



## Postmodernism Perspectives for Macromarketing: An Inquiry into the Global Information and Sign Economy

---

**Alladi Venkatesh**  
**Professor, Graduate School of Management and**  
**Director, Project NOAH**  
**Center for Research on Information Technology and Organizations (CRITO)**  
**3200 Berkeley Place**  
**University of California**  
**Irvine CA 92697**  
**Tel – 1-949-824-1134**  
**[avenkate@uci.edu](mailto:avenkate@uci.edu)**  
**[www.crito.uci.edu/noah](http://www.crito.uci.edu/noah)**

### **Abstract:**

The author proposes a postmodern framework for understanding the contemporary global economic and social/ cultural order. Because the origins of postmodernism are so diverse and disparate, the challenge for macromarketers is to capture the key concepts that are relevant to macromarketing theory and practice. Toward this goal, the author specifies five postmodern conditions that constitute the postmodern framework: the sign system, hyperreality, particularism, fragmentation, and the symbolic nature of consumption. The article proceeds to identify and analyze three contemporary macromarketing topics using the postmodern framework: the global sign economy, flexible regimes of production and consumption, and the information economy and informational capitalism. The article concludes with implications for future research and practice.

Article originally appeared in the **Journal of Macromarketing**  
Volume 19, Number 12, December 1999.

How do we understand contemporary world conditions in the social, cultural, economic, and political arenas? What are we to make of the information revolution and the emergence of global media technologies? What does the noted scholar Appadurai (1990) mean when he says that the world in which we live is being simultaneously homogenized and hetero- How are we to interpret the growing ethnic consciousness and multiculturalism? There is no single framework within which all these various developments can be fitted. However, a term that has been used quite frequently to capture the current conditions of the world order is *postmodernity*. Obviously, when we use the term postmodern- by implication we also are suggesting that there is something known as *modernity* and that postmodernity is that which comes after modernity. This epochal distinction, no doubt, is one of the main features of postmodernity. However, whereas postmodernity describes the social and economic developments that come after modernity, it also represents the developments that have grown out of modernity.

The terms modernity, modernism, and modernization all are related. Modernity refers to the time period in Western history since the dawn of the Age of Enlightenment and particularly the period that began with the industrial revolution. *Modernism* refers to the social, economic, and political conditions that have dominated during this period. *Modernization* refers to the transformation processes that underlie the social and economic order. Most scholars in the social sciences are familiar with the term modernization. Basically, modernization denotes the changing modes of production and distribution as well as new consumption practices consequent to the industrial revolution. Modernization also means that religion has played a lesser role in people's affairs compared to the premodern era. Throughout this period of transformation, modernization has affected people's tastes, dress, work habits, and lifestyles--every conceivable aspect of human life. Under its global sweep, not only did modernization change the social landscape of the West, but it also was instrumental in transforming the other parts of the world. For example, people living in a non-Western country might consider themselves modern because of their Western-style clothes, speak a European language, and mimic their Western counterparts in their everyday life patterns. Thus, modernity has heralded the dawn of a new age that is known for its scientific and technological developments, the gradual downfall of monarchy and emergence of liberal democracy, the concept of the nation-state, and the emergence of corporate-type economic institutions all over the world. This also was a period of intense colonization of Asia, Africa, and the Americas.

If modernity refers to the period during which much of the social transformation that we witness today has taken place, then postmodernity refers to the period that has just begun. In a similar vein, postmodernism refers to the conditions that one might discern under postmodernity.<sup>1</sup>

The origins of postmodernism cannot be traced to a single source or a single set of circumstances. It is varied and disparate and might even appear to be disconnected. Postmodernist tendencies emerged in different fields at different points in time independently of each other. In architecture, where such tendencies first were noticed, postmodernism grew as a reaction against the modernist definitions of form and style whose primary emphases were on universalism, functionalism, and rationalism. Postmodern architecture considered the modernist approach to be too rigid and argued for greater fluidity of design, mixing of styles, and local variability. In literature, postmodernism was a reaction against the

entrenched notions of "Western" canon. It has given rise to poststructuralist movement away from the signified to the signifier and toward displacement, difference, and dispersal instead of rigid origins. In politics, postmodernism moved away from neoclassical liberalism and triggered intense debates based on gender and ethnic issues. At the global level, it has induced the postcolonial discourse. In social theory, postmodernism or its earlier version, postindustrialism, argued for the emergence of the information economy and the knowledge-based industries, which one day would supplant the machine-based economy. In philosophy, postmodernism was a rejection of Cartesian duality of mind and matter and cognitive rationalism. Instead, it embraced the ideas of Nietzsche, Freud, and Heidegger, which inspired the writings of Foucault, Derrida, Kristeva, and Fraser. Over time, these disparate postmodernist tendencies appear to have converged with an interdisciplinary fusion of knowledge. Once these tendencies united to form a loose collective, postmodernism began to assume the character of a major movement.

While rejecting the notions of modernism as the only guiding principles for defining the social order, postmodernism has attempted to do the following: restore aesthetic approaches in human discourse giving prominence to the linguistic and symbolic aspects of human life, elevate visuality and spectacle to levels of critical discourse, recognize subjective experiences as a meaningful part of human practices, and redefine the human subject as both a cognitive and an aesthetic subject. Postmodernism is not without its critics, and some of the criticism is valid. The fact that criticism exists could very well mean that postmodern ideas are alive and well.

## **POSTMODERNISM AND MARKETING**

Postmodern debates in marketing and consumer behavior began to surface during the late 1980s and early 1990s. Some notable writings in this area include those of Brown (1993, 1995), Firat and Venkatesh (1993, 1995), Hirschman and Holbrook (1992), Oglivy (1990), Sherry (1991), and Venkatesh (1989). In macromarketing, Holbrook's (1995) essay on postmodernism certainly is a noteworthy contribution. Also recommended are the special edited volumes of the *International Journal of Research in Marketing* (1993, 1994) and the *European Journal of Marketing* (1997). In addition, the edited book by Belk, Dholakia, and Venkatesh (1996), *Consumption and Marketing*, covers various aspects of postmodern developments and global economy that should be of great interest to macromarketers. Many of the controversies and debates have been articulated in these cited works, and there is no need to repeat all of them here. In the present article, I introduce some key concepts pertaining to postmodernism with illustrative examples and draw macromarketing implications of postmodern developments. I begin the discussion by asking the question, what is postmodernism?<sup>2</sup>

### **What Is Postmodernism?**

Five important conditions of postmodernism may be mentioned as accounting for new ways of thinking about marketing and consumption: the sign system, hyperreality, particularism, fragmentation, and symbolic behaviors.

In regard to the first condition, *the sign system*, as humans, we are involved in constant communication with each other. In our everyday communication, we use signs and symbols

that provide meanings for our communication. Not only do we use signs as part of our spoken and written language, but everything about us is signficatory, whether it is a road sign, a brand, or a national flag. Some signs have deeper and second- and third-order meanings compared to some other signs. Signs can be visual or embedded in language. It was Baudrillard (1981) who first developed a whole treatise on the sign system in the context of consumption and emphasized its crucial role in our daily discourse. For marketers, the sign takes a very important role, especially in advertising, which is the ultimate sign system. Following is a lucid explanation by Poster (1990) as to what a sign is:

Normally, a sign is composed of a word and a mental image and is associated with a referent, a "thing" in the "real" world. When signs are exchanged between individuals, they become symbolic; their meaning floats ambiguously between the individuals, associated as it necessarily is with their relationship to each other. The word does not simply have a "meaning"; it is also shared between speakers, exchanged like gifts that enrich or diminish the social tie. Such at any rate is Baudrillard's utopia, his ideal speech situation. (P 57)

*Hyperreality* is the condition suggesting that, as humans, we construct our own realities and that these realities are a product of our imaginations, ingenuities, fantasies, and pragmatic needs. The continental thinker closely associated with the term hyperreality is Baudrillard (1981). He posits that the world now is constructed through simulacra and simulations, a hyperreality or a world of self-referential signs. He discusses four evolutionary phases of reality and experience: the first is engaging in direct experience with reality, the second is working with experiences and representations of reality, the third is consuming images of reality, and the fourth (hyperreality or the age of simulacra) is taking images themselves as reality. It is the latter that is of relevance to this discussion of consumption in postmodernity. According to Baudrillard, consumption consists of the exchange of signs. Signs and images supersede materiality and use value. This is not to argue that the products that we consume have no functional utility; rather, functionality itself is treated as a sign. Thus, Baudrillard and other postmodernists would argue that we live in a simulated environment where realities constantly are constructed and consumed. The contemporary consumer culture is replete with hyperreal objects, symbols, and spaces. For example, we can see exaggerated forms of hyperreality in theme parks, in shopping centers, and in various commercial locations frequented by consumers all over the world. These further illustrate that we live in a visual culture where consumer images are packaged into signs or, more accurately, into an endless chain of signifiers. With the emergence of new technologies of information and communication, the visual is supplanting the textual as the cultural order.

