this can be accomplished through picture and sound. With television, an extension of the sense of active, exploratory touch occurs, involving all of the senses simultaneously, rather than that of sight alone. With our reliance on the T.V., we have abolished writing, replacing it with the specialized acoustic-visual experience (McLuhan & Fiore, 1967, p. 125).

What T.V. Commercials Can Tell Us about T.V. and Ourselves

As McLuhan and Fiore (1967) have noted, "Most often the few seconds sandwiched between the hours of viewing, the 'commercial' reflect a truer understanding of the medium" (p. 125). For example, the narrative is secondary to dance in many commercials. An example would be a television advertisement that hopes to sell a vacuum cleaner which is shaped like a broom. A guest at a party spills some candy. Suddenly, the party evolves into an intricately choreographed dance scene where every guest has a brightly colored broom-vac as a partner. There is not much of a story here; rather the smiling dancers send the message to the viewer that owning this vacuum will turn any spill into a happy occasion to dance. But what else does this tell us about the experiential domain of the commercial?

T.V. Should Not Be Seen As a Derivative of Print Media

One reason that we have such a difficult time in understanding and discussing the effects of T.V. lies in the false assumption that writing is a derivative of speech. That led to the later false assumption that television is a derivative of print. Accepting those assumptions as true has led to the development of models that don't really describe what is happening with T.V. usage. Mistakes are further compounded if we assume that the various new digital media are derivatives of T.V. The medium makes a difference by differentiating itself from the other media, with the other media operating as a background horizon of digital media.

Changes in Receptivity

Since Pittman first developed MTV, it has become quite clear that television is not necessarily watched attentively – unlike the way in which one reads a book, a magazine, and such (McGrath, 1999). A new style of receptivity has evolved due to the style of our multimedia and the convergence of media in simultaneous media use. It is a complex form of mediation and technology, and it leads to a new form of expression – one which requires a different way of understanding "perception." In fact, the very style of writing in this book, in "word-images" of abbreviated length, is the visual form of the digital.

Forms which were once easily identifiable (such as narrative, advertisement, and news) have now been shattered, combined, and multiplied to the extent that distinguishing them and separating them are both impossible and irrelevant. This new situation offers us an opportunity to rethink broadcasting – not only in terms of *narrow casting,* but in terms of the nature of the media itself, broadcasting, and receptivity in general.

Construct: The New Model

Synaesthesia and the Fragmented Media Environment

Coping with Fragmented Media Environment

The now-fragmented media environment is one in which forms of media vie for people's attention, and this environment has become integrated into people's lives as they multi-task. That is to say, while people are busy doing things, they are also taking in several media streams at the same time.

Synaesthesia

Our research has verified that the experience of *synaesthesia* is an aspect of a human's way of experiencing the world through the human body. This form of perception makes it possible for humans to experience multiple streams of media in an integrated, simultaneous way. This applies directly to the way in which humans negotiate and absorb media advertising.

Multiple "Exposures" Create Synergy – Not Addition

Synergy occurs among and between media forms. Simply put, when advertising messages are delivered on behalf of the same product or service, the impact of those messages is not simply additive. It is synergistic. The overall impact of the media advertising may actually be of a different order and magnitude.

An Example

For example, each time a customer sees another T.V. ad for the same car company, a meaning-making process occurs which is not simply equivalent to the repetition of the message. Let's say this happens six times. All those viewings work together to create a new perspective – not just an image that is six times stronger than the original idea formed by the customer's *attending* to the first ad. Adding media messages from another source, let's say the internet, will color this perspective still more regarding the car. And, that newly colored perspective may not actually be good.

Repetition

The law of interruption in ads is the hope that the memory of what has just been seen will immediately be activated to connect the moment to moment. Memory remembers things, but actually prefers to forget things, yet it is continually being impregnated by things. The novelty of advertising is to remind us that there is something to be remembered and its name deserves attention.

Taste

Taste serves to structure desire. Customers need not *imitate* anyone. Memory constrains repetition with continued openness toward what is current with continually renewed irritability. Without memory, nothing could appear as "new." Without the experience of deviation, no memory could develop.

Synergy Can Have Multiple Effects

It is important to note that synergy can be a double-edged sword, working for the coveted sale – or working against it. Some combinations of media forms and messages may well be destructive in terms of their overall impact on customers. (Later, we will introduce some recently developed analytical concepts that can help one to determine what kind of media synergy will be created by particular ads.)

Experience Is Simultaneous, Not Successive

The experience of simultaneous media usage is a fact, but we do not believe it is a problem of attention. Instead, it is symptomatic of a shift in the logic of cultural perception. It indicates that a change is taking place. Rather than viewing "the living of life" as being a string of successive experiences – one after another, many people are now dwelling in a space where experiences are *simultaneous* and *overlapping.*

Synaesthetic Media Experiences Are Restructuring Attention

Media experiences are now synaesthetic, and that, in turn, restructures human attention. The incidence of simultaneity is an increasingly regular experience of a large portion of the media-using population. Advertisers would do well to realize that this concept applies to a large portion of the media advertising audience as well. In short, for the customer, the experience of media is much more seamless than it is fragmented.

Living with a "Newspaper Mindset" vs. a "T.V. Mindset"

Following McLuhan and Fiore (1967), one could easily imagine that a generation raised on newspapers would develop minds that work linearly, similar to the experience that they have with the print media. Each activity in a day might be experienced in a way similar to turning the pages in a book. When this page ends, we turn the page, and a new one begins. Such media customers might engage in their media use in a successive way: First read a book, then talk on the phone, and then eat dinner.

The "T.V. Mindset" – Non-Linear

However, the "T.V. babies" (to use McLuhan and Fiore's 1967 term) – or what we now call the *Baby Boomers* – may experience the world in a non-linear fashion. Their minds may work differently – more like a television experience: first a program, followed by an advertisement and then, perhaps a change of channels, and so on, maybe back 'round again to the first program, or maybe not. They might read a book, talk on the phone, watch television, read a magazine, go online, and so on, but not in a discrete sequence. Instead, they might do any number of these activities *at the same time*. Because of this simultaneity and even recursivity, one experience would necessarily interpenetrate the other, creating a dramatically different form of media advertising usage and receptivity, and thus engendering a dramatically different media-advertising marketplace.

Socialization

Television is the pervasive socialization mechanism of the 20th Century, teaching one to see perspectively and learn the form from pace, tempo, and lighting of programming. MTV taught us how to insert ourselves into the non-linearity of programs, while surfing channels, shortening attention span with music becoming the dominant form with visuals making the music present. Overall, TV/MTV taught us "to be there," the criterion of truth for the new world.

Without a Successive Model of Media Usage, What Is Left?

Based on these realizations about the changing media landscape and the people who populate it, the traditional way media advertising research has treated each media vehicle *in isolation* clearly cannot serve us as it once may have. Many – if not most – of our traditional media concepts become irrelevant in such a new world.

The Problem with Exposure, Frequency, Duplication, Reach, and Accumulation

For example, the concepts of *exposure, frequency, duplication, reach,* and *accumulation* must be totally stricken from the linguistic legacy of media and advertising. Remember, the concept of "exposure" presupposes *exclusivity.* "Frequency" is defined as *discrete* sensory participation, something which is not very relevant in a *simultaneous media usage* situation. "Duplication" only examines multiple media *in succession.*

"Reach" is measured in *unduplicated* audiences, and "accumulation" is determined by *aggregating* media forms.

Two New Concepts: Foreground & Background Media and Flow

In comparison, our studies have shown that multiple forms of media are received simultaneously and synaesthetically during the intermittent activities of daily life. Therefore, we suggest that media advertising should be examined in terms of its *flow* and also as to whether it is placed in *foreground* or *background media* – or *both.*

FIGURE 3.1

Foreground/Background Media Use in TV, Radio, Online, Newspaper, Email, and Such

Foreground (F)	Background (B)
Audial (A)	Audial (A)
Visual (V)	Visual (V)
Tactile (T)	Tactile (T)

Or, a combination of the above media switching background and foreground [for example: foreground media and background = newspaper (V)/radio (A)]

Foreground & Background Media

Figure 3.1 illustrates the ability of various media forms to operate simultaneously with one medium in the foreground (F) and another medium in the background (B). While a media form can be in the foreground or in the background, those in the foreground are typically the media to which customers are *attending. In fact, the medium itself causes customers to attend to it.* Any combination of Audial-Visual-Tactile (AVT) can provide a foreground and a background. The combination can enhance harmonious combinations, or it can result in distraction if inharmonious combinations are matched up. For instance, when you are working online, you may have the T.V. on, too. The medium you are attending to is the work you are doing online, while you are listening to the T.V. as background.

Linking Media to Effects

When we evaluate a potential customer's interaction with a media message, and we then attempt to connect it to the message's advertising effects, we are faced with major questions. For example, how do customers cognitively process information while engaged in various multi-tasking endeavors?

Foreground & Background Media

While a media form can be in the foreground or in the background, those in the foreground are typically media to which customers attend. *In fact, the medium itself causes customers to attend to it as it becomes embedded in their environments. That is, "I am going to watch T.V." (not "I am going to watch a program").*

Life Activities Flow, Too

We must remember that the foreground/background division of media forms is affected by all of those intermittent activities that make up the customer's daily life - the *flow* of one's daily activity. Certain activities tend to occur at different points throughout the daily flow, and some activities require more attention from the erstwhile media user than do others. Day/part correlates to the dominant activities of particular periods, and it shows when simultaneous media participation is impacted by the mobility or pace of the other activities. We must account for these other activities – and the differing amounts of attention they demand – if we are to get to a real understanding of how media advertising can be intensified or how competing messages can detract from a customer's attention to a message.

Placing the Customer at the Center

Our explanation of "how media advertising works" places the media customer at the center of the model. Doing so recognizes that a large percentage of customers who are supposedly "exposed" to media advertising are actually processing those messages while they are in a simultaneous media usage mode. Our research has provided the basis for this claim.

Foreground/Background Shifting Patterns

In a simultaneous media usage situation, the question becomes, "Which medium takes the 'foreground' position and which takes the 'background' position?" This question is critical since customers may move back and forth among various media forms in a simultaneous media situation. One medium may be in the foreground now with the others in the "background," and then a shift leads to a complete reversal of the places. We have analyzed our data in relation to the concepts of "foreground" and "background" sufficiently, so we know that these modes exist and can be identified.

The Social Production of Customer Knowledge: Insights

Introduction

We have suggested that customer behavior is impacted by media interaction and the development of "background" and "foreground" media forms. We do subscribe to the cognitive psychological concepts that networks exist; information and experiences are continuously being adapted and adjusted at some level, and customer knowledge is produced by media and consumed socially based upon spheres of relevance. However, the facts of customer knowledge require the following understanding.

Knowledge is Socially Produced

Knowledge is produced through social relationships, and this applies to interactions between individuals, as well as between individuals and media producers. There are variations in the way that this occurs; other individuals, traditional media, and non-traditional media interact with individuals in different ways in the production of knowledge.

Everyday Communication

In order to survive in a society, the average "person on the street" must have a working knowledge of how to obtain typical results in typical situations by typical means. These are communication procedures that the average person can count on – even though that person might not clearly understand precisely how they work. These typical situations are part of the customer's habit.

Communication Rituals

By following a communication procedure – or pattern or habit – as if it were a ritual, the average person can usually obtain the desired results without questioning *why* each step has to be taken in a particular order. Following the pattern works to get a person what he wants, and that's all that matters.

Using Thoughts and Feelings as Guides

This knowledge, in all its vagueness, is still sufficiently precise for the practical purpose at hand. In all matters that are not connected with such practical purposes of immediate concern, the person on the street accepts thoughts and feelings as one's guides. Under their influence, one establishes a set of convictions and views – which may not be entirely clear – and then one simply relies upon them as long as they do not interfere with the pursuit of happiness, joy, pleasure, and so forth.

How Media Figures into All of This

In this way, the media mediates our anonymity. The relationship between the individual and the media is not equal: *We know the media, but what we know about the world is through the media* (Luhmann, 2000).

"Well-Informed Customers" and "Average Customers on the Street"

In our daily lives, each of us is, at any moment, both a "well-informed customer" and an "average customer on the street" in respect to the different zones of knowledge.

The Practices of a Well-Informed Customer

The well-informed customer finds that her perspective is one that views an unlimited number of possibilities. One chooses this perspective by choosing an interest, investigating the relevances that add to it, and gathering as much knowledge as possible of the origins and source of the relevances that are actually or potentially imposed. By taking these actions, the well-informed customer will retract – in so far as possible – the irrelevant. To be well-informed, we must recognize that those things that seem to be relatively irrelevant today may well be important tomorrow. In fact, the absolutely irrelevant may become the home of anonymous powers which may overtake you tomorrow. For this very reason, the well-informed customer has to look for as much information as she deems sufficient in order to form an opinion of her own.

The Media

Our modern civilization is characterized by an ever-growing anonymity of partners. Our social situation is less and less populated by relationships with individual partners within our immediate reach, and more and more populated by highly anonymous types who have no fixed place in our social worlds. We are, so to speak, potentially subject to everybody's remote control.

Enter the Anonymous Others

On the one hand, our own social surroundings are within the reach of everyone, everywhere, anytime – anonymous Others, whose aims are unknown to us because of their anonymity. These Others have increasing power to bring us together with systems of interests and relevances within their control. Thus, we are increasingly losing our position as masters in our own right to define what is, and what is not, relevant to us. A feature of Google Earth, which enables any internet user to view our homes – and possibly even our faces – up-close provides a vivid example of what we are talking about. Politically-, economically-, and socially-imposed relevances beyond our control must be taken into account by us.

As we have noted, relevance has a temporal domain which is non-linear, and our media – particularly our new media – transfigure the common-sense notion of time and space.

What This Means for the Old, Linear Communication Models

All of our media depend on both socially-derived and socially-approved knowledge, coded as information/non-information. However, media themselves rely on their elements of visual, visual/audio, audio/tactile modes of presentation for their effort. New media create an ongoing, incessant feedback/and feedforward oral/text expression on anything, anyone, any issue, any product, any agenda, at any time, clearly destroying all the linear communication models that were previously accepted – that is, "who talks to whom about what."

CHAPTER IV

Customer-centricity: a Model of Change

Introduction

We wish to disabuse ourselves of the term *consumer* and replace it with *customer* for the following reasons. The term *consumer* isolates a person in one role – that of an economic self: one who buys.

But more importantly, as observers, we are investigating typical or customary behavior. The word *custom* is enlightening. From the buyer's/seller's points of view, they are obeying customary activity: the *custom* or *customary* means "how one does things around here" or the directive "when in Rome, do as the Romans do." The customary gets at the notion of habitual activity.

We categorically reject that consumer-centricity becomes the new marketing and advertising logic. The reasons for our rejection of this position are the following: The rise or shift to the consumer side of things came about with the service industry or service society. The shift from producer, manufacturer, outbound, push, whatever metaphor one wishes, signifies the incorporation of the customer into the production side of the binary. Therefore, it is not "producer versus consumer," "retailer versus customer." Rather, it's an oscillation of both sides of the binary.

Therefore, we are engaging in a self-critique and a simultaneous critique of BIGresearch's consumer-centric model (Schultz & Pilotta, 2004). By no means is this a dismissal of the previous work, but it institutes an historical truth which will take those previous findings and turn them into recursive elements of observation rather than linear findings which divorce consumption from production.

Everyone comes from some position; we are no exception. This chapter stakes out our model on customer-centricity and accountability, which is our basis for connective action (relevance), and challenging the status quo.

Our Key Focus and Assumptions of Customer-Centricity

The focus is on the customers' point of view regarding their situation as buyers of goods and services. We assume that:

- Customers know their life situations and life changes better than marketers do.
- Customers engage in the construction of multiple markets.
- Customers are reflective, autonomous agents.
- Customers respond holistically to market situations.

Our Orientation to Customer-Centric Research: Insights and Action

- Customer-centric research requires a *communication (or dialogical) orientation between the customer and the production ensembles* of retailers, manufacturers, sales, promotion, advertising companies, and such.
- Future-oriented analysis is the basis for addressing the customers' life situations (lifestyles).
- Customers construct the marketplace. (The market doesn't simply exist.)
- Customers' lifestyles are comprised of economic capital, social capital, cultural capital, and affective capital (not eyeballs, clicks, or demographics).
- Factors outside of the media accelerate or constrain customers' purchasing decisions.
- Customer insights are based on "what is going on" and "what is possible" from the point of view of the customers.
- Customer actions are based on their expectations of "what can be" – that is, their anticipations about what is possible in the future.

Explaining Customer Action

The following concepts assist us in the way we look at the world of customer-centric consumption. These concepts can also provide the reader with ideas that will facilitate better overall capital returns – social, economic, cultural, and affective.

What is Capital?

Types of Capital

Capital acts as a social relation within a system of exchange, and the term is extended "to all the goods, material, and symbolic, without distinction, that present themselves as rare and worthy of being sought after in a particular social formation" (Harker, 1990, p. 1). Capital is divided into types: social, economic, cultural, and affective. All research questions that should be asked of customers are related to social, economic, cultural, or emotional affective issues (Bourdieu, 1984).

Capital is Usable

Capital is understood as the customer's actually usable resources and powers for constructing the marketplace: economic capital, cultural capital, social capital, affective capital, and perhaps informational capital (which may or may not be considered to be a part of cultural capital). *Capital* also relates to performance in the deployment of resources. The connection of various capital to the consumption of various goods and services – present goods and services, future goods and services, and the propensity to spend more, the same, or less on various goods and services – creates a pattern of taste and preference. We view this behavior as *lifestyle (social) behavior*, not as psychographics.

Social Capital

Customers are both individuals and social capital. By taking this position, we emphasize relationships, networks, and flows of information within a framework that is useful for understanding and analyzing the challenges facing customers and how these challenges translate into challenges facing the industry. These challenges are both *market-driven* and *market-driving* at the same time. In regard to the market-driven aspect, the keys to understanding customers are *social interaction* and *resources.*

Social Capital: A Definition

We define "social capital" in terms of resources that are linked to *membership in a group,* and they stress the importance of *durable obligations,* such as feelings of gratitude, respect, friendship, trust, and so forth. A central aspect of our Social Capital model is the idea that networks of relationships and interactions between individuals can facilitate the creation of value within corporations and provide key assets that add up to a competitive advantage. Voluntary association – that is, group membership – that creates social capital also has the effect of multiplying the influence of other forms of capital, such as economic and cultural capital. It is important from a research point of view to regard *consumers* in your panels (or in the field) as social capital. Economic capital is defined as one's tangible assets: money, stocks, land, and so forth. Affective capital is an orientation to things of desire and the skills to create, in varied contexts, the appropriate moods.

The Place of the Individual in Social Capital

Social capital is a collective phenomenon – that is why we call it "social." Nonetheless, individual actors view their associations with others as potential opportunities from which they can benefit. The formation of association, with a name attached to it, serves to institutionalize the capital that follows from it. There can be collective and individual strategies of investment that are aimed at the creation of permanent networks of relations, making it possible to accumulate social capital on both an individual level and a group level. This would include such things as recognition, respect, communality, and an institutional guarantee that is afforded by the organization.

The Two Components of Social Capital

1. There is a resource that is afforded by membership in a group and the social networks that the group enables;
2. The individuals' relationships with the group involve mutual cooperation and recognition.

Related Aspects of Social Capital

The volume (or amount) of social capital that a consumer, retailer, manufacturer, and the like possesses depends on the size of the network of connections that the consumer, retailer, or manufacturer *can effectively mobilize*. It is a quality produced by the totality of the relationships between actors, rather than merely a common "quality" of the group. The behaviors in which customers engage – in both their physical environments and in their media environments – make up systems which are self-organizing, self-learning, and self-producing:

> Move beyond the abstract relationship between customers with interchangeable tastes and products with uniformly perceived and appreciate properties to the relationship between taste which

> vary in a necessary way according to their social and economic conditions of production and the products on which they confer their different social identities. (Bourdieu, 1984, p.100)

People relate to their social situations – not merely to advertising and promotions – as a foreground without any background.

> Social class is not defined by a property (not even the more determinant one, such as volume and composition of capital) nor by a collection of properties (of sex, age, social origin, ethnic origin, proportion of blacks and whites, for example native and immigrants – income, educational level, etc.) not even by a chain of properties strung out from a fundamental property (position in the relation of production) in relation of cause and effect, conditioner and conditioned; but *by the structure of relations between all the pertinent properties which gives its specific value to each of them and to the effects they exert on practices.* (Bourdieu, 1984, p. 106)

Social class has been traded in for *identities;* however, in a time when the middle class gets so much play, our understanding of social class is imperative to marketers who try to reach them. One's social class is a virtue made of necessity which continuously transforms necessity into virtue by inducing "choices" which corresponds to the conditions of which it is the product (Bourdieu, 1984, p. 175).

Meaning Drives Customer-Centric Understanding

Meaning is the "DNA" of all customer-based systems. Meaning determines each customer's system of relevance. Through meaning, customers are provided with *past* interpretations as well as alternative, *future* possibilities regarding advertising's relevance to their past or future needs.

For example, it is possible to discover a statistical regularity of a given population which drives a certain distance to a shopping center. Nevertheless, this regularity is inadequate for a complete understanding of the particular behavior of the population. One must understand the meaning that the shopping center has for the members of the population, the socio-economic distribution of the commodities, the intentions of the builder, and the intentions of the shoppers. Why do the members of this population shop at this store? Is it for convenience, selection, quality, and/or for some other reason?

Meaning, Media, & the Future

Meaning Relates to Possibilities

Meaning refers to the different possibilities for interpreting customer situations, products, services, and so on, and these are determined by constructions of relevance that are specific to a customer's lifestyle. Meaning links what is *now* (in the present to the customer) with *what went before* (in the past) and *what will come* (in the future).

Media Help to Link Possibilities, Creating Context

Communication media functions as a unit of referral – or a relay, and it offers a coordination of action through linkages. Communication media function as symbolic patterns. Media are able to operate because they channel common understandings and *expectations* in predictable ways. Media can be words or other forms of communication, such as T.V., computer screens, cell phones, radio, and advertisements. These provide meaningful constellations for a customer's selection process, and they give a customer open access to other possibilities. Communication media provide a way of specifying what we call *"context."*

Meaning and Information

"Meaning" refers to general constructs of *relevance* that are used in the production and interpretation of events and in doing things. *Information* refers to situational values. That is to say, information is fundamentally emergent and situation-specific. Meaning and information relate to each other in the following way: Meaning is made up of institutionalized expectations and anticipations; it lacks any unknown values. Information, on the other hand, denotes an unexpected experience which one seldom views as "expected." Meaning has no surprise value. Advertising, if it is to make a difference, even if ever so slight, requires an element of "Aha!"

Experience

When the information value of a customer's experience has a consequence, it leads to the restructuring of a meaningful premise for processing experience. Customer experience is an ongoing reconstruction of the meaningful, constituting reality, which is brought about by one's dealings with unfulfilled expectations. Experience has found a theme in the commercial world of the experience economy, in such examples as Disney theme parks, live concerts, and other spectacular events.

Relevance

A system of relevance is dependent on an interest that originates in a particular situation. It follows that the same events or object may turn out to be relevant or irrelevant. Thus, the field of everyday experience at any particular moment is structured into various domains of relevance, and it is precisely the prevailing system of relevance that determines what a person assumes as being typically equal (homogeneous) and what is typically different (heterogeneous).

A system of relevance, such as system of classifying things – that is, products or goods – is handed down through an educational process (not necessarily a formal one) to individuals or to groups, which by and large is the mass media. A system of relevance has various important functions:

1. It determines which facts or events have to be treated as equal for the purpose of, say, solving a problem at hand;
2. It transfers unique individual action into function as typical social rules, originating in typical motives, and aimed at bringing about typical ends. For instance, individuals may define themselves as "good" shoppers, which is a resolve to act in a way that a good shopper customarily acts;
3. It functions as both a scheme of interpretation and as a scheme of orientation, as it gives a person a chance to come to terms with everyone who accepts that same system of relevance;
4. The chance of success of any human interaction is the establishment of a congruency between the scheme used by the customer as a scheme of interpretation, and the system of pertinent relevance institutionalized by one's family, school, business, and so forth. For example, ritualized or customary practices of shopping presume schemes of relevance between the customer and the retailer such that buying and selling can occur;

5. The socially approved system of relevance as classification is the common field in which originate both the private system of classifications and the relevant structure of the individual member of a group. This happens because the private situation of the individual is defined by herself always as a situation within the group – or, private interests are always in reference to those of the group, whether by particularization or antagonism. One private domain of relevance may be incompatible at any time with the socially approved one (Schutz, 1966).

For example, one may take up a different posture/position/attitude toward trans-fat in the role of a household provider, while being the advertising agency account executive or the brand manager for a product that contains it.

How a System of Relevance Functions

A system of customer relevance, such as system of classifying products as "ones that will help or harm me," is now a function of the "mass" media, which fall into three categories.

The Principles of Relevance

1. Domains of relevance are heterogeneous;
2. Relevances are typically in flux for differing individuals/groups;
3. Relevances and their order are elements of the social situation.

It's All About the Future

At this point, it is important to note that there are actual experiences which do not relate to our past experience through retention and recollection alone. More importantly, any experience refers to *the future as that which is expected to follow*. In commonsense thinking, these anticipations and expectations follow what we have held as "good" for the *past* and are incorporated into our body of knowledge. We may think of this in the following way: as "so forth and so on." This implies that an assumption is valid until counter-evidence appears which has proven to be adequate knowledge in so far as it will also stand the test in the future.

That is, in similar circumstances, it may bring about – by my action – a state of affairs that is similar to that which was produced by a previous similar action. "The world for me will remain unchanged until further notice." However, our anticipation of things to come may be filled by future occurrences. This means that any experience "carries its own horizons of indeterminacy," an idea which refers to future experience.

The Future – Always Uncertain

On Expectations

It is important to point out that only in hindsight do occurrences turn out to be "expected" or "unexpected." Used in the present tense state, "I expect" has an entirely different meaning. All anticipation in daily life occurs in terms of "chanciness." It is *likely, possible, presumable, conceivable*, and *imaginable* that something of this or that type will happen. Then, elements of future chanciness are also incorporated in our body of knowledge and ongoing consumer habits

Certainty until Further Notice

The discrepancy between expectations and their fulfillment – or the lack thereof – by the anticipated facts is itself an elementary part of our knowledge and it has a particular cognitive style, which might be expressed as "certainty until further notice."

Commodities

Commodities Are Symbolic, Not Merely Material Things

Many researchers have theorized about the ways that human beings use commodities, such as the *use* and the *exchange value* of commodities as values within a *system of commercial symbols.* On the other hand, commodities become symbols within the process of consumption. In this view, functional objects acquire meaning in an abstract systematic relation to all other object-signs, never in their materiality, but in their difference from all other commodities. This works in the same way as it does with words - which are merely symbols. Their meanings are determined merely by their differences from other words. Commodities are symbols whose material substance is equally arbitrary. It is never the objects that are consumed, but it is the *idea of the relation between a series of objects* that gives rise to the idea (Baudrillard, 1998). For example, gasoline is more than a commodity that we use to power our cars; it is also the means by which we construct social relationships, enabling us to take family vacations, get to work on our own timetable, and so on.

