

EXAMINING THE IMPACT OF THE SERVICE-DOMINANT LOGIC OF MARKETING ON MARKETING EDUCATION

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We anticipate that the emerging service-centered dominant logic of marketing will have a substantial role in marketing thought. It has the potential to replace the traditional goods-centered paradigm.

The promise of the service-dominant (S-D) logic has captured the attention of marketing academics for nearly a decade. One measure of marketing's value to society is its relevance to business practice. In the session, we discuss the relevancy of S-D logic, and by proxy the value of theory development in general, through the lens of marketing education.

In the almost ten years since Vargo and Lusch's (2004) "Evolving to a New Dominant Logic for Marketing" appeared in the *Journal of Marketing*, the field has debated the academic and managerial validity of service-dominant (S-D) logic at conferences, in books, and in other prestigious journals. The S-D logic is best defined by its shift away from the goods dominated origins of marketing by recognizing that value is conveyed (to the consumer) through service, the application of knowledge and specialized skills. This perspective also shuns the notion that "producers" exclusively create value in favor of a system where value is co-created by the parties engaged in exchange. Table 1 below outlines the 10 foundational premises (FP) of this emerging logic (Vargo and Lusch 2008).

Critics of the S-D logic have argued that it is too firm centric vs. market centric (Venkatesh et al. 2006) and does not address the networked nature of value creation (Achrol and Kotler 2006). Others have suggested that it is not really an emerging paradigm but merely an artifact of the growing services economy in the United States and abroad. Supportive commentaries on the S-D logic have judged it sufficient on important marketing topics such as ethics (Abela and Murphy 2008; Laczniaik 2006) and consumer culture (Arnould 2006). Despite the on-going dialogue on this topic, what is missing from the conversation is an assessment of this emerging logic in the context of marketing education.

Specially, how should this new logic affect the way we prepare future business leaders? How has it, if at all, changed the way we teach marketing? If the service-dominant logic is to take hold in marketing practice, then marketing education must bridge the gap between theory and application.

The objective of this session is to 1) examine the 10 FPs from the perspective of marketing education and 2) discuss if, and how, the service-dominant logic of marketing has influenced marketing education at the undergraduate and graduate level over the last ten years.

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Table 1

FPs	Foundational premise	Comment/ explanation
FP1	Service is the fundamental basis of exchange.	The application of operant resources (knowledge and skills), "service", as defined in S-D logic, is the basis for all exchange. Service is exchanged for service.
FP2	Indirect exchange masks the fundamental basis of exchange.	Because service is provided through complex combinations of goods, money, and institutions, the service basis of exchange is not always apparent.
FP3	Goods are distribution mechanism for service provision.	Goods (both durable and non-durable) derive their value through use – the service they provide.
FP4	Operant resources are the fundamental source of competitive advantage.	The comparative ability to cause desired change drives competition.
FP5	All economies are service economies.	Service (singular) is only now becoming more apparent with increased specialization and outsourcing.
FP6	The customer is always a co-creator of value.	Implies value creation is interactional.
FP7	The enterprise cannot deliver value, but only offer value propositions.	Enterprises can offer their applied resources for value creation and collaboratively (interactively) create value following acceptance of value propositions, but cannot create and/or deliver value independently.
FP8	A service-centered view is inherently customer oriented and relational.	Because service is defined in terms of customer-determined benefit and co-created it is inherently customer oriented and relational.
FP9	All social and economic actors are resource integrators.	Implies the context of value creation is networks of networks (resource integrators).
FP10	Value is always uniquely and phenomenological determined by the beneficiary.	Value is idiosyncratic, experiential, contextual, and meaning laden.