Particularism is the next condition. Because human imagination has no natural limits, our social and cultural constructions similarly have no real limits. However, the products of our social and cultural constructions are not uniform across time and space. This leads to the next condition of postmodernism, which is particularism. Different cultures behave differently in regard to the same set of needs because their worldviews are different. Thus, the notion of universalism serves, at best, a limited role in human affairs. It does not mean that different cultures should not have a shared agreement in conducting mutual transactions or be guided by certain common principles of action. This commonness in understanding tends to be a pragmatic principle rather than an inflexible dogma. Particularism does not mean mutual exclusivity; after all, human history is replete with examples of cultures interacting and colliding with each other, learning from each other, and undergoing changes from such interactions. Neither does particularism mean relativism, a term that has negative

connotations because it implies "everything goes." In matters of consumption, particularism has led to synergistic interactions. This is particularly true in matters of food, clothing, housing, and various other daily consumable products and consumption situations where people have interacted with each other without concerning themselves about underlying universal principles of behavior.

Related to particularism is the next condition, *fragmentation*, but fragmentation in a special sense that concerns individual identity construction. When we say that consumers are fragmented, we mean not only that they are fragmented into groups (i.e., segmented) but also that the individual "self" also is fragmented. Therefore, the self is conceived of more as a product of imitative assemblage than as a unified construction. In redefining the self, the consumer becomes continuously emergent, reformed, and redirected through relationships to products and people.

Of all the conditions of postmodern consumption, fragmentation seems to define the contemporary consumer the best. The traditional view of the consumer or consumption follows a modernist perspective of a unified self and unified meaning. The assumption is that consumers are driven by well-defined needs with a sense of well-integrated purpose. Derivatively, most consumption practices are oriented toward satisfying consumer needs, which are logically organized and transparent to the observer. Although this is an appealing scenario, postmodernists argue that this is simply not the case. Consumer behaviors vary across time and space as well as by contingencies and changing images. In a world filled with choices, there are no sustaining themes or consumption patterns. The idea of consumption is to live in perpetual present and to mix form and content as one's whim permits. In a number of domains where consumer culture is most visible or visualized (e.g., clothing/fashion, diet, recreation and travel, art and culture), the consumer sets no discernible patterns and engages in multiple experiences. These experiences become narratives of one sort or another, and because narratives can change and no narrative has a privileged status, all narratives are permissible.

Once we employ the term *narrative*, we enter the world of language, in particular the language of signs, and move away from objective representational schemes. Language is devoid of boundaries and is composed of different voices and points of view. It is this type of postmodern possibilities that the world of marketing offers to consumers. The very essence of marketing (if one can use the term at all) is to package change, variation, and multiplicity of experiences into a spectacle of paradoxes and juxtapositions. When families in rural India watch American soap operas on television beamed to them via satellite, they are not trying to incorporate this visual experience into a sublime whole; rather, they are letting their identities dissolve into their disjunctive (fragmented) ironies. If this postmodern experience can affect a farmer's family in remote rural India, then one can imagine how intensified such an experience can be in contemporary urban culture. Not to acknowledge such fragmentary experiences is to ignore the fluidity of life in the current market economy. This is not to say that the whole world is a theater of the postmodern, but it is important to recognize that the main themes of contemporary consumer culture are postmodern.

The symbolic nature of consumption processes is another condition of postmodernism and is closely tied to the first condition, the sign system. Symbols create meanings, and consumers negotiate consumption processes via meanings. These meanings are given to them by the

media, by the cultural groups to which they belong, or by the families in which they are raised. Meanings always are in transit, and as meanings change, so do consumption practices. This does not mean that meanings change at the same rate in all cultures or across all individuals; rather, it means that meanings are constructions determined and negotiated by individuals via their cultural affiliations. To the extent that consumption is a signifiatory process, what is signified changes when new meanings are ascribed to products and services.

Whereas a number of topics have been raised and discussed under the label of postmodernism, probably the three most interesting ones for macromarketing scholars are the global economy based on signs and images, the flexible nature of production and consumption, and the emergence of informational capitalism or information economy. All three of these are related, but each one represents a set of developments that is unique in itself. They can be represented under the rubric of postmodernism (see Figure 1).

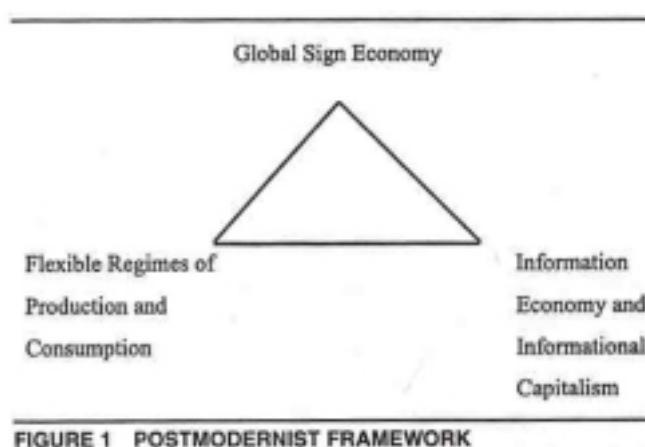


FIGURE 1 POSTMODERNIST FRAMEWORK

## THE GLOBAL SIGN ECONOMY

When we think of any modern economy, what comes uppermost to our minds is an economy based on products and services that are measured in quantifiable ways and account for the wealth of the country represented by measures such as the gross national product and income and poverty levels of the citizens. These still are very valid measures and are indeed the way in which nearly all economies measure their relative wealth. Given such measures, it is well known that countries such as the United States, Sweden, the United Kingdom, Germany, and Japan, as well as many Western European coun- are considered to be on top of the global economic ladder, whereas many countries in Africa and some countries in Asia and Latin America are considered to be economically underdeveloped. Of course, the very idea of dividing the world into "developed" and "underdeveloped" is an artifact of the Truman Doctrine that was based more on economic and political expediency than on true global sensibility. The term *underdeveloped* is unfortunate because nations with rich histories and culture still are called under-developed based only on the economic yardstick. Today, the term underdeveloped is being replaced by *developing* economies, and some scholars prefer the term *transitioning* economies (Carman and Dominguez 1998).

The conventional view of an economy is in terms of production and distribution of goods and services measurable in standard units and priced according to acceptable economic laws of supply and demand and managerial imperatives. Postmodernism recognizes the importance of culture in addition to the economy, and of consumption in addition to production, in analyzing the global economic and cultural landscape (Harvey 1990).

Postmodernism also is labeled as late modernism to suggest that what we see is nothing but the extension of modernist tendencies. That is, when the economy reaches a particular point of production and distribution, and the society reaches a certain level of affluence, consumption becomes the driving force of economic movement. For example, when consumers cannot distinguish products based on performance, then consumption is driven by nonutilitarian attributes. If consumption begins to emphasize such symbolic attributes of products and services, then production and distribution also fall in line.

Thus, the first feature of postmodern economy is that the imageries of consumption drive production, whereas under modernism, production was given a privileged status. In other words, we have the first basic ingredient of the sign economy, which is that consumption is held at a higher level of social signification than production. A second feature of the sign economy is that products reduce to commodities because, on most substantive features, similar products perform alike; they can be differentiated based only on their imageries or sign values. That is, consumption dominates production on two fronts: by elevating itself as the main driver of the economic system and by converting the economic system into a sign system.

How is this different from what we traditionally have understood in marketing—that products already are imbued with symbolic properties and consumers buy products for both symbolic and functional properties? In one sense, this is nothing new. In earlier work, Firat and Venkatesh (1993) did argue that marketing always was postmodern but it never was acknowledged to be so. In point of fact, the important difference between the traditional thinking in marketing and the postmodern approaches is that the symbolic aspects of consumption never were considered to be the main driving force of marketing. No conceptual and theoretical framework was put forward that would consider marketing as a sign system. Signs were considered essential in making consumption decisions (Levy 1981), but it was too radical to say that the whole economy itself can be considered as a sign economy. First, it goes against the grain of modernist thinking that such ephemeral and transitory objects as signs could determine the nature of the economy. The sign was considered, at best, an epiphenomenon always subservient to the more important, tangible, and substantive logic of the economic system. Second, there is an inherent discomfort and moral indignation that a sign could be so powerful as to dictate the functioning of an economic system. For postmodernists steeped in things such as language (as opposed to rationalism), signification (as opposed to representation), interpretation (as opposed to analysis), and argumentation (as opposed to iron logic), it is so obvious that the system of signs provides a better framework for understanding human affairs. All civilizations and cultures are imbued with signs; the rise of capitalism is itself based on the virtues of the work ethic (which is itself a sign), the global success of Christianity is itself based on the power of its religious faith, World War II itself was fought on the basis of imagined cultural origins, and so on.

If postmodernist approaches lead to a sign economy, then what is the intellectual or cultural basis of the sign economy? Harvey (1990) notes two major trends:

The first is the introduction of fashion in mass markets that has accelerated consumption not only in clothing, ornament, and decoration but also across a wide swathe of life-styles and recreational activities. A second shift is moving away from the consumption of goods to consumption of services .... The first major consequence has been to accentuate volatility and ephemerality of fashions, products, production techniques, labor processes, ideas and ideologies, values, and established practices. (P 22)

Therefore, the Sign economy moves from a goods production industry to an image production industry. As should be obvious, images can be produced faster than goods. As Baudrillard (1983) shows, images can be multiplied, copied, and produced with rapid intensity. In this reproduction of images, there is no sense in asking what is the original and what is the copy. Copies can be made to appear more original than the original, or more real than real, and in this cycle of production and reproduction, what is privileged is not the technical knowledge of producing goods but rather the shifting surface knowledge whose main ingredients are speed, motion, and instantaneity. Contrast this with the Taylorism of an earlier period, where production meant the decomposing of processes into known components and creating an assembly line of these processes that are integrated within a scientific and technical paradigm.<sup>3</sup> Whereas scientific Taylorism that has ruled the production economy for nearly three quarters of a century is appropriate for linear, integrated production processes, it is not as effective in modeling processes that are ephemeral, are fluid, and rely on symbolic systems of thought and expression.