Rethinking Lifestyle

1. It's Not an Attitude or a Demographic

Today's customers are confronted by a complex diversity of choices, and they are provided with little help as to which options to select. Therein lies an interesting concern for the term "lifestyle." A *lifestyle* can be defined as "a more or less integrated set of practices which an individual embraces, not only because those practices fulfill utilitarian needs, but are meaningful."

Lifestyles Are Made Up of Practices

Lifestyles are practices that become routines. The routines are incorporated into *habits* of dress, eating, ways of acting, and favored environments for interacting with others. But, the routines we follow are open to change in light of the mobile nature of self-identity. As we come to see ourselves differently, we make changes in the ways we eat, what we wear, how we behave at work, and so on. All such choices are decisions – not only about how to act, but *about how we want to be.*

2. Lifestyle Choices Are Limited

Lifestyles Are Chosen

Importantly, in our view, people do not *follow* a lifestyle, but in fact, they are forced to choose one – a person cannot live without a lifestyle because, by choosing "none" or resisting, one is in fact choosing one.

Lifestyle Choices Are Limited

Although we are all faced with many choices in terms of lifestyle, not all the possible choices are open to everyone. Furthermore, people do not take into consideration the full range of alternatives when making their decisions about how to live and be. In the present, for all those groups who have become freed from the hold of tradition, choices are available in the worlds of work as well as consumption. Just because my father was a baker, that does not mean I, too, must be a baker. And, just because my father drove a Pontiac, that does not mean I must drive that type of car, too. Nowadays, a (not unlimited) plurality of lifestyle choices exists. Lifestyle variations between groups are also basic structuring features of a social stratification process.

3. Influences on Lifestyle-Creation

A lifestyle is made up of a cluster of habits, media choices, and ways of approaching things and events. Hence, there is a certain unity that connects a person's options in a fairly ordered pattern. Someone committed to a particular lifestyle would see some of his/her various options as being "out of character," and those options would not seem to be "real" possibilities. The selection or creation of a lifestyle is influenced by group (that is, peer) pressure, the visibility of one's role models, and by one's socio-economic circumstances and information/media choices.

4. Lifestyles Are Visible in Things

If a group's lifestyle can be identified from the style it adopts in home furnishings and clothing, this is possible because these properties are the concrete objects of the economic and cultural necessity upon which their selection was based. This is also possible because the social relations objectified in familiar objects – in their luxury or poverty, their distinction or vulgarity, their beauty or ugliness – impress themselves through the experiences of one's body. This may be as profoundly "not" conscious as the red carpets, or the Tuscan linoleum, or the harsh smell of Lysol. Every interior expresses in its own language the present - and even the past - state of its occupants.

Life-World

Life chance and lifestyle are part of the life-world. The life-world is the "taken for granted" world which is shared. It is comprised of all cultural products and how things are named or called. This classificatory system continuously transforms necessities into strategies, constraints into preferences, and without any mechanical determination, it generates the set of choices constituting lifestyles, which derive their meaning, that is, their value, from their position in a system of oppositions and correlations (Bourdieu, 1984, p. 103).

The primary differences, those which distinguish the major classes of conditions of existence, derived from overall volume of capital, understood as the set of actually usable resources and power-economic capital, cultural capital and social capital (Bourdieu, 1984, p. 114).

The distribution of different classes or class fractions runs for those who are best provided with economic and cultural capital to those who are least (Bourdieu, 1984, p. 114). To this, we introduce the notion of emotional capital.

We introduce Bourdieu and his sociology of the life-world because there is the disposition in marketing, advertising, brand research, and research in general in the creative industries to correlate "pure and simple" demographic variables to establish causal relationships between the deemed *independent* and *dependent* variables. How to determine how something comes about – that is, as a result – one needs to know the relevant variables that are viable. Not all demographics are relevant. Additionally, we know that independent and dependent variables may naturally cause and affect each other.

Hence, demographic variables and economic variables as well as forms of capital must be part of the conditions/conditioning of *existence.*

Also, Bourdieu looks at social classes and class fractions and the importance of such typologies and the distribution of usable *resources* to demonstrate different levels of power; in this case the power to name lifestyle changes, and such: difference in power typologies versus *segmentation* per usual marketing typologies. Segmentation segments are equivalent to each other. This is not necessarily so for typical social categories such as class, nor should it be necessarily practiced by marketers.

The *habitus* (or habit) is of the embodied individual or social class, is a differential composition of the four key volume variables within the habitus. There are also learning and feedback mechanisms (positive and negative) which are recursive (feed forward or feed backward), self-producing, and reproducing.

Also, one should note that our schematic modifies Bourdieu significantly, even though we have added only a few lines or vectors to Bourdieu's original diagram.

1. The media ecosystem demonstrates the assumptions that media gamesmanship is also supplemented by the outside world of media.

2. Overlapping time structures of past/present/future are critical to ongoing learning and knowledge processes operative within a specific situation. In short, the structures of expect are formed in the *present* in some relation to the past. The selection of past/future is based on the structure of relevance.
3. While not specified, the ongoing composition and decomposition of the volume of Economic Capital (EC), Social Capital (SC), Cultural Capital (CC), and Affective Capital (AC) provide for the *sine quo non* of spending, that is, captured by questions on spending the next month, which is based on the anticipation of changing prices. (While this holds true if the groups have some distance from necessity, it can change dramatically with shocks to the system, for example, the 1987 stock market crash, 9/11 (2001), or the financial crash of 2008.

Certainly, age as a variable can be quite determinant when people reach their retirement age, and their distance from necessity may be far, yet their spending can reflect conservation for their anticipated future medical needs, and/or saving for a financial legacy for their children, grandchildren or others, upon their death.

5. Customers Are Part of the Production Process

The consumption of goods always requires the labor of appropriation. It takes work to go out, choose something, and buy it. In fact, depending on the goods and the customers, the customer actually helps to produce the product he/she consumes by engaging in the labor of identifying the product, researching the options, and then making a decision on what to buy and where to buy it.

Speaking With…

Corporations must speak *with* the customer, not *at* the customer, or *for* the customer. The corporation needs to acquire the type of information that is derived from the customer's life circumstances if the corporation is going to speak to – and cater to – those circumstances. Therefore, a speaking/listening pattern must become the guiding principle in the relationship between a corporation and the customer. Such a relationship is fundamental to customer-centric research, and it is the basis for the acquisition of consumer knowledge. This knowledge must be acquired in a form that can establish the financial accountability that the corporation desires. Ideally, such knowledge would relate to the customer's current (present) plans and beliefs about their future needs and purchases.

Dialogue

The concept of "dialogue" can be used to help us come up with ways by which the researcher can accomplish her objectives. Researchers engage participants in a dialogue, and they speak together through the research and share ideas together, coming to possible solutions together. In the research process, communicative accountability results in *interobjectivity.* It is neither subjective nor objective. It does not come out of just one person. Rather, it springs from the communication between the two people in the dialogue.

So, we are not talking about the two communicators' meanings, or the intentions of the researcher or the participant. We are not talking about the "objective social circumstance" of the communication. Instead, we are talking about the actual describing – speaking – and discussing in a critical way a cooperatively-developed analysis of *shared social concerns.* In this circumstance, we find these concerns in the form of the current situation and the ways in which it could be changed – in possible ways of action based on a social connection. This communication process, between the participants and the researcher provides this type of research with an intersubjective focus and – more importantly – with accountability. The most important themes of research come out of this dialogue. *"Letting the customer speak" has emerged as an important theme in our research.* One should note that it's not just the *opportunity* to speak as such, but also rather the *invitation to speak about something in particular - for some purpose* - that has generated a pertinent theme around which various concerns are then described and analyzed.

Communicative Accountability

We call this "communicative accountability." Accountability in communication can be established through several research strategies, including online surveys, face-to-face interviews, and ethnography. The key to using any of these strategies lies in the methodological premises of the research program.

Market Research and Customer-Centric Accountability

A research process based in a notion of customer-centric accountability determines the dynamic properties of a social situation and to engage the research population in a dialogue about three topics: 1) the accuracy, 2) the appropriateness, and 3) the value of the research process. These questions need to be addressed from both an empirical and a discursive point of view. They are not separated in the daily operation of the research; rather, they mutually reinforce a simultaneous agenda, the objective of which is tapping into the customers' situations in the present to understand what their challenges and options for consumption actually are.

Assumptions Underlying Communicative Accountability

To engage in this procedure, we must make three assumptions:

1. That it is necessary that market research data and its outcomes establish knowledge that reflects customer interests;
2. That market research needs to involve assistance to be responsive to perceived needs and concerns of the research population;
3. That market research must not obstruct or attenuate – but hopefully promote – customer self-determination.

In summary, the market researcher must acknowledge that he participates in the meaning-making configuration of a social world we live in. Furthermore, he must actively engage this experiential aspect as a means to obtaining social scientific validity in his research pursuits.

Customer-Centric Enablement

By accepting this viewpoint, market researchers are elevating the customers' situation toward action, both from the standpoint of the research activity itself and from that of the customers. The choice to pursue information in such an action-centered way becomes thematic, and this helps to center the research on the concept of enablement – *enablement for the customer.*

Establishing an Anchor in the Present

Customers are therefore treated as agents who have possibilities, as both producers and as consumers of products. *The anchoring of the research process in an actual, concrete point in time – right now – and discussing the future generates a partnership that carries social and ethical obligations between the researchers and research participants.* Together, we are engaged in a cooperative working-out of some future.

The Importance of the Social Relationship in the Research Process

The social relationship between the researcher and the research participants is founded on a concrete basis that sets meanings which are "taken for granted" into relief against a background made up of shared practical interests. From the standpoint of securing useful social scientific data, the accessibility and the reliability of the information increase proportionately with the mutual investment of each party in the other.

In the conduct of our research, valuable, accurate, and – as we have determined – unique information has been shared with us because we are doing something important with the participants, and we therefore need to learn how things really work. In a similar fashion, the ideas of "needing to know," "being willing to listen," and "asking questions in order to do something" soon become tied together in the research process.

Cautionary Statements

An important requirement of communicative accountability is the need to employ the concept of "relevance," as we have discussed, as a standard that guides the selection of strategies for obtaining information and for creating favorable conditions for actually conducting the research.

At the same time, these strategies must contain the potential for stimulating critical self-understanding in the researcher. That is, the researcher must pay special attention to herself as an active participant in the research. Researchers must realize that their own humanity comes to bear on the research being done – both in the process and in the outcome. In short, we do not believe that the researcher can disappear from the process in the way that "objective" marketers would argue that one can.

Among other things, recognizing one's influence on the project requires that the researcher be leery about overindulgence in well-rehearsed and convenient modes of reiterating ideas that then become concrete and unchanging, despite whatever changes must occur in any situation over time. That is to say, developing an unchanging mantra about the research – or a product, or whatever – is not an acceptable way of going about this process.

So, quite importantly, feeling and communicating an uncritical empathy for the viewpoint of the research participants can lead to a research relationship – especially in ethnography – characterized by paternalism. As Lingis (1982) observed:

> If it is only our needs and wants that get articulated in signs, in herd signals, that is not only because it is the only common form of our impulses that can be understood by others, but because the others *want* to hear only our needs and lacks. For our needs and lacks are apprehended by others as appeals to themselves, expressions of dependence on them, declarations of subservience, and invitations to subjugation. It is through our needs and lacks that we appeal to the will in the others – the will to power in the others, the will to dominate. (p. 168)

As applied to the current instance, since the research participants are voicing their needs, wants, and so on, the researcher could well develop an altruistic desire to fill those wants. However, by becoming the "fulfiller of wants," the researcher is actually taking on a position of power over the research participants, and this domination is not good, and it easily slides into the cynicism of the product/supplier model.

Summary

In brief, all truly customer-centric research – if it has true insight into the social situation of the customer – both illuminates the present circumstances and opens up feasible future options which the customer and the researcher can implement *cooperatively*. This is what is known as *real actionability* – working with what is possible from the customer's point of view – rather than from the corporation's point of view.

CHAPTER V

The New Model of Multi-tasking and Poly-centric Media

Three Important Research Components

We need to look at the three major components of research: experiential time, influence, and simultaneity. The visual and auditory complexity of an experience lengthens one's sense of the duration of an event. Additionally, this sense of duration can be further influenced by whether the visual and the auditory stimuli are presented sequentially or simultaneously.

Experiential Time (ET) vs. Objective Time (OT)

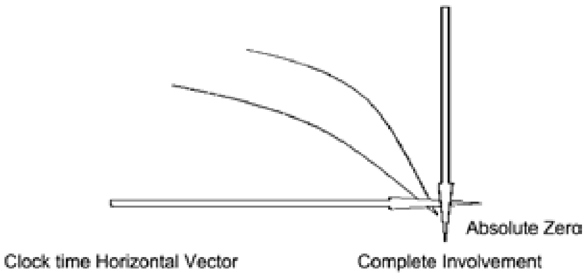
Objective time, as we sometimes call it, is measured by the clock. There are 60 seconds in every minute, and 60 minutes in every hour. Every day is made up of the same number of hours: 24. Even still, regardless of what the clock says, we can experience an activity as being "short" or "long." An hour can seem like an eternity when it is spent waiting for test results in a doctor's office. That same hour might fly by if it is spent on a dinner date with an interesting companion. With "clock time," we can measure the duration of an event rather precisely, but with experiential time, "something else" is going on. Just so, experiential time is affected by a media consumer's level of engagement with a medium.

It's Not as Simple as It Seems

We might be tempted to say that the more involved we are in an event, the shorter the event's duration seems to be. The adage, "Time flies when you're having fun" comes to mind. However, controlled studies contradict this simple view. For example, subjects *over-estimated* the duration (in clock time) of an exciting roller coaster ride or an action-packed segment of a film (Libet, 2005). Experiential time, on the other hand, indicates our relative engagement in an event and our relative *awareness of time*. So, we need to look at experiential time differently than we look at clock time. *Thus, we could visualize experiential time as "going into depth" - as a vertical vector that indicates a greater or lesser intensity,* as illustrated in Figure 5.1. Experiential time is an element of engagement.

FIGURE 5.1.

Experiential Time & Clock Time



The experiential time vector becomes increasingly vertical as engagement grows.

Event Intensity, Event Density, and Experience Intensity

The vector magnitudes of experiential time are influenced by three elements: Event Intensity, Event Density, and Experience Intensity.

- *Event Intensity* is the relative energy or significance we perceive in an event;
- *Event Density* is the amount of "energy" that is involved in an event – in which a number of details and things occur in a rather short period of time;
- *Experience Intensity* is the relevant experiences through which we go – either simultaneously or in rapid succession – and the relative impact such events have. The more relevant the event is for a person, the more intense one's involvement it is likely to be. Experience intensity is less dependent on the relative energy or density of an event, and more dependent on how much the event means for a person who is involved in it.

To reiterate, *low engagement means a greater awareness of clock time, whereas high engagement means a lesser awareness of clock time.*

As we have indicated previously, *relevance* is also a major condition for engagement within the context of the product/medium relationship, in which the consumer has come to trust through previous experience. In short, engagement characterizes two important coils in the Spiral of Consumption: experiential time and influence. The third coil, simultaneous media/synergy also has an element of engagement. The simultaneity of media experience is a coupling of an individual with two media at different levels of sensory modality: audio, visual, haptic, motile – all at once. In order for one's attention to transfer between and through the media, a background medium may penetrate a foreground medium – or press it into the background. All engagement is evocative in this sense.

Communication of Influence (I)

The communication of influence model is based heavily on the 1963 Shannon & Weaver model of sending a message from one mind to affect another's. There is an information source ("sender") which sends its "message," that is encoded by a "transmitter." The transmitter converts the message into a "signal" which is sent through a "channel" which may degrade the signal to an extent by "noise." The signal enters a "receiver," which decodes it back into a message, which then arrives at the destination. This model was generated in the 1950s, and it persisted well into the 1960s as a dominant communication paradigm.

The communication of influence model itself had influence, as cited by Vance Packard in *Hidden Persuaders* (1957), as it took up political communication and was adopted with modifications by the Wesley McLean model of public relations. This model, while still touted, is flawed, as it fails to respond to the complexity of communication as a *meaning-making process.*

The message/influence model assumes, incorrectly, that communication is the transfer of meaning from person-to-person and the message sent is the one that counts. The problem is that meaning cannot simply be transferred like a letter mailed from point A to point B. Instead, it involves listeners creating meaning based on a common interest, reference, and culture. As modern communication research has shown, the message received – not the one which is sent – is the one that counts.

Another problem with traditional thinking about communication is that the messages are always interpreted within a layer of ongoing communication stability. Once a system, or the social reality, is created, it has a tendency to sustain itself – even in the face of current, contradictory information and persuasive campaigns (autopoesis).

The New Model

Communication is *not* an act of one mind transmitting a message to another mind. It is a process of complex systems, in which participants interpret one another's actions and make attributions about the thoughts, motivation, and incentives of the participants. The system is complex because of a double contingency that involves the participants. In the simplest case of a communication system, let's say friends A + B are going to make a purchase. We can describe this constraint as follows: The success of A's behavior depends not only on external conditions, but also on what B does and thinks. What B does and thinks is influenced by A's behavior as well as by B's expectations, interpretations, and attributions with respect to A. So, there is no independent B hanging "out there," waiting to be "target" or to be impacted by A's message as the old model would have it. Instead, A and B are locked in a relationship of simultaneous and mutual interdependence.

Another important aspect of complexity is that systems have properties with synergies, which can be both less and more than the sum of their parts. There are *owners* of communication. This means that you cannot reduce the success of a well-functioning group to one or two members. This means that a complex system of indication is not completely under the control of A or B. What they *do* matters. But, the action of the system as a whole is rather independent of the actions of the participants.

Critical to our thinking is our definition of *influence*: Influence is a generalized acceptance or rejection to carry out some action, creating chains of linkage and expectation. The reception of influence requires a motivation, based either on authority, reputation, or leadership. Influence is a communication medium which has its own order for rejection or exceptions, for example: trust/not trust. Communication media operate across systems, whether those systems are interpersonal, organizational, social, or cultural.

Systemic thinking has been incorporated into our thinking on consumer media and purchasing consumption research. By utilizing a complex system approach, we have been able to isolate the product/medium relative influence on the consumer prior to any message structure whatsoever. Actions confirm that "the medium is the message" from a different point of view than that of McLuhan and Fiore (1967). The "who" and "how" become more meaningful than the "what" that is said. Word-of-mouth technological media – as well as the social/cultural factors, such as economic capital, social capital, and emotional capital – become media which also affect communication, creating various network effects.

Simultaneous Media Usage

So how does all of this relate to the world of marketing and advertising?

Media Consumption Characteristics

Based on the 31 media forms included in our on-going research studies, three unique media consumption characteristics have been identified:

- Experiential time: That is, the individual consumption of media by person by day-parts;
- Simultaneity: That is, the multi-tasking/overlapping of media consumption by customer; in other words, how media forms are consumed and in what combination at the same time;
- Influence: That is, the customers report on the individual media form that has influence on their product decisions in each of the measured product categories and also by identification of their preferred retailer.

Simultaneous Media Consumption

Our data has enabled us to expand our understanding of audience media consumption and simultaneous media usage. Simultaneous media usage occurs among all the forms of media. Thus, it is not restricted to a limited number of media forms, nor is it consistent across media forms. Some media do, however, seem to experience greater simultaneous use than others.

All Media Can Be Consumed Simultaneously

The internet and television are the dominant media forms consumed by our SIMM respondents. Thus, the incidence of simultaneous usage is naturally greater. Interestingly, however, all media forms are consumed simultaneously at some time or another; that is, there are few truly "single usage" media forms. This raises some interesting questions about how "media audiences" can be identified and measured. For example, do single-medium usage reports have much value if simultaneous media usage is so prevalent?

"Foreground" and "Background" Media

"Foreground" and "background" media forms do exist, at least for customers. We have developed a method for determining "foreground" and "background" media usage.

How We Identify "Foreground" and "Background" Media

To identify "foreground" and "background" media, we compared two measures of the same media combination. In the SIMM questionnaire, respondents were asked, "When you are online, do you watch TV?" and 25.7% of respondents said they did. The question was then reversed and asked as "When you are watching TV, do you go online?" and 21.8% of the SIMM respondents said they did. While the media consumption forms are the same – using the internet and television simultaneously – some customers considered one to be "primary" and the other to be "secondary." The difference between the two responses gives the 3.9% difference shown. Thus, customers can clearly identify "foreground" and "background" media, even if advertisers cannot.

The Internet vs. T.V.

Figure 5.2 shows that the internet predominated as a "foreground" medium among the six major media, whereas television was generally the "background" medium.

FIGURE 5.2

ONLINE TENDS TO BE FOREGROUND				
	Foreground	**Background**	**Difference**	**Total**
Online – Watch TV	25.7	21.8	3.9	47.5
Online – Read the mail	13.9	10.2	3.7	24.1
Online – Listen to the radio	18.3	16.1	2.2	34.4
Online – Read the newspaper	7.2	5.7	1.5	12.9
Online – Read magazines	6.2	5.0	1.2	11.2
TV TENDS TO BE FOREGROUND				
TV – Listen to the radio	4.0	7.7	–3.7	11.7
TV – Go online	21.8	25.7	3.9	47.5
TV – Read the mail	19.4	23.7	–4.3	43.0
TV – Read magazines	14.2	18.8	–4.7	33.0
TV – Read the newspaper	16.1	22.4	6.3	38.5

(Pilotta & Schultz, 2005)

Questions Raised by These Data

Using our data to populate the media consumption model, we can identify which media forms are used simultaneously. We can also identify which is the "foreground" and which is the "background" medium in these simultaneous usage situations. These media differentiations raise major questions, such as "What is a media audience?" "How should media be bought?" and "How should media be scheduled?"

What Do We Look At?

Demographic, Leisure-Time, and Media Usage Questions

Our questionnaire is quite comprehensive. For example, there are 13 standard demographic and 35 leisure-time questions in the survey instrument. These range from questions about individual and team sports, to antique collecting, to one's favorite gambling resort. Respondent use of media is a key element in our studies. Questions are asked in regard to individual media usage, such as watching T.V., listening to music, making on-line purchases, using email, blogging, and so on. Thirty-one different forms of media are covered in the questionnaire.

Product & Service Questions

In addition, a substantial amount of information on products and services is also obtained. Information regarding 13 major product categories, consisting of 37 specific products, is gathered in each survey. These are related to 266 specific retailer choices, along with 39 automotive brands, 46 cable T.V. channels, 15 television formats, 5 newspaper categories, 50 magazine titles, 12 search engines, 35 specific websites, 10 video game platforms, 23 spending/purchasing questions, and 5 day-part media questions.

Key Elements of the Database

The key elements of the database that relate specifically to individual purchase behavior include:

- Competitive shopping and customer loyalty trends
- 90-day purchase outlook and intent to purchase

- Customer merchandise – purchased or planned
- Shopping trends
- Cross intelligence

All of these are cross-tabulated with media consumption to provide a better view of customers and prospects.

Key Elements in the Media Consumption Study

Of critical importance to the development of the media consumption study are the questions that relate customer choice of media use to media forms that most influence purchase decisions. These questions form the basis for the media-influence questions. There are eight merchandise categories to which these questions are applied:

- Groceries
- Apparel/Clothing
- Electronics
- Medicine
- Eating Out
- Telecommunications
- Car/Truck Purchases
- Home Improvements

The 31 media alternatives used in the questionnaire are:

- Website
- Word-of-Mouth
- Television
- Cable
- Internet Service Provider (ISP)
- Website
- Word-of-Mouth
- Television
- Cable
- Article About Product in Media Form
- In-store Promotion
- Newspapers
- Newspaper Inserts
- Direct Mail
- Yellow Pages
- Satellite Radio
- Magazine
- Internet Advertising
- Outdoor Billboards
- Picture Phone
- Instant Messenger
- Email Advertising
- Text Message
- MP3 Player
- Web Radio
- Video Games
- Personal Digital Assistant (PDA)
- Cell Phone
- Blogging
- TiVo

Analytical Procedures & Findings

Radical Segmentation: Good-Bye Demographics

The distinctions among these clusters – or *styles of media consumption* – are not based on homogeneity, but rather on common forms of media use. We believe it is the only study conducted over the past 5 years that measures the use and impact of 31 different media in a single-source research base.

Styles of media consumption demonstrate not only that usage varies across different walks of customer life, but also the ways in which the incorporation of print, electronic, and digital media can influence purchase decisions. Moreover, the styles of media consumption are not merely a quantitative metric, but a marker of experiential time as well; that is, it measures experiential time over day parts. Often, segmentation schemes are created as surrogates for purchasing behavior, such as volume of purchase and demographics. Demographic-based clusters, however, miss both the commonality and the differentiation across socio-economic lines since they ignore true consumption patterns.

These clusters are unique since they include purchasing behavior as a consistent feature of the "segmentation" methodology. The idea of media planning clusters has great intuitive appeal. Rashid Toboccowala (2005) has suggested that the ideal media planning tool would be to reverse traditional MRI research data in order to side-step demographic and geographic models since they only serve to fuel the exposure/distribution model of media planning. Identifying customers by their engagement with medium of influence and by merchandise category starts to address the need for a customer-centric model of media planning that has long been sought, but, until now, has never been developed.

Media usage and influence transcend spatial locations as well as demographic properties – which may or may not come into play in the selection of media usage.

Getting the Data

There are certain important aspects to the questionnaire:

- It must be both accessible to and understood by the individual;

- There should be no trick questions, such as repetition for item analysis, as this is an ethical betrayal to the individual;
- It should be short – done easily in 20 minutes;
- The question should capture the routinized or habitual patterns of consumptive behavior.

Attention and Retention

- The question should allow the customers/individuals to address their concerns about things that are relevant to them, regarding the *future* or the *present;*
- It should create a feedback and feedforward mechanism between the researcher and the customer/individual. For example, one could publish the general results in a newsletter for the individuals who participate;
- Researchers should publish where the results of the questionnaire have been cited, such as newspapers, internet sources, and so forth;
- One should offer to use select questions generated by the responding customers in the next questionnaire;
- One should not offer payment for customers' time; rather the future effects of the questionnaire should carry the motivation for participation. Offering multiple prize drawings throughout the length of the study is more than adequate;
- Don't forget that all participation must be permission-based. Purchased mailing lists can wreak havoc on a sample.

Participation

- There should be personalization of the questionnaire on the screener – a synaesthetic model of participation is invoked where cross-sensual modalities such as vision, tactile, audio, and movement are part of the presentation.

Preparation for the questionnaire should include the following:

1. Brand the questionnaire with a photograph of a key person from the company [companies] or in a streaming video with an audio track. It:
    a. Welcomes participation;
    b. Announces the contest;

   c. Notes any special place that the findings of the previous questionnaire have been cited, and so forth.
2. Offer a closing message, ask for feedback, and *respond* to the feedback.
3. Make the questionnaire appearance playful by using
   a. Bright colors;
   b. Clip art;
   c. Large print.

Branding the utilization of a key person's face, voice, and making a call-to-action are called *para-social techniques.* However, it is the repetitive personalization of the brand presence displaying this personality in a somewhat playful way *and* the participation which creates the synaesthesia required for personalization in a non-threatening way. The goal is to make questionnaire completion a non-threatening task.

