

# Elevating marketing: marketing is dead! Long live marketing!

Frederick E. Webster Jr. · Robert F. Lusch

Received: 10 September 2012 / Accepted: 15 January 2013 / Published online: 29 January 2013  
© Academy of Marketing Science 2013

**Abstract** Marketing must be elevated to a higher level of consciousness. A consciousness that grows beyond solving small, immediate problems to addressing long-term, large problems that goes beyond individual customer satisfaction and short-term financial performance to encompass the total value creation system. The discipline, in theory and practice, must move beyond a narrow focus on customers to a broader concern for them as citizen-consumers. This necessitates a recommitment of marketing to its fundamental purpose in society, which is improving the standard of living for all citizens by co-creating value at all levels within a socio-economic system. An elevated (systems) concept of marketing must focus on micro, meso and macro systems with an understanding of the purpose and shared vision for each system, a clear identification of responsibilities, and a focus on resource effectiveness and efficiency.

**Keywords** Stakeholders · Marketing concept · History · Theory

## Introduction

After emerging as a subject for teaching and research at universities a century ago (Bartels 1976), and becoming a formal function and role in most businesses a half century later, **marketing is now at a crossroads**. In recent years, many marketing scholars have pointed to the need for marketing reform (Sheth and Sisodia 2006) and renewed focus

on macromarketing systems (Layton 2007). Some believe that the road marketing academia has taken has led toward less and less relevance to business and government (Dawson 1971; Reibstein et al. 2009). At the same time many observe that the role and importance of marketing in the firm has been declining (Day and Montgomery 1999; Webster et al. 2005), except in those forward-leaning marketing companies that are beginning to fundamentally alter their marketing approach. Thoughtful marketing leaders in business and academia, in vehicles such as the Marketing Science Institute's biannually published *Marketing Priorities*, have suggested some areas requiring new research, understanding, and techniques to guide explorers at the frontiers of marketing (MSI 2012), including gaining insights into people in their roles as consumers; designing experiences, not products; mobile information technology and its impact on the operation of markets; trust between people and their institutions and in social networks; and evolving marketing organizations and capabilities.

Exploration of these new frontiers cannot be done creatively and in-depth using the old maps of the marketing territory. If marketing is to survive as a business function and academic discipline and be seen as a legitimate institution in society, it must be elevated to a higher level in the consciousness of managers, the consuming public, and public policy makers. Leadership in elevating marketing can be facilitated by new marketing theory developed by marketing scholars that can guide management and public policy decision making and the definition of problems requiring scholarly research and dialogue. In brief, stimulated by fundamental changes occurring in the economy, society, and politics, the marketing discipline faces an urgent need for a rethinking of its fundamental purpose, premises, and implicit models that have defined marketing for at least the past 50 years.

In response to this need, we outline a new way of thinking about marketing that shifts the focus from a short-term emphasis on solving small, immediate problems and results to a focus on long-term, large problems that go beyond

---

F. E. Webster Jr. · R. F. Lusch (✉)  
University of Arizona, 1130 East Helen Street,  
Tucson, AZ 85721, USA  
e-mail: rlusch@eller.arizona.edu

F. E. Webster Jr.  
e-mail: Frederick.E.Webster@tuck.dartmouth.edu

F. E. Webster Jr.  
Dartmouth College, Hanover, NH, USA

individual customer satisfaction and short-term financial performance to encompass the total value creation system. In a nutshell, we propose a shift from a narrow focus on *customers* to a broader concern for *citizen-consumers*. The objective is to recommit marketing to the fundamental purpose of improving the standard of living for all citizens not only as consumers and producers but also as actors in relationships with multiple partners in the co-creation of value at all levels within the socio-economic system.

Marketing needs new theory relating to its purpose and role in the social/economic environment that adopts a systems perspective. This perspective must encompass all of the actors and social roles in the complex value creation process instead of the focus on transactions, exchange, and the buyer–seller dyad that has dominated the field in recent decades. For more than 50 years, by focusing on the selfishly motivated individual customer first and giving secondary consideration to the individual as a consuming citizen, marketing has been ignoring one of the most important issues facing the business system and the fundamental goal of economic activity: to deliver an ever-better standard of living and quality of life. Marketing must reconsider, redefine, and revitalize its intellectual domain and its purpose in assisting business to achieve what Franklin Delano Roosevelt called “a more abundant life” in the dramatically evolving context of the world economy in the 21<sup>st</sup> century (Roosevelt 1936). Today this evolving context is moving toward consideration of such subjective states as happiness at the individual level and aggregated for a nation or the whole world (Helliwell et al. 2012). If it fails to do so it will continue its march toward less relevance to the firm and less legitimacy in the eyes of society.

### A changed marketing context

As an academic discipline, marketing scholarship has been driven primarily by three factors since the 1960s:

- (1) emphasis on methodology and data-driven analysis rather than the importance of substantive problems, leading to increased compartmentalization of marketing as evidenced by narrowly specialized academic journals (MacInnis 2005);
- (2) excessive reliance on the narrow microeconomic paradigm and normative models that attempt to optimize a single variable—profit (Vargo and Lusch 2004);
- (3) myopic focus on the firm (seller) with the goal of achieving spending *efficiency*, narrowly defined as the need to maximize return on investment and economic value added, moving away from a focus on marketing *effectiveness or efficacy*, more broadly defined to incorporate a wider range of intended results for consumer benefits, stakeholder interests, and societal welfare (Lusch and Webster 2011).

Because the narrow microeconomic paradigm and related institutional relationships did not fit well with the diversity of marketing practices and phenomena in the business world, the marketing discipline began to splinter into sub-disciplines with their own specialized journals and conferences. Little interest developed in the overall welfare of the field of marketing as academic theory, business practice, and societal institution. Rigor triumphed over relevance. In the unrelenting pursuit of rigor, relatively unimportant simple issues have tended to move attention away from larger, less well-defined complex problems facing business and society. This has produced a body of marketing (science) thought that is generally perceived to have declining importance to all but a small subset of businesses, not-for-profit organizations, and public policy makers (Reibstein et al. 2009).