Does this mean that we are doing away with factories, manufacturing systems, technical processes, and the like? No, these processes certainly do still exist. But they have become subject to the symbolic economy.

### **Postsuburban Transformation and Changing Consumer Patterns**

If the sign economy moves from a production orientation to a consumption orientation, then the question is, how does this happen both in theory and in practice?

The production sector, for example, generally is considered organized, which means that, by a process of careful planning and technological and capital infusion, far-reaching changes can be brought about in a relatively short period of time. This is particularly true if the existing production processes are not well entrenched and a new infrastructure can be built without having to replace an existing one. The consumption sector, on the other hand, operates on well-established social and cultural norms and stratification systems that evolve over time. By elevating consumption to an equal status with "production" as an intellectual discourse, postmodernist perspectives add a new richness to our understanding of the new social order. Basically, within a postmodern perspective, the following tendencies become visible:

- a valuing of consumption as a social imperative, if not a social accomplishment, by the culture
- the high levels and distribution of purchase power created through an elaborate credit economy, which translate into consumption power

- a nonhomogeneous marketplace, resulting in highly differentiated consumer choice patterns
- a high level of education, accounting for market sophistication, market experimentation, and market innovation

However, from Veblen ([1912] 1953), to Baudrillard (1981), to Ewen and Ewen (1992), it has been customary and even necessary to treat the elitism of the consumer culture as an analytical construct and subject it to a critical examination. Such a construct is embodied in the notion of "core," which is as much a state of mind as it is a physical reality. We are not so much concerned here with the actual size of the core as with its dominant position in the cultural ethos of the sign economy. Unlike modernist communities that have a core that represents a relatively stable component (usually called the "establishment"), the core in the sign economy does not have an established base in which to situate its dominant position. Instead, it consists of cultural intermediaries including entrepreneurs of one sort or another, political leaders, media personalities, professionals, and educators-or, to use the terminology of Althusser (1971), the ideological apparatuses. The core might even consist of people who are less privileged by current economic standards but are striving to attain higher material standards. Such possibilities constitute the essence of the postmodern culture. It is by understanding the core that one eventually makes sense of the periphery.

Consumer patterns change for two main reasons: micro and macro. At the micro level, they are attributable to individual consumers' changing tastes. At the macro level, such changes occur because of structural shifts in the environment. It is the second type of change that interests macromarketers because macrolevel shifts influence microlevel behaviors.

Since World War II, many regions in the world have been transformed from rural or agricultural communities of farm towns into postsuburban metropolises. These regions have become more cosmopolitan in their links to the international economy and also in consumer tastes. In many of these communities, regional commerce has shifted from locally owned downtown stores to shopping malls that house national chain stores and international brands. The diversity of the population is itself a major source of complexity in the consumption system. Underlying these changes are two distinct movements: urbanized consumerism and informational capitalism.<sup>4</sup>

### **Urbanized Consumerism**

Of particular interest is Gottdiener and Kephart's (1990) description of the mode of urbanization as an example of deconcentration. To these authors, deconcentration is the formation of "a settlement space that is polynucleated, functionally dispersed, culturally fragmented, yet hierarchically organized" (p. 34). Given the growing urbanization of global economies, one necessarily wonders how such large urban spaces could have been formed in such a short period of time. One explanation is that it has something to do with the application of modern technologies (e.g., information, communication) and the rise of informational capitalism. The other has to do with what Appadurai (1990) calls the simultaneous homogenization and heterogenization of the global economy. What are the consumption implications of deconcentration? At the theoretical level, it reflects very much the current debate on postmodernism. A development of postmodern culture that has engaged the attention of many social theorists is the juxtaposition of opposites and the creation of seemingly incompatible objects and images for consumption. To quote Wilson (1989),

"Postmodernism refuses to privilege any one perspective and recognizes only difference, never inequality, only fragments, never conflict" (p. 42). In such an environment, the consumer has infinite options, but the options remain unconnected. The objects of consumption no longer are embedded in a centrally identifiable part of human life but rather exist in free-floating symbolic environments of contradictions and juxtapositions. Therefore, the individual is a consumer of symbols rather than of objects. The symbols are made available through a complex interaction of high technology production and sociospatial configuration. The forces behind deconcentration in modern urbanized societies are the same forces that create the symbolic environments of consumption.

At the practical level, deconcentration means that multiple-consumption environments can be designed to create multiple-consumption experiences. The consumption experiences are, in turn, located in a wide assortment of activities shopping, dining, entertainment, leisure, recreation, and so on. Deconcentration also refers to a polynucleated space in which people lead fragmented lives while struggling to create new networks and establish new roots. Family structures assume new forms to permit the delicate balancing of work life and home life within a social space that remains in a state of continuous flux.

As an example of the urbanized consumer culture that captures the spirit of postmodernism in its various aspects, an analysis of Orange County (in Southern California) is presented in Table 1. It might not be unique in the global sign economy, but it certainly is representative of it. Space does not permit delving into other global settings, but the point that needs to be made is that as more and more of these hypermodern geographical and cultural enclaves appear on the global scene, macromarketers need to develop the intellectual tools to study them critically and incorporate them into the body of knowledge that is being created on an ongoing basis.

**TABLE 1**  
**ORANGE COUNTY, CALIFORNIA, AS AN EXAMPLE OF POSTMODERN URBAN CULTURE**

Situated south of Los Angeles, the metropolitan community known as Orange County is an agglomeration of thirty-three incorporated townships, and its population is estimated to be about 2.5 million. Historically, Orange County was a combination of farmland, cattle ranches, and oceanside resorts. It has grown to its current prominence as the home of Disneyland, as an affluent multicultural community dominated by hi-tech industries, and as the seventh largest retailing economy in the United States. Orange County is a good example of postsuburban economic and cultural space.

Let us look at two examples that typify deconcentration in a place like Orange County: (1) the emerging shopping environments and the ubiquity of consumerism and (2) the changing consumption patterns caused by the structural shifts in family patterns. The first example dramatizes the semiotics of consumption in a fast-paced economy. The second example provides insights into the realities of daily life in a complex, financially demanding economy.

The shopping environments of Orange County are dotted by neighborhood shopping centers, shopping malls, swap meets, and consumer warehouses, each of which plays a different role in the postsuburban consumer marketplace.

The neighborhood shopping centers are traditional outlets for marketing products and services, and they occupy a "functional" shopping space. They do not carry any special symbolic meaning, and the shopping activity tends to be quite straightforward.

The shopping malls, on the other hand, are not only centers of shopping in the conventional sense but also highly organized social spaces for entertainment, interaction, and other types of consumer excitement. Some of them (e.g.,

South Coast Plaza, Fashion Island) have acquired a postmodern theatrical character by engaging in relentless marketing activism. A perfect example of a store that embodies such theatricality is Nordstrom's (at South Coast Plaza), which is both a shopping complex and a fantasy land. It is not uncommon for a shopper at this store to try on a pair of Italian shoes in the presence of a live pianist giving a rendition of Chopin. Piped-in music has been replaced by something more authentic, and such a juxtaposition of opposites-high art and mundane consumption-has become a matter-of-fact event. Nordstrom's is not the only instance of a public commercial space in which the sacred and the profane meet, but it typifies a trend in this postsuburban culture.

Participation in the shopping mall is not cost free. Although many customers might visit the malls for fun and entertainment, the shops could not survive if everyone came only for that purpose. The stores need customers to spend money, and this is accomplished through an elaborate credit system. A very high percentage of shopping mall revenues are non-cash based, and as some recent statistics show, Orange County residents possess, on average, two department store credit cards.

In contrast to the shopping malls, Orange County also has swap meets and consumer warehouses. These are offered to the public as alternatives to both the manufactured fantasy of the shopping malls and the unstimulating neighborhood shopping centers. Swap meets allow buyers and sellers to interact at a personal level so that shopping is not an alienated activity. Buyers are able to deal with sellers on their own terms, without necessarily feeling powerless in the economic exchange. Consumer warehouses are mega-shopping spaces and highly efficient assembly line operations. Their main attraction is low prices, possibly the lowest prices one can obtain in the local market. Their clientele include middle- to low-income families.

On the face of it, both swap meets and consumer warehouses present a picture of uncomplicated economies that attempt to survive in the face of shopping mall capitalism. This picture is only partially

true because both enterprises are, in reality, highly organized ventures designed to create myths of their own. Swap meets supposedly symbolize counterculture movements. The bazaar look and the disorganized chaos give them the appearance of a return to nature. Behind this seeming spontaneity, however, one finds that they are highly dependent on the local political machinery for their survival. Similarly, consumer warehouses provide their own symbols of sale through giant storage spaces and membership privileges. Giant storage spaces give the impression that the consumer has the world of abundance at his or her fingertips, and the idea of exclusive membership privileges is as much a slogan of Costco as it is of American Express.