Communication Styles of Media

Advertisements do not merely sell products, services, and ideas; they also communicate values which tie into economics and politics. Advertising, one might say, sells ourselves to ourselves. In fact, advertising may now fill the socio-cultural functions once filled by art and religion. Our approach, broadly speaking, is more encompassing than that of media literacy or applied aesthetics; rather, *we concentrate on styles of communication applied to the forms to media.*

The following are Communication Styles of Media

Perspectivity

The *mental rational perspective* has been noted by many scholars as an awareness of the world. The word *perspective,* derived from the Latin term *perspectere*, means "seeing through" or "seeing clearly," and the intentionality expressed in perspectival painting is a seeing through space (Gebser, 1991, p. 19; Merleau-Ponty, 1964). More precisely, perspectival painting expresses the emergence of an awareness of space that locates the seeing eye, the object seen in the distance, and that which lies between them.

By expressing space in a way that locates subjects, objects, and distance across the two dimensional plane, perspectival painting illuminates the perception of space and the subject-object relation. Like other forms of expression, however, perspectivity is an optimal way of seeing the world – a world that makes *sense* possible, a relationship between body and world; it is not a copy, a re-presentation, or a reproduction of the world (Pilotta & Mickunas, 1990).

Perspectival thinking carries with it several important implications:

1. Perspectivity makes possible technical drafting as well as what we call *realism* in painting, and it is a necessary condition for the development of modern techno-science as well as perspectival art. The use of technical drafting is common in advertising. The use of blueprints and three-dimensional graphs is common in print and T.V. When we find signs for the capacity to measure, or a spatial symbolic blueprint or graph, we are in the mental-rational structure. Such advertising devices as "measurably thicker lashes" and "get the maximum effect" appeal to this style of communication with a quantitative level of advertising.
2. The "real-world" for the mental-rational style is actually the *ideal* state, the abstract in the conceptual. Consider the old ads for Claritin allergy medicine. Claritin, as the name implies, makes the connection between clarity of thought, clarity of health, and clear relief. The ad states, "provides clear benefits." Clarity is where there is no further search. There were several pictures: the sun in the form of a Claritin pill (symbolizing the dawn) rising over the fields (which in turn symbolized pollen), into a blue sky with fluffy clouds (symbolizing clarity of the sky, potential rain, and an allergic reaction). The picture alludes to the dawn, the coming alive, and daylight: the awakening of mental consciousness. Another picture features a woman's face with a prominent forehead, also a symbol of new rational thought. Also included is highly technical language in very small print. The ads strive to signify the clear ideal and the conceptual.
3. A perspective seems to demand a certain relationship between three things: a seeing subject in the space in between another subject or thing. Perspectival thought is ego thought. The world is seen by an eye – that is an "I." The I/eye is directed toward an object. It sees from a singular position (in time and space).

Moreover, it sees something as separate from itself, as distant. The ego can be signified in ads in several ways. Ads often use people who are recognized as individuals, that is, celebrities and "stars."

4. When considering perspective, it is important to note that the space in between the subject and object is measureable. The object is apprehended rationally. Rationality is to direct discursive thought. Words of rationality are derived from Latin *ratio,* which means *"to reckon, to calculate,"* in the sense of *"to think, understand, or to reason."* Rational thought is directed and measured. Hence, technical writing and graphic expression are of prominence.
5. In perspective (mental rational) style, the term *mental* derives from the word-field that opens from the Sanskrit *routma,* from which we derive the Greek *menis,* meaning "water, courage"*; menos:* "thinking, thought, understanding, deliberation, disposition, mentality, imagination, and man," in the sense that "man is the measure of all things." All of these ideas are embodied in the expression "man." Within this style, we find signs of masculine bias. The right side presents the masculine principle, which connotes correctness and directness. Hence, the appeal to science through questionnaires and measureable studies is an appeal to the rational, the educated, and expertise.

Imagery

The use of imagery in advertising is a mythical structure, and it is distinct from other styles of communication in that it bears the stamp of the *imago*, Latin for "image." The mythic style allows us to see another way to understand the "image" in advertising. The idea that advertisement functions mythically is not new. Leymore (qtd. in Dyer, 1982) notes that "to the constant nagging dilemmas of the human condition advertising gives simple solutions…. [it] simultaneously provokes an anxiety and resolves it." Advertisement presents stories (that is, they are a form of utterance) that resolve cultural contradictions and provide clues for living well in a complex and often confusing society (Dyer, 1982).

On its own terms, myth is not a false story of a past, but a system of communication, a type of speech, a mode of signification, or a way of understanding the world one lives in. Myth is a structure of communication which emerged as dominant in Western History around the second millennium, B.C. It is still manifest today, yet it is often obscured by the mental-rational bias of our times.

The relationship between myth, speech, and polarity (that is, problem-solution) and "clues for living" comes from Greek *mythos,* meaning "speech, word, and report" and *mythonomein*, meaning "to speak." The root of myth is the Sanskrit *mu,* from which we get the polar opposites of the *mythos* and *mutus* – the speaker and the mute.

Polarity is required in any kind of psychic life that emerges with the awareness of temporality and rhythmical movement of nature - day and night - and with the latter emerges psyche. From *mu*, a depth of silence is announced from which the "speaking" or "word" emerges. There is a silent background in oral language even today when we speak, and a richness we never announced. The problem-solution formula is a much-used technique in advertising. Advertised products claim to solve a problem – in many cases created – so as to be solved. The creation of a problem forms a "silence" from which the solution can speak. Here, we see polarity as a play of opposition, not a duality, as in the mental-rational style. In the polarity, one recognizes problem/solution, not just one side of the polarity.

The creation of problems means that these must be solved, and they can be when one uses the product, service, and/or idea. Rather, they sell a lifestyle. Myths are the collective dreams of people. They tell us stories about ourselves, expose the underlying desires and values of our culture if committed by telling us stories, provoking and resolving contradictions, kindling desire, and forgiving dreams; advertising functions in much the same way that myths do. The modern formulation today is "Lovemarks" (Roberts, 2004).

The most famous ad campaign of mythic proportions is the Marlboro cigarette ads. A man is pictured against the background of nature. Symbolically defined by nature, he is wild, free, not restrained by society, and yet he is transcendent and of nature. He is, after all, civilized; he's a tamer and controller of nature. The Marlboro man is a polarity of nature-culture. It should be noted that the pictorial representation of man's emergent awareness of his enmeshment and nature is illustrative of man's further step out of his enmeshment into the reality of myth. The ads' effectiveness, in part, is that they pull the customer out of the mental-rational present into the dream images of myth. Marlboro ads draw on masculine transcendence, "Manifest Destiny," and the frontier as they recruit the past. This is not a historical past but a mythical past; a silence that "speaks." Only when the unspoken communicates its silent message does the spoken word convey the depth and polarity that constitute the tension of real life (Gebser, 1991, p. 68). Similarly, the classic Virginia Slims ads using "You've come a long way, baby" forge an image of women in a mythical here-and-now. Images in general work to instill us with the desire to become that image.

Desire

The presence of desire in advertising reveals another level of mythic style: the erotic. Eros is a transition figure between the mythic, imaginable, and mental-rational communication. Eros, in the mental-rational style, as we generally take it to mean today, is the directed arrow of desire. On the other hand, Campbell (1981) points out that Eros was both the youngest and the oldest of the gods (p. 152). This polarity reveals the mythical dimension of Eros. Eros, mythically, is not a directed desire or a desire "as a need" to fill a lack or void (a desire for something) – as in Plato or Freud. Rather, it is a positive desire, an enveloping sensuality and eroticism that *floats cultural practices,* reveals the depth of the utterance, the silence with which the utterance speaks.

Most persuasive, or at least the most discussed and criticized, is the imaging of women in ads. Such imaging creates and fosters a mythos of feminine beauty. Indeed, the feminine speaks through the silence to such a degree that many ads simply picture a woman and the name of the product or brand, or simply place a woman on their product.

"Beauty" in ads, however, is reserved for a certain color, shape, size, and posture or comportment. Thus, it is not "beauty" per se that is of interest, but a certain variation of the themes of beauty. The feminine is, first, the polar opposition of the masculine. The feminine is "soft" and sometimes "strong and soft", "pure", "simple", "passionate", "mysterious". Several ads incorporate an entire word field that signifies "woman", such as those that picture a nude woman with her back to the viewer, surrounded by the words, "natural", "sensual", "innocent", "passionate", "romantic", and "mysterious". In sexual ads, the position of the female in the ad is always in the subordinate or horizontal position, compared to the masculine super-ordinate or vertical positioning.

Mythical imagery is not logical; it is irrational. However, it is incorrect to consider imagery deficient to rationality. The mythical-imagistic style is dreamlike; it favors polarity, undergone experience, and imagery. As was the case when considering the mental-rational style, we, as cultural participants, are interpolated by a structuring of style that we already understand, even if tacitly, and thus the ad makes sense even when we cannot put our finger on why it works. If we can grasp the mythical dimension of advertising imagery, we need not fall prey to its rhetoric. We can see the dream laid out before us and fain an ability to ask if these are the dreams we want.

Transformational-Emotional Style

The transformational-emotional style is permeated by a *magic* word field from the Indo-European root *(macht)* from which we get "make", "mechanism", "machine", and "might". Indeed, "make" – as in *the power to make* – is a key to the transformation style: for example, medicine makes pain go away, a certain shampoo alleviates dandruff, and a certain car makes you sexy.

Often in ads, it is liquor that is the transformation agent. Actually, most ads make an appeal to the transformations. That is, the product is positioned as a magical element and you (by consuming the product) become the product and take on power.

The signs of magical elements appear at the level of vitality; they are floated by vitality and emotionality; they are totems. The car bears the power of the car; you purchase the car, and you get the status of the car. This is contemporary totemism. The correlation forms between the words *make, magic,* and *machine.* The machine is itself magic in its ability to make; the car makes you go faster.

The transformational style is a collective consciousness. All members are linked together. The interlinking between things provides a necessary pathway for magic to travel and work the shaman's power: Believe, or it will not work. Our notion of mass and collective behavior refers to magic. Ads appeal less to the ego by providing us with things (totems) that will make us fit in, belong, smell proper, be seen in the right clothes.

The collective – or mass behavior – is expressed in the "visible interchangeability of the real and the symbolic" (Gebser, 1991, p. 48). This assumes a point-like structure. This provides us a clue as to why we see such a proliferation of fragmented body parts in ads – eyes, legs, butts, lips, in which the part can and does stand for the whole. The lips, fingers, hands, eyes, the face *are the whole*. The right eye-liner makes "you" – that is, *all of you*. Makeup transforms not only the lips or eyes, but yourself and your soul. There is no work to becoming beautiful; you become immediately beautiful. You wear Beyoncé branded clothes, and you're the power of Beyoncé: a self-transformation takes place. There is no distance between the product and its symbolization.

Synaesthetic Style

Transparency here means seeing one style through another style, such that the ads deploy various styles: mythic, mental-rational, and transformational in the same ad.

This is most adeptly shown through art forms: for example, in The Head (1926) by Picasso, you see all sides at the same time.

Atonality is an improvisation. One can also play *through* tonal music and show how far it can "stretch" until it is a totally different piece, for example, John Coltraine playing "My Favorite Things". Also, atonal music, like rock particularly as presented by The Grateful Dead, who refer to the works of Stockhausen, sets the bar for Rock and Roll. To a degree, Pink Floyd and the Velvet Underground experimented with free improvisational and atonal play space. Additionally, Roxy Music's albums are known for their atonality.

Shut Up and Dance

The ominous chords of Carl Orff's "Carmina Burana" swell as text scrolls up a black screen, informing the viewer on the state of eternal war that is World of Warcraft. A swooping camera glides across the animated world, catching vignettes: a Tauren warrior astride a flying griffin, a cut scene of an abomination storming a bridge, a human warrior captured at the moment in a melee when she turns into a wolf. The intro is a trailer, yet in the spirit of battle. But, the text continues: "What of how one day every soul in Azerthoth had to Shut Up and Dance".

The creative art in making the machinima music video in this case is not in writing code for new behavior but in exploiting given properties. How those dance moves are expressed, arm gestures, timing, setting to music, the "air guitar" of the undead – now, that is the work of poiesis. The *mise-en-scene* reflects the dynamic between the live player/avatar and the camera work.

The game allows for a 360-degree rotation of the video game controller that is emulated in the game space. The directional axis of recoding is the dancing figure placed in the center of the shot, leaving the camera to move freely around the entire set for a dynamic, third-person shot of an avatar and its surroundings. One of the pleasures of machinima *IS* the freedom of camera movement that is literally unhinged from all physics. The dual movement of the animation of the character and the shift in camera views of the player build upon each other, as a future world.

WOW is the massive multiplayer online role playing game. The game has polarities, which are how one builds skills and social networks and meaning beyond direct kinetic fun in the game space. Actual play occurs in "real-time." Real-time play, which presumes interactivity, is what allows video games to behave uniquely from other time-based visual forms.

Dancing in "Shut Up" presents an extra value in the communication economy of players – one that simultaneously describes the human habitation of game space even as the robotics of the program, its real-time factor, is exploited. This is simulated movement action, the result of human-computer interface of commands, but does that make it any less than movement? The very movement expresses presence without narrative. The movement is read directly. Machinima marks a shift in this medium – a new wrinkle in time and out of time.

While this brief description could easily fall under a "simulation" activity, the dance in 360 degrees is a direct *presentation* rather than a representation or simulation.

Reading the Chart

Use of communication styles is not merely an analytical way of looking at advertising content, but it is also production-oriented, determining which media may be most appropriate per class, group, or individual to be addressed. Media are embodied communication styles. They are selected along aesthetic and performative lines.

Figure 5.3 classifies forms of media according to our four communication styles. The style implicates the class or classes of persons who are

FIGURE 5.3

Medium *	Structure	Property	Descriptor-target	Organ of Emphasis	Forms of Expres-sion
Radio TV * Film * Cell Phone * iPod T-shirt (logo, ad) Post Card Cartoon-news-paper Cartoon-anima-tion Floor Display Tattoo Credit Card * Money * Coupon *	Transfor-mative	Non-directio-nal or Fusion	Emotion	Viscera-Ear	Idols Rituals
Magazine Billboard Catalogue Video/Music Film *	Mythic	Polar Compli-mentary	Imagination	Heart-Mouth	Gods (plural) Symbol
Newspaper In-store Signs Coupon * Direct Mail Labels Grocery List Credit Card * Money *	Mental-Rational	Directed Duality	Cognition	Brain-Eye	God (Singular) Dogma (Allegory) Method
Computer Web Internet Mobile Phones Video games Live Events Blog	Synaest-hetic	Presen-ting Whole	Concretion (Growing together of Sensibili-ties)	Vertex	Transpa-rency Divinity (Synaire-se; Integrati-ve Percep-tion)

* = The media are in more than one category. (copyright, Pilotta & Mickunas, 2009)

receptive to one or more of the styles. (This is an abbreviated version of the total number of elements.)

The aesthetic elements are light and shadow, sound, tactile, shadow, color, and movement, which create desired "experiences," creating time/space/movement contexts.

Explanation of Chart

The chart provides a guide to differing media and their communication styles. *Property* refers to the style of movement of each communication style and the type of space opened by each media. The *target* is the faculty in which the media are aimed. Another way of looking at this category is the faculty of receptivity by individual. *Organ* emphasis is on the *modality* of receptivity. *Forms* of expression are how each medium's respective styles generally manifest themselves.

Where media finds itself in more than one category, context and use will determine which style is dominant. In essence, this chart can be used as a short-hand media planning tool in the absence of good customer-centric media planning tools such as the one presented in this volume.

CHAPTER VI

Expressive Body and Media: from Here to There

Introduction

Mass media fulfill an unavoidable function in a complex society to the extent that they coordinate the psychic systems, participating in the social fabric by structuring perceptions, the selection of relevant themes, and temporal sequences (Luhmann, 1995). Moreover, modern society regards itself as *open to the entire world* and hence does not wish to communicate only *about,* but above all, *with* the world. The media coordinates, then, presume a social cosmos of communicators – that is, participants – in observation of the given events. We are, after all, a culture of empirically-, and above all, visually-oriented people. Television is one of the major expressions of this presumed communicability that demands presence, verification, and seeing with our own eyes, the eyes of television. That is, we are functioning under the metaphysics of light and all of its metaphors. Of course, such a communicative presumption is anonymous, in the background.

Print Media vs. Television

There is a notable difference between interactive, dialogical communication, and mass media; the latter depends on selectivity, speed of distribution, and the coordination of themes in a kind of collective shortening of memory. While print media carried the selectivity from the centers of communication, television and digital media are synchronous media due to a direct coupling of communication and awareness. One might say that at this level, there is a shift in the quality of communication. Such an expansion of the possible experience of others, an expansion of the horizon of awareness, includes essentially a temporal component, leading to an unavoidable management of complexity and thus to an increasing selectivity of topics. In addition, the extension, coupled with the fascination of "being there" with the events, constitutes the fundamental fascination with the media. It is not what is shown that fascinates but the very presence of the medium that sees, that lays the world at my feet. The coupling of the psychological system onto a medium as the very presence of reality requiring no participation, no commitment – that is the attraction.

It is not the transmission of content, of some information, that legitimates mass communication, but its very presence, and the social relevance of "being there." Coupling and the coordination of communication, of presence, express the structures of relevance of modern communicational society – not its quality of content. They present perceptions that transgress one's own participation and build an organizational network of a secret panopticon.

In contrast to other differentiated functional systems of a society, media cannot develop its own codes that would constitute its principle of selectivity among other functional systems. The latter have their own coded sensibilities capable of selecting what is relevant to their own system. But, mass media is compelled to operate with such selective strategies as "the latest," the immediate, the prognostic, or it tends to legitimate its selectivity by such diffused tandems as social, political, or even economic interest as *themes*. Thus, it is a small wonder that various functional systems of selectivity of relevance regard the television medium as highly dissatisfactory.

Theme Selection

Before we could even consider an adequate approximation of functional systems of an entire complex society in communicative media, we must take a look at the impact of the selection of themes on the collective truncation of memory and communicative reproduction of society. This point should be regarded apart from any informational content; it touches the question what is given in the communicative horizon. First, one can claim that media can transmit an awareness of one's belonging to a society, but not being a part of political, juridical, and economic activity. And second, one's focus may be globally diffused by a non-localizable multitude of foci. While everything is present, the presence is right there, without location. China, after all, is in the classroom.

There is, of course, the phenomenon of self-effacing where the self-reference of the medium becomes anonymous. Thus, when one watches a scene where two persons are shaking hands, one regards all this as a natural, unmediated vision. This is not as simple, since one not only perceives, but *watches* in terms of stereotypical *codes,* for example, *political ritual.* In brief, the content itself and the perceptual presence are also semanticized in various modes: commentators, moderators, interviewers, and interviewees. Thus, there is a transformation of audio-visual perception into another medium that runs parallel to the first-layer phenomena. The perceptual contingencies, the audio-visual residua, seem to disappear behind the semantic codes.

Vision

It is extremely difficult to articulate one's own vision or the visual reflexivity of the observer, specifically since vision is preeminently an experience of an object; it has no substance and is a process of structuration that is geared to the observed. Yet, the specific component that is important lies in the basis of *vision: movement, and thus the involvement, of the entire body. Such involvement creates dispositionality for action. The attunement to media is not psychological but kinesthetic and dynamic. The tracing of the* sceneries*, their kinesthetic connections, their motile overlapping of reflexivities, comprise an underlying system that is a combination of body action and the panoramic morphologies on the screen – whatever they may be. The coupling of the viewer to this mass media plays itself out at the primary level of the kinesthetic constitution of awareness.*

The Role of the Viewer

Does this coupling make the viewer into a consumer of the social environment, that is, a passive receptor or a minimal participant? In other words, is it possible to regard the viewer as a *reaction* to stimuli or as an *interaction* with the program? The way to answer this question may depend on the hinge point at which kinesthetic awareness traces and intertwines with the panorama, shifts to selectivity, connections, and enactments. The shift is from viewer to attendant, from watcher to observer. Both, of course, require kinesthetic flow, but the latter assumes a qualitative difference. It constitutes vertical reflexivity and not merely the horizontal reiteration of the same. The "same" does not mean the constancy of the programs, but rather a process that constantly shifts without depth, constantly presents "novelties" that have become reiterations of novelties. This reiteration constitutes itself at the level of lateral kinesthetic reflexivity, where one depicted event – a program – comprises precise periodicity at which to expect "novelties" and hence repetition.

How is T.V. Different?

Why then did television take root amidst all the other mass media technology, from movies to radio and beyond? Movies have a specific space, a delimited domain to which one must go and seek some sort of aesthetic entertainment. Television is the seemingly immediate mediation of the world, of seeing far, of transcending the bodily situation, and of course, being extremely semanticized. If we have journalistic and radio mass media, as semiotic systems, purely verbal presence, television reinforces the semiotic by the direct imagery that subtend, and yet are overlaid, by linguisticality. Moreover, the possible synchronization of imagery – the recorded presence as if everything is most current – lends television its import. It is a way of extending and compacting time, and thus making room for increased programming, or the saturation with more "novelties."

Such a saturation is what turns the television medium away from being a communicative coordinator of perceptions toward the opposite: a disruption, disconnection, and trivialization. The more one extends the televisual mass media, the easier it is to make the shows, the more relevant becomes the question of selectivity. The more one is released from full participation, the more one's kinesthetic reflexivity is overburdened and hence diffuses the recollective associations, the greater appears the problem of selectivity. The question of "What would constitute the motives of selectivity in a complex and functionally differentiated society to communicate one over another functional system or its activities as relevant?" can hardly be answered. The problem is not that we no longer read all journals and newspapers, see all films, and watch all programs. The necessity to reduce communicative complexity is potentially offered by the very proliferation of media technology, but the strategies to solve the problem of selectivity do not rest on the same plane. The selectivity of themes is difficult since the very question of relevance is not only topical but also temporal and may be discordant with other claims at the same time to relevance.

One could even argue that the extension of the mass media, its increased proliferation of varieties, constitutes a basis for the dissolution of criteria of relevance. It would be a view that anything goes, a sort of post-historically perceiving society (Gumbrecht, 1985). In this sense, communication obtains another dimension: It releases the viewer from the difficult questions of relevance and opens awareness to operate with any content that excludes any vertical signification that calls for action. One can continuously float among channels wherein everything and nothing possesses signification.

At the same time, the audio-visual phenomena are proliferated horizontally, comprising an increasingly semanticized universe. It is no wonder that, with the appearance of technical mass media, there appeared a correlative awareness of signs. If one does not recognize this presence of signs, one remains submerged in them and thus begins to imagine that the mediated awareness possesses a representative function. Obviously, the thesis that emerges from these deliberations must be articulated across the other social domains of communication in order to show the arbitrariness and vacuity of mass media. It is equally obvious that our discussion would be restricted to an aspect of television programming: more informational and less entertaining. The latter also involves the kinesthetic awareness and comprises, at the pure media level, a constant proliferation of novelties, thus functioning to mark the permanence of boredom and marked continuity.

Ideology

The background selectivity could be deciphered at another level – if we are to avoid the charge of complete arbitrariness on the part of programmers. This selectivity may be constituted by ideological commitments. The latter must be deciphered in a very different way than has been done by traditional scholarship. It will have to be seen as a set of "reflexive" processes that are part of social institutions. To grasp this conception, it is essential to note that modern complex societies consist of a multiplicity of semi-autonomous systems, each possessing its own formal rules and each having its own reflexive processes that coordinate a system from another vantage point. Money is a reflexive process capable of coordinating commodities and labor; juridical norms comprise reflexive processes concerning behavior, such as appropriate or inappropriate. In brief, reflexive processes comprise principles of selectivity of relevance. Not everything is relevant for all other systems, and hence the reflexive processes differentiate factors, functions, and accessed nature in terms of their own requirements.

Ideologies comprise such a reflexive process at a basic level. Each political system, irrespective of its composition, claims one or more ideologies, and each ideology is a way of managing the entire complex set of the semi-autonomous systems in a society. Thus, conservative ideology will select functions and actions that will enhance militarism and the abolition of individual rights, will select budgetary allocations for certain programs, and exclude funds from others. In this sense, political systems and organizations are ideologically laden, and their selection of programs reflects the ideological principles of a given political organization or institution.

Hence, communication is possible since ideologies can be regarded as obvious tandems of inclusion and exclusion, that is, as codes. Moreover, they equally perform an integrative function to the extent that they organize the social fabric along predetermined lines. No doubt, some ideologies will hold only for a while since they may exclude change by repeating the already used modes of organizing. Such revived modes might seem to be dynamic and novel – so obvious in the conservative and fundamentalist movements around the globe – yet, they cannot manage the complexity of social, semi-autonomous subsystems. By subjecting them to one mold, such ideologies squelch creativity and thus destroy the very credibility of their reflexive process. Resultantly, instead of functioning as integration, such an ideology leads to disintegration.

Given these considerations, it has been assumed that mass media may take over a communicative function in a society that would act as a reflexive process, articulating and structuring other processes, inclusive of various political ideologies as reflexive processes in their own right - that is, being able to reflect upon other reflexive processes and instituting codes of selectivity for awareness. Yet, as mentioned above, the mass media reflexivity becomes a floating process without a hold; it offers any tandem for immediate consumption that may either reiterate its novelties and thus mark continuous boredom, or offer news items that are without memory, without sequel, dispersed across a synchronic field incapable of integration.

No doubt, some television mass media are ideologically laden and admit their "biases," but such a procedure reduces them to the level of political reflexivity and not a communicative process having its own reflexivity. Given this context, then, the viewer is active kinesthetically by virtue of the very dialogue with a medium, but such an action is empty; it is abstracted from a situation wherein an action might count.

The transformations of bodily presence require a minimal comprehension of the structuration of the body *in action,* the body as *individual,* and the body as *social.* No investigations can be understood seriously on the basis of a body sitting in front of a television or computer or standing with a mobile phone and such, while the mind, as an added attraction, decodes and interprets the images. Moreover, this sort of understanding does not account for the body that is regarded as an individual and as socially interactive. The traditional depictions of a body as bio-chemical, as physiological, as psycho-somatic give us an anonymous, universal body whose description can subsume all bodies. Contrary to this, we must explicate the *practical body* that lives its orientations and activities, faces its tasks, and is engaged with others in ventures grasped in direct action and interaction. How could one watch a film, a television program, or a computer and not understand – indeed not be corporeally present to – the activities performed? Therefore, we need to delimit this *practognostic* body and its incorporation in perceptual-perceived body events.

The incorporation of – the coupling or the linkage to – contemporary media requires such understanding and fulfills the following requirements:

1. The body must possess a generality of activity that is neither an expression – nor an embodiment – of an ideal, nor is reduced to brute facticity.
2. It must constitute active self-reflectivity as a tacit recognition of "what I can do."
3. It must be coextensive with and differentiated from the activities of others, allowing one to say, "I can do that" or "I cannot do that." In watching some performance, we recognize that indeed, we can jump, but not as high as the athlete, we can fight, but not as brutally as professional Ultimate Fighters. What we recognize, in brief, is a body comprising an entire system of performances, of abilities that are sufficiently general to be performed by others, but not in precisely the same way.
4. The active body must be seen as expressive and "ethical." By the latter term, we do not mean a set of norms, but rather a way of bodily being with others – a turning away from someone in need speaks its own language; holding someone in grief tells its own story. Indeed, such actions may compact numerous stories, but we contend that all of them speak of our expressive relationships to others, speak of our ethos. The body that we are in is the one that participates completely in everything that we perceive in media.
5. Finally, for a synaesthetic body, one perceptual field, such as vision, translates directly into other fields, such as hearing, touch,

emotion, images, memories, and expectations. The following brief section offers an analysis of this lived body as it pertains to participation in media: mass, mobile, and digital.