Coupled with the preceding trends in research in marketing, the economic recession and slow recovery of the past several years have brought significant issues to the forefront that demand serious rethinking and reaction from the business community. Among the many problems that marketing research might productively address are: the aspects of consumer decision making that lead to weakness in consumer spending patterns; the complex economic and psychological linkages between weak spending and persistent unemployment; how rising fuel and food prices reduce consumer discretionary income, alter purchasing patterns for other market offerings, and alter consumer savings; how an obesity and diabetes epidemic facing America is related to the marketing system; and how marketing practices, public policy, and consumer decision making processes produced the mortgage defaults and bank foreclosures that have affected millions of American households.

Of course, these are probably not problems directly attributable to marketing practices, but they define the environment in which business decisions are being made and political campaigns conducted. More government regulation of business is increasingly viewed as the necessary remedy for problems not adequately addressed by the private sector and the market economy. Unfortunately, marketing scholars who have generally done little public policy research have not provided public policy makers the knowledge to make informed regulatory decisions, and thus increased government regulation could possibly make matters worse.

Customers and consumers are a vital part of a market economy and will always be motivated by self-interest. But the citizen-consumer is increasingly aware that self-interest does not always equate with the lowest price. However, many firms, with their pervasive emphasis on low price through the avalanche of sales promotions promising more for less, have created a virtual addiction to low price in many product categories. As low price becomes the central element of a firm’s marketing strategy, enterprises are forced to find lower cost sources of supply, which is one of the

major drivers for outsourcing to offshore, low-labor cost suppliers. One part of the commitment that leading firms can make in service to the increasingly knowledgeable citizen-consumer is to promote value-in-use versus lowest price and to create an awareness of the connections between sustainable profitability, job creation, and economic growth. Lowest price is a game that has, at most, only one winner—the survival of the lowest-cost producer, not always in the best interest of the citizen-consumer. Ultimately, in a market driven economy the decisions of the citizen-consumer create the consequences for society.

Looking more specifically at marketing-related issues, we see that the concerns facing the firm and the citizen-consumer have also changed fundamentally. Among the many challenging issues managers and citizen-consumers face in today's rapidly changing market environment, we can readily see the influence of marketing practice in creating social costs and problems and some possible paths to their resolution. For example, packaging is a major contributor to the ever-growing stream of household and industrial waste. Problems of water quality, food safety, and product contamination are often traceable to product ingredients and to waste materials that migrate into production and distribution systems. The increasing dominance of large retailers and the demise of smaller, local, specialty retailers has not only benefits but also social costs, such as lower diversity of retail enterprises, decline of city centers, and possible impacts on job loss in some geographic areas, that are incompletely understood. A slowdown in the innovation of new products (with the notable exceptions of electronic communication and entertainment devices and software) has resulted in the commoditization of many product categories; lower prices are driving producers to cut costs by shipping jobs overseas and are contributing to America's balance of trade and unemployment woes. Frequent security breaches into credit card, banking, retail transaction, and other personal information databases have created major problems for the citizen-consumer, as has the loss of privacy for communications through electronic social media. These examples all suggest why a focus on narrow, short-term customer satisfaction and short-term firm performance leaves many important issues of long-term consumer welfare inadequately addressed.

But an optimist might see some positive dimensions in this state of affairs. Marketing scholars and management professionals should see in the market/social environment and in the types of issues facing marketing and business practice a major opportunity to reestablish marketing's prominence and credibility. A new conceptual lens is needed that creates an ability to telescope out to view, think, and act on large marketing systems as they unfold over long time periods (Lusch 2006). In brief, we need to move from small systems (often only the buyer-seller dyad) to big systems

(multiple tiers of suppliers and customers and stakeholders) and from transactional time frames to relational time perspectives. Households and business firms need new ways to make buying decisions that will be increasingly informed by and responsive to the demands placed upon them by their many relationship partners and multiple social influences. Both household and business buyers have increased ability to insist that their problems be addressed in a more complete framework with a deeper understanding of their needs and wants.

### Shortcomings and opportunities

Marketing is a powerful influence in the economy and in society, both good and bad. It has clearly been a major contributor to the improved standard of living for the average consumer in the more developed countries since the end of World War II. Increasingly sophisticated marketing programs are frequently cited as one major reason for rapid growth in many emerging economies. Marketing is pervasive, part of the culture of most countries, even those that are less developed, although it takes many different forms (Wilkie and Moore 1999).

Under the “marketing concept” philosophy of business first articulated in the 1950s (Drucker 1954), customer satisfaction was said to be the fundamental purpose of business with profit as a reward. Customers were implicitly defined as individual consumers in one-to-one relationships with sellers, almost always assumed to be manufacturers of physical products. Tools used by marketers were lumped into five categories—market segmentation, product, price, promotion, and (“physical”) distribution (or “place”)—the latter four categories referred to as the “4 P's.” This philosophy and these tools have remained as the core concepts in our understanding of marketing up to the present. One other point worth noting is that the terms *consumer* and *customer* have been used as synonyms, something we come back to momentarily.

The positive contribution of marketing to business efficiency and effectiveness and to consumer welfare is offset to some extent by the negative consequences of a focus on satisfying the individual customer. Customers are sometimes careless and uninformed, and both buyers and sellers can act irresponsibly as evidenced by, for example, the collapse of the housing market due to deceptive lending practices, government's desire to make house ownership a national priority, defective financial products, and consumer nonchalance concerning the risk inherent in real-estate debt. Consumers, bankers, mortgage brokers, builders, real estate agents, government agencies and regulators, and legislators all played a role in the creation of this unsustainable market. The various buyers and sellers were each pursuing their self-

interest and short-term goals without much concern for the larger and increasingly obvious societal problem and the social costs of their actions that were developing.