Some important themes emerge from the dynamism of the consumer environment in Orange County. The alternatives offered to the consumer are not simple alternatives of shopping choices but rather experiences that elevate the ordinary consumer to a new state of meta-consumer. A meta-consumer is not only a consumer of products and symbols but also an active participant in the shopping spectacle. The participating individual is both the consumer and the consumed. By the same token, the shopping mall is not merely an economic space where exchanges take place but also a symbolic social space in which everyone can "come alive." Stretching this a bit, one might even say that the shopping environment becomes a metaphor for other aspects of life in Orange County. The "shopping mall spectacle" is a pervasive aspect of Orange County life; it can be seen in offices, health spas, restaurants, fast-food places, universities, and religious establishments. A few examples should suffice to illustrate the point.

Orange County has witnessed phenomenal growth in ethnic restaurants during the past ten years. There are basically two types of ethnic restaurants: those that serve the ethnic immigrants and those that have been transformed into "nouvelle" cuisines and cater to upscale consumers. The first variety is the natural offshoot of the coming of new immigrant groups. It is the latter type of restaurants that is transforming Orange County in a major way. The ethnic restaurants that cater to the nonethnics are part of a gourmet movement that was virtually nonexistent ten or fifteen years ago.' This phenomenon is the result of the posts uburbanization and internationalization of Orange County's consumer culture. It is not merely delicious food that people are after (which they certainly are) but also delicious lifestyles (of which food is just a manifestation). Participation in exotic foods represents a simulated adventure in a theatrical society. The ability to experience different types of food under different settings-by the ocean, on a rooftop, or in an elegant shopping mall garden-adds flavor to choice. There also are places in Orange County where one can eat foods from different nationalities under one roof. Gone are the days when Orange County residents would go to Los Angeles for a special meal. It is almost unfashionable, besides being a matter of pride, for a resident of Orange County to boast of a trip to Los Angeles for a dinner engagement. In these days of much heralded choice within the county (not to mention the freeway traffic), it might even sound a bit foolish.

A second example of the shopping spectacle lies in the religious arena. The Crystal Cathedral in Garden Grove is an important case in point. Its proximity to Disneyland (up the freeway in Anaheim) might not be altogether coincidental. As one enters the grounds, he or she can see the bold architecture of a religious palace that boasts a thousand windows and an aviary inside. The combination of religious magnificence and material grandeur resembles Nordstrom's in South Coast Plaza. In their own way, both the Crystal Cathedral and Nordstrom's are examples of the postmodern subversion of reality.

SOURCE: Excerpted from Venkatesh (1990). Reprinted by permission. a. The reader should note that, in any reference to years in the table, this text originally was published in 1990. The numbers of years should be increased accordingly.

## **REGIMES OF FLEXIBLE PRODUCTION AND CONSUMPTION**

There have been several theorizations of the global economic system by noted scholars. For reasons of space, not all of them can be discussed here, nor can a comprehensive discussion of the various issues be provided. However, some key issues raised in the debates are discussed here. These different perspectives overlap to some extent, but there are some essential differences. One of the early contributions to this area was Kondratiev's work during the 1920s on fifty-yearlong waves of "boom" and "bust" in the development of capitalist economies (Amin 1994). This was followed by the work of Schumpeter (1934) during the 1930s on the pathbreaking role of innovative entrepreneurs in giving birth to a new technical paradigm for the future of the Western industrial economies.

Another approach was pioneered in France during the 1970s by some political economists who attempted to explain the dynamics of long-term cycles of economic stability and change (Aglietta 1979; see also Amin 1994). Their work is known as the "regulation theory," and it deserves mention here. According to the regulationists (as they are known), the economic system that has dominated the twentieth century is characterized by standardization, massification, scale economies, oligopolistic competition, and mass consumption of cheap goods, organized by and around vertically integrated and hierarchically governed large corporations. The regulationists also contend that the government has played a key role in this process by developing policies around education, in the training of workforces, in the promotion of scientific and technical research, in the underwriting of the welfare state, and in the establishment of the military-industrial complex. As a third leg to business and industry, the regulation theorists also put forward the notion that social institutions were created mainly to serve the economic and political order, and in return, the citizenry were guaranteed free or subsidized education, medical care, and retirement benefits. The argument of the regulationists is that the economic and political system is governed not by natural laws but rather by deliberately expounded ideologies of statism that followed from the precepts enshrined during the post-American and -French revolutionary periods and during the decline of the British monarchical power. This also marked the beginning of the industrial revolution and the establishment of the liberal democratic form of government and society. It also is the regulationists' view that these systems, which have lasted for nearly a century and a half, have shown cracks and that there are inherent contradictions that have led to a crisis of the modern state.

Using Kondratiev's (1935) analysis of "long waves," some regulationists have argued that we are transitioning from the fourth long wave, which is driven primarily by electromechanical technologies, the products of the mass consumption industries, and oil and petroleum as basic

sources of cheap energy, to the fifth long wave, which is the knowledge and information-based economic system. This line of thinking parallels the work of eminent postindustrialists such as Bell (1976) and Tourraine (1969). In expounding the development of the knowledge-based economy, Bell envisioned the onset of the transition from the industrial economy to an information economy.

Whereas the regulationists and postindustrialists have put forward some compelling analyses, I focus on more insightful and concrete perspectives that come under the rubric of Fordism (and post-Fordism) and Taylorism. Post-Fordism is closer to postmodernism in intent and argumentation.

### **Post-Fordism and Flexible Production, Accumulation, and Specialization**

According to scholars of global production and economic systems, the immediate age preceding ours, whose heyday was during the 1950s, 1960s, and 1970s, is called "Fordism," which is viewed as the age of "intense accumulation." As Harvey (1990) notes, the foundational principles of Fordism were laid down by two of the most important visionaries of the early twentieth century: Henry Ford and Frederick Taylor. Following is the excerpt from Harvey's book that dramatizes this point:

The symbolic initiation date of Fordism must surely, be 1914, when Henry Ford introduced his five-dollar, eight-hour day as recompense for workers manning the automated car assembly line he had established the year before at Dearborn, Michigan. Frederick Taylor's *The Principles of Scientific Management-an influential* tract which described how labour productivity could radically be increased by breaking down each labour process into component motions and organizing fragmented work tasks according to rigorous standards of time and motion study-had been just published in 1911 . . . . What was special about Ford (and ultimately separates Fordism from Taylorism), was his vision, his explicit recognition that mass production meant mass consumption, a new system of production of labor power, a new politics of labour control and management, a new aesthetics and psychology, in short, a new kind of modernist, and populist democratic society. (P. 125)

The specifics of how Fordism works is detailed in recent work by Jessop (1991), who identifies Fordism on four levels:

*Mass production as the basic industrial paradigm:* As a distinctive type of labor processes or industrial paradigm, it involves mass production based on moving assembly-line techniques operated with the semi-skilled labor of the mass worker.

*The regime of accumulation:* Fordism involves a virtuous cycle of growth based on mass production, rising productivity based on economies of scale, rising incomes linked to productivity, increased mass demand due to rising wages, increased profits based on full utilisation of capacity, and increased investment in improved mass production equipment and techniques.

*The mode of regulation:* As a mode of social and economic regulation, Fordism involves the separation of ownership and control in large corporations with a distinctive multi-divisional, decentralized organization subject to central controls; monopoly pricing, collective bargaining; monetary emission and credit policies orientated to securing effective aggregate demand.

*The principle of societalization:* Fordism can be seen as a general pattern of social organization. In

this context, it involves the consumption of standardized, mass commodities in nuclear family households and provision of standardized, collective goods and services.

The question is, how have all these changed during the late twentieth century? We now are in a period of flexible production and specialization. The theory of flexible specialization originally was proposed by Piore and Sabel (1984). According to Piore and Sabel, the advanced industrial economies are witnessing rapid changes on four related fronts: the nature of the markets, the nature of the industrial organization (which is the very core of the production and distribution system), the nature of work itself, and the relationship and social contract between the business and government. With the saturation of markets for mass-produced goods, the production systems are unable to function efficiently where the time horizons for production processes are long and uninterrupted. In other words, the contradictions of modern production are embedded in the difficult-to-reconcile business objectives, lower costs of production based on standardization, and differentiated aggregate demand for products.

How does one produce standardized products for unstable markets? Because of market saturation, the demand for standardized products declines, but the competitive demands require that the highest quality products are produced in ever-increasing differentiated markets. One way in which to differentiate the products is not by changing the mass production processes dramatically but rather by adding flexibility to the processes and making modest changes via short production cycles in which the core product remains the same but is differentiated on the basis of some intangible benefits and incorporating the sign system. This means that the production systems should be flexible to meet the demands of the marketplace. Second, firms need to understand the sign economy that provides the basis for demand creation.

How does the new production system adapt to the sign economy? One way in which to do this is via flexible specialization. The sign economy is primarily governed by timespace compression, which means that consumer tastes change quite rapidly. For firms to respond to these demands, they need to introduce ultimate flexibility in their marketing and distribution efforts. One of the challenges of the regime of flexible specialization is designing flexible work and flexible organizations. As stated earlier, work in the production sector has been described in terms of factory work where the principles of Fordism (assembly line) and Taylorism (scientific decomposition of tasks and division of labor) have dominated for decades. This type of reductionism still is prevalent globally, but there are other developments that must be taken into account.