The Phenomenon of Synaesthesia

The ability for sensual modality and vision to point beyond itself and reveal another modality, such as a taste, and the apparent integration of other sensual modalities both physical and psychical, is an aspect of embodied consciousness or cognition (Zaltman, 2003). This is often neglected or disregarded but is fundamental to communication and is a vital aspect of advertising even if it happens unknowingly. Synaesthesia is the crossing, overlapping, or integrating of sense experience. Most media are restricted to an empirical presentation of sights and sounds, but consumers experience these sights and sounds as visual, aural, haptic, gustatory, olfactory, and meaningful.

There is a tendency in contemporary research to consider touch, taste, sight, sound, and smell as individual senses relating to specific sense organs that are unified by the brain. While the five categories are useful, they lead us away from the recognition that senses are also experienced as interconnected and integrated (Merleau-Ponty, 1962). Richard Cytowic (1989) and others in neuroscience (D'Amasio, 2000; Zaltman, 2003) suggest we are all synaesthetic, even if only a few people are consciously aware of it. New findings in cognitive psychology note that neural networks operate often at an "unconscious" level (D'Amasio, 2000); therefore, synaesthesia is more like breathing; it is an involuntary activity. This involuntary activity is important to understand because the integration of sensual communication is significant. For instance, our mouths water when we see/hear a sizzling steak advertisement.

The synaesthetic experience is a leading clue toward understanding the combination and synergistic significance of advertising. Even the most rudimentary sensual experience, we learn from Gestalt psychology, is at least a figure perceived against a background response. We have noted elsewhere that perceptual activity and consumer behavior is not causal as much as it is significantly based on a fusion of horizons of expectation and foreground and background relationships (Schultz & Pilotta, 2005, p. 594). The loud sounds and quick cut images of a music video, for example, are seen and heard against the relative quiet and technical visibility of a network television newscast. On that basis, perception is as an opening of a field, yielding a constellation of meaning and experience. Perception is neither constituted nor experienced as a sum of discrete senses; rather "all of our senses are modalities of perceptions and as such are cooperative and inter-communicable" (Sobchack, 1992, p. 76). As a perceptive body, my sense of sight is pervaded by my sense of touch. Likewise, I can see texture, and smell is cooperative with taste and taste with sight. Even when my perception seems most focused and localized in a single of its modalities, when it seems dominated and directed by a single sense, all of its other modalities form the ground or a visual field of that focus and are in harmony or dissonance with it (Sobchack, 1992, p. 77).

Perception/Expression

The phenomena of perception can also be deployed as phenomena of expression. While vision is perceptual and extends across the sensual perceptual field, visual experience can be expressed in words, sounds, imagination, and other significant gestures. In fact, this is the basis for metaphor analysis as presented in Zaltman's work (2003).

Multimedia-Tasking and Synaesthesia

When we watch television, we are generally also listening to and hearing television. To enjoy watching is to take it in, to attune to it, to move to its rhythms. Not to enjoy is to perceive the T.V. presentation as distracting or boring. Today's media encourages grazing, surfing, flipping, a perpetual flow of sight and sounds – a pastiche receptivity that militates against any form of media engagement studies, particularly those at the purely cognitive level. Radio, in fact, is more geared to listening than to attentive audiences whose attention is dispersed. While television can use and be coupled with other media, the radio is well-suited to the inattentive-attention of our day because it relies on the audible more than the visual. Popular music is consciously devised to be *heard* (background) as well as *listened to* as foreground. While advertisers want you to see their commercials, we know people often use television as background. The activity of watching television is a participation engagement, but it is not necessarily a focused experience. We do not have to *look at* T.V. to *watch* it.

Unfortunately, sound is often disregarded in T.V. studies. However, it is better suited than sight to communicate to a dispersed audience because it is experienced in ebbs and flows that allow for attentive-inattention (Williams, 2003). The simultaneous media experience is a non-narrative form with no beginning, middle, or end, with one media flowing through the other – synaesthesia. The simultaneous experience of media is a rejection of McLuhan's (1964, 1967) rear-view mirror thesis. Rather than looking back to the book, film, or theater as a prototype of media, a tele-aural-visual-tactile environment has emerged as a new way of considering presentation and receptivity to advertising. We can focus our eyes on the screen or the keyboard. We can "see" the glimmer of light of the computer monitor in the "corner of our eye" while we look for the correct keys to punch on the keyboard. We can also "see" in our imagination and memory the T.V. set behind us.

However, our visual attention must focus on one or the other. Moreover, the bias of our time treats sight physiologically. The visual, in the experience of memory and imagination, is rarely considered when discussing vision. Vision, when seen this way, is our focus – opaque, linear, segmented, exclusive, spatial (we see this or that), and temporal (we see this and then that) (Williams, 2003). Sound, on the other hand, is pervasive. Sound fills and colors space. It is moods and affect; it is intensity. It creates the depth of spatial and temporal experience (Pilotta & Mickunas, 1990).

This sound is transparent, all pervasive. Sound facilitates the attentive-inattention of audiences who are dispersed as it unifies the field. Radio, television, and new communication media sounds establish the tonic rhythm of advertising presentation. The visual presentation reflects the tones. This synaesthetic experience as aesthetic background is copresent in simultaneous experience, creating ethereal ambiguity or intensification.

Visual and aural communications – as in radio, television, internet, cell phone and iPods – have a synaesthetic foundation. The visual image, for example, is synaesthetic. Knowing this allows media designers to produce and planners to plan with multi-sensual ends in mind. All of the senses, including the physical, sight, sound, taste, touch, smell, and psychical – that is, intuition, memory, imagination, and such – are aspects of a complex sense constellation. Therefore, for a media planner, sight is not an end; that is, seeing a commercial is not the goal. Rather, sight is a means to engage the activity of perception. It may well be the case that "sense of belonging" is the consumer's desire, and the visual image of people socializing with a Coke may be the key to the desired outcome. Media experience needs to be studied, created, and planned as an integration of simultaneous streams that do not compete for attention, but media experiences are synergized by attention.

This means that foreground and background experience must be considered together. Indeed, the model of the "viewer" or "listener" is for all intents and purposes outdated, as most media consumption happens as one is involved in a variety of activities. It is the consumer's perception, often "unconscious" and synaesthetic, that is of importance for advertisers and planners if they want to know how advertising communicates. The real multi-tasking person's perception is nonlinear and selective. Selection is based on significance within the foreground-background attention and scheme of experience. Combinations of media and synaesthetic synergy enhance the scheme. Understanding synaesthesia helps to understand how a person is able to shift from medium to medium, background to foreground, and integrate the potential fragmentation of attention in which a media message's impact would be diluted. The synaesthetic synergy, however, explains how simultaneous media usage may reinforce messages to create a response larger than the source of the messages themselves.

Corporeal Perception

In this context, we shall not use the obsolete notions of *communication as transmission of information*, as dependent on cultural codes, and as a second-level reality that attempts to represent something. Rather, we shall move toward *corporeal perception, participation, and intra-communication.* At this level, we hope to obtain a unity among differentiations of information, media, and understanding-comportment. At the social level, the modes of awareness will be regarded as inter-corporeal and not just an observer's regard of some images, discourses, present in media texts. If we regard communication as an operation of *linking* (minimally) two *systems* that constantly reshuffle the informational content, then we could say that numerous systems of that sort constitute a complex differential process that has to be organized at another level, and done in a simpler way. This is accomplished by an extended communicative process that follows technical media structures, capable of transforming sequences and absences into presences, and drawing the "viewer-listener" into direct participation.

"Copies"

Thus, print, photography, film, television, and the like each begin to duplicate and proliferate copies that link numerous populations. While mass printing performed this function initially, such function, as we shall see, required imaginatory participation. With radio, film, and television, there is an increasing concretion of the participation and a simplified communicative organization of linking – specifically temporal and spatial linking. This becomes the window to an open domain of the public exchange of opinions - at least in principle, if not always in practice – and also changes structures of space and time and selectivity of relevances. Relevances may mean the selectivity and coordination of themes and their immediate copying around the world society – with, of course, a very strong side-effect of creating short-term memories. The major reason, to be seen in greater detail subsequently, is the *synchronic* structure of the current media that allows the linking of events to an awareness without a distance. This is to say, the very quality of awareness undergoes a radical transformation.

Each dynamic extension of the awareness of the others, the extension of our poli-centric horizon of awareness, carries an essential element of temporality. The reduction of communicative complexities through the global selectivity of themes and connections became a necessity. Economic news would be an example of a theme that connects and involves the globe and us. Even without a specific thematic content, the possibility of encountering others from everywhere has its own fascination, specifically with the central possibility of inserting oneself at any time into this linkage, to be at the scene, and thus to be open to the world horizons through others, such that these horizons are more preeminently our reality than the horizons of the being with others of daily awareness. One can even claim, as does Luhmann (1981), that the linkages to the mass media are maintained, not because of the information, but because our perceptions are completely intertwined with them. Participation is, of course, the mass-mediated proliferation of copies that circle the globe. But copies, giving us perspectives, are all we need for our current reality.

The Absent Original

Whatever technology may be, what is relevant for our current deliberations is the level of technology that pertains to the mass reproduction of the texts, perspectives, and images such that there occurs a change in the ways of participating in such media. This change occurs in the fact of the absence of the original. In this sense, and as noted above, there is no original presence, and hence no representation; there is a mass proliferation of "copies" without the original. Techniques of reproduction remove the copy from any context, given facticity, its world. This also indicates that there is no privileged access - by some elite - to the once-lauded "original." Even in the arts, Mona Lisa, Eastwood, Lady Gaga, LeBron, and Beethoven appear on placards, ads, t-shirts, toilet paper, magazine covers, and they are interwoven into digitalized caricatures. The viewer can either pass them by with a casual glance, or engage in casual shopping among them.

Mallization

Perhaps it could be said that such mass-mediating production is the *mallization* of images; mallization does not respect any original or its space-time of origin. Here, even the cherished metaphysics of authenticity, in the sense of historical origin, becomes redundant, and redundant, too, becomes the notion of authorship. While the photograph, the cinema, the video, and the television have different modes of "audience" participation, they are indefinitely reproducible and present to "the people."

It is also to be noted that the definition of *audience* will have to be reevaluated. The lack of specific space-time – the synchronization – either blocks or abolishes the notion of authentication and the questions of socio-economic and ideological conditions of these series of copies. The boundaries between genuine and fraudulent, ethical or unethical, lose their value, and indeed, they place into question any social authority that may still want to legitimate such distinctions.

The Birth of Film

It is a curious historical occurrence that, during the emergence of movies as a medium, as the proliferation of multiple copies occurred, there was an effort to frame them in "theatres" with "classical" architectural styles, as if to block the death of the original and authentic. This effort "against the lower classes" wanted to lend to copies a frame of authentic reality, a presence. It is as if to say, the masses will be elevated to a higher aesthetic truth, inaccessible to them by any other means. The movies, as "theatre," could not be placed in the "low-life" structures of housing – thus, the façade of placing movies in structures having Greco-Roman and Romantic architectures. Was this an effort of the bourgeois ideology to maintain a class position, even if the film medium was defying such a position?

Permanence Enhancement

At issue, in this context, appears to be the ideological effort to maintain a bourgeois "authentic history," in the face of a medium that, when presented in the theatres, has no history. Thus, the selection of architectural styles of antiquity – to extend the claim to legitimation – is prevalent. We shall call this effort *permanence enhancement* in the face of the emergence of a total flux that has no fixed points of reference and hence every point may become, and indeed has become, synchronous. The new film medium was, for a period, given an atmosphere of authenticity – but to no avail. After all, the current media are present in every home, or pocket, or purse. As a copy of copies, the film is removed from any history, acting as a self-reflective substitute of itself, thus constituting an audience that cannot claim to have any authentic experience. These paradoxes could not be resolved; if one pretends that the grand palaces of movie theatres are extolling the permanence of high culture, what one shows within these palaces - the life of poor immigrants – defies the high culture. If one shows the Hollywood glamour films, dealing with "high society," one exposes such society to a multitude of copies and inauthenticity. At least, in a promissory way, "everybody can live this way." Indeed, film, in many cases, comprised a mass medium that was ridiculed by the "high society." Obviously, the copies of copies were also co-continuous with consumerism, and thus all the high styles could be copied on the street. The glamorous style was as near as the shelves of cosmetics at department stores. We have here not only a technological change, but also a change in the public's mode of awareness.

The audience no longer travels to Hollywood for glamour; Hollywood is a given in the theater next door. The theater overcomes "reality" by making the copy of reality. As we shall see subsequently, there will be no other reality. The authority of the authentic "objectivity" becomes another copy on the newsreel. Regardless of economic status, the proliferation of copies ushers in an audio-visual equality at the level of perception. Each view, each perspective is open to all, and all at once.

Whoever is mass-mediated is exposed to numerous and, until recently, anonymous, viewers who could be exchanged equivalently – without a loss. Each viewer, reader, listener, is coupled with a power of judgment on which the extent of the proliferation of the copies will depend. The quantification of audiences is a result of this massification of the copies and hence judgments of their "quality." We could even surmise that "cultural criticism" has its origin in this context. We are not concerned with whether the copies of copies become institutionalized, whether they lead or do not lead to political action instead of remaining mere entertainment for the masses, or whether they are propelled by – or themselves launch – some economic forces; rather, we are concerned with the very phenomena of mass-mediation.

The extrication of these phenomena, inclusive of their extrication from private, sacral, high cultural loci may lead, and more likely has led to their restructuring as public and hence political, but this does not mean that they have originated the political. Yet, on the other hand, they concretize the political by giving it a tangible mass face. A film, even photography, can be duplicated without a loss and is thus accessible for anyone. The faces of stars, as well as scoundrels, are flashed by photographic copies, as well as by film, televisual, and video means "everywhere" and "at once." The images are shown not to be "see-through" as signifiers toward the signified, but as given in themselves – the events and realities as they are seen, but both as a perspective and from a perspective.

The Position of the Camera and the Audience

"Form" is the camera's position which becomes regarded as the position of the audience, and the perspective is the reflexive positioning of the entity in the mass-mediated material. The positioning is discontinuous and requires recoupling. One scene, then the next one comprised of different events, then the hero enters this new scene, and has to be reconnected either verbally or through gestures in the scene with the other scenes. We shall speak of this phenomenon as inter-reflexivity, wherein various gestures and discourses reflect one upon the others and equally reflect the audience such that the latter has, to speak minimally, a position.

This complex phenomenon of inter-reflexivity will be discussed in detail later.

At the outset is the removal of the audience from immediate participation and the perception of participation. Thus, the great revolutionary heroes, losing their struggles against "authorities," draw the revolutionary masses to gaze upon "the events" as given before their eyes. Here, the revolutionary awareness is one of looking but not acting. We can suggest that there is a reverse coupling, and reverse reflexivity, whereby the production of copies of mass-mediated events, constitutes those events as equally copies – theories about mass mediated copies, philosophical debates about such theories, the objects to which the latter two wish to refer, are all proliferated copies. Any self-reflection and even self-criticism is another copy in a world of pop-cultural critical studies. They, too, are commodified, perspectivized, and publicized. There were innocent hopes for the new technology for making the world accessible to critical evaluation and correctives.

It had to vanish with the constitution of reflexive logic's inclusion of the perceptions and perspectival positions into the very proliferation of copies after copies. We can sit in an ambulance or a taxi while remaining in the kitchen and watch the hilarious as well as the tragic come into our lives *now, here, then, there.*

It has been contended that, at the level of awareness, mass media, even as print, begins to break down the Euclidean notion of a signitive fashion. We know what they mean, we understand them from the perspectives of others, and we are capable of filling – either imaginatively or by memory – the empty significations, the meant objects. It is our body positionality, our imaginations, memories, indeed the horizons that offer perceptual content. But, with the gradual shift toward other media, such as radio, the perceptual filling thickens; we hear the other in our room, we hear her audial expressivity, we hear her laughter and – synaesthetically – hear her smile and her expressive face. If we extend the technical media, say toward film, we thicken the perceptual presence of the other and – more importantly – I am bodily located as "here" in contrast to the other's visible bodily "there." Indeed, the film medium allows me to see events, vistas, and facades of buildings from his perspective. I can fill in his body position and hence see the way he sees. In addition, the others who confront him also offer positions and thus other perspectives. What we have is a shifting multitude of bodily perspectives, each representing, positioning, and differentiating from one another. I can attune to their body performances and can enter the concrete vectors of their gestures, extended and varied by speech; I can see the angry, pensive, cold expressions across their faces and hear these expressions in their voices and total body comportments. Although the movie theater is designed to make us sit, it is also designed to draw us into the action – to fill in the body positions of the others, the actors not imaginatively or memorially, but by virtue of the "real bodies" on the screen.

Obviously, we, too, are given a perspective of the invisible position of the camera. The latter, nonetheless, shifts to show what the others see, positions the others' visions, and allows me to see from their position. This is a peculiar phenomenon of reversal: I am here, and yet I see from the "there" of their positions. I see from where they see. What is most important is the constitution of *synchronicity.* While I am watching "from here" and "now," I am given the perspective of the other synchronously. In this sense, it is not an anonymous transpositional, a universal logos, but as it positions itself, it positions both the audience and the actors *as bodies* synchronously. The latter allows corporeal self-reflection, that is, the constitution of oneself as a subject here, and as an object-subject there. We say "object-subject" because we see the other body, but the latter comprises – by way of camera angle and movement – our own seeing. We are suggesting that the new technologies, relevant for the film, are constitutive of *synchronicity.*

Even with film media, there is no presence of "reality;" rather, the shifting body perspectives constitute whatever the momentary focus of the perspective and/or perspectives happens to be. If there is still a language of "reality," it can only mean a momentary confluence of various perspectives, body orientations. Some may call this confluence "aperspectival," or seeing something "from everywhere," but these designations still depend on some permanent spatial object. In film depictions, the object is rarely a thing, and what we get are the facades of numerous things, none of which are given "from everywhere." More likely, the "focus" will be action and interaction, requiring at least some kinesthetic activity of the audiences: eye, head movements, attention, audial attunement, and even synaesthetic "translation" from one to another sensorial register. Although the film screen actors may be presenting some fictional characters, they, nonetheless, are on the way from diachronic toward synchronic time. Whenever the events may occur, for the audience, the actions on the screen are present in "the flesh." Indeed, the space of the filmic action stretches right before the audience, and the latter is incorporated in that space, but it is not a homogeneous space faced by a homogeneous, encompassing subject. Perhaps such a subject was still available in print medium; in the film, and as we shall see, in the televisual and electronic media, such a subject is restructured by facades, shifting actions, and momentary foci. While the interplay of perspectival facades were marginal in the print media since the latter had a narrative style, in the new technologies, the play of facades – reaching all the way to play of images – takes the central position.

Dramaturgy

To use some of the current jargon, the center does not hold, and hence the marginalized become an all-pervasive style in open, public communication. We could argue that this play and interplay comprises the dramaturgical character of film, and above all, that of televisual and electronic mass-media. This dramaturgical aspect is more important than the "informative" and ideological discourses. Indeed, the very dramaturgical interplay hardly needs language; the latter begins to play a subordinate role. At the film level, we acquire a corporeal subject and subject-object corporeity as a *phenomenon* of a synchronic *technosphere*.

The technosphere is all-pervasive, and the economic system that dominates this pervasion is empowered to be global. Here, the classical modernity, still seeking to lend itself an aura of some permanence, is finally debunked from progress and history toward synchronic time. The presence of the encompassing technocratic impact overcomes the past and the future with a direct *desire* to inhabit, participate in, and possess the mass-mediated facades. This is to say, the tapes, the disks, the videocassettes, video cameras, and personal computers, enclose the person in their own world. This system embodies the observer/participant in a decentered space and synchronic time in an initially seeming disembodied space, where any reference is intertextuality.

Synchronization

The new technologies, which we called *synchronic,* constitute, as well, a *recoupling* process that transforms a reading culture into an audio-visual-kinetic culture. The direction of society as purposive system of self-reproduction can no longer depend on some ideological supra-text for synchronization. Rather, *it depends more on the expressive-aesthetic synchronization of gestural bodies as a language of kinetic audio-visuality.* The electronic management of social interaction replaces decisionistic consciousness powers by softwares as recoupling processes, where the interplay of images, sounds, and graphs, moves from marginality to centrality. Here, the language of expressivity, representing nothing, couples to the direct expressivity of the bodies of the participating audiences as if to impact the latter directly. It is to be noted that the language of "unconscious" stimulation also becomes redundant. After all, the recoupling is not only that we attach ourselves to the media, but it attaches itself to us through our expressive gestures and thus sends us to pretend that what we obtain from the mass media are the fulfillments of some unconscious desires.

We contend that the recoupling is made possible by an incessant reproduction of all the audio-images and expressivities across all media, inclusive of the capital that is invested to grease the skids of this reproduction. *The value of capital depends on the reproduction of the images and their coupling with the audience, and the latter's recoupling with the audio-images and corporeal gestures.* This is proven over and over again in such banal situations as political campaigns. In order to engage in campaigns, one must invest money in the reproduction of copies; the reproduction of copies will bring in money. The images must be capitalized. To speak in accordance with another theory, the semiotization of star images is capitalization, and the capitalization of star images is semiotization. It is no accident that the most popular President of the United States of America was an actor, and he chose the recoupling technical process, allowing him easier capitalization of images. What could be suggested is that the public elects a person with whose politics the public would disagree, while rejecting a person with whose politics it would agree.

The circulation of facades, perspectives, and fragments that are coupled together, and recoupled with the audience, is the first novelty of synchronic techniques; the second consists of the audio-visual kinaesthetic pervasion of expressive bodies, and the third may be the cybernetically directed recoupling of the two former with the addressed and engaged audience.

Here, we are dealing not only with participatory corporeity that is recoupled with the media by the cybernetic management and circulation of *perspectives and facades, but also with the facticity that the world of "images" begins to be the sole world of post-modernity.*

Where the electronic recoupling techniques shift decision mechanisms from subject to software, the question of who knows what is redundant. Programs decide what images can be synchronized with emotive effectivity and kinesthetic expressivity – and before the audience can make a judgment, the recoupling has accomplished its task. The principle of synchronization technologies, inclusive of the recoupling processes of such technologies, are completely bound up with the audio-visual and kinesthetic sense of the body of the audience. There is no distance, there are no images of …, representations of …; there are events that have no signitive function to some "reality beyond."

Conclusion

The world is, after all is said and done, a world of space and time and motion. But, the synchronistic technology transforms the modern three-dimensional space and sequential time, a space of locations and distances, into presences without distances, into the given with which we interact "right at home." The space of concentrated metropolitan places of business, of commerce, of trade and transportation, is dispersed and yet made more accessible. The times are at an instant from every time. Space, time, and motion have assumed radical transformations. Even the traditional distinction between audial and visual spaces has been subtended by *expressive-kinaesthetic* and *recoupling spaces* that offer the directness of events.

CHAPTER VII

Expressivity: the Basis for Global Advertising

The Immediacy of Expression

The immediacy of expression – the immediate presence of joy, sorrow, indifference, anger, and above all eroticism – is expressed as bodily activities and gestures. The corporeal expression will have to be read not anatomically, but as a meaningful presence that is understandable for ourselves and by others (Shapiro, 1985). If the returning hero were asked about the facial and postural physiology of his beloved, who in a crowd gave him a passionate look, he would be unable to report the specific physiological features and changes which took place. She, in turn, could not reproduce at will the physiological requirements which would reveal the passionate expression.

What this means is that in human encounters, there are no pure physiological data – the so-called external body, and hence no need for analogization or projection. The corporeal expression, thus, must speak directly. It has long been noted that even an infant of seven or eight months answers with comfort and pleasure to a smile and with fear to a terrifying expression. Moreover, the infant can respond to a terrifying or pleasant voice, even if the direct physiological characteristics of the producer of the voice are not present – essentially, if the speaker is in another room. Erwin Straus goes so far as to suggest that the reading of direct expression goes across species barriers (Strauss, 1966). The nonsense of the dualistic theories leads to a conclusion that the experience of expression is an experience of direct sense.

It must be obvious that expressivity does not belong to any specific sensory field, such as vision, sound, touch, taste, smell, or even the notion of their unity. Expressivity "translates" every field into others such that the erotic look resonates through her entire being and floods all of her sensory fields with passion. One cannot divide expressivity into particular parts of the body, such as distinct senses. Hence, it is synaesthetic – where each sensory field can be depicted by any other sensory field, where the vision of passion is the sound of her voice, the touch of her hand, and the smell of her hair. That is why, as we shall see shortly, *each* sensory field is *all* sensory fields caught in the same dimension of expressivity that transgresses them all.

The problem with dualistic theories – the traditional mind/body split – is that they have detached the appearance from its sense, the expression from its direct presence, and attempted to reconstruct it theoretically from physiological and anatomical elements. The point is that *expression is a sense unit, and the sense is the very bodily expression.* The latter, in short, makes sense. One good reason for this position is that any theory which purports to explain expression in terms of any other components, such as theoretical constructs, presupposes expression as obvious and as a criterion by which to judge or "interpret" the physiological or anatomic elements. Since this presupposition cannot be explained in terms of any dualistic theory, then the immediacy of expression is the sole position which makes sense. Thus, body movements and gestures, postures and shapes are not signs of something hidden, but they make communicative sense.

Sense is bodily expressivity. If there are theories that attempt to challenge essentialism, they cannot in any wise abolish communicative processes as founded on expression. To deny the latter, is at the same time to assume it as the condition for the possibility of experience of the others. Indeed, it will be shown that body expressivity is broader than the immediate presence of others. *Expressions may be embodied in institutionalized ways;* texts, religious rituals, political edicts, moral injunctions, *advertising promotions, and branding carry the force of expressivity understood directly by body subjects.*

It could be objected that the immediacy of expression would preclude mistakes, yet as a matter of fact, we do make mistakes. Indeed, but the errors are corrected not by analogical inferences or objectivations, or the correct deciphering of physiological signs, but in terms of other expressions. Expressive sense is dynamic, constantly flowing with bodily gestures and configurations, and hence does create ambiguities. Yet, the rejection of the primacy and immediacy of expression and the ability to experience its sense, is tantamount to the rejection of thinking or sense experience simply because we make mistakes in thinking and in sense experience. Thinking can correct the mistakes of thought and sense experience can correct the mistakes of perception. If corporeal expressions were founded on dualism, then they would be arbitrary and local, having no universal style, no accessibility to "outsiders" and ultimately be reducible to the privacy of the subject.

We must add that there is one more thesis which maintains that expressions are intellectually mediated, that is, mediated by culturally instituted habits and conventions. Expressions are learned and hence local. This cultural thesis is an extension of the same dualistic metaphysics of mind and body. The cultural-mental constructs are the ways that we interpret the mechanical motions and anatomical relationships of bodies and hence attach expressive sense to bodies that do not exhibit any expression in themselves. This is to say, our seeing the expressions of other bodies means that we see indifferent mechanical processes which become signs of culturally constructed expressive meanings (Greimas, 1983).