The preceding demonstrates the fundamental problem of failure to deal with what we have referred to as “the public consequences and social costs of private consumption.” Marketing theory and practice has been largely built around a dyadic cooperative positive sum exchange framework. Its essence is as Alderson and Martin (1965) described in their law of exchange, where parties exchange to enhance the potency of each of their assortments through voluntary cooperative exchange. Although this framework has served the discipline reasonably well as an organizing framework, it does not go far enough because it excludes consideration of other parties and society that may be affected by the exchange between parties.

In order to elevate marketing thought and practice beyond the exchange dyad we must consider the consequences of dyadic exchange on others to include society. Various rubrics have been developed and share much in common. Coase (1960) framed the fundamental issue in terms of social costs or the damages done to parties that are not part of the dyadic economic exchange but also urged that any corrective measure by the State to be also analyzed in terms of the positive and negative effects it would have on a larger system.

Hardin (1968), a biologist who was primarily concerned with population growth and the overharvesting of natural resources, focused on what he referred to as the “tragedy of the commons”. The fundamental issue is that if there is a common resource pool (such as the oceans or nature in general) and if each person benefits (gains utility) from drawing on this common resource pool then as the population expands the static resource pool will be overgrazed or overused. Shultz and Holbrook (1999) argue that marketing theory needs to pay more attention to this issue. Wiener and Doescher (1991) address this general problem from what they refer to as a social dilemma. They state, “in a social dilemma, a person who contributes to the community’s good receives fewer personal benefits than one who does not, and all group members receive more personal benefits if all contribute than if all do not” (p.38). Nason (1989) focuses his effort on the social consequences of marketing and defines a social consequence of a market transaction as “any unforeseen effect, positive or negative, experienced by the parties to the transaction or any effect, foreseen or not, experienced by others not party to the transaction” (p. 242); these are also often referred to as externalities. Finally, Mundt (1993) develops a framework for assessing what she defines as the uncalculated costs and/or benefits of exchange. These uncalculated costs and benefits can apply to the transacting parties but also to third parties or others.

We argue that marketing needs to develop a stronger framework for considering “the big system consequences of small system thinking and actions,” which is consistent with the encouragement of a systems view by Layton (2007) and Vargo and Lusch (2011). It is also consistent with rubrics described above dealing with social costs, social dilemmas, social consequences, tragedy of the commons, externalities and uncalculated costs and/or benefits.

#### Customers vs. consumers

The words *customer* and *consumer* are often used synonymously, but they are different in many important respects, differences that have been ignored in the marketing literature. Failure to make the important distinction between them lies at the root of the problems associated with the emphasis on the buyer-seller dyad.

A *customer* is a person or organization that buys offerings (goods or services) from a seller, manufacturer, merchant supplier, vendor, etc. and who is willing and able to pay the seller’s price and/or meet other conditions of sale. A customer is defined by its relationship with a seller; there can be no customer without a seller just as there can be no prey without a predator.

A *consumer* engages in the act of consumption (as distinct from buying) to realize a set of benefits, using a seller’s offering to satisfy some need or to get some particular job done. A consumer focus is thus a focus on value in use. An offering must promise or propose utility (usefulness) to someone to stimulate and justify an exchange; higher value in use should lead to a high value in exchange (or monetized demand).

In everyday usage, *consumer* often refers to an individual or household functioning as a buyer participant in a market without being defined by a relationship with a particular seller. As more and more offerings are provided through markets and economic exchange, we can begin to think of citizens as *citizen-consumers*. What it means to be a responsible citizen-consumer is something we discuss later. For now it is useful to consider that there are untold numbers of citizen-consumers in any market, but only a subset of them are potential customers for any given firm (marketer) and even fewer become actual customers.

Complexity in the consumer role results from the fact that the citizen-consumer not only is a customer but also takes on a myriad of other roles. This gets to the heart of the customer versus consumer distinction: the customer is acting simultaneously in many social roles that are dimensions of the consuming activity, the multiple roles associated with being a citizen-consumer. It is hard to think of any single buyer-seller relationship, i.e., any *customer* relationship, that isn’t part of a very large constellation of other roles and relations. For example, if you buy a car, you will almost



certainly also become a customer for an insurance company, one or more oil companies, various gasoline retailers, state government agencies such as motor vehicle and highway departments, police and fire departments, auto parts suppliers, etc., each of which is to a certain degree dependent upon the others. There are also complementary purchases in your other roles that arise such as fast food at a drive-in restaurant or staying at a motel on a business trip. You will use your car in many other social roles and exchanges, like picking up the neighbor kids to take them to school, going to church, or going camping with your family. In addition, the automobile you purchased is a means to other ends, such as the brand of automobile you own may also give you an identification with other owners of that brand who greet you with a wave or flashing headlights or some other expression of relationship. Your nice new car may attract any number of comments from casual admirers or perhaps those who disagree with your decision to purchase a “gas guzzler” or see an ostentatious demonstration of your wealth or poor taste.

Customers increasingly expect marketers to understand and respond to the complex relationships they have as citizen-consumers within the larger system of marketplace relationships that influence their decision making and their understanding of their own needs and wants. Customer and citizen-consumer are only two of the many roles occupied by every member of society and only one of several relationships that every citizen has with marketers. Each role involves a different type of partner in a social relationship. Many activities require multiple interactions and partnerships with other actors in multiple roles. Responsible marketers are beginning to attune their activities to recognize the multiple duties and responsibilities of their customers both today and into a long future.

The market context of the citizen-consumer has changed dramatically as a result of mobile communication technology and social networks that provide instant connectivity for the consumer citizen with the other players in their market interactions. It is hard to believe that there was once a definition of marketing as “the performance of business activities directed toward, and incident to, the flow of goods and services from producer to consumer or user” (AMA Definitions Committee 1948). Today’s citizen-consumers have much more influence and control over their interactions with other members of the value creation system.