First, the very concept of work needs to be redefined. In a number of cases, work is more decentralized and is outsourced. That is, in a number of organizations, there is a decentralization of power and authority at the middle levels. Work is not necessarily decomposed into specific components as Taylor suggested; rather, it might be distributed according to economies of scope rather than economies of scale. Complex technologies are introduced whereby work is reconfigured as technological craft. Thus, what we are witnessing is more and more knowledge-based work, which means that work is viewed as a set of knowledge units resembling a craft rather than as a set of mechanical skills.

A second aspect of changing work is that it is highly geographically dispersed. Geographical dispersion is possible because many companies view the entire globe not only as a marketplace but also as a production space. Cost considerations have required that work be moved to locales where the labor is cheap. In addition, skills can be universalized much more so than ever before because workers can be trained anywhere in the world. What is interesting is that whereas markets are differentiated, production spaces are homogenized globally.

A third dimension of work is that even managerial work now is distributed globally. Management has become essentially knowledge work, which means that what people need is not so much people skills because there is less need for hierarchical managing of workers. Because work is decentralized, it is evaluated on the basis of outcomes rather than worker-related processes. The work processes are automated and embedded in technology, and there is very little in terms of worker supervision required. A fourth aspect of the transformation of work is that not only is work transportable but in many work settings, lifetime careers are becoming a thing of the past. Workers are employed with the full expectation that they will not continue for long periods within one company. The workers themselves know that they cannot make a career by working for a single company. They expect to change jobs more frequently than did their predecessors.

In sum, what we are seeing are radical shifts in regimes of work, in organizational forms, and in competitive responses to the emerging global marketplace. Inevitably, this leads to an examination of the transnational corporation (TNC) in the global marketplace. The TNC has proved to be a decisive instrument in the balancing of labor, capital, and management in the industrialized countries of the West (Barnet 1994). The TNC's ability to shift functional activities across national boundaries yet retain control of those activities within a centralized administrative structure allows the organization to drive wages down in its home country by internationalizing labor markets and forcing domestic workers to compete directly with workers in less-developed countries (LDCs). Initially, unskilled and labor-intensive activities are outsourced to LDCs, retaining high-wage, high-value-added employment in the core countries. Over time, however, as TNCs continue to invest in deskilling technologies, increasing numbers of formerly skilled jobs in technology-intensive industries are transferred to the Third World. Today, some factories in developing countries are considerably more sophisticated than those in so-called industrialized nations. So long as TNCs can locate facilities in LDCs characterized by low wages, favorable tax structures, and a lack of government regulation in the areas of workplace safety and environmental protection, the outsourcing of production and employment will continue until global parities are established. This is the fundamental dynamic driving the deindustrialization process and the new international division of labor.

The TNCs also are creating a new paradigm for a global marketing economy. The example of Nike is used to illustrate this point of view.

### **The Story of Nike Town: A Postmodern Global Organization**

Nike Town is a store located in the Triangle Mall in Costa Mesa, a township in Orange County. It appears to be more like a museum than a store, but it is not a museum. It appears to be a local store because it is not in a major shopping center, but it is truly global in its

design and impact. There are other Nike Town stores in some major cities. How does one account for this (re)presentation that juxtaposes a museumlike cultural institution and a global icon in a nondescript local strip mall?

A theory of the market is used to frame the Nike environment.<sup>5</sup> In the current parlance, the market is a clearing site for economic transactions between sellers and buyers. The sellers offer goods for a price, and the buyers buy products at the mutually agreed upon price. This is the bare essential of the market defined by the outcome of an economic transaction between two parties. It does not, however, define the character of the market or the institutional nature or complexity of the market. The markets with which we are concerned here refer to their culturally constituted character, aspects of which change over time based on their particular histories. Since the middle of the nineteenth century and after the emergence of the department store, the entire retailing industry has evolved into one of the most spectacular developments of modernity. This evolution has resulted in a variety of shopping environments that include many forms—pedestrian malls, downtown shopping areas, shopping malls, strip malls, bazaars, boutiques, airport shops, outlet malls, anti-malls, cybermalls, and so on.

Globally, not only do we encounter these retail environments as they have evolved during the period of industrial capitalism but we still see many bazaarlike holdovers from the Renaissance and pre-Renaissance periods that continue to flourish, especially in some older cities such as Istanbul, Barcelona, and Venice (and in some modern versions such as flea markets). Agnew (1986) provides a rich historical analysis of the Renaissance bazaarlike centers that combine theater and commerce as spectacles of celebratory culture.

The term *market* has not been employed within the marketing discipline during recent years. The very word *marketing* as the label for our discipline is used as a verb to signify how firms make decisions about products and services. Kotler (1996) defines marketing as analysis, planning, and control. The present author believes that the essence of marketing is not its actions but rather the institutionalization of the actions within a cultural and ideological milieu. This is indeed what a market is all about. Granted, the economics of the market clearly dictate many of the marketing actions—selling, buying, advertising, pricing, distributing, and so on. In this framework, however, marketing becomes a disembodied economic process, as if the issue were simply all about the meeting point of supply and demand curves. The institutionalization of all economic and marketing actions, especially within a historical, ideological, and culturally constituted entity called the market, is reflected in the physical and symbolic aspects of transactions as well as the rituals associated with the transactions.

It is in this larger context of market that one must place Nike. We need first to elaborate the theory of the market and position Nike as an interesting instance of it. One might ask, why Nike? Why not some other brand? Perhaps some other brand could have been selected for this example. Nike belongs to a select group of global brands across different categories such as Microsoft, Sony, McDonald's, Apple Computer, Benetton and Citibank that have captured the imagination of the public and various critical observers of the global consumer scene. Any one of them would have served our purpose, but Nike reaches every corner of the globe more so than any other brand. Nike is a particular instantiation of the global consumer culture that has acquired public notoriety. Within the past decade or so, it has risen as one of the

spectacular examples of postmodern consumerism. Nike fills the global geography with its special type of spectacularization. Like the other global brands that occupy the global consumerist scene, Nike approaches marketing with a special postmodern fervor and attempts to embed itself as the market example of the contemporary consumer culture. Nike celebrates modern consumerism and defines it in a way that the basis of its marketing is not merely its economics but also a particular expression of the market.

I also believe that there is no one theory of the market that is applicable to Nike, as is usually the case in describing a theory of supply and demand, because institutions are constituted by their own histories of how they are represented in the economy of the sign. Different histories of brands point to different theories. Thus, for example, the theory that explains Benetton as a particular expression of global market might be different from a theory that explains Nike's position. This does not mean that theories do not overlap given that common histories might generate overlapping theories.

The theory of the market is approached from four points of view: the ideology of the market, the aestheticization of the market, the consumerization of the market, and the economics of the market. See Table 2 for how this typology is played out.

On the positive side, Nike represents a postmodern cultural institution that has triggered the dramatic acceleration of the reshaping of structures of experiences precipitated by the extremely rapid advances in information technologies. On the critical side, it refers to the questioning of the sensibilities and terms of the economic and social order created by modernity.

**TABLE 2: NIKE IN A POSTMODERN GLOBAL CONTEXT**

<i>Ideology of the Nike Market</i>	<i>Aestheticization of the Nike Market</i>	<i>Consumerization of the Nike market</i>	<i>Economics of the Nike Market</i>
Consumptions as conspicuous	Consumption as spectacular	Consumption as celebratory	Consumption as want satisfaction
Market as corporatism Marketing as global consciousness	Market as museum Marketing as specularization	Market as transitory Marketing as formation of styles	Market as clearinghouse Marketing as functional organization
Sport as human virtue	Sport as body culture	Sport as personal fulfillment	Sport as business

## **INFORMATION ECONOMY AND INFORMATIONAL CAPITALISM**

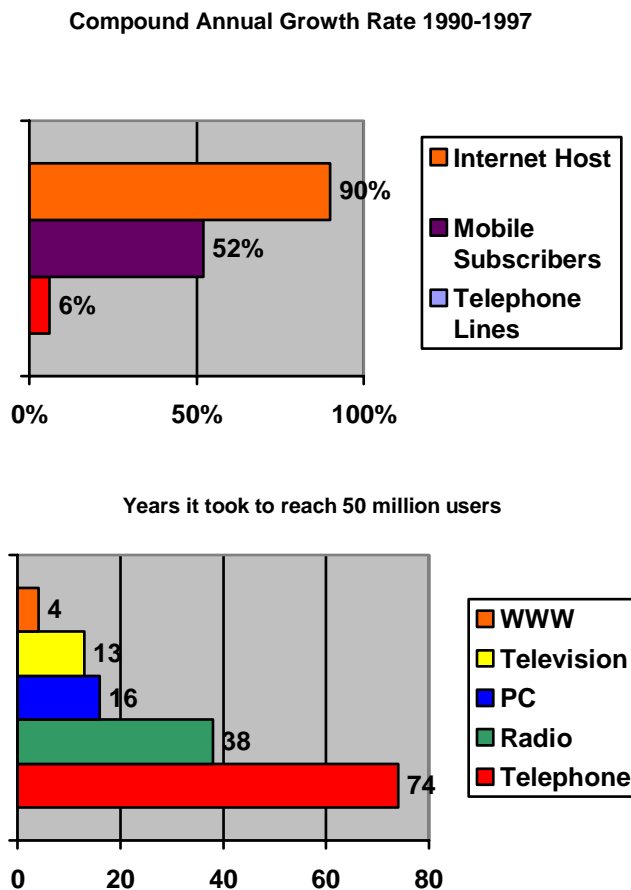
The third leg of the postmodern framework (see Figure 1) is the global information economy. The new technologies of information and communication are transforming the global economic and social systems quite fundamentally (Venkatesh 1998). There are two perspectives that bear on the diffusion of information technology globally. One perspective approaches it in rational economic terms and from a point of view of business productivity and the transaction system. A second perspective focuses on how the new technologies are shaping the symbolic order of the global society. From a postmodern perspective, the latter emphasis might be more relevant, although both perspectives combine to yield interesting results. This section examines the information economy from three perspectives: from a poststructuralist standpoint (Poster 1990), as a networked economy (Castells 1996), and as a

knowledge-based economy (Nonaka and Takeuchi 1995). This section concludes with some thoughts on cyberspace as the next (marketing) frontier.