The argument for this cultural dualism uses the method of variation. Thus, it is said that in distinct cultures, distinct and various bodily gestures are used to reveal the same expression, such as an indifferent shrugging off of an accusation in one culture and a stony passivity, revealing the same indifference in another. Due to this difference in corporeal postures, it is maintained that the corporeal expressions are learned, are mediated by thought, and hence must be seen as signs of interior states or of culturally acquired interpretations of behavior. To counter this claim and show the inadequacy of this thesis, we would argue:

1. While physiological and material media may be varied, they can capture the same expression. The universality of expression is attested by the fact that it is capable of appearing through various media; thus, writings, paintings, music, body gestures, and sculptures, as different media, can reveal the same expressive sense and content.
2. Expressive sense remains even if we cannot read it due to a particular mode of capturing it in a particular culture. Indeed, the media may mislead us and we may be compelled to correct our perception through learning; yet, the correction assumes an immediate presence of expression over impression.
3. If expression is identical with the physiological changes and sense data experiences that are learned within a particular culture, then expression is either abolished or subjectivated. If it is abolished, then no physiological changes would make sense; if subjectivated, then we are right back to mind-body dualism. The cultural alternative, in turn, cannot explain expression. If the

cultural thesis is correct, it is still the case that expression must communicate directly and not as something that is attached to reified bodies. The expressive phenomena that supposedly belong to a culture must communicate expressive meaning. If cultures are intellectual constructs, then they cannot possess expressivity. But if they possess expressivity, then we return back to the primacy of expression over cultural constructs, such that the cultural constructs themselves become bearers of expressive sense. In brief, if bodies are signs of culturally constructed expressions, then the selection of signs requires a direct awareness of expression in order to make sense of the signs.

4. It can be argued that the learning of expressions is not mediated through cultures or thought, but reinforced through other expressive gestures and actions. It is not the case that a parent says to the child that "when I make this facial contortion, it means I am angry, and therefore when you want to let me know that you are angry, you must in turn make a similar contortion." This, of course, would require that both stand in front of some reflecting surface in order to ascertain that the contortions are similar. Moreover, this would already assume that we understand the sense of the contortions if any comparisons between them are to be made.

It could be maintained then that what we learn is not the expressive aspect, but *the bearer of expression.* But to learn the bearer, we must have the experience of expression. The theory of learning of the bearer of expression:

1. Assumes a dualism and all of its attendant problems;
2. Must assume the primacy of expression and its experience in order to talk about the means of expression.

This assumption, of course, leads us back to the same conclusion – namely, the immediacy of the experienced expression and its inseparability from the bearer, such as the active body. In this sense, the distinctions between the bearer and expression, between learning and immediacy are undercut. Also surpassed is the notion of a corporeity which is a physiology distinct from expressivity. To be corporeal is to be expressive, and to be expressive is to be corporeal. If the characterization of expressive meaning once belonged to a mind, now we can say that the very meaningful expressions of corporeity abolish dualism.

Even if the expressive aspects of active body may be understood in terms of their intentionality (joy is joy *about something*), to capture the essence of expression, we must bracket the direction of expression and articulate the corporeal process itself as expressive. A sigh, expressing the weight of our burdens or a relief communicates the burden or a relief. It is a spontaneous corporeal event presenting its own sense. As Walter Otto (1954) suggests, expressive body activity is self-presentation and is paralleled by equally spontaneous communicative comprehension. It is a spontaneous manifestation, *a play of bodily powers that communicate without mediation.* This is to say, it is impossible to undercut body expressivity by a borrowed mediation and interpretation.

Although expression is a *self-presentation of corporeity,* the expression is not locked within the limits of physiological body. Every corporeal gesture, every movement, forms a continuity, producing a variant of itself and prolonging itself into a schema. An adjustment to one expressive configuration is an adjustment to a series of like configurations, where expressed desire can be desire expressed by anyone and in anything. If my expressed desire is a variant among other possible expressions of desire, then it is equivalent to and interchangeable with them. The particular expressions pass, but in passing they create a schema for continuation, proliferation and repetition (Merleau-Ponty, 1962, 174ff).

As a display of active corporeity, expression transcends the boundaries of anatomical individuality and captures others in its mood. This being captured by, being moved by expression, is well-depicted in such phenomena as desire, eroticism, where one is transfigured, elevated, ennobled and, at times, degraded. One way that social communicative power of expression is depicted is in enlarged images that can be gleaned from myths. While all humans engage in rituals that appeal to all sorts of unseen powers, the latter would be ineffective if they would be merely ideological constructs. Rather, they are the intensive concentrations of expressive characteristics: They love, they hate, threaten with horrible punishments, demand our passionate commitments, and our bodily gestures of self-effacement and subjection. Mythological figures are depictions of expressive communication that go beyond the location of such figures.

Expressivity in myths pervades the universe. There is no dry, geometric space in bodily experience and communication; this aspect is seen in the pagan depiction of mythical figures. When one is confronted by the expressive characterizations describing, for example, Aphrodite, one finds a description of bodily moods across all events and things. It is the tenderness of everything calling to enchantment, to embrace, and to the sweet – and breath-taking – flow of all into all. It is an expression manifest across all things as attractive and harmonious. And, she is contrasted to Artemis, the feminine. This goddess is the soul, the expression of wildness with its heights and depths, with her animals and tormenting beauty, with her rejecting look and maternal care, and her blood-lusting hunt – lust, playfulness, tenderness, bright glory, inaccessibility, and horror as expressive characteristics (Otto, 1954, p. 87).

What the mythical figures suggest is the generality, and at the same time, the individuality, of expressive body. Its generality proliferates and can inhabit anything, can be manifest across the face of all events without being reducible to such events. Hence, the mythical figures are depicted as transcending the characterization of things in their anatomical properties; yet, as manifestations of expressivity, the figures are inner-worldly. In this sense, they are a way of capturing the expressive corporeal process without any reduction to anatomy or physiology.

The expressive power of corporeity is communicated not only across the gestures of other bodies, but it also provides a locus of transformations from one expressive modality to another, from direct vision, audial styles and rhythms, to institutionalized records of writing, where the same proud posture, the haughty gaze, the same sorrow of defeat, pervade the volumes of poetry, literature, and even cultic rituals. It is the same expressive power which manifests Greek movement toward theocentrism, the pagan "enthusiasm" with arms spread and open toward the sky, and the Christian despatialization and slavish submission in kneeling and prostration. From the donning of the mask, angry or benevolent, to the solemn magic of transforming wine into blood and bread into flesh, expressive characteristics are manifest directly and move the experiencer – prior to intellectualization – by communicating a mood which spreads without respect to the otherwise indifferent "reality." In this sense, corporeal expressivity is the condition for social communication.

Corporeal expressivity, in brief, can assume any "embodiment" since it is not something called "interior" or subjective, but rather it is directly present, inner-worldly, and yet transcendent of materiality. This transcendence is precisely what is capable of affecting us, although the expressive dimension is primarily the direct dynamics of an active, corporeal being. The *affectivity* is not an intentional act stemming from an interiority of a subject, *but a movement of expressivity which comprises the very sense of gestures and is transmitted through gestures, postures, and mobile face and limbs.* This means that the immediacy of expression is not so much faced or confronted as *participated in* and lived through. It is like the "lively" tune which sends our limbs into frenzy.

This conception of expressivity abandons not only the inner-outer dualism, but also abandons the distinction between our corporeal expressivity and its characterization, and the expressivity manifest among the experienced phenomena. The fear some storm and the fear forming across the face participate in one expressive movement; the lonely night and the lonely heart, the bright morning and sparkling eye converge in the medium of expressivity which does not lend itself to separations. We can maintain that in expressivity, we find more expressions than we can project by any constructed theoretical explanation. While attempting to radiate an expressive joy across the morning sun and the shimmering treetops, we are drawn into the morning glory and find ourselves moved with its expressive presence.

Many advertisements implement the morning sun or the dawn as an expressive movement of brightness, joy, and clarity, and it is all done in one sweeping movement. This suggests that we are in constant communication with each other and with the world through direct participation in the excessive sensuality of ourselves and worldly events. These considerations prepare the ground for a fuller understanding of erotic expressivity in social communication.

The Desire for Desire

In advertisements, the erotic is never in desire but in signs. Naked bodies refuse the status of flesh, of sex, of flaunting desire, instrumentalizing part of the body in a gigantic process of sublimation and denial of evocation. *Parts* of the body, particularly those of women, are fetishized as symbols of sexuality that cannot be accessed. Shampoo suds run down naked torsos; legs in stiletto heels emblematize a seductive feminine consumer and imperative that *move to replace* erotic impulse.

All advertising is seduction. Seduction is immediately reversible. It is a power of attention and distraction of absorption and fascination, a power that causes sex, power, and defiance. And, it is pure gaming - neither energies nor investment. We seduce ourselves with vulnerability. Therefore, all seduction is self-seduction.

One major aspect of corporeal expressivity is erotic desire. The logic of communication of this desire may well constitute a standard for all expressive social communication. Erotic desire communicates itself in the sense that it desires the other not as a physiological entity, but it desires *the other's desire.* It desires to be desired. The intimacy of mutual expressivity and intensification suggests that erotic desire feeds on erotic desire, that it creates an atmosphere from which one cannot easily extricate, run away, and cease to communicate. After all, desire as expressivity transcends bodily anatomy toward kinaesthetic figuration and refiguration as expressive, and spreads its general scheme as an inescapable presence. One cannot turn away from it, and all the sensory fields, from vision through touch, all gestures, are pervaded by its troubles (Lingis, 1985).

The general scheme that erotic desire comprises leads directly to the ways that erotic communication shifts to ambiguities and leads to numerous collapses of communication. If one desires the desire of another, and if such a desire makes all events desirable and indeed desiring, then any deflation anywhere and any time, will be a deflation of everywhere and at all times. When a loved one returns home late at night and announces that "I am sorry, but I do not love you anymore," the detraction of desire for the other's desire means that the entire world collapses into an indifferent, remote, meaningless sum of objects. Not only does this person no longer love me, but my mother, my dog, and even my god never loved me. Indeed, no one loves me, and the universe is cold and indifferent.

Eros

The Greek expression of Eros culminates in Platonic thought, where Eros is defined as a great spirit, *a daimon,* and like all spirits, he is an intermediate between the divine and the mortal. He spans the chasm and bounds all into unity. The aim for which Eros yearns is transcendent, perfection itself, the limitless idea which no mundane thing can approximate. In Platonism, the most exalted ideas, the ultimate realities, are attained through stages.

Each one is reached by the propulsion of Eros, which is dissatisfied by any attained term; it seeks to transgress every limitation and aims at the universal, the limitless, the infinite. The ideal, the formal, the limitless, and the eternal, constitute its ultimate aim, its telos. Such an eroticism is not a reproduction of the species or an attainment of pleasure in a release of accumulated tensions; it is a force which does not originate in any practical domain; it does not arise from any pragmatic need (Krueger, 1978). It has a different aim.

Although Plato was credited with establishing Western teleological thought, a vertical ascent to the perfect and the unlimited, the teleology breaks down when Eros enters the picture. First of all, Eros cannot have a telos, such as the infinite, the unlimited. By definition, the infinite, the limitless is not a point of orientation, not a direction, and hence cannot yield a guide to ascent or descent. All that can be said is that to aim at the infinite is to aim at *everything*. But, his is not a telos, not a guide to orientation. The infinite does not provide a direction and hence cannot play a teleological role as an aim of Eros. The very notion that Eros aims at the infinite indicates that Eros has no aim, at least no *specific* aim. Infinity has no fixity, has no "whereto," and no signposts leading to its locus.

Secondly, if Eros transgresses all limits, bounds everything into a unity, moves to the universal, then the universality is the very movement of Eros. If the nature of Eros is to pervade everything with its life-infusing, creative, intensifying and explosive power, then the perfect Platonic idea, the limitless, is not an indication of an erotic aim, a direction, but a sign of an Eros which overflows all limits, surpasses all restrictions, and in its aimless wandering, it encounters its own unlimited drive, its own joy and torment. Eros in Plato infuses with its own life the ultimate, the perfect being, and this eroticized ultimate becomes the telos of Eros, but it is a telos which finds Eros facing itself, finding its own desire in the ultimate.

The ultimate is an expression of the erotic search for itself (Krueger, 1978, p. 20). In this way, Eros aims at itself, elicits its own movement, and becomes its own propulsion, its autokinesis. Eros is driven by Eros. It is the force which invests its excitement into everything and remains dissatisfied with any invested limitations. It spreads to infuse itself into everything, where the universal and the limitless, the ideal and the eternal, are ways of expressing the erotic craving for itself, for self-elevation, intensification, desire of desire which increments itself without end. This is the hidden secret of why the idea of the ultimate good had to be accompanied by the idea of the beautiful, the attractive, and the desirable. The good in itself has no attraction; it has to be beautiful to elicit our desire, our craving. Even when the good, as the motive force, became the Aristotelian prime mover, it moved by being desirable, by being wanted; and even when the prime mover was translated into a Christian God, it turned into an "object" of worship when it became a "loving father" and not merely a "self-thinking-thought."

This erotic drive is the ground of reflexivity in the sense of a feeling that senses itself, and in this sensing, intensifies itself. My expressed desire of someone is a body movement, a self-shaping gesture that spreads across the gestures of the other, of her transforming look, and intensifies my desire. While being limited to me and to the someone, the erotic desire transcends our singular beings and tends to generalize itself by eroticizing everything. The spread toward generality is at the source of the Platonic concept of erotic transcendence (Krueger, 1978, p. 29). For Plato, the erotic compulsion to transcend all limits to the limitless, to infuse itself into every order of being, does not depend on its being banned, suppressed, for its continuous expansion; its own nature is a compulsion to universalize, to encompass and to pervade the All. Its spread is both horizontal and vertical. Hence, Eros is the very transcending movement which finds no other issue, no other desire for anything except itself, a desire of desire, an Eros for Eros. One could even say that its search for wisdom, is its "highest" happiness. The human desire to attain the highest object, the perfect and ideal, is driven from within, and yet at the same time, it is attracted by Eros which envelops the object of desire; the highest object is desired – not because it is the highest, but because it is desirable, it is charged by Eros. Human erotic desire is, here, *desire of desire.* The Eros pervading and driving the human toward the highest is an Eros which is attracted by itself.

The erotic desire, as described above, reappears in Sartre. In his *Being and Nothingness,* Sartre (1956) argues that *erotic desire is not identical with sexual compulsion* (p. 93). Even sexual compulsion is not identical with the physiological constitution of human beings. Prior to the full development of an organic constitution, the child is erotic, and after old age dissipates one's physiological prowess, a person does not cease to have erotic desires. *Sex is merely a derivation of erotic desire.* We discover the sexuality of the other from the more basic phenomenon of our desire for the other person's desire. It is unnecessary to apprehend the organic physiological stimuli - which would be transmitted by the other's body eliciting our organic response. Erotic desire does not disrobe the other in order to attain to the naked level of organic stimulation. Rather, the desire demands the desire of the other. It wants to be wanted. Both the desiring subject and the desired other, be the other a subject or an object, must be enveloped by, must express desire.

Erotic desire has a level of intentionality as a desire *of something,* a desire *for someone.* Yet, the desire requires more than a presence of an object; the object or the other must assume a movement of desirability, must also have a look, an expression of desire. What brings out our desire is not our own initiation; it is the manifest desire in the other in such a way that both the desiring subject and the desired other are captured, immersed in the power of Eros. Eros does not aim at the physiology or organic constitution of the other but at the other's Eros: Eros seeks Eros, seeks itself, is excited by itself. It is Eros in both the desiring and the desired that deploys each as possessing sexual attraction. Erotic desire is prior to and more fundamental than sexual physiology. It haunts the surface of actual processes, but it is not reducible to them. It is like the look, like the expression which is ahead of all physiological aspects. To penetrate to physiology is to miss the expression. The inviting look is not identical with the specific contortions and lines of a face. It is captured, carried, and expressed by the face and can be transmitted to other faces, other gestures. What attracts is the expression; it is what creates desire; Eros appears as an expression carried by and manifest through things, humans, ideals, and even divinities.

In the modern age, Sartre depsychologizes desire: Erotic desire is not an aspect of some subjective interiority, of some interior psychological state which is projected on others and objects. The erotic desire is an expression which is not reducible to the bodily dimension of life (Sartre, 1956, 395ff). Erotic desire appears as something that can capture the human, thicken and cloud awareness, abolish human situatedness and the projecting movement toward possibilities. As a phenomenon, erotic desire is read directly in perception and has a force of immediacy capable of capturing, arresting, and enveloping the participants. This envelopment is what constitutes the desire of desire, the expressed erotic want of one being for another, where Eros seeks to encounter this want and not just a body. Eros tends to keep the human intense, awake, and alert; it wants union, it desires to be with, where the desire of desire is here augmented in mutual excitement.

The tendency of the erotic *autokinesis* toward generality, continuation, propagation, unity and intensification, is accompanied by a tendency toward singularity and extreme individuation. *It is just this particular object, person or idea that becomes charged with desire,* becomes attractive, and calls for human response – elicits desire. The specific characteristics, expressions, gestures, the specific designs which attract, which form a desirable configuration just for this specific person. It can be safely assumed that Anthony's sexual needs were fully satisfied by the concubines accompanying the Roman army; yet, it was a specific person, Cleopatra, who elicited the erotic desire in Anthony, a desire which transformed him and moved him in ways unaccustomed (May, 1968). This singularity of the erotic force and investment is at the same time its impulse to generality, to encompassment. Because of this investment, all things, events, become erotically charged, assume a glow, a desirability, and lend the one who is captured by Eros an air of self-importance. In this sense, Eros does not demean but elevate, does not subjugate but valorize. The sense of worth, coming with Eros, affirms the person, extends him/her toward value, toward generality.

What is pleasurable in the erotic rapture is its immediacy, its all-pervading presence; yet, it is tormenting, since the immediacy of the singular term of erotic investment of desire spreads across everything, is already dissatisfied with any singularity, and leads to a longing for something more: *for itself.*

The tension between the most general, the endless Eros, is the origin of the notion of sexual eroticism, of the most individual preference for a partner, the immediate gratification, and at the same time of the process of sublimation, the seeking out of itself in everything. Sublimation is no longer a product of suppression, of frustration of libidinal craving, but a positive process where the very movement to sublimation is another form wherein the erotic drive transcends every term in seeking itself. It again has no other end, no other issue apart from its own self-generation. The erotic desire does not seek to destroy but to rejuvenate. While singling out this individual, the lover wants to rejuvenate, to bring the other to life, to become a life-giver – not only to this individual, but to become desired by all. The turning upon itself, the erotic reflexivity, is not a destruction but an intensification, not a release, a discharge, but an augmentation, an extension over everything, its generalization from the individual over everything without the loss of the sensual, the immediate, the perceptually given expressive configurations which solicit desire. This expressivity, this desirable configuration which excites, intensifies, elevates, and propagates itself, is what connects Eros to Mythos.

Such a mythical being is Eros, who grips and carries away. The experienced presence of such an elevating and enveloping divinity is a release from all purposes, plans, and desires, above all from all that is not purely present, purely captivating and engulfing. The human attains a true selfhood when he/she participates in the pure presence of this elevated experience in which all direction is lost, where the display of desire is enveloped by the encounter of desire, where expressive enticement is pervaded by Eros. Here, the human desire, the human eroticism assumes a form of self-display for no other purpose apart from this *dis-play;* a human eroticism which encounters the countenance of Eros expressed across the face of all beings. In the presence of a mythical figure of Eros, the human answers with an elevated voice, a dancing body, which are truly with themselves a direct expression of a human selfhood in an eroticized, theocentric world. Here, the voice rises to a chant, to an enchantment; the song breaks forth not in an epic or a hymn, but in a pure lyrical form. Human fulfillment, a full self-understanding, calls for this elevation, this inspiration from the mythical figure, from the deeper and higher dimension where all chains fall by the wayside and the theocentric human surges forth in an elevated festivity. To the enchantment of the presence of the mythical figure, the human answers with an elevation of his/her nature (Krueger, 1978, p. 32).

Love Marks

Love can handily dispense with the rules and protocols of its writing, searching, and emailing – that is, the rules of communication. The private and the public are life-reflexive and demand no less than the emotions and observations prescribed in literature – primarily fiction seen through a side of life. We constantly see and know love via television, movies, celebrity magazines, and romance novels.

Love as the "love marks" concept is not the "love" of today, but rather it is more appropriate to 17^{th} Century romance and the epistemology of beliefs. Love is no more conceived as an idea of Plato or located in the heart to be evoked. Rather, love is enacted. There is no *a priori* involved today. Love, intimacy, and friendship are collapsed. In the 18th Century, love was an embodiment of an open system, faced with individuality and the difference of lovers who are out to create their own rules. Society is forced to develop new, more subtle codes of love and human relationships generally to love as open each individual goes through a transformation of the psyche in light of the contact with each person. This is the difference between the contemporary experience of love and love in the past. With love, intimacy and familiarity are together. There is no need for an expression of love when love is instead acted out.

Passion is a synonym for complex communication during the Enlightenment, and love is initially a deviation from convention. So, when lovers are driven outside social norms, their passion, paradoxically a codification of love, eventually emerges. Love is open to failure because of the complexity of communication.

In the real world, life is based on separation. Love, however, inspired by religious fervor, retains an element of identification (fusion) – as opposed to separation. A public example of fusion in love may be the outpouring of emotion after the death of Princess Di. Although there can be identification in symbolic love, as love in a love story, the expression of love becomes almost equivalent to love itself.

Today, according to Julia Kristeva (1987), love discourse has been impoverished: "We are drowning in a cascade of false image" (p. 375). Kristeva echoes the voices of the 1960s and early 1970s. Rubin (qtd. in O'Neill, 1972) expressed it this way:

> Language prevents communication.
> Cars love Shell
> How can I say, "I love you" after hearing "Cars love Shell"? (p. 52)

"Love Marks" is a monumental effort to restore Rubin's lament or erect an electronic church with the trinity of Love, Belief, and Mystery. Certainly, Satche and Satche, and specifically Kevin Roberts, the High Priest of Love Marks, intends to supply the false images (god) and bring Love Marks to the liturgy. The liturgy is able to name their favorite saint (brand) for a Love Mark. Of course, the letter of nomination starts out with "I love my car (brand)," "I love my gas (brand)," I love that my car loves my gas.

Love Marks still trades off the identification and personification which is the stock-in-trade of advertising and branding. However, Roberts had the opportunity to develop "love" as a generalized communication medium, to accomplish the work of "new" branding, which would allow for evaluation and accountability by the participants and the client. The question remains, "How do Roberts' clients love their customers back?" Possibly, corporate love could mean a marriage between the legal subject – the company or (branding) – and their lovers.

Many other answers have been offered to explain the power of Eros. Of late, the scholarly consensus is tending toward one interpretation. As Greimas (1985) indicates, "national general social structure finds its correspondence in the structure of the divine world and the division of divine functions. A religion is a national ideology with whose aid a society reflects upon itself" (p. 11 ff). Indeed, if mythical figures are conceived as entities, then they may well reflect human social order. But, can a reflection of social order possess a power of transfiguration, of elevation, and ultimately of self-abandonment to the immediacy of display of functions, expressions having no aim, no purpose apart from such display? Is there not something more immediate, direct, more primordial in the mythical figures with the power to arrest us, to move us in unexpected ways?

Phenomenological researches have suggested a dimension of experience which fits precisely the mythical requirements of enchantment, of capturing and transfiguring, of eliciting and tormenting: This dimension is expression centered in the presence of Eros. The latter pervades all other mythical figures with attraction and envelopment. Hence, such figures are equally dimensions that transcend the singular, and yet are worldly. They provide the very space of human intercorporeal life and direct communication.

To the degree that ad and brand world systems do not recognize the very ground they walk on, they will continue to shrink the expressive power necessary to function. Perhaps failure is warranted; nevertheless, the corporate world is perhaps the largest producer of media expressivity. Such a production is a surplus value which may be eradicated, thereby losing what is called *brand equity.* Equity stands for those "intangibles," thus producing surplus value.

NOTE: The original version of this essay appeared in Pilotta, J.J. & Mickunas, A. (1990). *Science of Communication: Its Phenomenological Foundation.* Hillsdale, NJ: Lawrence Erlbaum Press.

CHAPTER VIII

Brand New Logic

"Show me the meaning."
~Robert Passikoff (2010)

Brand/Brain

American managers have had it drummed into their brains that their responsibility is no longer *making progress*, but rather *marketing*. Marketing is safer than R&D and technological upgrading. Horizons are so low in marketing that, since a seminal article written by Bain Consulting in 1990 – which was endorsed by Reichheld and Sasser (1990) and again affirmed by Reichheld in The *Loyalty Effect* (1996) – the task of a business has become the achievement of the maximum number of customer defections from a competing brand – *rather than the luring of new customers*. Beyond that, branding is much more about maintaining "market share" through customer "loyalty" than it is about winning new consumers. "The irony lies in the frivolity of branding - while innovation passes from the U.S. to Asia. Every day, brand dinosaurs are resurrected, with upline or downline variations in products through the modification of the common flavor, color, ingredient, or package size" (Arvidsson, 2006).

And, when we find firms who take branding seriously, we obviously don't see them as experts since they typically outsource this work to WPP, Omnicom, Havas, and so forth.

Do brands make their case? No. They have failed to take into account the flow of capital, thereby making the following assumptions:

- The power of capital equals the power of the market;
- The market is reduced to the purchase decisions of sovereign consumers, either in the present or in the past. The rules and the managers of corporate procurement offices are represented as agents in consumers' affairs.

The problem is that this is Neoclassical economics, and it no longer applies to the world that *we* live in.

Corporations Have Brands on the Brain

Right brain initiation has become a part of the marketing mix. Brands need maintenance, and since Enron's collapse in 2002, brands have needed a transfusion. As Aker has noted, "We find brands that are very strong, high awareness, high-quality, high loyalty but are losing market share" (qtd. in Harney, 2004). With the possibility of corporate scandals and the loss of reputation, the concept and business of branding gets more and more attention.

Enter the Cult

In the 22 April 2004 issue of *Financial Times,* J. Walter Thompson's Asia guru, Tom Doctoroff, announced that "There is no proof anywhere that branding works. Because brand stretch requires a great deal of commitment and effort, thereby creating a brand management risk aversion" (qtd. in Harney, 2004). Today, branding follows the trail of the "intangible." In the professional arena, branding monetizes the "intangible" feeling. The social "power" vested in a brand, as measured through its appeal to consumers, is held directly responsible for its economics. Thus, pseudo-science thinking is constantly proffered and then affirmed by the branding wizards of the "global six": WPP, Publicis, Havas, Aegis, Omnicom, and Interpublic. But, this is just the proverbial "fox watching the henhouse." *The outcome of this pseudo-science among the brain trust has been cult or culture branding.*

Since 2001, *Business Week* has conducted audits of the world's top 100 global companies, and in 2004, they argued that building *mass consumer cults* around brands is a "widespread strategy" because its forte is the *shared experience of belonging* (Brady, 2004). But, "Belonging to what?" is the question.

This is more than product differentiation. It works at a different level – one related to the values and purposes of the organization, the type of relationships it tries to build with its stockholders, and how it contributes to the community. Since 2000, experts have centered on the chief purpose of the organization – and hence the brand. By behaving ethically, the management of an organization can get its corporate brand to win the trust of the organization. The brand can help consumers avoid suffering the strains of everyday life and the tyranny of branded choices.