As consumers become more engaged in the social networks enabled by electronics and information technology, they demand to be treated more responsively and responsibly. They are also becoming more aware of the large and time-extended systems they are a part of as we move from a one-to-many model of marketing communication to a many-to-many model of marketing communication (Gummesson 2006) that is becoming more dialogical (Ballantyne and Varey 2006). In fact these trends are resulting in some

observers referring to the market as “conversation.” There is widespread evidence that more consumers are likely to consider the social consequences of their choices. Examples include the growing popularity of fuel-efficient hybrid cars, residential solar power installations, recyclable packaging, farmers’ markets and other purveyors of locally grown food, community-sponsored and funded waste recycling programs, and rain water collection and storage systems for irrigation purposes.

Likewise, more companies are publicizing their involvement in and support for community and national programs of resource conservation, environmental protection, higher education, prescription drug assistance, job fairs, and more. Forward-looking companies realize that they must convince the citizen-consumer to be a responsible partner before the consumer will seriously consider becoming a customer. These messages are often specifically targeted at carefully chosen customers, not just the public-at-large. Consumers are increasingly likely to be thought of and spoken to as individuals, not as members of a market segment. Each company, in the unique context of its business model and market characteristics, will find different ways of serving and educating its unique citizen-consumer segments and co-creating value with them. No single company should be taken as an example of best practice for another to imitate, but an examination of best practices could identify some of the most valuable learning about *the process* by which firms developed their new approach to the citizen consumer. There is often major synergy among the welfare of the consumer, the public, and the business. In this era, the character of the company itself becomes a major part of its brand. And brands must be in it for the long term and engage not just customers but many other stakeholders.

### The elevated marketing concept

Although in the past we have seen calls for a broadened concept of marketing (Kotler and Levy 1969) and a generic concept of marketing (Kotler 1972), what is needed is an *elevated marketing concept* that specifically incorporates the new economic, social, and political environment and its dynamic characteristics. This new marketing concept must provide clear direction for the organization and management of the marketing activities within the firm and the relationship of those activities with all value creation processes in the four-level marketing system that we outline.

An elevated marketing concept embraces a view of the marketing system that is consistent with the changed economic, social, and political environment (Lusch and Webster 2010, 2011) and must incorporate several key elements:

- (1) An offering that creates *customer-defined value*, replacing the concept of value as embedded in the product with value co-created by all participants in the system (buyers, sellers, supply chain partners, government, etc.) and replacing the old concept of manufacturer-controlled production;
- (2) A citizen-consumer who as a vital actor in *a set of relationships that span multiple subsystems* is involved in co-creating customer-defined value;
- (3) A concept of *innovation that incorporates a system of orderly co-destruction* of existing offerings and business activities and the redeployment of resources to offer new value propositions, supported by new business activities, creating more dynamic, continuously adapting economic organizations;
- (4) A set of *processes used by the adaptive organization* (Haeckel 1999; Lusch and Webster 2010) to discern the fit of resources (current and potential) to defend against threats and create new markets or sub-markets;
- (5) A responsibility for *educating, not just informing, potential customers*. An educated customer is more knowledgeable and better able to satisfy the perceived needs, duties, and obligations of their multiple roles as a citizen-consumer.

An elevated marketing concept is necessarily complex and stands in marked contrast to the old marketing concept that focused on the buyer-seller dyad, individual transactions, and specific product offerings.

### The management of marketing

An elevated marketing concept as we envision it must be properly implemented by organizations or else it will fail. Implementation is never an easy task. Our suggested framework for implementation is built on a way of organizing marketing that is responsive to four relevant systems: individual or household customer, firm, marketing system or value constellation, and societal system. It should be noted that beyond the individual or household customer, the first system could be focused on the business customer as in B2B marketing.

The four relevant systems are arranged from the micro (customer and firm) to meso (value constellation) to macro (society) levels. Our proposed framework has well-defined responsibilities for enhancing resource efficiency and effectiveness while achieving the fundamental purpose for these four systems (see Table 1).

Two of the four focal systems are microsystems and involve the customer to include their roles as citizen-consumer and multiple other roles beyond the relationship with the firm. At the mesosystem level we identify the marketing system (often historically called the marketing channel), or what in contemporary terms is thought of as

the value constellation (Norman and Ramirez 1993) or service ecosystem (Vargo and Lusch 2011). Finally at the macro level we have the societal system, which aligns with the most recent AMA (2012) definition of marketing: “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Clearly this definition provides a mandate that marketing be focused not only on the firm and customers but on society as well.

All meso and macro systems emerge from lower order micro systems (Lusch 2006). Hence there is little hope for the concept of marketing to change unless the firm and customer themselves change. Most of the focus of this essay is on the firm and its behavior. However, we pause for a moment to emphasize that the citizen-consumer (in their various roles) is an important and vital part of the marketing system. Uninformed, unquestioning, myopic, and selfish customers will continue to be the prey of some firms. Customers that are educated, engaged in larger system and societal thinking, innovative, and constructively critical of inadequate and inappropriate firm offerings can provide a healthy forum and encourage firms to also be responsive to longer term and bigger system issues.

### Responsibility for shared vision

In considering how to implement the elevated marketing concept, we suggest beginning with the first column in Table 1 that identifies the purpose of the four systems. It is critical that a shared vision develop around the purpose of each of these systems. We argue that the fundamental purpose of the customer system is a meaningful life; for the firm it is higher long-term firm value; for the marketing system or value constellation it is system viability and resiliency; for society it is a higher standard of living, which we view as the means to enhanced corporate character. For each of these four systems the fundamental purpose needs to be translated into a shared vision, which respectively is the responsibility of the individual or head of household, operating and senior marketing personnel, senior marketing personnel, and CEO (see Table 1).