It is true that not all segments of the world are affected equally by the information revolution, but there is no question that the diffusion of the Internet has made this quite dramatic in a short time. Figure 2 shows a set of statistics that is quite impressive. These statistics are published in the International Telecommunications Union (1999) report. The relative speed with which the Internet has reached 50 million users defies all logic of conventional diffusion theory, especially regarding the rate of diffusion and the level of penetration. One can argue that the diffusion of the Internet itself is a technological phenomenon, whereas other diffusions would have to be accounted for in human terms. In other words, we have a virtual diffusion of virtual technology.

**Figure 2: Internet Growth**

Source: adapted from International Telecommunications Union (1999) figures  
 NOTE: PC=personal computer; WWW= World Wide Web



### Poststructuralism and the Underlying Themes

Poster (1990) takes a poststructuralist/postmodernist<sup>6</sup> approach in assessing the impact of information technology on the global order of communications and networks. Analogous to

the Marxian notion of the mode of production, Poster labels his work "the mode of information." As he indicates in his analysis, an increasing segment of communications is mediated by electronic devices. Electronic communications are the pervasive order of the day. They occur among many social groups across many activities, and they use a number of technological devices (with many more to come). These communication systems are viewed by different people in different ways. According to Marxists, the system of communications is a continuation of the class struggle. To technological utopianists, it is the promised land. For digital literati, it is McLuhan's global village come true. To liberals, it is the flourishing of a pluralist society. To postmodernists, it is the new reality, more real than real.

The essence of the new technologies of communication is the connectivity, but it is connectivity not in the old linear sense but rather in a network context. Poster (1990) argues that the electronic communication system imposes a new language order. Poster tries to demonstrate that societal communication actually is institutionalized symbolic exchange and follows a historical pattern. In the current period, what is fetishized (to use Marxian terminology) is information. Poster describes the historical pattern of communication in the following way:

Every age employs forms of symbolic exchange which contains internal and external structures, means and relations of signification. Stages in the mode of information may be tentatively designated as follows: face-to-face, orally mediated exchange; written exchanges mediated by print; and electronically mediated exchange. In the first stage, the self is constituted in a totality of face-to-face interactions. In the second stage, it is determined by rational autonomy. In the third, electronic stage the self is "decentered, dispersed, and multiplied in continuous stability." (F 20)

Indeed, the third stage becomes postmodern. Poster (1990) gives examples of how the information age is the age of simulacra and how language is electronically manipulated and continuously reproduced via electronic technologies. The outcome of such reproduction no doubt is the blurring of the real and the imaginary-of the original and the copy and the construction of a hyperreal world. In the information economy, therefore, individuals become experiential subjects, where each experience is given a special meaning and language becomes the vehicle through which structures of meaning are constructed.

Poster (1990) quickly moves from the constitution of the individual self in the information age to the social construction of popular culture that is mediated electronically and globally. As information is reproduced electronically rapidly, the providers and receivers of information become active members of the social order of reproduction. Poster argues that just because communications are faster and reproduced rapidly, they are not necessarily any better. The criteria by which communication systems can be evaluated should not be within the system itself but rather outside the system. But during the postmodern age, there is no such thing as outside; it is all within the system. In his more recent work, *The Second Media Age*, Poster (1995) expands his ideas on the constitution of the subject in the information age. Whereas in his earlier work Poster looked at the individual identity as being constituted by language within a communication system of meanings and interpretations, in *The Second Media Age* he examines the subject position in a networked society. The subject position becomes transparent through interactivity, which is the basis of the new technology (i.e., the Internet). The social order then becomes the network of relations among individuals as well as computers. Individuals within the network can assume their roles and represent whatever characters they wish. They can hide behind network personas; that is, they can construct

identities or a set of identities depending on the network to which they belong. What occurs on the Internet is the creation of virtual communities that resemble communities in real life but are different because of the special dynamics that the Internet creates.

In sum, Poster's (1990) work is a signal contribution to our understanding of the subject in the information society mediated by electronic devices. He argues for a postmodern condition of the subject position that destabilizes existing identities and creates new identities depending on the situation. Similarly, the social order remains quite fluid because it also is mediated by media images and floating signifiers.

### **The Dawn of the Networked Economy**

In a pathbreaking treatise on the global information economy, Castells (1996) lays down some important elements of the information economy that will be of interest to macromarketing scholars. According to Castells, "The information technology revolution has been instrumental in allowing the implementation of a fundamental process of restructuring of the capitalist system from the 1980s onwards" (p. 13). He makes a distinction between modes of production (e.g., capitalism, on one hand, and modes of development, industrialism, postindustrialism, and informationalism, on the other). Thus, one can have industrial capitalism that will be different from postindustrial capitalism or informational capitalism. Associated with modes of production and development, one also can have modes of social formation. To some extent, we see this in the work of Poster (1990), who coined the term the *mode of information*, the focus of which is the subject formation<sup>7</sup> and the social formation during the information age. For Castells (1996), the mode of production determines the mode of consumption and surplus. The interaction of the social order (consumption) and the economic order (surplus) is really a way of negotiating the management of consumption and surplus in a given economy. The mode of development is concerned with consumption via the market system and also influences the technological processes that take into account both production and consumption. Thus, for example, in Castells' terminology, "industrial" is oriented toward economic growth (i.e., maximizing output), "informationalism" is oriented toward technological development (i.e., accumulating knowledge and achieving higher levels of complexity in information processing). For Castells, informationalism is linked to the expansion and rejuvenation of capitalism, just as industrialism was linked to the mode of production.

Castells (1996) makes a distinction between informational economy and informational society. He believes that an informational economy can be created within a shorter time period so long as the necessary industrial infrastructure is in place. However, the formation of an informational society takes longer because it is rooted in historical and cultural factors that might or might not be supportive. Thus, for example, the United States is both an intensive informational economy and an informational society, whereas Japan is an intensive informational economy but not necessarily an informational society.

Castells (1996) also demonstrates that the informational economy is truly global because the

core activities of production, consumption and circulation, as well as their components (capital, labor, raw materials, management, information, technology, markets), are organized on a global scale, through a network of linkages between economic agents. It is informational *and* global because, under the historical conditions, productivity is generated through and competition is

played out in a global network of interaction. (P 66)

Castells (1996) proceeds to argue that information itself becomes a pivotal factor in the new technological paradigm:

The emergence of a new technological paradigm organized around new, more powerful, and more flexible information technology makes it possible for information itself to become the product of the production process. To be more precise: the products of new information technology industries are information processing devices or information processing itself. New information technologies, by transforming the processes of information processing, act upon all domains of human activity, and make it possible to establish endless connections between different domains, as well as between elements and agents of such activities. A networked, deeply interdependent economy emerges that becomes increasingly able to apply its progress in technology, knowledge, and management to technology, knowledge, and management themselves. (P. 67)

This sort of informationalism involves both firms and national governments, for neither of them can do it alone, and both act in a partnership to ensure economic growth. Firms are motivated by profitability to employ new information technologies, and nations are motivated by creating conditions of informational capitalism to ensure global competitiveness. This is the essence of informational capitalism.

Whereas Castells (1996) uses a political economy perspective to describe the changes in the global informational economy, Poster (1990) uses a poststructuralist paradigm for his analysis. Both Castells and Poster project an image of technologically mediated, informationally intensive global order that is more and more network based. As Coyne (1995) reminds us, the sheer proliferation of technologies has created a new global order that has no parallel in history. It is most difficult to keep track of the sheer range of technologies. Collectively, they have created the cyberspace that was first fictionalized by Gibson (1984)<sup>8</sup> and has since become more real than real.

### **The Information Economy as Knowledge Economy**

A growing area of research that is emerging from the diffusion of global information, technology-based networks is knowledge management. Clearly, the leader in the field is Nonaka, whose work with Takeuchi is a highly cited treatise on knowledge management (Nonaka and Takeuchi 1995). The special issue of *California Management Review* (1998) also should be considered in this regard. Knowledge management is attempting to replace information management as the reigning paradigm.

A basic issue in knowledge management is that, as organizations and economies are moving into knowledge-based environments, these environments are becoming not only complex but also highly technologically dependent. A very crucial manifestation of knowledge environment is the network economy. The network economy is not merely a transaction-based economy but rather a knowledge-sharing community of alliances and competitors that rely on rapidly developing technological landscapes. Networked computers link databases, communication systems of production and distribution, and marketing, which together link various fragmented flows of data and information. To keep pace with these technological developments, humans require almost superhuman powers to manage these developments by themselves. However, by developing appropriate meta-knowledge systems, they manage networked knowledge environments. As the networked environments become

more complex, the knowledge systems also become complex. A great degree of the complexity arises because the networked environments are not physical environments but rather virtual environments.