"Brands make people feel good, and they use "creative' talent to design their own modifications. They make us feel like we are a part of something bigger in order to gain a sense of who we are. That is, they provide us with 'identities" (*Business Week,* 2005). *This is the therapeutic mantra: the desire to transform and to be transformed.*

This is a supply-side/product version of enablement: a supply of knowledge or feeling, a measure of pure technique, and a technical activation – *not a working out of some future,* which is based on options and choices that have been consumer-selected. Brands become signposts or problem-solvers, *creating therapeutic dependence* – as opposed to creating enablement through self-determination and informed choice-making – which would be in line with a customer-centric approach to enablement.

The Fragility of Selling "Identities" and "Feelings"

Some Facts About Brands:

- The pro-passion branders are now aided and abetted by real-time, mind-free branded games of suggestion and association in the present.
- Starbucks is not about coffee; it brands itself as an inviting "third space" between home and work.
- Brands are all about a shared mindset and identity/personification (Passikoff 2006; Passikoff, 2008).
- Brand becomes the socialization mechanism of the corporate culture. But is fame a fleeting thing? Between 2005 and 2006, Coca-Cola and Microsoft – the giants of branding – experienced a decrease in brand value of -1% and -5% respectively, while Ford dropped a whopping -16%.

Actions Speak Louder Than Brands

While branders are relying on opinion and feeling to drive their positioning as intangible, this seems to be a rather risky charade. Intangibles are very tangible in corporate actions. Their products and services, marketing strategies, and customer services are walking, talking embodiments of the corporation, visible for all to see. This is not just a surface look. The internet has made corporate actions – whether good or bad, right or wrong – part and parcel of the brand experience. *And that includes the very document you are reading right now. These are called "feedback mechanisms," and they are vital to understanding as anticipatory mechanisms of possible responses.*

However, the focus on the right brain initiative of the "intangible" misses the fact that corporations have now decided that the world relies on subjective feelings, which they believe are unrelated to the social world in which consumers and corporations exist. However, customer-centricity means that the individual and the social environment are inextricably intertwined and *feelings are always feelings* about *something or someone.* Feelings have "direction," and they are tied to cognition (as we have discussed earlier). Feelings can and do change. As corporate practices become more transparent to the online consumer and influence the feedback mechanisms, the corporate sentinel who watches the sentient customer can now also be watched by the sentient customer. The customer, as "the observed," now becomes "the observer": *"I see you; you see me."* This is a proverbial hall of mirrors, specifically of a highly differentiated society.

Branders need to look at the local environment of which they are a part. Customers' economics – social and cultural factors – can well affect their emotional capital. Capital relations affect brand loyalty to the degree that life chances – particularly during periods of unemployment and the fear of unemployment – as well as a corporation's layoffs – affect purchasing power. A decline in savings, a rising mortgage payment, a loss of health insurance, the prospect of retirement, a divorce, or a death in the family – all of these constrain one's economic possibilities. Good feelings may be monetized, but they won't pay the bills. Perhaps, beyond that, building businesses on moral sentiments, rather than on pragmatics, opens the corporation to sentiments of moral betrayal by customers – a place of no return.

How are Brands Supposed to Function in an Organization?

In organizations, brands act as metaphors, attempting to create for customers and employees a "timeless reality" (Bedbury, 2002). Effectively, brand identity packages together aesthetic, symbolic, and cultural knowledge with the processes of production and marketing. Brands therefore provide organizational coherence by offering a packaged and codified form, a shared understanding which managers hope employees and customers can identify. Brands are used to extend the power of the firm beyond its boundaries, incorporating associated firms and actors about the product.

Brand identifications "suffuse" organizations and groups of organizations, creating their own *imagined communities.* Brands extend organizational units from a firm to include all of the actions that contribute to the production of the branded commodities and their related images. The *power of a brand* is its capacity to override group-based equity, to generate coherent linkages between organizations that are not necessarily involved in sequential, value-added relationships, and which would otherwise be bunched together into disparate entities across a range of specializations. In short, brands are "imagined/image communities," no more or less real than anything else that is "imagined."

The Brand as a Generalized Communication Medium (Luhmann, 1995)

The process lies in the specific difference, namely the difference between corporate themes and contributions. A communication nexus must be ordered by themes to which contributions can relate. Themes outlive contributions; they integrate different contributions into a longer-lasting, short-term or even long-term nexus of meaning. Theme also regulates who *cannot* contribute. Themes are selections that give one a chance to participate, in which to be recognized. Themes and contributions regulate the possibility of negating content. There are thresholds for thematization – that is, obscenity, religious feeling, and so forth. Also, the acceptance of themes is a presupposition for making negative comments on contributions for rejecting, connecting, and modifying content.

Themes have a factual content which enables them to coordinate contributions. The temporal contributions to a theme may be boring or interesting. They may differ with different participants. Themes do reach a saturation point after which new contributions are no longer anticipated. Old themes, however, can recruit new participants.

The social aspect of a theme is an aspect of amiability: showing congeniality. Themes adapt themselves to participants. This means that participants share opinions, experiences, and wishes, thus demonstrating self-presentation and self-knowledge.

Themes serve factual, temporal, and social structure within the communication process. They function as a generalization which do not restrict contributions – which can be made at what time, in which sequence, and by whom. In general, communication is steered by themes. Certainly, themes of family, health, and safety are all themes of branding as well as variations of religious themes. The key to mass media success is "acceptance" by the populace. Acceptance also steers what is relevant or non-relevant content.

However, these themes are abstractions which can be localized to some degree. The forum of localization cannot be indexed as a part of the life-chance of any particular community or group. The themes are not localized in a life-world. By definition, they stand in as *Platonic Ideals.*

Commitment and Affectivity

Cooperation among different actors is not as much consensus as coordination of particulars. The coordination is a matter of the elicitation of commitment from affected parties. Networks of mutual obligations form important if often covert communication in their own right. Commitment transforms private concerns into public themes while permitting relatively free play to personal rationalization and interpretive mechanisms.

From the process point, what is happening is that commitments – regardless of how they are obtained – generate communications that are indifferent – but hardly irrelevant – to individual premises (ideas, values, motives, and so forth).

Formally or informally achieved commitments from customers – whatever their grounds – frame communication relationships that can readily be evaluated by the affected parties in the simplest most immediate terms – namely, as the *irretrievable allocation of scarce communication resources.* Trust, good will, influence, information, respect, integrity, self-esteem, and the like would be examples of such resources.

More than that, an individual's personal evaluation of the relationship readily becomes translated into palpable behavior for organizational actors on the basis of the relative cost-benefit to each party of reneging/honoring/extending the commitment. Thus, commitment secures both a basis for cooperation and a framework for evaluation against which various interests can assess their allocation.

Evaluating Brands

Unfortunately, the Hierarchy of Effects model is widely utilized for evaluating brands, and that type of evaluation supplies information of the following types:

- What is the percentage of people who are aware of the brand?
- What is the percentage of people who have a favorable impression?
- What is the percentage of people who are willing to try the product?

So, what is the problem with using the Hierarchy of Effects to evaluate brands?

- There is no connection to preference or value creation.
- Simple awareness does not indicate the salience of a product for a consumer.

Rather, a brand should be measured within a zone of relevance to the customer. Preferences are temporal – not fixed – possibilities. Purchase intentions are valued when customers have appropriate expectations about the product and can access the product from within their situational constraints.

Brand Value and Possible Consequences

"The predominant thinking of the world's most successful brand builders these days is not so much the old game of reach (how many customers see my ad?) and frequency (how often do they see it?), but rather finding ways to get customers to invite brands into their lives" (*Business Week,* 2005).

Sensorium Participation

The above quotation from *Business Week's* special report on global brands summarizes what passes as the prevailing wisdom within brand management today. The 1990s produced an array of pop management books that encourage managers to take the brand beyond its existence as a mere symbol of the product and to make it interact with customers in multiple sensory, intellectual, and even quasi-religious ways. Similarly, brand management practice has moved beyond its simple (or even primary) reliance on advertising, now making active use of multiple channels, such as product placements, sponsorship, and event marketing. *These strategies are intended to create spaces that engage customers in different ways and sustain a more or less intense experience around the brand.*

Brand Equity

In contemporary managerial thought, the value of a brand is thought to reside in its "brand equity." *"Brand equity" stands for a brand's capacity to generate a future value stream in two ways. First, it can do so through its ability to extract a premium price from consumers. The second way it can do this is through its ability to attract capital* (for example, investors prefer to place funds in a company they know and with which they sympathize), *or otherwise facilitate relations with interested parties* (distributors, producers, and so on) (Arvidsson, 2006).

Customer-Based Brand Equity

In recent times, "customer-based brand equity" has increased in importance. *"Customer-based brand equity" is generally defined as the set of associations or attitudes which consumers have in relation to the brand and which contribute to its value for them. An important part of the value of a brand thus resides in the minds of consumers* (Arvidsson, 2006).

Share of Mind

The expression "share of mind" – often employed by marketing writers – is too simplistic. We know that consumption is a social – not an individual – practice. In a consumer society, most goods derive their value based on *use value and exchange value. However, social (or relational) value is also an embodied value.*

Surplus Value of Brands: The Body

The branded body can be viewed as a social nexus with everything having to "fit to the body." One of these possibilities is to achieve a refined harmony and tempo of behavioral coordination that would not be possible by *conscious control.*

Perhaps the most concise example would be that of two or more partners dancing. Producing music together as a group also enables the acquisition of a precise coordination of bodily behavior. It is no accident that a rhythm must be given to illuminate an adequate temporal span for an unmediated remembrance and anticipation. Like working together in the age-old example of sawing, such a rhythm is created by the execution, and the demands are less complicated. In the experience of playing football or soccer, things may depend on the extrapolation for one partner and using the rhythm initiated by the other as a foundation for both anticipation and deception. The common element is that *surplus value* resides in the bodily harmony itself and the activity is pursued for this reason. Sport is a public legitimacy of the body value and its meaning. This is the reason we see brands battling for ad space and sponsorship opportunities at sporting events.

Corporeity is also recognized and used as a special phenomenon called *the domain of symbiotic mechanisms.* This concerns aspects of corporeity especially important for an individual functional system of society – as a source of disturbance of the foundation for differentiation.

Social-cultural evolution does not proceed from matter to mind, from energy to information; rather, it takes the combination of corporeity and functionality specific communication that are increasingly dependent on specific aspects. This is the rediscovery of the body's relevance to itself. Things depend more than ever before on a generalized availability of bodily potential as such – on youth.

Here, youth is reserved only for childhood or adolescence – no senior citizens allowed! However, in the semantics of youth, particularly through advertising, 60 is the new 40, and magic pills will revive the youthful potential of one's body, particularly its sexuality.

The Social (Body) Production Process

The brand manager has no ambition to control the whole life of customers. They are free to do what they want with the brand. Indeed, the more they do with it, the better. What the brand manager seeks is to diffuse, better still, *suffuse* the brand to enter into the consumers' lives in such a way that what they do with it and "how they experience doing things with it adds to its brand equity." The key is "how the *consumer experiences doing things with it,* not merely *using it* or recommending it.

Brand Management Today

Brand management is about working on *the body-in-action, in order to engage it in a differentiation process.*

- **Bio-Rhythms** To a large extent, conventional managerial wisdom demands working on the body. Brand management is a form of communication which refers to the shaping of very basic, pre-cognitive level of experience.
- **Affective Movement** The difference that contemporary brand management presents is primarily this: It is not about the programming of the individual. *Rather, it is about trying to create a particular pattern of inter-affectivity.*

Inter-Affectivity

Recall that affect is not the same as emotion. It is essentially the capacity of the body to affect or be affected by others, to "open up" to other bodies. It is a basic form of communication that serves as the basis for the construction of a common social world. The modalities of affect work through the technologies that mediate this communicative construction of a common social world. (Such "technologies" would include speech, touch, and gesture, and they would also include the sensorial–or affective–biases that come with oral, written, printed, or electronic media).

Brand management works on *the assumption that the brand constitutes and is constituted as a sort of medium for the communication of affect,* and brand management is about the medium of the brand mediating social/cultural life. The objective is a stable *interkinaffectivity* pattern. In other words, the consumer will consume the brand affectively.

Interkinaesthetics

The term *interkinaesthetic* is modeled on the term intercorporeal, specifically with reference to kinaesthetic modes of interbody relations. We can further distinguish the interkinaesthetic phenomenon of contagion from those of mirroring (such as sidewalk dance) or other forms of concerted action such as unison movement, transitive gesture, collaborations in which one finishes what the other starts, and patterns of countering others. Nevertheless, the interkinaesthetic is coordinated with their movement.

The discussion of interkinaesthetic opens up a landscape of "receptivity" that cannot simply be reduced to pure activity or pure passivity.

Affectivity functions both positively and negatively since it corresponds to the strength with which affective incitement knocks on the door of awareness. It also refers to the degree to which the experience is open to the incitement and available to be moved by it. The experience is a sentient/sensitive motivity; for example, the familiar meeting at Starbucks, a public space, a tangible "bubble" of friendly warmth and comfortable communication. But when we are not actually conversing, we are still interkinaesthetically attuned to mutual availability. As the connection between the familiar and the family indicates, there is a sense here of "coming home," of being at ease with a kindred spirit, with someone who is "on the same wavelength." Also, the affective tone of "making oneself at home" relaxes one for enjoying the pleasure of sociality. In fact, if you went to Starbucks in September 2010, you would have seen signs at the entrance acknowledging their new branding: "Take Comfort in Ritual."

Viral Marketing

Viral marketing (and networking) is a popular form of marketing which is characterized by *contagion.* Finding a group of fans or a performer becomes a central feature to the groups' identity. Marketing with free tickets or VIP passes is critical to a consumer/marketing relationship. The production and consumption becomes rather non-differentiated. Affectivity becomes the hinge of seeming dichotomies of consumer/markets, production/consumption, or now, Freemiums.

Affective regulation occurs through media *directly;* the media no longer mediates. In short, neither advertisement nor branding mediate the product. Rather, advertisement sells itself as its own product, "as the brand does." Affective modulation (Arvidssen 2006) presents us with a way of sensing via sounds in transition, or tonal change as in the voice, look, or touch. Affective mode is conditional upon the medium in its very immediacy. As such, it is conditional of expressivity – as we discussed.

Loyalty Programs: the Codes

At this juncture, we should make a special point regarding "selling brand loyalty" interculturally and cross-culturally. Studies in consumer satisfaction indices have long demonstrated that, when contemplating their next purchase, satisfied customers do not automatically buy the same brand. Rather, the general trend is choice repertoire, indicating that consumers can no longer be identified by *a* brand, but rather by a *set of brands,* to choose with a specific probability within the same product category.

While marketers are at their wits' end trying to understand brand loyalty as well as create brand loyalty, the very language used in the study on the creation of loyalty may be tainted. We know from semanticists, philologists, and world field researchers, words are not "simply words" that we use like we use tools. Rather, the power of language is that the words embody and carry with them a nuance of connotations, a nuance of meaning, including a history. We not only see the tools of languages but also the root of phenomena that we are examining – that is, brand loyalty.

"Free," the English world's brand loyalty are typically translated as "*mark entrene*" in German and *"fidelite a la marque*" in French. The equivalent counterpart to "loyalty" does not exist in these two languages. In fact, instead of *loyalty,* one should use *fidelity,* which is more accurate.

In the root of the word *loyalty,* one finds the Latin *fides,* which becomes *loi* in French or *legal* in English. *Fidelite* comes from the Latin *fides,* from which the English word *faith* is derived. In German, *vertrauen* is based on the verb *trauen*, which means "to strongly believe" with a religious connotation closely related to the English word *trust.* Thus, loyalty is always in the shadow of some law, written or unwritten. A lack of loyalty has a strong negative evaluation; it is unfair - almost immoral. Still, one speaks of a friend as a loyal person - almost by definition, yet very few loyal friendships survive a lifetime.

Fidelity, as we mentioned, points to the Latin word *fides,* which means *faith.* Fidelity is the faithful, and those who are not faithful are *infidels.* This religious connotation runs through Judaism, Christianity, and Islam. Brands sometimes like to see themselves as religious. These are called *cult brands*, and they organize their community of clients as a congregation with a holy land or place, churches, and ritual. Some of these brands actually evoke religious fervor in all of these differences.

The differences have something in common and there is an aura of the law and exclusivity. A break is an infidelity or disloyalty. In the West, where feminization has taken hold, it seems almost an anathema that brands would choose "patriarchs" of consumption. This patriarchal structure is the product mode, which still continues as a cultural practice through selling "father brand," selling faith. Rather, the matriarchal consumer must prepare itself to share the symmetry of powers.

When not selling father brands, they are selling love, but money cannot buy love. Love is on a strong reciprocal relationship with its own uniqueness per individual; there, too, symmetry must be achieved between the brand and the customer. Love requires fidelity. Fidelity however can only be selected when there is a freedom cultivated to be able to choose others. With choice and freedom, for the customer, only then can fidelity be possible.

On a cross-cultural note, a brand which resembles religion in China is directly setting themselves up to be curtailed by the Chinese government. Confucian tradition, loyalty fidelity is closer to our English word, *piety,* from the Latin *pietaes,* proper honor and respect toward parents and family. Rather, it would be better for brands to study Confucian doctrine in order to integrate or resist the global brand mode of presentation to the Chinese people.

The *doctrine of freedom and choice* is definitely a departure from the current academic discipline of marketing (Kotler, 2004) that shares a balanced exchange relationship between two parties for mutual profit and the modern marketing strategy which aims at reducing people's choice.

The Contemporary Spacial World

The spatiality of contemporary world can be understood as a multiplication and a diversification of the unifying images of the macrocosm that had reached for previous eras.

A particular space of interest is the inner space or intimate space, that is, one of which is mother/child. The other space of interest is the multifocal, multi-perspectival and heterarchical complex aggregation of different spheroids that make up our world.

Common to the new spaces created by Niketown, Starbucks, and Prada are spaces of experience and incorporation. They are not spaces to kill time; rather, they are closer to sacred spaces which are outside normal, everyday time. Sacred spaces run "parallel" to, but do not intersect with, everyday time.

Stadiums also operate like sacred places – as you are alone in the crowd of bodies, which are points, or you are in front of your computer screen – encapsulated – alone yet connected to "others." The womb-like or cavernous places strongly suggested by what is called the "man cave," the space in the home's basement made of comfortable, soft furniture, with a time capsule of things adorning the "cave" walls. A place to nourish, eat, drink, talk, watch sports, allowing cheering, hooting, and so forth – replacing silence with family isolation and a place to experience the intensities of being moved by the event.

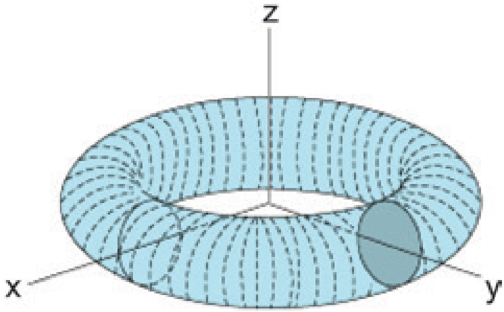
The Brand New Stadium

The stadium enjoys such a space/time absence from the everyday. Ordinary, elapsing progress time has no place in the stadium. The reason is "the game." Whether it is football, soccer, hockey, or whatever, the game is a choreography, an "agon" of speeds and duration which create experiential time, which is not identical to duration. The duration is x hours, yet "I felt time pass before I knew it," or "what a drag, I'm tired."

The agon is the struggle with the opponents' time – trying to accelerate time by gaining advantage. The more I am ahead, the more starved is the other's available time by increasing the work they must do. The "other" tries to reserve or distend time, defer it, to hold it open. It is interesting to note that the field of play and the stadium which surrounds it are configured

FIGURE 8.1

Torus



http://www.answers.com/topic/torus

as a Kleinbottle – at once each other's inside and outside (See Figure 8.1). The interior portion of the sports arena lies between the outside and the excavated middle in a compact zone. The rind that separates the outside of the stadium from the ground constitutes the "outerness."

However, we digress. The modern stadium – called the "fourth generation" by architect Rod Sheard of HOK Sports – includes the very practice of changing ends of the field for soccer games, or as done in US and Canadian football, creates an equality for the teams (Inghs, 2001). It overwrites the space of the action, creating equivalence between the logic of "neither–nor" and that of "both–and" amid the networks of communications. Such a structure implies and implicates a move toward the synaesthetic. For example, action replays that overlay unique instants, aggregating different angles or the information that integrates the action of this game with others elsewhere or in the past. The spectators participate in the play of "sound space."

This is, of course, an element of locations and laterality in the chanting of the crowd. This also happens with concerts in the arena with the crowd (audience) simultaneously singing the song's lyrics on the big screen along with the performer, providing a "temporal beat." Both crowds aim at saturation with the form of the stadium helping to amplify sound in all directions.

The stadium/sport communication network allows for the possibility for further sensory participation by simultaneously creating phone/camera stills and cinematic photography opportunities. Persons can receive on their mobile phone, if set for a separate wi-fi channel, a close-up view of the concert (event) in 360-degree coverage from their own seat. Such an app can also create the instant purchase of the performers'/players' mementos, branded fashion garments, wardrobe, or uniform reproductions as shown on the big screen during the event.

It is an interesting possibility to turn the phone into a speaker in order to literally "feel the beat," which allows for a more visceral, full body experience: a more intensified, punctiformal experience.

Surplus Value

The Complexity of Choice

The process of consumer choice is work. The consumption of goods, no doubt, is a labor of appropriation to different degrees, depending on the goods and the consumer. The consumer helps to produce the product that is consumed by laboring over identification and decoding, both of which require time and dispositions acquired over time.

Consumer choice, in this sense, is not simply arriving at alternatives and picking among them; like any form of work, it requires time and effort, and it results in the construction of something. Yet, choice also involves the construction of market relations. It has been understood by marketers since the 1980s that commodities (goods and services) are bearers of social relations, as well as vehicles of identity. Choices are, therefore, the matrix of work within which consumers construct forms of social relations, as well as – ideally – market resources.

Social relations in any form emerge through the work of consumer choice and must be counted as a market resource in order that commodities can continue to appear on the market at all. Within the current corporate vocabulary, social relations appear first as human capital – which is the sustaining force of market construction.

Consumers Construct the Market

Consumers today are assumed to work for themselves. What is magical about the market is that, the more consumers work for themselves in their increasingly elaborate behaviors of choosing and of identity formation, the more they also do for the market the work that is necessary to construct and elaborate the social field of the market. The magic doesn't rest in the market as an already-existent "natural process," automatically restoring equilibrium if people just follow their interests. Rather, it involves the coincident symmetry between the social and cultural efforts of working for oneself as a consumer and of constructing the market as a consumer.

Providing Innovative Work for Consumers

Corporate business practices play their role by creating new goods and services, ensuring that consumers have something to "work" on. This is what counts. Thus, as motivation guru Tom Peters exhorts, you must learn to ask the really crucial questions about anything you want to sell. This does not include questions such as whether it creates a need, or whether it falls safely within the parameters of the familiar. Rather, the question is "Is it weird enough?"

Have you offered a consumer a **new occasion** for **innovative work** that, in time, will expand the field of market relations? Of course, for a great many people, it is impossible to buy a lot; they just don't have the money to do that. Thus, engaging in the market work of consumption is impossible unless a person has a job that pays some money. The centrality of the work of market construction assigns a person an "occupation," a job, as it were, which is secondary to that of the primary labor: consumption. Whatever a person's job is, it is only a prologue to the real work – which begins when the "work day" ends. Consumers are workers, and workers are consumers.

The Consequences of the Service Economy

However, with the emergence of the service economy, a shift has created a destabilization of roles and identity. With a service economy, the focus changes from production to consumption; thus, it shifts all the structures of contact between the workers and consumers. Contact between service workers and consumers affect labor processes by permitting the "invasion of consumers" into the space in which the work occurs. The creation of a market in which services are consumed is likely responsible for bringing service work into the home – as so much service work can be conducted from the home. Even leisure time is not necessarily spent in situations by oneself or with one's family and friends, but it is often spent in situations where space is crowded by a number of service workers who often compete with each other.

Conflicts in the Service Economy

The numerous encounters between consumers and service workers often create the antagonism and anxieties associated with ongoing intersections of "spaces." A shift in the positions from the production side of the world to the consumption side allows us to rethink consumers as mobile, performative, individual agents. A resolution of the "antagonism" of the worker/consumer framework is evident in the abundance of consumer self-help literature.

The focus of the self-help literature is to assist consumers in performing better in the zone of consumption. *But, it also means that the service workers must become better – better in terms of the customers' satisfaction.* In fact, the customer's position more closely resembles that of the "boss" – bringing with it the continuous, "intrusive" presence of outside judgment.

Within this new framework of a customer/product relationship, manufactures and retailers are required to align themselves with the expectations of the "boss" and how the "boss" will measure their performance. In short, the boss wants an ROI.

Service Employees as Advertising Media

In fact, within this new framework, advertising and branding become embodied in the service workers' activity of servicing the customer. Advertising and branding serve as "resources" towards fulfilling a promise. For instance, a consumer has a cold; the advertisement promises to quickly rid the consumer of the cold so that he/she can get to work. To the degree that the service worker facilitates the consumer's finding the cold medication, and that the service worker buys into the promise, the advertising will prove successful. The service workers act as advertisements in a concrete manner. The advertisement becomes a part of the "script" for the service workers' roles, and advertising functions as a "resource strategy" for the consumer to rid oneself of the cold and get back to work quickly.

Branding Direction

Brand: From Concept to Percept

Modern branding is following a trend in which percepts, rather than concepts, are being deployed – despite whether or not the branders themselves are aware of this trend. This is a part of the so-called postmodern landscape where images and flow are central concepts. Jameson (1991) suggests that the rearticulation of images is an essential condition of video production. The rearticulation of the *already there,* of pastiche and palimpsest, are a part of music television, a postmodern phenomenon.

James (1996) notes that, fundamentally, a distinction needs to be made between concepts of mental construction and percepts or sensual encounters interpenetrate. Concepts flow out of percepts and into them again, they are *interlaced*, but they vary independently.

Concepts mean what they mean. That is, if you don't know the meaning of a concept, that concept is improperly formed. Concepts are mediated by discourse, language, and human interests. Percepts, however, mean *nothing*; they are immediately present. Percepts, however much "at once," overflow, out of which attention carves objects that concepts name and identify.

In the sky "constellations," on the earth "beaches," sea, cliff, bushes. Each concept is carved out with the over-abundance of the perceptual world. The percept gives rise to the concept and to the perceived because the perceived is shot through with concepts. Also, the process is reversible. Concepts give rise to ways of perceiving percepts. We can compare the two domains as follows:

Percepts	**Concepts**
Continuous	Discrete
Things	Thoughts
Signifier	Signified
Senses	Idea
Sensation	Intellection
Presentation	Representation
Feeling	Thinking
This	What
Intuition	Conception
Immediate	Mediate

The affective domain is certainly a target of much market and neurological research, and it has typically been studied within the field of applied aesthetics. Today, brand management has lead into an assumption, as we mentioned earlier, as a collective version of the Hierarchy of Effects: Awareness → Interest → Desire → Action. It targets the "desire" part of AIDA as its "catalytic" point to action. However, the *measuring* of a brand by an individual's and another's affective commitments within one's social milieu is a much stronger assessment for brand value.