Although each of these four actors or groups shares responsibility for an overarching architecture of participation, we argue it must begin with the CEO, who is responsible for developing a shared vision of the higher standard of living the firm can positively contribute to and help provide to society. From a social, institutional perspective, this is the fundamental purpose of the firm. All firms serve a diverse set of stakeholders (Ferrell et al. 2010) and thus a key role for the CEO is to help the various stakeholders see how they all can be part of and can contribute to this purpose and share in the vision (Christopher et al. 2002; Lusch and Webster 2011).

**Table 1** The elevated marketing concept: a systems perspective

Focal system	Fundamental purpose (shared vision)	Resource efficiency	Resource effectiveness	Responsibility
Customer and citizen-consumer	Meaningful life	How to efficiently develop, acquire and use resources.	How to effectively develop, acquire and use resources.	Individual and household
Firms	Higher long term firm value	How to efficiently develop, acquire and use firm’s resources.	How to effectively develop, acquire, and use firm’s resources to develop market offerings.	Operating and senior marketing personnel
Marketing system (value constellation)	Marketing system viability and resiliency	How to efficiently develop, acquire and use the resources of the marketing system.	How to effectively develop, acquire and use the resources of the marketing system.	Senior marketing personnel
Societal system	Higher standard of living (pathway to corporate character)	How to efficiently develop, acquire and use firm and marketing system resources.	How to effectively develop, acquire and use firm and marketing system resources.	Chief executive office

In developing this purpose and affiliated vision the CEO will by necessity put some constraints on the firm that will fundamentally deal with which markets it will serve, what type of offering it will make, and what are the appropriate marketing and other business technologies to be employed.

Given the clearly articulated purpose and shared vision the CEO develops, the senior marketing personnel must develop their vision for the viability and resiliency of the marketing system to support and complement the CEO vision. Next, the operating marketing personnel with guidance from the senior marketing personnel should focus their efforts on helping the firm achieve long-term value and should have a shared vision around this purpose. As we previously stated, what can make this change in marketing more viable is the active engagement of the customer (and consumer) whose overarching goal is obtaining a meaningful life. A meaningful life is much like the concept of value and is uniquely determined by each person. Nonetheless, a meaningful life can have certain characteristics that are common across individuals and may include such things as happiness, freedom, and self-actualization.

As marketing management has evolved in recent decades there has been relatively more emphasis on promotional activities including branding, advertising, sales promotion, and other forms of persuasion and communication as unique marketing responsibilities versus the other three of the “4 P’s.” To many commentators, marketing is erroneously synonymous with selling. On a positive note, however, marketing’s promotional skills have a major role to play in shifting the focus to the firm’s responsibility to the citizen-consumer, and to society at large, and in helping to shape attitudes and actions consistent with the requirements of the changed marketplace, as articulated by the firm’s stated mission and values.

**Resource management**

The elevated marketing concept that we encourage also puts a strong focus on the management of resources. Resources

are viewed as tangible and intangible entities that can be drawn on for support (Constantin and Lusch 1994). These can be static (such as natural resources) or dynamic (such as human resources or dynamic capabilities) and can be internal to the firm (on its balance sheet, for instance) or external in the case where the firm draws upon a broader network to include institutions and society for resources.

Resource management has become a popular managerial framework in marketing. For instance, Hunt and Morgan (1995) and later Hunt (2000) develop a theory of the firm that they refer to as resource advantage (RA) theory. RA theory is a dynamic evolutionary theory in which firms compete on relative resource cost, an efficiency notion, and relative resource produced value, an effectiveness notion in order to obtain superior financial performance.

We argue that firms are not the only entity or system involved with resources and their management. Within each system (consumer, firm, marketing system, society) resources should be efficiently developed, acquired, and used. However, resource effectiveness must also be given attention by participants in each system in developing, acquiring, and using resources. It should be noted that the systems perspective we present (Table 1) places emphasis on resource efficiency and effectiveness and in that sense is similar to RA theory. It is also possible that if firms develop core competency in adopting and embracing an elevated marketing systems perspective and if customers find that this enhances relative resource produced value or makes the firm’s resource use more efficient (perhaps in the long term), that it could be a source of competitive advantage.

**Innovation**

Many before us have emphasized the importance of innovation to the advancement of the firm and society. Innovations can improve resource efficiency as well as resource effectiveness. Innovation, however, is not just the job of firms and government. Innovation is everyone’s job with

the citizen-consumer sometimes a pivotal player in the co-creation of value by innovating better ways to use market offerings and to modify them for performance enhancement. Innovation in processes can also be a major source of improved products and business performance. Major advances of Japanese manufacturing, most notably in automobiles, have been almost totally process innovations, powering Japanese brands to global market leadership. Walmart's cross-docking system is one of the most important process innovations in the history of retail distribution and a major contributor to the efficient use of resources, and it has helped make Walmart the third largest firm in the world.

For the citizen-consumer, process innovation reduces to improved practices for obtaining a more meaningful life. Indeed, the market itself has a competitor, namely the household that decides that it will do without the market for certain solutions (Lusch, Brown, and Brunswick 1992). If these practices, including those that provide appropriate situations that avoid the market, begin to diffuse, then the consumer market citizen can be one of the most powerful institutional entrepreneurs in society. Of course, do-it-yourself solutions are not new, but they have been a major factor in the success of retailers such as home improvement retailers and the national auto parts chains.

The importance of innovation is dramatically illustrated by the rapid growth in social networking services such as Facebook, LinkedIn, Skype, Twitter, and hundreds of others, more than a dozen of which have greater than 100 million users. Social networks are composed of dyadic (person-to-person) interactions; even more pervasive are the interactive websites characteristic of much of retail commerce today, as well as the company websites with home pages that direct the citizen-consumer to a wide variety of information about the company. Nothing is more important to the rapid evolution of the marketplace than computer-based innovation.