Nonaka and Konno (1998) approach the problem of knowledge management under a two-dimensional scheme: explicit knowledge versus tacit knowledge. Their approach is rather postmodern in that it relies heavily on human experiences and hermeneutics. Brown and Duguid (1998) approach the issue of knowledge management from an ecological perspective. They refer to knowledge communities in which knowledge is shared and quickly disseminated. They also believe in the ecology of the knowledge base, thereby alluding to the whole rather than the parts of a knowledge system.

The works of Nonaka and Konno (1998), on one hand, and Brown and Duguid (1998), on the other, stand in contrast to the more rationalistic approaches to knowledge management. Macromarketers who have relied on the rational systems approach to the study of environmental and global issues might perhaps find a humanistic approach complementing their existing perspectives.

In summary, the virtual environments are becoming global and complex at the same time. They seem to be acquiring a character of their own due to time-space compression and postmodern cybernetic infusion of digital images. In other words, we are witnessing the emergence of a new spatial configuration that has been described as cyberspace.

### **Cyberspace: The Next (Macro)marketing Frontier?**

This section concludes in postmodernist terms by quoting from previous work on cyberspace by Venkatesh, Firat, and Meamber (1998):

Cyberspaces are both imaginary and constructed spaces, products of digital frontierism and science fiction, and follow no predetermined principles of order and structure. They exist as much in human imagination as they do in everyday reality and there is no particular theoretical framework within which the spaces can be configured. There are no walls to bound these spaces, no physical terrain on which they can be cartographed, but they are nevertheless spaces where people move around (roam about?) without having to face each other. What characterizes the cyberspaces is the physical location of the subject independent of the *body*, embedded in a system of symbolic forms and information nodes. Cyberspaces are full of paradoxes; they are spaces where human beings can be in contact with one another on an instantaneous basis and still remain anonymous, where identities are hidden and camouflaged, and [where] people can enter and withdraw, meet and discuss, see and not be seen. All of this is possible while sitting at home and gazing at the electronic screen (Turkle 1995). In spite of this seeming ethereality, the actual rhetoric of this new spatial adventure is cast in terms of established vocabulary, awash with the ideas of community, social interaction, the meeting of the minds, and, of course, Internet marketing and e-commerce.

Thus, cyberspace becomes a repository of information, a virtual site for virtual communities. It is not a conventional "air space" in the sense of a broadcasting channel. It is limitless. The information can be accessed by anybody with very limited investment. Unlike the broadcast space it need not be regulated for there is no space to distribute in the sense of allocating a limited resource among competing demands. Since the cyberspace is practically limitless, it presents its own problems. First, for any single individual, the need is finite but perhaps focused. The needs are not limitless. The challenge facing the individual is how to choose from the limitless world of information. In other words, the individual needs to have information about information. In the context of information technology, Coyne (1995) observes that, as opposed to systems theory

which has for decades provided the basic principles of the structure of computerized environments, cyberspatial culture is viewed as postmodern in nature. It is postmodern because the conventional thinking about what is reality, how representational systems work and signficatory systems perform are different from the modernist understanding. Postmodernism is a cultural position that introduces non-linearities in time and space, in virtual environments, in chains of signifiers, in decentered self, in the breaking down of the mind-body dualism, in the creation of expressive forms, in resurrecting language as a critical narrative, in decentering the gendered relationship and in general, in the breaking down of modernist dichotomies. (P. 310)

## **IMPLICATIONS FOR MACROMARKETING**

I began by arguing that we live in a world that can be best described as postmodern. In the article, I then tried to unpack the term in an accessible manner to some of the readers of this journal. Other readers probably already are familiar with the postmodern debates and are not in need of such unpacking. However, the purpose was not merely to clarify the underlying concepts of postmodernism but more important, to elaborate on them and incorporate them into a discussion concerning some key macromarketing issues. I tried to frame these issues under three related topics: the global sign economy, the economy based on flexible specialization, and informational capitalism. These are indeed very weighty topics, and each of them can give rise to several subtopics that, in turn, can be pursued in considerable depth in their own right. In other words, it is difficult to do justice to the topics within the limited space of a journal article. But certainly, macromarketers need to continue debating these issues as part of their intellectual and professional interest.

During the past twenty years, the field of macromarketing has attempted to find a paradigmatic position that would be either discipline based or subject based. I believe that, for the most part, we have followed, either consciously or otherwise, a neoclassical liberal economic approach to the study of macromarketing problems. By that is meant an approach that would legitimate marketing as a societally oriented economic endeavor that would strike a balance between what is good for the profit-making organization and what is good for the welfare of the society. We have behaved as neoSchumpetereans of some sort, publicly arguing for the good of society but privately admiring the creative entrepreneurialism of the large corporation. Although recent issues of the *Journal of Macromarketing* have carried more articles of a sociological and anthropological (or even literary) bent, the general ideological position of the journal, if one may use the term, remains the same. I would argue that this approach has served us very well because we have been able to play both sides (i.e., the public and the private) with sympathy and apparent candor. Underlying this approach is the belief in some essential universalism of ideals and, in the context of this article, a view of the world through a modernist prism.

Our general approach has considered the global economy as a unifying, if somewhat imperfect, system of institutions that would bring parity in the long run through a process known as development. The globe would be served by the creative destruction of processes and knowledge systems, with profit-making TNCs making the right moves under the watchful eyes of both elected and nonelected governments. For the large corporation, the global politics was, at best, a nuisance and was, at worst, a hindrance. What mattered was economic success at any cost and economic performance that would guarantee its continued success. Every setting was valued in economic terms, and culture was secondary or less

relevant. The economic modernization of the world has been advancing like a giant machine denying cultural differences and securing the goals of rationalization, standardization, and control.

Postmodernism argues for a shift in this approach in some fundamental ways that should help to broaden the field of macromarketing. At the paradigmatic level, it argues that (1) we live in a world of symbols and signs, so culture matters; (2) cultural differences exist globally, subcultural differences exist locally, and no culture is superior to the other; and (3) cultural imperatives should dominate economic imperatives because the economy is part of the culture rather than the other way around.

At the philosophical level, postmodernism argues for particularism rather than universalism. Particularism should not be confused with relativism. Relativism is a philosophy that judges any position with reference to a standard or universal principle. There usually is a negative connotation associated with relativism because any given position is evaluated in terms of its deviation from a standard. Because the universal position is considered to be the best and the most desirable, the farther one is from that position, the more undesirable the position is. The question is, who decides what is the standard or whose standard is to be adopted? This does not mean that standards cannot be reached pragmatically and through consensus and accommodation, but it implies that these standards are necessarily time bound. Particularism also recognizes that cultures do change over time because of both internal cultural forces and interactions with other cultures.

Postmodernism recognizes the duality of production and consumption in any given society in a way that places the discourse on consumption on a par with the discourse on production. In our intellectual and moral universe, we adopt a certain elitism by privileging production as the most valuable economic activity and consumption as destructive while ignoring that production and consumption are two sides of the same coin. That is, no production can take place without corresponding levels of consumption, and similarly, no consumption can take place unless things are produced. In fact, the more that we understand about the dynamics of consumption processes and the cultural shifts associated with them, the more effectively we can assess the production processes. Veblen ([1912] 1953) was partially right when he critiqued the excesses of consumption. A more complete position would examine the excesses of production. It must be acknowledged here that the *Journal of Macromarketing* recently has been in the forefront of this issue by publishing a number of articles concerned with environmentalism and ecology. But there is a slight twist to the postmodernist approaches to the study of consumption. Instead of taking a purely analytical view of consumption (as economists do) or a critical/moralistic position (as Baudrillard does), postmodernism adopts a celebratory and liberatory view of consumption.

From a methodological point of view, macromarketing scholars have an opportunity to consider different approaches to the study of consumption and related issues. For macromarketing researchers trained in standard methods of social science (e.g., survey research), the study of consumption processes that are based on postmodern interpretations presents some special challenges. Standard social science methods limit one's ability to study consumer meanings, language systems, and other signficatory processes. New methods have to be devised that include interpretive methods and historical analyses. Hirschman and Holbrook's (1992) postmodern consumer research is a good introduction to a new approach.

Venkatesh's (1995) new paradigm for the study of cross-cultural consumer behavior, which he labels "ethnoconsumerism," is embedded in postmodern thinking. Firat and Shultz (1997) have developed some extensive ideas on fragmentation that should be valuable to consumer researchers who want to pursue these ideas further. Similar approaches have been suggested by other scholars based on existential phenomenology, hermeneutics, semiotics, and other interpretive schemes. Macromarketing scholars are encouraged to expand our consciousness in these new directions.

Finally, the global economy is becoming more and more a networked economy. The dramatic diffusion of information technology globally has given rise to interconnectedness as never seen before. Yet, the reality of this interconnectedness is that global discrepancies will continue and will favor the more powerful economies. The challenge to macromarketers is to study the impacts of informational capitalism and how it is different from industrial capitalism in terms of both content and scope.