Dimensions of Traditional Brand Measurement

- Functional performance
- Ease of access
- Personality of the brand (personification)
- Pricing and value component (rather than social capital)

New Understandings About Brand Value

- All branding is in the business of *making it happen,* not waiting until it happens.
- It does this with certainty by *marking* things with logos, icons, color, jingles, and such. These markings occur on all kinds of divergent products, yet all have connections to each other. This connectivity is *making* divergence into *equivalent* or a likening, a process of *simile* with characteristic features of the transformative style of communication.
- It also should be apparent that the branding ritual, at least within the context of this chapter is a practice of the sensuous body, not "perceptual" per se, but the appeal to the ephemeral themes is an enveloping of sensuous dimension. It is viscerally "felt."
- Brands are typically differentiated as symbols, names, legal entities, logos, and sounds with predominant meanings, images, economic values, and personalities from products. Difference between brand and non-brand is both the presence of knowledge and its relevance for purchasing decisions.
- Brands orient observers with regard to function, quality, provenance, and value; also, the sensory participation, the price and info as provided as store knowledge.
- Brand is not exclusively driven by economic differentiation. Great power operates in symbols via semantic linkage with social *meaning*.
- Brands are produced by economics, art, law, and technology. However, brand systems are true sociological phenomena.
- Brand systems are strongly coupled with other social systems, technology, organisms, and other brand systems, and their success depends on the successful interplay among them.

CHAPTER IX

Marketing Mix Modeling

Introduction

This chapter pulls together several insights from our customer-centric research so as to flesh out a number of problematic models and metrics. Our objective is to modify and provide a foundation for Marketing Mix Modeling (MMM), Return on Investment (ROI), and Net Present Value (NPV) that will make them more relevant in the current media environment.

Can Marketers See the Forest?

- Do managers have good information about the underlying drivers of financial and operational performance?
- Do managers have difficulty in addressing customer-centric market opportunities? Do they therefore take the tried-and-true methods of decision-making? (That is, do they talk the new talk without walking the new walk?)

Questions for Managers to Ask:

- How much do I actually spend on marketing (as categorized by different objectives, places, product lines, and media)?
- How effective is my spending?
- Where could I trim spending without having a negative impact?
- How can I reallocate marketing investments to generate higher returns?
- Where should I invest more so as to generate optimal returns?

Well, if these are the management questions, then one will get 17^{th}-century, rear-view mirror answers.

Problems with Historical Data

In rapidly changing times, data about the past provide no indication of future potential.

Such historical data tell us nothing about whether a corporation has an ability to create new markets where they haven't existed before. Such data do not indicate whether a firm can organize for rapidly changing environments or follow the progression of new customers' patterns. Past data provide no reflection on whether or not a corporation possesses the "new thinking structure" that senses and sees new market opportunities, or how it absorbs customer information and learns about customers. Moreover, the past tells executives and investors nothing about the ability of an enterprise to attract customers and collaborators. Historical data cannot indicate whether adequate investments in infrastructural and intellectual assets have been made. These assets are essential to obtaining the value required by the accumulation of customer capital that ensures long-term shareholder wealth.

Performance Measures

Today, the investor community appears to be changing its perception of corporate worth, scoring performance to reflect a firm's or institution's accumulation of the kinds of relational, intellectual, and infrastructural assets that will take it successfully into the future. These are all built on customer capital. This may be a sweeping statement, but it is consistent with the industry's new customer-centric orientation towards measurement, planning, and strategy-building.

Intangible Assets

A lot of effort should be put into trying to quantify the intangible assets and score corporations more accurately in regard to such unquantifiable variables that do not appear on conventional balance sheets. The key is developing new policies which foster the growth of knowledge, increase the strength of customers' relationships with the firm, and welcome collaboration from customers.

New Techniques

Typical performance measures have been lag indicators. They tracked the management philosophy based on scarce and tangible resources. Now, scores have been developed that take into consideration the intangibles that create customer buying, considering them as new value producers. Part of the new technique consists of calculating and quantifying the present cash value of future revenues. There are also new techniques that will account for Long-term Value (LTV).

Changing the Arithmetic

Keynes' economic principles, ones that value resources into the scarcity of core items, are all but incorrect now. In that paradigm, in acquiring tangible resources – such as machinery or land – added value was key. That is a logic that is embedded in the old management theories. In contrast, where an abundance of intangibles is the prime source of wealth, value is appreciably disproportional to the resources employed to obtain that value – due to the abundant nature of the intangibles. Thus, acquiring intangible resources – such as information and ideas – multiplies value; each new acquisition of information or *difference* begets another, and they build upon each other.

Customer Satisfaction

Customer Satisfaction is a lag measure – it tells us about something that has already passed. It is no real indicator for customers' future intentions, and therefore it is not indicative of a corporation's ability to compete. For example, research has shown that, among American customers who changed brands of automobiles in 2006, 60–80% of them had reported less than six months earlier that they were satisfied with their cars.

Customer Satisfaction is Not Stable

Customers are often satisfied with what they are getting – compared to what others in the industry are offering. But, it is *what they are not getting* that opens them up to seduction by newcomers who venture outside of the traditional norms. That is to say, Customer Satisfaction is a passive state – a willingness on the part of the customer to stay put until something better comes along. A company which enjoys a high level of Customer Satisfaction may feel comforted, but Customer Satisfaction does not provide a barrier to competition.

Customer Retention

For some time, we have accepted that there is a cause-and-effect connection between customer retention and financial metrics. According to Reichheld (1996), existing customers are more profitable than new ones, but the average company loses half its customers every five years due to poor service – rather than due to poor products.

Problems with Customer Retention

Most customer retention plans have essentially been product-driven and transaction-based. The attempt to maintain customer loyalty through club cards, frequent-flier programs, and the like has not proven to be effective. That is to say, if customer retention is based on repeated, discrete transactions of the same core items, thus leading to increased market share in a product/market category, it will ultimately lead to diminishing returns. In contrast, a retention program with a central goal of building lifetime value should be based on obtaining results through customer activity cycles and updating product offerings as customers' needs and tastes evolve.

Market Share

It has long been assumed that Market Share is a key driver of growth, and it has therefore been a driver in making key decisions. Yet, it turns out that focusing on Market Share is not really a path to wealth. The belief that Market Share leads to long-term competitiveness is inaccurate. In fact, a reliance on Market Share is dangerous because it hides – rather than exposes – the real opportunities and competition.

Problems with Market Share

- Seeking a greater market share invariably costs more money.
- Firms may simply be getting a bigger slice of a shrinking pie.
- It is a lag, static metric, and it says nothing of the durability of the customer relationship.
- It gives no clue as to how many customers are unhappy or switchable.
- It gives no clue as to how many customers the corporation lost and has had to replace.

- It gives no clue as to how a firm is doing relative to those companies with which it will compete in the future.
- It gives no clue about actual customer usage of the product.
- It gives no clue as to future users.

Market Share presents a view of competition within static product/service categories. It produces economies on the supply scale, but it never produces ideas for getting results to customers, or for exposing new markets, or for predicting corporate growth. In fact, focusing on Market Share narrows the managerial perspective on opportunities and threats. It makes competitive perspectives both shortsighted and narrow.

More on the Limitations of Historical Data

Marketers, Don't Count on Historical Data!

Historical data have many limitations beyond those which we have already discussed. They cannot quantify the effects of levers that have not varied much in the past, nor can they project the impact of new and substantially different levels of spending. They also cannot measure the impact of new marketing levers – such as mobile/videophone marketing – that have limited, if any, historical data.

Consumption

Consumed goods or services are always located in specific circumstances: high or low prices, good or bad quality, and so on, but these have particular meanings to the customer. Customers are far from being passive recipients of the meaning of the objects that they consume; they are active in creating the meaning. However, the customer is not liable to be able to command a monopoly in doing so – not least because that meaning is both internalized from without (that is, what the consumption means to that which is consumed), and it is interpreted by others (such as in cases of consumption for display).

Luxuries vs. Necessities

A person's consumption is heavily influenced by multiple factors which shift in meaning over time, place, and the distinction between *luxuries* and *necessities*. It is not simply the boundary between luxuries and necessities, in favor of one with rising affluence. The meaning of the two, and the distinction between them, changes over time. And, just as one person's meat is another's poison, so a luxury to one is a necessity to another. The construction of the customer is also unstable, as it is deeply rooted in social forces - structured processes that intertwine with one another to give rise to complex outcomes. This is well-illustrated by the peculiar modern pressure to both diet and eat heartily at the same time. It can also been seen in customers' methods of coping with varying gas prices.

Marketing Mix Modeling

Let's start with understanding what Marketing Mix Modeling (MMM) is and what it is not. The following definitions are offered by traditional analysts of MMM. (It should be noted that these definitions are based on anachronistic assumptions which are no longer viable.)

> "Marketing mix modeling is a mathematical technique used to quantify the marketplace impact of not just media factors, but all your marketing levels. Essentially, it looks at pricing, external factors like seasonality, the impact of PR, your television, your internet, and how those things all work together and actually drive sales for your business." (John Nardone qtd. in Anfuso, 2005a)
> "Basically, it's not only just about media placement, its about total marketing budget allocations and all the things – and market factors – that go into, let's say, influencing a sale." (Pierre Broussard qtd. in Anfuso, 2005a)

The Basis of Marketing Mix Modeling

The problem with traditional Marketing Mix Modeling (MMM) stems from its basis in a particular point of view about human behavior, particularly customer behavior that actually fits within the tradition of "individualism" that includes the 17th-century philosophical figures of Thomas Hobbes, John Locke, Adam Smith, and even aspects of Jeremy Bentham. The theory upon which it is based, the "sovereign customer theory," affirms the tradition of mass media economics which operates on the same assumptions of customer behavior; *it views customers as individuals who are rational, lacking any social world, and who have only scarce resources at their disposal.*

The Limitations of Marketing Mix Modeling

Marketing Mix Modeling (MMM) has particular limitations which are based directly upon the assumptions it makes about the way the customer works: Customer tastes are presumed to be fixed.

Historical Data Are Preferred

"If I don't show up in an econometric model, there are other ways to show that I as an internet advertiser can be as effective. I think there have been many examples. Yahoo! Direct or Customer Direct have been examples where they've isolated sales just based on the merit of the internet advertising with some customer goods companies." (Broussard qtd. in Anfuso, 2005b)

"Regression is simply putting two or more streams of information together. Or we have one variable called the dependent variable (it could be Sales). And then we have other things like media spending, pricing, promotion, seasonality that are tracked for several, or actually a multitude of weeks, over a couple of years. And then we attempt to see if there are relationships between these variables." (Broussard qtd. in Anfuso, 2005c)

"There could be, I guess, a self-perpetuated situation in which the heavy spenders show up more that the low budget media. There are a number of reasons why that might happen. One could be - I'm going to throw a word out here – co-linearity. That means when, let's say, the patterns of a medium and its effect towards sales hides behind other factors." (Broussard qtd. in Anfuso, 2005b)

Narrow Definitions of Customer Behavior

- Customers are not influenced by others. (There is an absence of the social.)
- There is no acknowledgement of customer expectations - that is, a customer having a concept of a future beyond right now.
- There is a strict focus on the household as the center of consumption.
- MMM generally assumes price stability.
- MMM assumes the permanent income hypothesis; the last three years of income are seen as dictating future spending.
- MMM lacks the feedback of customer learning.

- MMM treats demographics as fixed variables and as surrogates for sales.
- MMM views return on investment (ROI) as a linear function.

Based on the Hierarchy of Effects Model

"What are the factors that are responsible for driving sales over time? This is all based on statistics and calculus. And the really neat thing about this is that it takes into account some of the effects of advertising over time. So if you think about advertising when GRPs started to hit the marketplace, it takes a while for customer awareness to build. And when that TV campaign goes off the air, the effect of that advertising doesn't just stop, it remains in peoples' minds and continues to influence the market over time. You have a build and decay curve that occurs." (Nardone qtd. in Anfuso, 2005a)

"We have launched a new modeling service that pulls your qualitative brand tracking data and sorts by purchase intent, consideration, and awareness into an integrated Marketing Mix Model. What the model shows is how your marketing tactics influence end sales. But it then shows the route by which the sales are influenced through awareness to purchase, intent and so forth. And what you get is an output: it actually looks like a subway map, so that you can actually see what we call the hierarchy of effects of the different media on the precursors to sales." (Nardone qtd. in Anfuso, 2005d)

Marketing Mix Modeling's Assumptions Regarding Media Usage

The following assumptions are made regarding media usage by MMM as a part of the ROI analysis:

- Media are siloed. That is, they are each viewed as separate and not as affecting each other:
- "The other thing you need to realize is that going into a modeling project, you can't really expect to get effects from all media. That doesn't mean that they don't exist. In fact, you may not even see an effect of a promotion or the seasonally or timing of your advertising. So, you have to take some of the heat off just the internet because it may not be showing up and say modeling as a practice is not a perfect science." (Broussard qtd. in Anfuso, 2005a)

- Media are viewed as providing "exposure opportunities"; demographics and gross ratings points (GRPs) are assumed.
- There is no ostensible relationship between media and customers.
- Usage of a particular medium is not affected by – or related to – retail channel, day part, or product category of choice, and all media are considered as being the same in all of these respects.
- Media effects are linear.

Why We Need Accountable Concepts – as Well as Tools

Marketing Mix Modeling (MMM) is *tool driven.* To obtain a true measure of the return on investment (ROI) for a marketing operation, we need more than just tools or methods. They are important, but we need a basis for using them – we need reasons *why* we use them. There is a reason I choose a particular tool to accomplish a specific task around the house. The same is true in market research and advertising. Good reasons and methodology provide a market researcher with the justification for choosing a particular tool set to accomplish a research task. If you will, tools and methods are the arms and legs, but good reasons and methodology are the brain that thinks, providing the tools with direction.

The Importance of Good Reasons

Unfortunately, according to the traditional MMM perspective, tools are accorded the most importance, while theory is left by the wayside. Tools and techniques go hand-in-hand. They both are involved in accessing, shaping, and impacting what counts as data. Conceptualizing occupies a "lofty" status; it is often derided as abstract and impractical. However, concepts are essentially linguistic witnesses or observations that account for how things are and what might occur. Methodology involves the principles, justifications, and premises for the research; without good reasons and methodology, there is no accountability – including financial accountability.

Customer Utility (that is, Happiness) in MMM

Many marketing analytics and ROI specialists still cling to a model of the customer that finds its basis in the Neoclassical model of the customer as a finished enterprise. With the belated entrance of the customer into mass marketing science, the utilitarian function of goods and services and its measurement have become critical in marketing science.

Despite the many new insights we can draw from sociology, neurology, and biology – in regard to both individual customers – proponents of MMM rely on a way of looking at people that dates back to the 17th-Century.

In order to completely understand how detrimental such a theoretical basis is, a brief overview of customer behavior and utility (that is, happiness) is in order.

Jeremy Bentham's Self-Interested Customer

Bentham is responsible for setting out the concept of a customer who is driven by self-interest – desiring above all to increase one's pleasure and reduce one's pain.

Originally, Bentham and his followers just assumed that utility existed. They viewed the customer's making of choices as being a consequence of self-interest, not as a behavior to be measured. In short, the pursuit of utility – that is, happiness – was the explanation for their model of the consuming individual, but it predicted nothing.

Later on, Bentham's (1789/1907) thought became more compatible with that of modern behavioral studies. He started looking at some critical dimensions of the utility of our experience, isolating the dichotomies of "certainty and uncertainty," "propinquity and remoteness," "intensity and duration." The certainty/uncertainty dichotomy enables his utility theory to contemplate prospects of risk. The propinquity/remoteness dichotomy enables the theory to examine inter-temporal preferences and discounting, and "intensity/duration" are used as determinants of pleasure and pain.

The propinquity/remoteness dichotomy takes on special importance because it enables the researcher to consider the dual nature of utility. It relates not only to the intensity of pleasure, but it also relates to subjective time. We see this in modern behavioral studies – where the sensation that objects or actions produce is termed "experience," and utility is recorded in real time or in remembered utility. Taking this approach enables the identification of the differences between remembered utility and instant utility, and it speaks to the inter-temporal inconsistencies in the discounting of future instant utility, which plays a part in modern economics.

Adam Smith – Still Alive and Well

Then, we also have Adam Smith's contribution to the overall history. We can describe this as the notion that "haggling and bargaining" in the market world will lead to situations where there is a "rough equality" between a product's value in use and its value in exchange.

This position led to the deduction that diminishing marginal utility would achieve maximum utility by equalizing across various goods per unit of expenditure. Therefore, a demand curve can be identified with a marginal utility curve for a product, provided the reward (in monetary terms) is constant. This becomes the centerpiece of classical economics, which culminates in the Revealed Preferences Theory. Therefore, utility moved from activities as processes to commodity vectors that were their consequences. Self-interest was narrowly defined as personally purchased and consumed, eliminating reciprocity with others. This is the state of MMM today – good for the 17th-Century world, but not good for the 21st-Century world that *we* live in.

The Customer, The Intangible

Assumptions for Customer-Centric MMM

For MMM to work:

- The customer must be viewed as an asset.
- The customer must be viewed as both human capital and social capital.
- Customer value creation requires an enablement approach to the marketplace.
- The Lifetime Value (LTV) must equal the Net Present Value (NPV) of the future customer.

Elements of Marketing Mix Models

Broadly speaking, the following elements are typically incorporated into MMM. We will mention typical input data measurements and compare them with customer-centric measurements.

Customer Metrics Utilized as MMM

Traditional Model: Customer Base Viability; Cohorts Over Time; Dollars Spent; and Units Purchased.

Customer-Centric MMM: Dollars Spent; Customer Anticipation of Spending Over the Next 30, 60, 90, and 180 days (based upon the product or service in question); and Reasons for Changing Retailers.

Segment Mobility

Traditional Model: Refers to customers by Differing Value (that is, High value, Low value, Angels, Demons) and by Income. They are typically profiled by demographics.

Customer-Centric MMM: Today, Demographics and Income are not good barometers of anything. Rather, a customer's value is based in the disposable income available to the customer once the overall monthly spending on other bills is addressed. Again, depending upon the product or service in question, we need to look at the costs of food, rent or mortgage, monthly telecommunication expenses, whether one is planning on buying a new car or truck, whether there are children under 18 in the household, and so on. These are the real-world constraints on customer spending.

Customer Loyalty

Traditional Model: These measurements are often based on CRM or Transaction Measure. These are limited measures at best because it is all predicated on the use of loyalty cards.

Customer-Centric MMM: We look at Retail Channel, which is Shopped Most Often for specific merchandise categories. Then, we ask, "Where else do customers shop for which category of merchandise and for what reason?" Also, "What is their average monthly spending in these categories at competing retailers?"

A further question is: "Did our customers recently move to a competitive channel?"

Referrals: Customer loyalty is now being addressed by the Reichheld (1996) Net Promoter score, which is a good metric, but it varies by the type of industries on which Reichheld tested his hypothesis. We will address this later in our discussion of Net Present Value (NPV).

Customer Experience

Traditional Model: Likelihood of Repurchase and Customer Satisfaction. These are static measures of customer experience in the abstract.

Customer-Centric MMM: Using a customer-centric database allows us to flesh out the following categories, and determine what Repurchase and Customer Satisfaction can mean:

- Right sizes
- Easy to find items
- Knowledgeable salespeople
- Financing
- Warranties
- Price
- Selection
- Quality
- Location
- Store return policy
- Wide aisles
- Spending More, Same, or Less
- Deferred Purchases

New Rules for a Customer-Centric Accountability

A customer-centric model holds the following positions to be true:

- Customers are stakeholders.
- Customers are both consumers and producers.
- Customers are a major source of innovation.
- Customers are capital (economic, social, cultural, and affective), and this capital is time-sensitive.
- Customers want returns on their investments of time, money, knowledge, effort, and taste.
- Customers are not targets, but rather agents.
- Customers are both a source of value and a resource.
- Customers are the key to sustainable business value and advantage.

The Customer as the Base Unit of Analysis

A customer-centric economic model presents the following definition:

- Value of a business = value per customer *x* the number of current and future customers.

This is known as *customer economics* and denotes the current and future users of the business. First, customer value (CV) is determined by the net present value (NPV) rule to analyze a customer, which is typically the same rule that is used to judge a financial investment. CV is the difference between present value of cash flows that the customer generates over a lifetime and the cost of acquiring the customer. So,

- CNPV = PV of lifetime customer cash flow – Acquisition costs

While this is relatively straightforward, the world is "lumpier" today than ever before, and several factors come in to play when determining the present value of lifetime customer cash flows.

Predicting customer cash flow is very difficult for transaction-oriented businesses such as retailers. When investors think of "customer cash flow per period," they generally focus on revenues. The cash flow is the difference between revenues and costs (including investments). Therefore, a company's cost structure can determine the attractiveness of an incremental customer.

Judging customer lifetime cash flow involves a consideration of the additional goods and services which can be offered as the business matures, which in turn generally lowers churn rates. This is certainly true of Amazon.com.

However, a customer cash flow model should not model future customer cash flow in a void. Yet, modeling does occur in a void in general, as if there is no competition. The number of competitors – and how they compete – varies. The nature of the competition and the effects and response on customer economics are huge.

The Demand-Side Effects of Cash Flow

Demand effects include more than just Customer Satisfaction. There are *network effects* that operate on demand, and they occur when the value of a good or service increases, as well as when more people use that good or service. A good example is eBay. Its value increases for current and prospective buyers and sellers as the site draws more buyers and sellers. Strong network effects increase a customer's willingness to pay, hence helping to drive customer future value.

For the telecomm industry, the key is the over-shot market, where products and services improve beyond the level that customers need or want. Or, maybe it's only a niche market – that is, customers only use a fraction of the options available and revenue consequently drops. The customers exchange the product or service for an easier-to-use model on the market, and customer lifetime value is lost.

Customer Loyalty

Customer loyalty is a topic that should be addressed. Fred Reichheld's book, *The Loyalty Effect* (1996), has shown that an improvement in the retention rate of only 5% can increase NPV by more than 75% for a host industry. That is important. A word of caution is needed, however; these figures only apply to ad agencies, life and auto insurance companies, credit card companies, and publishers.

Reichheld's work suggests that two forces are at play here: the "boost value" and the "profit per customer effect." "Boost value" refers to the manner by which companies retain customers at a higher rate and spend less money acquiring new customers than other companies with similar customer growth. Or, they grow faster than other companies that have comparable customer acquisition spending to account for higher churn. The second force is the "profit per customer effect." His argument is that profit per customer often grows as a customer stays with the company.

Reichheld's Drivers of Enhanced Profits:

- Higher Revenues: Customer spending increases over time with the appreciation of the product line, increased customer buying power, and comfort with purchase format. An example of this would be internet retailers.
- Customer Service: Customers who have learned more about the business need less assistance to access the products; expenses decline as information access becomes easier.
- Price Premium: Loyal customers often pay higher prices for goods and services. While new customers come in with price promotions, established customers may be willing to pay more.

Reichheld (1996) supplies a proxy for customer loyalty which, in turn, is also a proxy for sales: that is the Net Promoter Score. We advocate modifying Reichheld's position based our own data on the retail industry; they demonstrate that Net Promoter Score is higher for retail businesses. Furthermore, our data indicate that the notion that CLV spending increases over time is problematic at best. Also, it would be better to ask "Did you refer the (brand or product) to someone else?" rather than "Would you refer the brand/product to friends, family, etc.?"

Disaggregating Customer Behavior

What are the factors that influence customer churn?

- Prices
- Clutter
- Time investments
- Bad service
- Negative word-of-mouth

All of these factors are part of the issue, but there are clearly other factors influencing churn as well.

So, what is today's "lock-in" behavior that can be used to reduce customer churn? Is it low cost, as in "everyday low prices" and so forth? Wal-Mart's history of success would seem to present a good example of this. However, lock-in propositions can be affected by a change in policy or by alienating customers. Wal-Mart lost women customers by up-scaling women's fashion, thereby alienating low-income and price-sensitive shoppers.

The Real Issue Behind Churn

Churn is hard to predict – whether one chooses to project it by cohort behavior or by the maturity of the business or by the maturity of the industry. The real issue centers around the customer's life chances: fear of unemployment, spending patterns, shopping strategies, the high price of gas, one's type of mortgage, and store experience. Life circumstances are critical to customers' decisions regarding staying with a business or switching to another.

Acquisition Costs

Measuring acquisition costs tends to be a straight-forward process; it's based simply on the ratio of marketing costs to the value that a new customer will bring in. But, that can't be done in isolation from the cash flow issue. Acquisition costs tend to rise as an information-based industry matures and companies compete for late adopters. Of course, network effects can bring down acquisition costs, as the share of wallet increases – we are not talking about the market share; the market share is not a reliable indicator. Network effects can drive NPV by increasing revenue while lowering acquisition costs.

Increasing Returns vs. Diminishing Returns

The Law of Increasing Returns that operates on today's knowledge-based industries differs from that of traditional companies in the industrial world; those operate on a Law of Diminishing Returns. It's important to note that these two laws operate in tandem for many companies. The Law of Increasing Returns operates similarly to both Metcalfe's Law and Reed's Law of Network Value.

Both Metcalf and Reed state that the value of a network's growth is quadratic and/or exponential, depending upon the type of network. Therefore, communication loops are key to building customer lock-in; their consequent inclusion in the customer base of a company thus creates increasing returns.

Keys to Social Networks

This world that we consider to be "within our own reach" is actually made up of three parts. Knowing this will provide the keys to understanding social networks.

The Three Parts of the World within Our Reach

1. One part is that sector of the world that actually is within our reach at this very moment.
2. A second part is that which was in our own reach in the past, and it is now potentially within our reach because we can bring it back into our reach again.
3. Finally, within our attainable reach, there is that which is within the actual reach of another person. This would be within our actual reach if we were not here but somewhere else.

All of these operate within constraints of social and situational factors.

Our Dealings with Others

From this perspective, be it actually or potentially, there is one sector of the world – the third mentioned above – that is both within an individual's reach and another person's reach at the same time. It is critical to note that this part of the world is within *both parties*' reach, provided that each has a place within each other's world. So, we can have a common surrounding to be defined by common interests – by the individual and by the other person. However, each will have a different system of relevances and a different knowledge of this common surrounding.

Mutual Control

In short, the other is partially within an individual's control, just as that individual is partially within the other person's control. Each partner in the pair is aware of this, and this knowledge is, in and of itself, a means for exercising control. By spontaneously turning to each other – spontaneously "tuning in" to each other – we acknowledge that we have at least *some* intrinsic relevances in common. It is important to note that only some of these intrinsic relevances are shared. In any social interaction, there remains a portion of each partner's system of intrinsic relevances that is not shared by the other person. This is the way that knowledge is produced in the social relationship between individuals, but only if each has a definite place in the world of the other person – only if each is partially under the other's control.

Group Relationships

To a certain extent, the same holds true for the relationship between in-groups and out-groups – if each of them is known to the other in its specificity. But, the more that the Other becomes anonymous and the less his/her place in the social cosmos is ascertainable to the partner, the more that the zone of common internal relevances decreases, while the zone of imposed relevances increases.

How Media Figure into All of This

In this way, the media mediate our anonymity. The relationship between the individual and the media is not equal: we know the media, but what we know about the world is *through* the media (Luhmann, 2000).