At the macrosystem level, one should not underestimate the power of institutional innovation, especially when new institutional practices are integrated. Consider the power of integrating the concept of justice with democracy for instance. What would be the power of integrating citizen-consumers' freedom and choice with an attitude of shared responsibility for the earth's biosphere?

The citizen-consumer as an innovator has the possibility of being the savior of marketing practices. Just as prey learn not to be captured and thus change the behavior of predators, the citizen-consumer has the power to change the behavior of sellers and their practices. Markets are co-created by buyers and sellers, and the seller cannot alter that fact. Marketing needs the help of responsible citizen-consumers, just as Washington needs the help of responsible citizens if it is to work effectively on behalf of the citizenry.

## Creating a research agenda

We have no doubt that marketing scholars will find a rich array of research opportunities in the broad marketing system framework we have outlined. Given the urgent need for new theory to guide the development of marketing thought going forward, we hope that many will take the risk and responsibility of generating new conceptual models dealing with the several subsystems and the overall framework that we have proposed. We are acutely aware that we have provided only a start and that it will require substantial and rigorous analysis, testing, revision, and debate. Our hope is that we have been able to start that process.

Some of the specific research topics that can be productively tackled include the following:

- (1) More careful definition and identification of the citizen-consumer.

We believe that citizen-consumers, concerned about a broader set of goals than the satisfaction of their individual needs and wants, exist and that their numbers are growing. The concept of the citizen-consumer is broader than the more traditional "ethical consumer" who is motivated primarily by social needs (Devinney et al. 2010; Webster 1975). A first step in identification might be the development and validation of an attitude or psychographic scale or similar measure for the characteristics of citizen-consumers (Webster 1975). Specific behavioral characteristics of citizen-consumers must then be defined related to causative variables, including personal, social, and environmental factors. Clearly, consumer behavior scholars should be especially interested in addressing this opportunity.

- (2) Identifying best practice among forward-leaning firms that have articulated values, mission, and strategies that exemplify the ways in which the long-range, systems-thinking approach to marketing can be promoted.

Observational/clinical methods, industry surveys, and case studies are promising approaches to developing a broad and deep understanding of the process variables in implementing the elevated marketing concept. Interviews with marketing thought leaders in industry and academia could also produce some valuable new insights. Regarding managers, it would be interesting to develop knowledge of the systems thinking of junior and mid-level managers versus senior managers and executives. It is too early in the development of new theory to rely primarily on data-based research and hypothesis testing. The first step should be the development and integration of a multiplicity of new ideas for improving marketing theory and practice and its relationship to other parts of the value creation and value proposing processes.



- (3) Understanding the relationship between marketing decision making and financial accounting practices that hinder the development of a long-range systems perspective.

Obviously, the first step in this investigation must be an in-depth understanding of the specific requirements of accounting rules and government regulations driving the reporting requirements for publicly owned firms. The next step should be a study of the differences between these public corporations and privately owned firms in their accounting practices and their influence on business goals and strategies and marketing programs. Academic colleagues in the areas of accounting and finance could be especially helpful partners in such research. Quarterly earnings-per-share and return-on-investment oriented measurement and reporting systems are undoubtedly a major barrier to be overcome in developing a broader view of marketing's purpose and potential contribution to the viability and survival of the firm. An interesting case in point might be "The B Team," a group being formed by Sir Richard Branson, the CEO of Virgin Group, Jochen Zeitz, head of the German sporting goods firm Puma, and other business leaders who are developing "Plan B," an innovative rethinking of the fundamentals of capitalism to make it more long-term oriented and more socially responsible. One major goal that has been discussed is to end the quarterly reporting of financial results (Schumpeter 2012).

- (4) Revisit the concept of the "marketing audit" and update it to incorporate the broader variety of system variables that the elevated view of marketing addresses and possible measurements of goal achievement related to them.

It is not known how widespread is the use of marketing audits, which were proposed in the 1970s as a means of improving marketing effectiveness (Berry et al. 1991; Kotler et al. 1977). So a first order of business would be to understand the status of the practice of formally auditing marketing activities. How has the concept and its implementation evolved? What parts of the organization are involved in the audit process? For companies that have moved to an elevated concept of marketing and developed more complex relationships between marketing and other parts of the value constellation, how has the auditing practice changed to reflect the greater complexity? Which variables in marketing strategy have received more or less emphasis? How do managers use the results of the audit in their evaluations and decision making? Is the audit not only evaluating core competences but also core incompetences or intangible liabilities (Harvey and Lusch 1999)? Is the audit looking beyond marketing's contribution to ROI and to the quality of earnings and long-term survivability of the enterprise?

- (5) For firms moving toward a systems view of their relationships with their customer, how has the organization's character been incorporated into the firm's branding strategy?

It is likely the case that some advertising agencies and other service vendors in the marketing communications business have developed broader experience and particular expertise in this area. Is the firm using the latest social media technology to listen to the voice of the customer and other stakeholders, and what does this tell the firm about the organization's character? It would be important to understand what aspects of communication strategy, including messages and media, have become particularly important in this new market environment. Notable successes and failures (how is that determined?) could be studied to learn from their experience and assess the applicability of the lessons learned across multiple markets and industries. Researchers in brand strategy and brand management will find many new research opportunities in these new directions. Methods for defining and targeting important groups of citizen-consumers would be especially interesting and important in this regard and could help validate the concept of the citizen-consumer.

- (6) What innovations in marketing organizations have resulted as companies move to an elevated marketing concept?

As traditional hierarchical, bureaucratic organization structures have become increasingly rare and central control has given way to more flexible organizational forms (Webster 1992), organization structure has become increasingly important as part of strategy implementation. Has marketing responsibility moved up to the highest levels of the organization? In some important ways, *structure and the network has become strategy* in terms of how the firm relates to its customers, its vendors, and the many other partners in the value creation and proposing process. Information and communication technology often plays a key role in strategy in areas such as customer service, manufacturing coordination with customer requirements, etc. One critical area, especially for firms serving "mass" markets with increasingly precise response to individual customer requirements, has been the management of massive databases and software for analysis of customer purchase patterns and differing definitions of product offerings. These information networks and protocols are a major organizational variable. Marketing scholars could form productive research relationships with colleagues in the areas of management, organization science, and information systems to develop research programs to study these dimensions of marketing organization.