### NOTES

1. To avoid the tedious distinction between the terms *postmodernity* and *postmodernism*, the two terms are used interchangeably throughout the article.
2. As an insightful analysis of postmodernism in the global context, Harvey's (1990) work is easily one of the best and most comprehensive works.
3. The reference here is to Taylor (1911), the "father of scientific management." For good discussions of Taylor, see Amin (1994) and Harvey (1990).
4. Informational capitalism is discussed later in the article.
5. See two excellent recent articles on the Nike retailing environment by Penaloza (1999) and Sherry (1998).
6. For our purposes, poststructuralism and postmodernism may be treated as equivalent concepts.
7. *Subjectformation* refers to the notion that, as individual subjects, we are shaped by the cultural forces and particular histories surrounding us as well as by institutional attachments that we develop throughout our lives.
8. To quote Gibson (1984) from his serious yet frolicsome classic, *Neuromancer*, "Cyberspace. A consensual hallucination experienced daily by billions of legitimate operators . . . . A graphic representation of data abstracted from the banks of every computer in the human system. Unthinkable complexity. Lines of light ranged in the nonspace of the mind, clusters and constellations of data. Like city lights, receding" (p. 51).

### REFERENCES

- Aglietta, M. 1979. *A theory of capitalist regulation*. London: New Left Books.
- Agnew, Jean-Christopher. 1986. *Worlds apart: The market and the theater in Anglo-American thought, 1550-1750*. Cambridge, UK: Cambridge University Press.
- Althusser, Luis. 1971. Ideology and ideological state apparatuses. In *From Lenin and Philosophy and other essays*, edited by Bren Brewster, 127-86. London: New Left Books.
- Amin, Ash. 1994. *Post-Fordism: A reader*. Oxford, UK: Basil Blackwell.
- Appadurai, Arjun. 1990. Disjuncture and difference in the global cultural economy. *Public Culture* 2:1-25.

- Barnet, R. J. 1994. Stateless corporations: Lords of the global economy. *The Nation* 259 (December 19): 754-57.
- Baudrillard, Jean. 1981. *For a critique of the, political economy of the sign*. St. Louis, MO: Telos.
- , 1983. *Simulations*. New York: Semiotexte.
- Belk, Russell, Nikhilesh Dholakia, and Alladi Venkatesh. 1996. *Consumption and marketing: Macro dimensions*. Cincinnati, OH: South-Western.
- Bell, Daniel. 1976. *The coming of post-industrial society: A venture in social forecasting*. New York: Basic Books.
- Brown, John Seely, and Paul Duguid. 1998. Organizing knowledge. *California Management Review* 40 (Spring): 90-111.
- Brown, Stephen. 1993. Postmodern marketing. *European Journal of Marketing* 27 (4): 19-34.
- , 1995. *Postmodern marketing*. London: Routledge.
- California Management Review*. 1998. Special issue on knowledge and the firm. *California Management Review* 40 (3).
- Carman, James R., and Luis V. Dominguez. 1998. Organizational transformations in transition economies: Hypotheses. Paper presented at the annual Macromarketing Conference, August, Kingston, RI.
- Castells, Manuel. 1996. *The information economy. Vol. 1*. Oxford, UK: Basil Blackwell.
- Coyne, Richard. 1995. *Designing information technology in the postmodern age: From method to metaphor*. Cambridge, MA: MIT Press.
- European Journal of Marketing*. 1997. Special issue on postmodern marketing. *European Journal of Marketing* 31 (3/4).
- Ewen, Stuart, and Elizabeth Ewen. 1992. *Channels of desire: Mass images and the shaping of American consciousness*. Minneapolis: University of Minnesota Press.
- Firat, A. Fuat, and Clifford J. Shultz, II. 1997. From segmentation to fragmentation: Markets and market strategy in the postmodern era. *European Journal of Marketing* 31 (3/4): 183-207.
- Firat, A. Fuat, and Alladi Venkatesh. 1993. Postmodernity: The age of marketing. *International Journal of Research in Marketing* 10:227-49.
- , 1995. Liberatory postmodernism and the reenchantment of consumption. *Journal of Consumer Research* 22:239-67.
- Gibson, William. 1984. *Neuromancer*. New York: Ace Books.
- Gottdiener, M., and George Kephart. 1990. The multinucleated metropolitan region: A comparative analysis. In *Postsuburban California: The transformation of Orange County since World War II*, edited by R. Kling, S. Olin, and M. Poster, 31-54. Berkeley: University of California Press.
- Harvey, David. 1990. *The condition of postmodernity*. Oxford, UK: Basil Blackwell.
- Hirschman, Elizabeth C., and Morris B. Holbrook. 1992. *Postmodern consumer research: The study of consumption as text*. Newbury Park, CA: Sage.
- Holbrook, Morris B. 1995. The three faces of elitism: Postmodernism, political correctness, and popular culture. *Journal of Macromarketing* 15 (Fall): 128-63.

- International Journal of Research in Marketing*. 1993. Special issue on postmodernism and marketing. *International Journal of Research in Marketing* 9 (4).
- , 1994. Special issue on postmodernism and marketing. *International Journal of Research in Marketing* 10 (4).
- International Telecommunication Union. 1999. *Challenges to the network: Internet for development*. Geneva: ITU.
- Jessop, Bob. 1991. Thatcherism and flexibility: The white heat of a post-Fordist revolution. In *The politics of flexibility*, edited by B. Jessup, H. Kastendiek, K. Nielsen, and O. Pedersen, 82-105. Aldershot, UK: Edward Elgar.
- Kondratiev, Nikolai D. 1935. The long waves in economic life. Translated by W. F. Stolper. *Review of Economic Studies* 17:105-15.
- Kotler, Philip. 1996. *Marketing management: Analysis, planning, implementation, and control*. 9th ed. Englewood Cliffs, NJ: Prentice Hall.
- Levy, Sidney. 1981. Interpreting consumer mythology: A structural approach to consumer behavior. *Journal of Marketing* 45 (Summer): 117-29.
- Nonaka, Ikujiro, and Noboru Konno. 1998. The concept of "Ba": Building a foundation for knowledge creation. *California Management Review* 40 (Spring): 40-54.
- Nonaka, Ikujiro, and H. Takeuchi. 1995. *The knowledge creating company*. New York: Oxford University Press.
- Oglivvy, James. 1990. The postmodern business. *Marketing and Research Today* 18 (1): 4-20.
- Penaloza, Lisa. 1999. Just doing it: A visual ethnographic study of spectacular consumption behavior at Nike Town. *Consumption, Markets, and Culture* 2 (4): 337-400.
- Piore, M., and C. Sabel. 1984. *The second industrial divide: Possibility for prosperity*. New York: Basic Books.
- Poster, Mark. 1990. *The mode of information*. Chicago: University of Chicago Press.
- , 1995. *The second media age*. Cambridge, UK: Polity.
- Schumpeter, J. 1934. *The theory of economic development*. Cambridge, MA: Harvard University Press.
- Sherry, John. 1991. Postmodern alternatives: The interpretive turn in consumer research. In *Handbook of consumer behavior*, edited by T. S. Robertson and H. Kassarian, 548-91. Englewood Cliffs, NJ: Prentice Hall.
- ed. 1998. *Servicescapes: The concept of place in contemporary markets*. Lincolnwood, IL: NTC Business Books.
- Taylor, Frederick W. 1911. *The principles of scientific management*. New York: Harper.
- Tourraine, Alain. 1969. *La Societe post-industrielle*. Paris: Denoel.
- Turkle, Sherry. 1995. *Life on the screen: Identity in the age of the Internet*. New York: Simon & Schuster.
- Veblen, Thorstein. [1912] 1953. *The theory of the leisure class*. New York: Mentor Books.
- Venkatesh. Alladi. 1989. Modernity or postmodernity: A synthesis or antithesis? In *Proceedings, American Marketing Association Winter Educators Conference*, edited by T. Childers, 99-104. Chicago: AMA.

-----1990. Changing consumption patterns. In *Postsuburban California: The transformation of Orange County since World War II*, edited by R. Kling, S. Olin, and M. Poster, 142-64. Berkeley: University of California Press.

----- 1995. Ethnoconsumerism: A new paradigm for the study of cross-cultural consumer behavior. In *Marketing in a multicultural world*, edited by J. A. Costa and G. Bamossy, 26-67. Thousand Oaks, CA: Sage.

----- 1998. Comments from the guest editor: Marketing and cyberspace. *European Journal of Marketing* 42 (July/August): 600-3. (Special issue)

Venkatesh, Alladi, A. Fuat Firat, and Laurie Meamber. 1998. Cyberspaces the next marketing frontier (?): Questions and issues. In *Consumer research: Postcards from the edge*, edited by Stephen Brown, 301-21. London: Routledge.

Wilson, Elizabeth. 1989. *Hallucinations: Life in the postmodern city*. London: Hutchinson Radius.

*Alladi Venkatesh is a professor of management and computer science at the University of California, Irvine, CA 92697; phone:(949) 824-6625; fax: (949) 824-8469; e-mail: [avenkate@uci.edu](mailto:avenkate@uci.edu). He has a Ph.D. in management from Syracuse University and a law degree from the University of Madras. His research areas of interest are diffusion of information and media technologies into households and postmodern theories in marketing. He is the recipient of the 1998 Best Paper Award presented annually by the Journal of Consumer Research for his co-authored article with A. Fuat Firat, "Liberatory Postmodernism and the Reenchantment of Consumption, " published in 1995. He also is a co-editor-in-chief of a new journal, Consumption, Markets, and Culture.*