Network Economic Value (Shirky, 2003)

Metcalf, Reed, and Zipf: Valuing Physical Networks and Influential Networks

Networks do not grow solely by the addition of single members. They can jump in size by interconnecting or by merging with other networks. When networks are sized similarly, the combination tends to work out well since each network will see roughly the same increase in value when they combine. Networks of comparable size often interconnect. However, when one of the networks is larger, there is usually resistance to the merger.

In contrast, Metcalfe's Law holds that, no matter what the relative size of the two networks, both gain equally by uniting. But, we have to ask, quite simply, what is the incentive for a large network – one that is, say 10 times larger than a smaller one – to interconnect with it?

This model of network interconnectivity is rather simplistic. It does not deal with other important aspects of the process, such as ingoing and outgoing traffic, geography, and so on. There are many additional reasons for network expansion that go beyond sheer market numbers. Another important consideration is the degree to which groups that value one another are already contained within the networks when they are combined. That is, what cluster of self-same individuals are contained in both networks? The value of interconnecting is higher if the connection will yield new people – ones who are not already in the original network.

However, if most networks grow organically, then they will typically grow by drawing in those individuals who are already the closest to them without already being members – that is, through higher clustering.

Just as in Metcalf's Law, Reed's Law assigns equal value to all connections or all groups. Reed's Law postulates that the addition of every new person to a network doubles the network's value. Thus, adding 10 people would increase its value by 1,000 (2^{10}). While this may seem less than plausible, the key insight is that there is value in the group format. In short, the sociology of the comparative size of a group and its dynamic is not highly supportive of Metcalf's or Reed's laws, but it does support the power of group formation.

There are several justifications for adhering to an nlog(n) rule-of-thumb valuation of a general communication network of size n. A particularly popular one is Zipf's Law, named after linguist George Kingsley Zipf. This law is now known as "The Long Tail." It says that, if we order some large collection by size or popularity, the second element in the collection will be about half the measure of the first one. The third will be about 1/3 the measure of the first one, and so on. In general, the K^{th}-ranked item will measure about 1/K of the first one.

Zipf's law was used originally to count word frequencies. The most popular word – "the" – accounts for 7% of all word occurrences, the second – "of " – for 3.5%, the third – "and" – accounts for 2.8%. In other words, the sequence 7.0, 3.5, 2.8, and so on, corresponds rather closely with the 1/K sequence (1/1, 1/2, 1/3). This can be used as a way of counting the frequency of email when looking at the total number of email in one's in-box. Each sender's email should contribute 1/K of the total value of the in-box, where K is the sender's rank. Hence, with the growth of networks, an nlog(n) can be used as a conservative value of network growth (Shirky, 2003).

The following scientists postulated that networks grow in varying ways:

- Sarnoff: Broadcast networks grow linearly.
- Reed: Group formations, like an email list, grow exponentially – as with eBay.
- Metcalf: Member-based networks – like AOL, telephone companies, and so forth – grow quadratically.
- Zipf: A network grows logarithmically.

In short, it is quite imprudent for companies to run around talking about how their online networks are growing exponentially without first considering the nature of their online beast. Sociologically, it does not wash; in physical networking, it may. If the online network creates groups, then the acid test is: How do the customers' choices of influential media on purchase decisions by category translate into the value of the network?

Network Economic Value – A Customer-Centric Orientation

One of the best ways to understand today's very complicated media landscape is to consider it as a complex communication network that contains three elements:

- Many marketers;
- A multitude of media customers/users;
- Many available communication channels.

Customers derive value from participation in a communication network based on how well the network facilitates and fulfills their economic needs, that is, amusement, education, product access, and the like.

The marketer values these same communication systems based on sales of products and services and the profits generated as a result of their purchase and use of the time or space in the various media vehicles.

Thus, the pursuit of value is the dominant motivation for both parties. Consequently, a network's value to each party should be the key measurement in estimating or determining a media network's success.

Marketers and their customers and prospects have always participated in complex communication networks, using such forms as mass media, retail stores, word-of-mouth, and so on. Unfortunately, most media measurement systems have focused on measuring the media forms, not on determining or valuing the synergy of the media spectrum nor on the networks that those media are believed to create.

- Reed's Law posits that network value creation is directly related to network scaling. The first is the linear level, where the value is a simple function of the number of nodes or N. Combining networks involves simple addition, or $N + M$.
- The second level involves transactional networks and follows Metcalfe's square law, or N^2. Combining networks is done according to $N^2 + M^2 + 2NM$.
- The third level is the group formation of a network, which follows the exponential 2^N. Combining these networks involves $2^N \times 2^M$.

An example of a linear network is broadcast television. An example of Metcalfe's Law or a square network is email. An example of a group-forming network is a blog.

The metric used in the calculation is the marketing communication network value (V). The value formula proposed by Reed is: $V = aN + bN^2 + c2^N$. The metric used in the calculation is the marketing communication network value (V). This is obtained by using the following formula: $V = aM + bT^2 + c2^P$, where M is the sum of linear media influence, T is the sum of transactional media influence, P is the sum of peer-to-peer influence, and a, b, and c are weights or constants. Media influence has been adjusted by usage (either by actual reported usage or whether or not the media is available to the individual).

Rethinking Networks

Network theory rose in the 1990's with the introduction of the Internet which supported computers, grids, and clouds. Network theory shares the interest with the Internet in looking at temporary and robust combinations of strong ties, weak ties, and structural ties, which cut across and reshuffle a well-defined modern order.

Network theory relies on the concept of structure, and structure means expectation. Of expectations, there are many; yet, why is it that there is only one structure? There are domains and net-doms, identities, ties, and relations, all within certain limits, interchangeable. There is only network where the notion is to describe identities and control emergence and how switching is done.

Networks

Networks are based on Euclidean Geometry. Even today, they are not able to account for temporality or dynamic changes. In other words, networks are two-dimensional graphic images. Networks will have to be considered as being constituted by temporal dynamics, as real networks exist not through time as living networks. A shift would necessitate a rethinking, such as the separation between "nodes and edges," the nature of causality, the immeasurable quality of networks, and their prioritizing nodes over edges.

Significant difference lies in what counts as an edge or as a relation. In networks, an edge (or relation) is often mediated by some facilitating system that is separated from the nodes or units of the network. In the most literal example of computer networks, the would-be hardware elements (fiber, computer) and the software elements (parts, protocols) in corporate networks can exist without networks, but the reverse is not necessarily true.

Networks are conceptualized in terms of things (data, nodes) and action (lines or edges), and the formula for quant nodes interested in each other is edges.

Networks are fundamentally spaces – a separation between individual entities and the local actions caused by then – act and actor, node and edge. Network typologies follow power laws that many nodes have few links and few nodes have many links, resulting in a decentralized typology. Typology networks are spatialized, incapable, and discrete entities, static patterns above the temporal dimension.

In a network, the individual does not contain emotion but is distributed and detached from the anthropomorphic locus in the individual. In a dynamic network, the network does not contain emotion but is constituted through a circulation of affectivity. Affect may circulate at many levels and via more than one network, but not as abstract patterns above the network. Networks privilege things as tasks and actors, but temporality (or time) is missing.

Swarms

Swarm theory has gained popularity particularly in light of text messaging being able to collect several persons together at one place at the specified time–the collectivity has been termed *smart mobs* (Rheingold, 2002). The concept of swarm is based on an ethological paradigm, yet it is constrained by mobility to account for the teleology of swarms. Swarm intelligence and bio-complexity research have trouble explaining the constitutive conditions of swarms or how the criteria for swarming are found within the swarm. The concept of swarms will have to amplify Spinoza's circulation of affect in swarm behavior to emphasize the ways in which swarming is always affective swarming. This would facilitate a reconsideration of swarming as a constitutive power as an instance of "conatus," that is an equivalent resistance.

Multitudes

Multitudes are not separate from networks and swarms. Networks and swarms are what informs and transforms multitudes.

The concept of multitude is based on Spinoza's definitions and is extended in current political theory as smart mob networks: electronic civil disobedience brings together the technically-based regime of networks and the biologically-based regime of swarms. But the concept of a multitude of layers, networks, and swarms on top of each other also brings with it a set of unresolved problems.

Swarms, in contrast to networks, are based on exchanging data through channels rather than through the continual modification of action, motion, and movement through affect signals of local states - for example, the state of self, or neighbors, or environment, just as any large group of people does not constitute a swarm. They may be crowds, masses, or mobs, but as we said, a swarm is a particular kind of collective, a particular mode of organization. Networks can form a collectivity through connectivity. Swarms can initiate connectivity - but only through collectivity. Connectivity is a status and presupposes a relationship. Connectivity can happen for no reason, but it usually requires a context or pre-text.

Network Do's

Communication loops must be interconnected as positive looping, meaning that companies must:

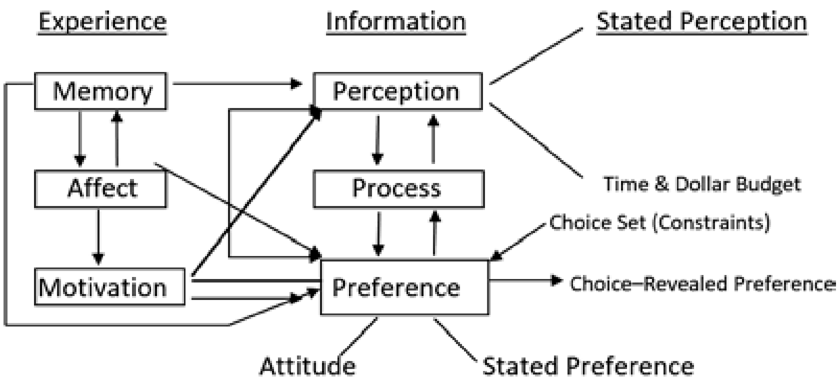
- Have extensive, ongoing contact with customers.
- Draw more customers into network loops.
- Offer intangible products through proactive offerings.
- Increase the number of links with customers so as to afford them more benefits.
- Take advantage of customers' social and human capital for business development and innovation.
- Utilize the internet to lower costs through greater ease of customer access.

Affect & Motivation

Behavioral models of choice differ from the Neoclassical schematic because they include the concepts of affect and motivation. If we recognize that these elements exist in choice-making situations, then we can relax the rigid requirement that "preference" be considered sovereign of the sentiments. However, even with this addition, the social world is eliminated as a constituent feature of the choice process. The diagram shown in Figure 9.1 was developed by McFadden (2000, p. 11).

FIGURE 9.1.

The Current Behavioral Model of Choice



MMM and Societal Blindness

McFadden's work in Economics is laudable; however, psychologically-based economics misses the wider picture: *the sociality that creates and affects choices which are social in nature.* We know that individuals may be affected by others, but MMM and econometrics miss the social connections that choice-making requires. There are many points at which a social relationship with another person can play a role in a customer's choice-making. But, as we have indicated, "others" include more than just individuals. Choices are affected by the *media* and by customer service employees, as well as by an array of economic, social, affective, and cultural capital conditions.

How Must MMM & Econometrics Change?

The answer to the problems with MMM is *to put the customer at the heart of the analytic process.* We know that all measurement is limited by technical and conceptual tools. We also know that modern statistical packages can unravel or disentangle thousands of variables at a time, sifting out which variables are statistically correlated.

However, statistical correlations need to meet *the test of customer validation.* That can be broken down into social validation and market validation. In any given research situation, if all three correlate – statistical, social, and market – then we know we are on to something. Despite the importance of ROI on media investment, practitioners of MMM have not adapted their thinking to the changed nature of the relationship between production/consumption, advertising and marketing.

REFERENCES

Anfuso, D. (2005a). Marketing mix modeling (part 1). iMedia Connection. Retrieved from http://www.imediaconnection.com/content/5405.imc

Anfuso, D. (2005b). Integrated direct marketing (part 2). iMedia Connection. Retrieved from http://www.imediaconnection.com/content/5457.imc

Anfuso, D. (2005c). Integrated direct marketing (part 3). iMedia Connection. Retrieved from http://www.imediaconnection.com/content/5461.imc

Anfuso, D. (2005d). Integrated direct marketing (part 3). iMedia Connection. Retrieved from http://www.imediaconnection.com/content/5479.imc

Arvidsson, A. (2006). *Brands: The meaning and value in media culture.* New York: Routledge.

Bagozzi, R. P. (1975). Marketing as exchange. *Journal of Marketing, 39*(4), 32-39.

Baecker, D. (2008). *Studien zur nächsten Gesellschaft.* Frankfurt am Main: Suhrkamp.

Ballantyne, D., & Varey, R. J. (2006). Creating value-in-use through marketing interaction: The Exchange logic of relating, communicating, and knowing. *Marketing Theory, 6*(3), 335-348.

Bateson, G. (1972). *Steps to an ecology of mind: Collected essays in anthropology, psychiatry, evolution, and epistemology.* San Francisco, CA: Chandler.

Baudrillard, J. (1998). *The consumer society: myths and structures*. London: Sage.

Bedbury, S. (2002). A *new brand world.* New York: Viking/Penguin.

Bentham, J. (1789/1907). *An introduction to the principles of morals and legislation.* Oxford: Clarendon Press.

Bourdieu, P. (1984). *Distinction: A social critique of the judgment of taste.* Trans. R. Rice. London: Routledge.

Bouba-Olga, O. (2003). *L'économie de l'entreprise*. Paris: *Éditions* du Seuil.

Brady, D. (2004, August 2). Cult brands. *Business Week.* Retrieved from: http://www.businessweek.com/magazine/content/04_31/b3894094.htm

Braun-Latour, K., & Zaltman, G. (2006). Memory change: An intimate measure

of persuasion. *Journal of Advertising Research*, March, 57-72.

Business Week. (2005, May 12). Special Issue on Global Brands.

Campbell, J. (1981). *The mythic image.* Princeton, NJ: Princeton University Press.

Carpenter, G. S., Glazer, R., & Nakamoto, K. (1994). Meaningful brands from meaningless differentiation: The dependence on irrelevant attributes. *Journal of Marketing Research, 31*(3), 339-350.

Cetina, K.K. (2002). Global microstructures: The virtual societies of financial markets. *American Journal of Sociology*, 107(4), 905-95.

Cytowic, R.E. (1989). *Synesthesia: A union of the senses.* New York: Springer-Verlag.

D'Amasio, A.R. (1994). *Descartes' error.* New York: G.P. Putnam.

D'Amasio, A.R. (2000). *The feeling of what happens: Body and emotion in the making of consciousness*. New York: Mariner Books.

Drucker, P.F. (1939). *The end of economic man: A study of the new totalitarianism.* New York: The John Day Company.

Dyer, G. (1982). *Advertising as communication.* New York: Routledge.

Foray, D. (2004). *The economics of knowledge.* Cambridge, MA: MIT Press.

Gebser, J. (1991). *The ever-present origin.* Trans. N. Barstad & A. Mickunas. Athens, OH: Ohio University Press.

Gibson, W. F. (2003). Qtd. in Books of the year: 2003. *Books & Arts. The Economist*. Retrieved from http://www.economist.com/books/displaystory.cfm?story_id=E1_NNGVRJV. Retrieved 2007-08-06.

Greimas, J. A. (1983). *Du sens II.* Paris: Edition du Seuil.

Greimas, J. A. (1985). *Des dieux et des hommes*. Paris: Presses Universitaires de France.

Gronroos, C. (1994). From marketing mix to relationship marketing: Towards a paradigm shift in marketing. *Management Decision, 32*(2), 4-21.

Gumbrecht, H.U. (1985). *Posthistorie now. Epochenschwellen und Epochenstrukturen im Diskurs der Literatur und Sprachhistorie*. Frankfurt am Main.

Handy, C. (2002). What's a business for? *Harvard Business Review, 80*(12), 49-55.

Harker, R. (1990). *An introduction to the work of Pierre Bordieu: The practice of theory.* New York: Macmillan.

Harney, A. (2004, April 22). China offers brand new opportunities. *Financial Times*, p. 13.

Holbrook, M. B. (Ed.). (1999). *Consumer value: A framework for analysis and research.* London: Routledge.

Holt, D. B. (1997). Poststructuralist lifestyle analysis: Conceptualizing the social patterning of consumption in post modernity. *Journal of Consumer Research, 23*(4), 326-350.

Holt, D. B. (2002). Why do brands cause trouble? A dialectical theory of consumer culture and branding. *Journal of Consumer Research, 29*(1), 70-90.

Husserl, E. (1970). *Logical investigations.* London: Routledge.

Inghs, S. (2001). *Sightlines: A stadium odyssey.* London: Yellow Jersey Press.

J. Walter Thompson Company. (1909). *The Thompson blue book on advertising.* New York: J. Walter Thompson Company.

James, W. (1996). *Some problems of philosophy.* Lincoln, NE: University of Nebraska Press.

Jameson, F. (1991). *Postmodernism.* Durham, NC: Duke University Press.

Kotler, P. (2004). *Marketing management.* New York: Prentice Hall.

Kristeva, J. (1987). *Tales of love.* New York: Columbia University Press.

Krueger, G. (1978*). Eros und mythos bei plato.* Frankfurt am Main: Vittorio Klostermann.

Landler, M., & Andrews, E. L. (2008). For treasury dept., now comes hard part of bailout. *New York Times.*

Lavidge, R.C., & Steiner, G.A. (1961). A model for predictive measurements of advertising effectiveness. *Journal of Marketing, 25* (October), 59-62.

Levy, S. J. (1959). Symbols for sale. *Harvard Business Review, 37*(4), 117-124.

Libet, B. (2005). Mind time: *The temporal factor in consciousness.* Cambridge: Harvard University Press.

Lingis, A. (1982). Abject communication. In J.J. Pilotta (Ed.), *Interpersonal communication: Essays in phenomenology and hermeneutics* (pp. 161-170). Washington, D.C.: Center for Advanced Research in Phenomenology.

Lingis, A. (1985). *Libido.* Bloomington, IN: Indiana University Press.

Luhmann, N. (1981). *Political theory in the welfare state*. Trans. J. Bednarz, Jr. Berlin: Walter de Gruyter & Co.

Luhmann, N. (1982). *Differentiation of society*. Trans. Holmes & Larmore. New York: Columbia University Press.

Luhmann, N. (1986). *Love as passion: Codification of intimacy.*Palo Alto, CA: Stanford University Press.

Luhmann, N. (1994). Speaking and silence. *New German Critique, 61*, 25-37.

Luhmann, N. (1995). *Social systems*. Stanford, CA: Stanford University Press.

Luhmann, N. (1997). Capitalisme et Utopie. *Archives de Philosophie du Droit, 41,* 483-492.

Luhmann, N. (1998). *The differentiation of society.* New York: Columbia University Press.

Luhmann, N. (2000). *The reality of the mass media*. Stanford, CA: Stanford University Press.

MacKenzie, D. (2004). *Mechanizing proof: Computing,risk, and trust (inside technology).* Cambridge, MA: MIT Press.

May, R. (1968*). Love and will*. New York: W.W. Norton & Co.

McFadden, D.L. (2000, December 8). Economic choices. Nobel Prize Lecture. Retrieved from: http://nobelprize.org/nobel_prizes/economics/laureates/2000/mcfadden-lecture.pdf

McGrath, T. (1999). *Mtv: The making of a revolution.* Darby, PA: Diane Publishing Co.

McLuhan, M. (1964). *Understanding media: The extensions of man.* New York: McGraw-Hill.

McLuhan, M. , & Fiore, Q. (1967). *The medium is the massage.* New York: Bantam Books.

Merleau-Ponty, M. (1962). *Phenomenology of perception.* Trans. C. Smith. London: Routledge and Keegan Paul.

Merleau-Ponty, M. (1964). *The Primacy of perception: And other essays on phenomenological psychology.* Trans. J.M. Edie. Evanston, IL: Northwestern University Press.

O'Neill, J. (1972). *Sociology as a skin trade: Essays toward a reflexive sociology.* London: Heinemann.

O'Neill, J. (2004). *Five bodies: The human shape of modern society*. London: Sage.

Otto, W. (1954). *The Homeric gods: the spiritual significance of greek religion.* Trans. M. Hadas. New York: Pantheon Books.

Packard, V. (1957). *The hidden persuaders.* New York: The David McKay Co..

Passikoff, R. (2006). *Predicting market success.* Hoboken, NJ: John Wiley & Sons.

Passikoff, R. (2008).*The certainty principle.* Bloomington, IN: Anther House.

Passikoff, R. (2010). "Top five consumer brand trends for 2010." www.brandkeys.com

Pestre, D. (2007). Science, society and politics: Knowledge societies from historical perspective. Report to the Science, Economy and Society Directorate at the European Commission. Retrieved from: http://ec.europa.eu/research/sciencesociety/document_library/pdf_06/historical-perspectives_en.pdf, 91

Pilotta, J.J., & Mickunas, A. (1990). *Science of communication: Its phenomenological foundation.* Hillsdale, NJ: Lawrence Erlbaum Associates.

Pilotta, J.J., & Schultz, D. (2005). Simultaneous media experience and synesthesia. *Journal of Advertising Research, 45*(1), 19-26.

Reichheld, F.F. (1996). *The loyalty effect: The hidden force behind growth, profits, and lasting value.* New York: McGraw-Hill.

Reichheld, F.F. & Sasser, W.E., Jr. (1990). Zero defections: Quality comes to services. *Harvard Business Review,* September-October, 105-111.

Rheingold, H. (2002). *Smart mobs: The next social revolution.* Cambridge, MA: Basic Books.

Roberts, K. (2004). *Lovemarks: The future beyond brands.* New York: Power House Books.

Sartre, J.P. (1956). *Being and nothingness.* Trans. H. Barnes. New York: Washington Square Press.

Schultz, D., Block, M., et al. (2009). *Retail communities.* Worthington, OH: Prosper Foundation.

Schultz, D., & Pilotta, J.J. (2004). Developing the foundation for a new approach to understanding how media advertising works. ESOMAR. Worldwide Audience Measurement Conference, June 16, 2004.

Schutz, A. (1966). *Collected papers: Studies in social theory*. The Hague: Nijhoff.

Shannon, C., and Weaver, F. (1963). *A mathematical theory of communication.* Champaign-Urbana, IL: University of Illinois Press.

Shapiro, K. J. (1985). *Bodily reflexive modes*. Durham, NC: Duke University Press.

Shirky, C. (2003, February 8). Power laws, weblogs, and inequality. Retrieved from: http://www.shirky.com/writings/powerlaw_weblog.html

Sobchack, V.C. (1992). *The address of the eye: A phenomenology of film experience.* Princeton, NJ: Princeton University Press.

Soros, G. (2008). *The new financial paradigm. The credit crisis of 2008 and what it means.* Jackson, TN: PublicAffairs.

A special report on Globalisation. (2008). *The Economist.* Retrieved from: www.economist.com

Stern, B. B. (1995). Consumer myths: Frye's taxonomy and the structural analysis of consumption text. *Journal of Consumer Research, 22*(2), 165-186.

Stiglitz, J. (2003). *The roaring nineties. A new history of the world's most prosperous decade*. New York: W.W. Norton & Co.

Strauss, E. (1966). *Phenomenological psychology.* New York: Basic Books.

Teubner, G. (2009).'Self-subversive justice: Contingency or transcendency formula of law? *Modern Law Review 72*, 1.

Thompson, C. J., Locander, W. B., & Pollio, H. B. (1989). Putting consumer experience back into consumer research: The philosophy and method of existential-phenomenology. *Journal of Consumer Research, 16*(2), 133-146.

Tobaccowala, R. (2005). The collapse of the marketing spine point. *Advertising Age (November).*

Varela, F. (1991). *The embodied mind.* Cambridge, MA: MIT Press.

Varey, R. J. (2000). A critical review of conceptions of communication evident in contemporary business and management literature. *Journal of Communication Management, 4*(4), 328-340.

Varey, R. J. (2002). *Relationship marketing: Dialogue and networks in the e-commerce era.* Chichester: Hoboken, NJ: Wiley.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing.

Journal of Marketing, 68(1), 1-17.

Veblen, T. (1912). *The theory of the leisure class: An economic study of institutions.* New York: Macmillan.

Watkins, E. (1992). *Work time: English departments and the circulation of cultural value.* Stanford: Stanford University Press.

Williams, K. (2003). *Why I still want my MTV.* Cresskill, NJ: Hampton Press

Zaltman, G. (2003). *How customers think: Essential insights into the mind of the market.* Boston, MA: Harvard Business School Press.

Zumbansen, P. (2006). The conundrum of corporate social responsibility: Remarks on the changing nature of firms and states. In R. Bratspies & R. Miller (Eds.), *Transboundary harm: Lessons from the Trail Smelter arbitration* (pp. 240-253). Cambridge: Cambridge University Press.

Joseph J. Pilotta, Jill Adair McCaughan

Pi78 MARKETING AS A SKIN TRADE: A CRITICAL CHIASM FOR CHANGE. Research Study. – Vilnius: Mykolas Romeris University, 2016. 192 p.

ISBN 978-9955-19-788-1 (print)
ISBN 978-9955-19-787-4 (online)

Joe Pilotta and Jill Adair McCaughan give us analysis about the problems with which marketing is facing in 21st century: advertising is viewed as manipulation form, impact and influence level of marketing are low as never. Authors briefly discuss about the existing theories of marketing and why existing theories do not reflect the real situation at present. Book highlights and reveals the importance to change model and logical approach of marketing from consumer orientation to customer orientation. It's important to underline that customer needs identification should not be linked with past trends or rating. In order to achieve the maximum and overall benefit it is important to include customer in the process of analyzes. Such measures should help to realize the customer needs and also goods or services perspectives in markets. The book authors clarify the possibility to transform perception about Marketing Mix Modeling and analyze the need to adapt existing marketing models to the changing environment and media. In this book, authors try to demonstrate academic credentials as well as writing for the professor and professional of marketing, advertising, and brand.

UDK 339.13

Joseph J. Pilotta, Jill Adair McCaughan

MARKETING AS A SKIN TRADE: A CRITICAL CHIASM FOR CHANGE

Research Study

Layout: *Jelena Babachina*

SL 12.00, 2016 03 15.
Number of copies published 100. Order 10014550.

Mykolas Romeris University
20 Ateities str., Vilnius
Website: www.mruni.eu
E-mail: mrulab@mruni.eu

Prepared and Printed by JSC „Vitae Litera“
Savanorių 137, LT-44146 Kaunas
Website: www.bpg.lt
E-mail: info@bpg.lt

Joe Pilotta and Jill Adair McCaughan give us an analysis of the problems which marketing is facing in the 21st century: advertising is viewed as a form of manipulation; the impact and influence of marketing have never been lower. The authors briefly discuss the existing theories of marketing and explain why these theories do not reflect the real situation at present. The work highlights and reveals the importance of changing the model and approach to marketing from that of a “consumer” orientation to that of a “customer” orientation. It‘s important to emphasize that the identification of customer needs should not be linked with past trends or ratings. In order to achieve the maximum benefit from advertising and marketing efforts, one must include the customer in the process of analysis. Taking such measures will help practitioners to realize the customers‘ needs in diverse markets. The authors discuss the means by which we can transform the perceptions and practices of Marketing Mix Modeling, and they analyze the need to adapt existing marketing models to the changing environment and the media. The book addresses both the concerns of the academic as well as those of the professional in the fields of marketing, advertising, and brand creation.

ISBN 978-9955-19-788-1

9 789955 197881