These are just a few of the many interesting research questions that can be raised in the context of the new framework. Virtually all of these topics will benefit from research that is truly interdisciplinary and involves collaborations with specialists from other areas of business management and the behavioral sciences. One major benefit from the move to the elevated marketing concept would be to foster stronger cross-disciplinary interactions within the academic community, which has frequently been called for as a way of strengthening academic research programs in general and encouraging innovation in research.

## Conclusion

“Marketing is dead. Long live marketing,” we might announce. The inspiration, the famous phrase, “The King is dead! Long live the King,” was adopted in Europe in the 13<sup>th</sup> century to proclaim not just the death of a ruler but also the immediate transfer of power to his or her heir. Thus, we end by recognizing that a long life for marketing is in the hands of enterprises and sellers as well as citizen-consumers. In the end the citizens will decide. Marketing scholars must be committed to the task of providing a better *raison d’être* for marketing, a theory and philosophy of marketing that will guide the transfer of power from the old to the new vision of marketing for citizen-consumers, firms, value constellations, and society at large.

Our elevated marketing concept is *not* another general appeal for more ethical business practice and greater social responsibility imported into an outdated marketing concept and micro analytical philosophy of business. On the contrary we offer a different perspective and philosophy as captured in the elevated marketing concept. If successfully adopted the elevated marketing concept will guide business practice that addresses and hopefully rectifies broader system issues that traditional marketing thought and practice is becoming obsolete for addressing in the face of a rapidly changing economic, political, and social environment.

Marketing needs to be reoriented toward a concept of consumer welfare, growing beyond but not ignoring customer satisfaction, that incorporates a more general concept of the quality of life and the standard of living. It also needs to break away from the definition of marketing as essentially selling, a process in which the marketer exercises control over the marketing technology that influences consumer choice. Marketing should not be thought of as something that the firm does to the customer but something they do with consumers. Marketing should help navigate and manage the complex processes by which consumers and other stakeholders influence and guide the firm toward the provision of higher levels of customer-defined value that provide superior returns to the firm while benefitting society. Some of those returns get

distributed to the shareholders, but they also get reinvested in the creative processes of the business and used to compensate, benefit, or reward all of the other stakeholders who comprise the value co-creation system of the firm.

It is part of the firm’s responsibility to help create an educated, informed, and knowledgeable consumer, just as the firm has a responsibility for attracting and developing employee partners with the necessary knowledge and skills to plan and operate the value creation activities of the firm. The elevated marketing concept requires more attention to educating, not just informing, consumers to help them make better decisions consistent with their multi-dimensional buying and consumption goals. Many firms in their own purchasing activities expect their suppliers to provide them with knowledge and ideas that will improve their procurement practices as well as keep them up to date on market conditions and the latest developments in relevant technology. The firm should approach its own customers with the same sense of mutual dependence and responsibility in the process of co-creating value. There is no inherent conflict between consumer and firm responsibility for the integrity and efficiency of the buyer-seller relationship.

Optimization models that assess the benefits of marketing actions in terms of changes in revenues and profits may be of little help in weighing costs and benefits of various actions associated with such longer-term goals. Prices that fairly reward the firm are a critical component of its responsibility to its employees, its customers, and the public at large. Marketing must provide the leadership and take responsibility for communicating value propositions to customers that support the firm’s pricing structure and its commitment to continuous innovation.

It is time to reexamine and redefine the responsibilities of the Chief Marketing Officer and the consumer relationship duties of the firm and its top management. As suggested by Philip Kotler and his colleagues:

Going forward we should ask: What can CMOs do to become as indispensable as they should be? Should they play a larger role than simply trying to increase the influence of traditional marketing? Perhaps progress lies in integrating the goals of marketing into a larger, more encompassing vision of markets and consumers (Kotler et al. 2012, p. 14).

Marketing in the large sense—responsibility for helping society achieve the best possible standard of living and quality of life—should be elevated to the highest levels of the organization. Marketing scholars and thought leaders can help redirect academic attention to the major issues we have outlined and assist the business community in responding to the challenges of the changing market environment. Nonetheless, progress in the direction we propose cannot occur without a

solidified theoretical and conceptual base that incorporates the broader issues and challenges we have presented.

## References

- Alderson, W., & Martin, M. W. (1965). Toward a formal theory of transactions and transvections. *Journal of Marketing Research*, 2, 117–127.
- American Marketing Association. (1948). “Report of the definitions committee”, R. S. Alexander, Chairman. *Journal of Marketing*, 13, 202–210.
- American Marketing Association. (2012). <http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx>. Accessed 24 Aug 2012.
- Ballantyne, D., & Varey, R. J. (2006). Introducing a dialogical orientation to the service-dominant logic of marketing. In R. F. Lusch & S. L. Vargo (Eds.), *The service-dominant logic of marketing: Dialog, debate and directions* (pp. 224–235). Armonk: M.E. Sharpe.
- Bartels, R. (1976). *The history of marketing thought* (2nd ed.). Columbus: Grid Publishing, Inc.
- Berry, L. L., Conant, J. S., & Parasuraman, A. (1991). A framework for conducting a services marketing audit. *Journal of the Academy of Marketing Science*, 19(3), 255–268.
- Christopher, M., Payne, A., & Ballantyne, D. (2002). *Relationship marketing: Creating stakeholder value*. Oxford: Butterworth Heinemann.
- Coase, R. H. (1960). The problem of social cost. *Journal of Law and Economics*, 3, 1–44.
- Constantin, J., & Lusch, R. F. (1994). *Understanding resource management*. Oxford: the Planning Forum.
- Dawson, L. M. (1971). Marketing science in the age of Aquarius. *Journal of Marketing*, 35, 66–72.
- Day, G. S., & Montgomery, D. B. (1999). Charting new directions for marketing. *Journal of Marketing*, 63(Special Issue), 3–13.
- Devinney, T. M., Auger, P., & Eckhardt, G. J. (2010). *The myth of the ethical consumer*. Cambridge: Cambridge University Press.
- Drucker, P. F. (1954). *The practice of management*. New York: Harper & Brothers.
- Ferrell, O. C., Gonzalez-Padron, T. L., Tomas, G., Hult, M., & Maignan, I. (2010). From market orientation to stakeholder orientation. *Journal of Public Policy & Marketing*, 29, 93–96.
- Gummesson, E. (2006). Many-to-many marketing as grand theory: A Nordic school contribution. In R. F. Lusch & S. L. Vargo (Eds.), *The service-dominant logic of marketing: Dialog, debate and directions* (pp. 339–353). Armonk: M.E. Sharpe.
- Haeckel, S. H. (1999). *Adaptive enterprise: Creating and leading sense-and-respond organizations*. Boston: Harvard Business School Press.
- Hardin, G. (1968). The tragedy of the commons. *Science, New Series*, 162(No. 3859), 1243–1248.
- Harvey, M. G., & Lusch, R. F. (1999). Balancing the intellectual capital books: Intangible liabilities. *European Management Journal*, 17, 85–92.
- Helliwell, J., Layard, R., & Sachs, J. (2012). *World happiness report*. New York: Earth Institute, Columbia University.
- Hunt, S. D. (2000). *A general theory of competition: Resources, competences, productivity, economic growth*. Thousand Oaks: Sage Publications.
- Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *Journal of Marketing*, 59, 1–15.
- Kotler, P. (1972). A generic concept of marketing. *Journal of Marketing*, 36, 46–54.
- Kotler, P., & Levy, S. (1969). Broadening the concept of marketing. *Journal of Marketing*, 33, 10–15.
- Kotler, P., Gregor, W. T., & Rogers, W. H., III. (1977). The marketing audit comes of age. *Sloan Management Review*, 18, 25–43.
- Kotler, P., Calder, B. J., Malthouse, E. C., & Korsten, P. J. (2012). The gap between the vision for marketing and the reality. *MIT Sloan Management Review*, 53, 13–14.
- Layton, R. A. (2007). Marketing systems: a core macromarketing concept. *Journal of Macromarketing*, 27, 227–242.
- Lusch, R. F. (2006). The small and long view. *Journal of Macromarketing*, 26, 240–244.
- Lusch, R.F., Brown, S., & Brunswick, G. (1992). A General Framework for Explaining Internal vs. External Exchange. *Journal of the Academy of Marketing Science*, 20, 119–134.
- Lusch, R. F., & Webster, F. E., Jr. (2010). *Marketing's responsibility for the value of the enterprise, report summary*. Cambridge: Marketing Science Institute.
- Lusch, R. F., & Webster, F. E., Jr. (2011). A Stakeholder-unifying, co-creation philosophy for marketing. *Journal of Macromarketing*, 31, 129–134.
- MacInnis, D. J. (2005). Them versus us: woes on the bifurcation of academic marketing discipline. *Journal of Marketing*, 69, 25–29.
- MSI. (2012). *2012–2014 research priorities*. Cambridge: Marketing Science Institute.
- Mundt, J. N. (1993). Externalities: uncalculated outcomes of exchange. *Journal of Macromarketing*, 13, 46–53.
- Nason, R. W. (1989). The social consequences of marketing: macromarketing and public policy. *Journal of Public Policy and Marketing*, 8(1), 242–251.
- Norman, R., & Ramirez, R. (1993). From value chain to value constellation: designing interactive strategy. *Harvard Business Review*, 71, 65–77.
- Reibstein, D. J., Day, G., & Wind, G. (2009). Guest editorial: is marketing academia losing its way. *Journal of Marketing*, 73, 1–3.
- Roosevelt, F.D. (1936). Speech at the Inter-American Conference for the Maintenance of Peace, Buenos Aires, Argentina, December 1. Retrieved from [http://en.wikipedia.org/w/index.php?title=The\\_More\\_Abundant\\_Life&oldid=491620853](http://en.wikipedia.org/w/index.php?title=The_More_Abundant_Life&oldid=491620853).
- Schumpeter. (2012). Call in the B team. *Economist*, 405, 79.
- Sheth, J., & Sisodia, R. S. (Eds.). (2006). *Does marketing need reform?: Fresh perspectives on the future*. Armonk: M.E. Sharpe.
- Shultz, I. I., & Holbrook, M. B. (1999). Marketing and the tragedy of the commons: a synthesis, commentary, and analysis for action. *Journal of Public Policy & Marketing*, 18, 218–229.
- Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68, 1–17.
- Vargo, S. L., & Lusch, R. F. (2011). It's all B2B...and beyond: toward a systems perspective of the market. *Industrial Marketing Management*, 40, 181–187.
- Webster, F. E., Jr. (1975). Determining the characteristics of the socially conscious consumer. *Journal of Consumer Research*, 2, 188–196.
- Webster, F. E., Jr. (1992). The changing role of marketing in the corporation. *Journal of Marketing*, 56, 1–17.
- Webster, F. E., Jr., Malter, A. J., & Shankar, G. (2005). The decline and dispersion of marketing competence. *MIT Sloan Management Review*, 46, 35–43.
- Wiener, J. L., & Doescher, T. A. (1991). A framework for promoting cooperation. *Journal of Marketing*, 55, 38–47.
- Wilkie, W. L., & Moore, E. S. (1999). Marketing's contributions to society. *Journal of Marketing*, 63(Special Issue), 198–218.